



Industry-wide price increase on corrugated due to rising energy costs

I am writing to inform you of the impact that rising energy costs are having on the corrugated supply chain.

- Papermaking is energy intensive and mills need to raise their prices by €263/tonne to stand still.
- An initial paper price rise of €150/tonne is being applied in March and April.

Other inflationary pressures are also biting:

- The price of oil is up 47% so far this year.
- The UK minimum wage is rising by 6.6% in April.
- Waste paper for making recycled boxes is up by 5% so far this year.
- General UK factory input inflation is running at 13%.

I have included a market overview in the charts below, which afford a visual overview of the key drivers behind these unprecedented price increases. These factors are combining to prompt a circa 14% price rise in sheet board.

We of course fully appreciate that this is unwelcome news during such difficult trading times. However, we have no alternative but to move with the market if we are to get through this period and maintain supply to all our valued customers.

I must therefore inform you that we will be increasing our prices by **10% for finished product** and **14% for sheet board** - for **all deliveries** made on or after **Monday 25th April 2022**.

Many of our raw material suppliers are increasing their board prices early in April but we will hold off on this increase for as long as possible, which has not been helped by recent pallet, energy and transport

price rises.

As always, should you wish for us to look at any individual specifications to see if we can help mitigate some of this increase by means of a material change or increased quantities, for example, please feel free to contact your account manager to discuss possible options / alternatives.

Examples of possible savings below:

Change from Kraft to Testliner: **-2.5%**

Change from white to brown outer paper: **-3%**

Reduce paper weight from 150gsm to 125gsm: **-3%**

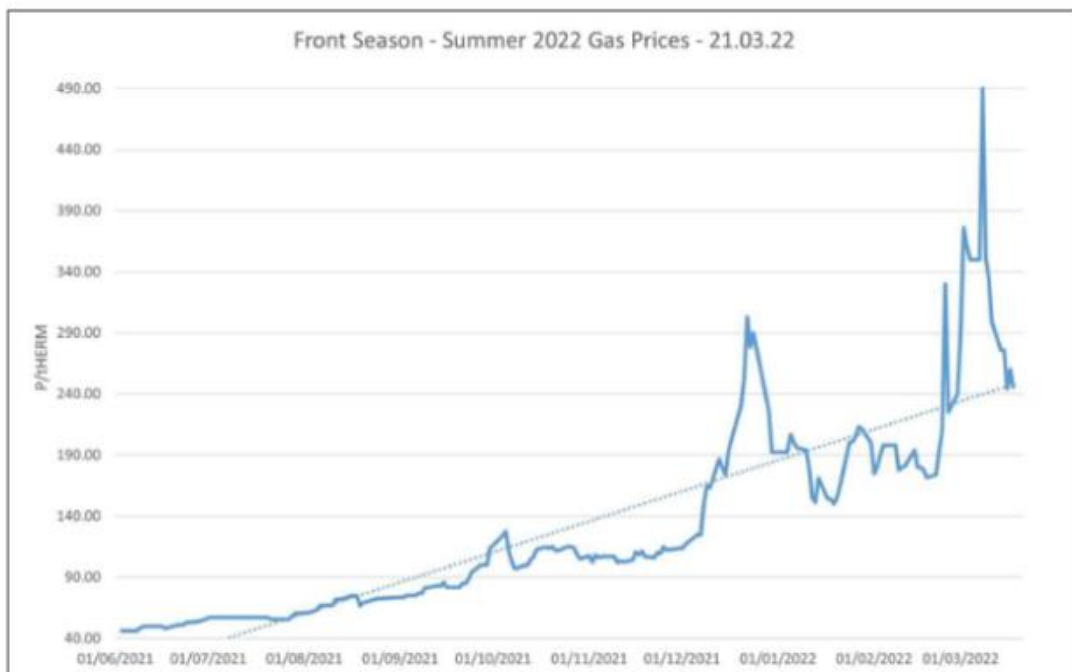
Reduce paper weight from 200gsm to 150gsm: **-3%**

I thank you again for your continued support, loyalty and understanding during such tough times.

