

To: Our Distribution

From: Bradford Graves – 3M Stationery and Office Supplies Division

Subject: Price Changes Effective February 1, 2019

Date: August 31, 2018

Effective February 1, 2019, 3M Stationery and Office Supplies Division will change prices on selected products. These price changes will apply to orders entered on February 1, 2019, and for future-dated orders specifying shipment after February 1, 2019.

Over the last few years, manufacturers such as 3M have incurred overall higher raw material costs, increased energy costs and in some areas, a tightening supply chain. These are the primary drivers for the price change.

Key Indices & Feedstocks	% change 2012 Avg. to 2018 YTD Avg.	External Data Source
General Inflation	+11%	Bureau of Labor Statistics (CPI Inflation Calculator)
Labor	+17%	Bureau of Labor Statistics
Transportation	FTL = 14%, LTL = 33%	Bureau of Labor Statistics
Healthcare	+22%	National Business Group on Health®, Aon Health Value Initiative
Chemicals	+15%	Bureau of Labor Statistics
Wood Pulp (Packaging & Paper)	+38%	RISI

While each business unit at 3M works aggressively at reducing the impact of cost increases through increased efficiencies and productivity gains, the overall rising costs make it necessary for us to change prices at this time. The impact by individual customer will vary depending on the mix of products purchased. A summary of the changes is attached.

Additionally, 3M is addressing the tariffs put in place by the Office of the U.S. Trade Representative (USTR), Section 301, List 1 and 2, which took effect July 6 and August 23 this year. Effective November 23, 2018, 3M will begin applying a surcharge to your invoices for all new orders placed with 3M for products and inputs imported from China that are impacted by the tariff. A full list of those affected products will come out in a separate communication. This surcharge will be shown as an additional line item entitled “Handling Charge” on the invoice. Please note that if – and when – these new tariffs are removed, it is 3M’s intention to move just as quickly to remove this additional cost from the affected products. We value the relationships we have built over the years with our most important distribution partners, and I appreciate your understanding of 3M’s approach to dealing with a situation that is outside of our control.

Our goal is to continue to provide you with products that offer consumers the best price/value proposition and the highest quality services to support your sales, merchandising, and supply chain efforts. We appreciate your business and thank you for your continued support of 3M Products.



Sincerely,
Bradford Graves
Vice President & General Manager
3M Stationery and Office Supplies Division

Attachment 1

Pricing Effective February 1, 2019

	Average Increase
Stationery and Office Supplies Division	
Package Protection	2.85%
Home & Office Tapes	2.99%
Flags & Filing	4.25%
Communication Solutions	4.84%
Cutting, Adhesives & Laminating	3.13%
Workspace Solutions	3.68%
Teamwork Tools	2.34%
PL Notes, Flags, Easels	3.89%
PL HOT, PP	3.37%
Construction and Home Improvement Markets	
Surface Restoration and Repair	7.11%
Safety and Electrical	7.45%
Home Care	
Floor Care	0.00%
Scouring Products	2.75%
Adhesive Cleaning Solutions	0.00%
Retail Chemicals	0.00%
Bath & Wipes	0.55%
Consumer Health Care	
Bandages	3.74%
Tapes	2.42%
Dressings	0.00%
Other*	3.74%
*Other includes Hot/Cold Packs, Thermometers, Masks, BufPuf™, Prescription Label Tape, Acne, Footcare, Skin Crack Care, Liquid Bandage	
Abrasive Systems Division	5.67%
Separation and Purification Science	-22.99%
Industrial Adhesives & Tapes	6.30%
Electronics Materials Solutions Div.	-66.82%
Automotive Aftermarket Division	2.82%
Infection Prevention Division	0.84%
Transportation Safety Division	114.31%
Personal Safety Division	4.24%
Electrical Markets Division	3.42%
Commercial Solutions Division	4.81%