

Dear Customer,

The ongoing conflict in the Middle East is creating disruption across global raw material, energy and freight markets. Whilst primarily we are seeing increases in the raw material prices for plastics and polymers, the increased costs of fuel and energy as well as increasing pressure on global logistics will inevitably have an effect on the traded prices for most products.

The potential impacts to all our businesses in the coming period are:

- Greater price volatility for traded product
- Higher operating costs through transport and logistics
- Longer and less predictable lead times

While this remains a fast-moving and uncertain situation, we want to emphasise that we continue to operate at a high service level and are maintaining high availability levels across our product range. Our branches have been instructed to increase stock holding on core product ranges which are not under restriction of shelf-life or hazardous limitations.

We are however already seeing tangible cost increases within our supply chain and a number of suppliers have sought cost price increases or additional levies to be applied with immediate effect – at this early-stage discussions specifically around solvent and oil-based products are most likely affected due to the nature of just in time production and price volatility.

We are actively working to absorb and mitigate these impacts as much as possible, however, given the scale and speed of these developments, some level of adjustment over time may become necessary, and we will ensure that any changes are communicated clearly and transparently.

In parallel, we are taking all possible steps to protect your supply:

- Monitoring developments continuously
- Working proactively with suppliers to secure product availability
- Collaborating with logistics partners to adapt routes and reduce disruption
- Adjusting planning and inventory to support continuity

We also seek close collaboration with you as increasingly important in this environment. Where absolutely necessary we will provide at least one month's notice of any CPI enforced to us through Force Majeure – Toolbank will absorb increases where possible to do so and provide you with the ability to plan your inventory accordingly.

Our commitment is to remain clear, consistent, and transparent in our communication. We will always seek to provide clear communication with justified reasoning, and our procurement team will continue to ensure any CPIs are backed by sound and justified reasoning & monitor market values and stock levels to ensure we can provide you with the most competitive mix of price and availability.

We understand that this level of uncertainty creates challenges, and we value your continued partnership as we navigate this together.

Best Regards

Paul Maxwell

Paul Maxwell
Sales & Marketing Director