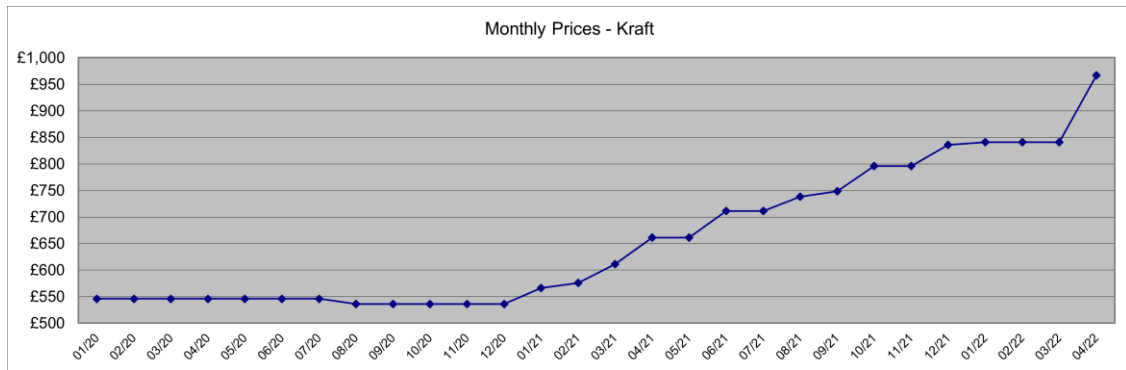
Yours faithfully,

John Watson, Managing Director

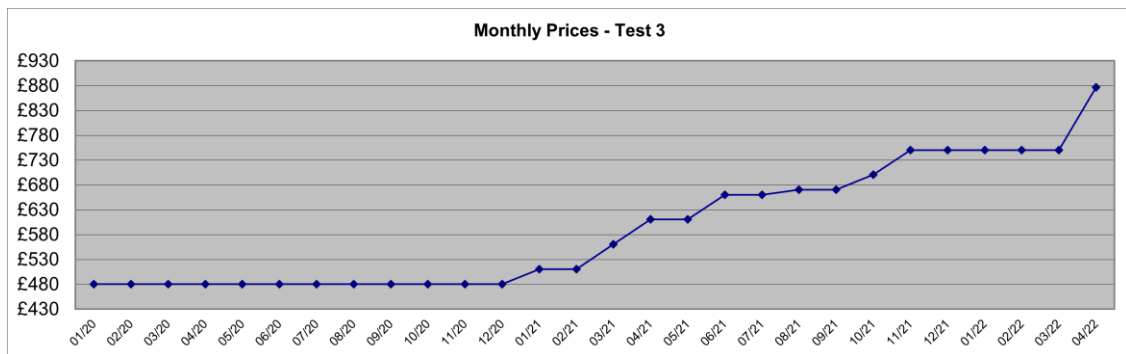
UK Wholesale Gas Prices +600% since June 2021



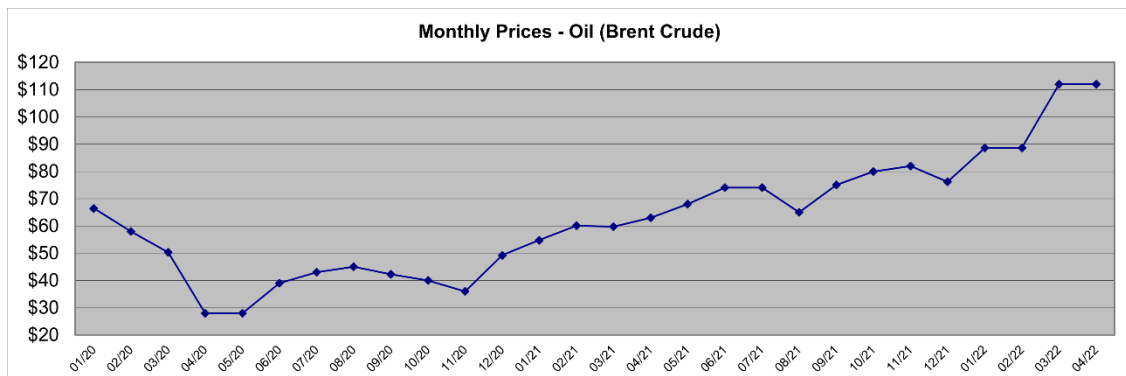
Kraftliner paper prices +16% since December 2021

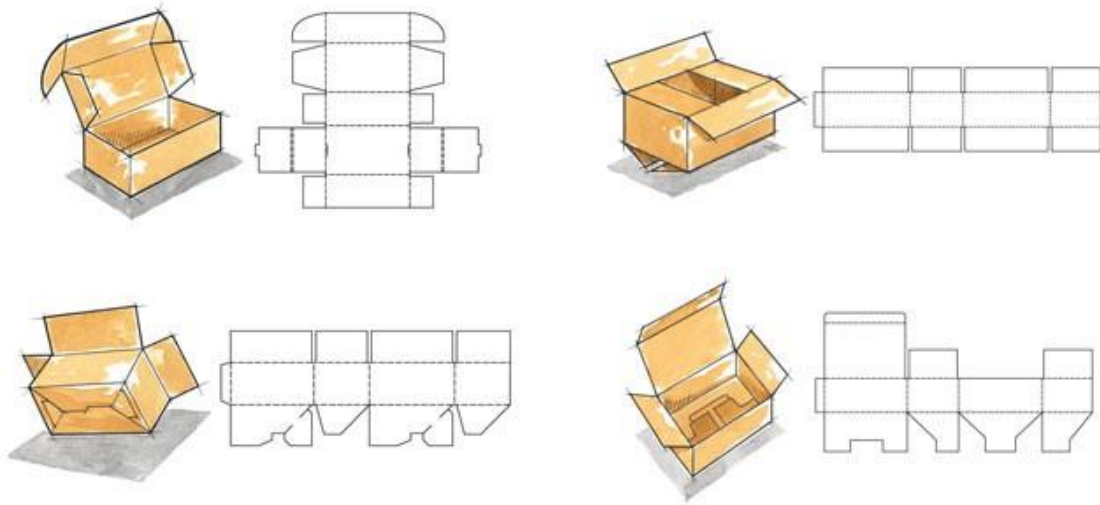


Testliner 3 paper prices +17% since December 2021



Oil prices +47% since December 2021





Cumberland Packaging



Promoting best practice:



- We are certified for BRC/IOP as well as Ethical Trading.
- We passed our FSC audit in January 2017.
- We're also a member of the Sheet Plant Association.



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