

SB Packaging



**A structural overview of
modern paper
procurement and its
impact on packaging
supply chains**



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Editorial

This overview describes the structural changes in paper procurement and their impact on packaging supply chains.

The packaging industry is undergoing a period of structural change. Rising raw material prices, geopolitical uncertainties, stricter sustainability requirements, and increasing consolidation in paper production are fundamentally altering the procurement landscape.

For international brand owners, this means one thing above all: the security and transparency of the supply chain becomes a crucial competitive factor.

These developments do not only change individual market parameters. They are shifting the structural logic of paper procurement. Procurement models based on a small number of suppliers and limited market transparency are becoming increasingly vulnerable to price and supply risks.

Paper is the most important raw material for a large proportion of packaging solutions. At the same time, supply is heavily dependent on a few large producers. Price volatility, energy prices, and regulatory changes therefore directly affect packaging costs and availability.

Against this background, structured procurement approaches are emerging that specifically expand existing systems.

THE REALITY OF EUROPEAN PAPER MARKETS

The European paper industry has changed dramatically in recent years. Numerous mergers and acquisitions have resulted in large producers now dominating large parts of the market for containerboard and packaging papers.

In the current market environment, several structural factors are impacting the stability of supply chains. The key drivers are:

- rising energy prices
- increasing regulatory requirements
- geopolitical tensions in international trade
- growing demands on sustainable supply chains

For brand owners, this means that paper procurement is becoming increasingly strategically important.

While packaging costs were long considered an operational issue, today the stability of raw material supply is a greater focus of corporate strategy.

The increasing consolidation of paper production structurally reduces negotiating room.

At the same time, dependence on individual producers increases, making procurement risks less operationally controllable.

This development shifts paper procurement from an operational function to a structural control issue.

Risks in modern packaging supply chains

Global supply chains are more complex than ever before. The stability of the packaging supply depends on several interconnected factors.

Energy prices

Paper production is one of the most energy-intensive industries in Europe. Changes in energy prices therefore have a direct impact on paper prices.

Availability of recycled fibers

A large proportion of packaging paper is based on recycled fibers. The quality and availability of waste paper directly influences the production capabilities of paper mills.

Market concentration

Consolidation in the industry has reduced the number of large paper producers. This creates dependencies within the supply chains.

Logistical disruptions

International transport, port logistics and regional infrastructure can affect the stability of supply.

Risks in modern packaging supply chains

Regulatory requirements

New environmental and recycling regulations within the European Union are continuously changing the framework for paper production.

These factors do not act in isolation, but influence each other and increase the structural complexity of procurement.

This combination creates a structural volatility that can only be controlled to a limited extent using traditional procurement approaches.

Another crucial aspect is the geographical diversification of supply chains. The paper industry is sensitive to external and internal shocks – for example, energy crises, geopolitical tensions, regulatory changes, or production disruptions.

Supply chains that focus exclusively on individual regions can become more vulnerable as a result.

A geographically diversified procurement structure is a structural prerequisite for systematically reducing supply risks and increasing the stability of the supply chain.

Paper as a strategic cost factor

For many packaging solutions, paper accounts for the largest share of production costs.

Depending on the type of packaging, the raw material content can range between 50% and 80% of the total cost of a package.

Price changes in the paper market therefore directly impact the profitability of the entire packaging supply chain. Paper procurement thus becomes a direct lever for margin stability and competitiveness.

At the same time, many packaging manufacturers are heavily dependent on individual paper producers.

This structure leads to several challenges:

- limited procurement flexibility
- less transparency regarding alternative sources of supply
- increased price volatility
- limited scalability with increasing demand

This makes paper procurement a central control element within the packaging supply chain.

Why SB Packaging was created

The increasing strategic importance of paper procurement shows that traditional procurement models are reaching their limits.

This results in the need for structured procurement approaches that integrate transparency, diversification and stability.

Structured procurement approaches are based on understanding paper procurement as a structural component of the supply chain.

Based on this structural logic, SB Packaging is designed to embed this structure as a complementary layer into existing procurement systems.

At the same time, SB Packaging combines paper production, procurement and packaging supply chains in an integrated procurement logic.

Structured procurement as a model

This structure can be translated into a clearly defined procurement model.

Structured procurement models combine paper production, procurement and packaging supply chains in a common structure.

SB Packaging integrates this structure into existing procurement systems.

The model is based on three central elements:

Security of supply

SB Packaging's access to industrial production capacities enables a stable and predictable supply of packaging papers.

Transparent supply chains

SB Packaging creates transparency regarding the origin, production processes and quality standards of the raw materials used.

Scalable procurement structures

The procurement structure is designed to support international supply chains and enable long-term supply solutions.

Services provided by SB Packaging

The following elements constitute the operational implementation of this model.

SB Packaging brings these elements together in a structured procurement logic.

Access to production capacities

Direct connection to industrial paper producers and modern production facilities.

Market transparency

Analysis of market developments, price structures and availability in the paper market.

Supply chain structure

Building stable procurement structures for international packaging supply chains.

Strategic procurement

Support in long-term planning of paper procurement and diversification of supply sources.

Quality and compliance structures

Ensuring transparent quality standards and international regulations.

In combination, these elements enable a scalable procurement structure across multiple markets.

Scalable supply for Europe

This structure enables consistent supply across Europe.

SB Packaging integrates this structure within a Europe-wide procurement organization.

This enables:

- flexible quantity control
- international logistics solutions
- stable supply chains
- long-term partnerships with packaging manufacturers

The combination of industrial production and a European procurement structure allows packaging papers to be efficiently delivered to various markets.

Such a structure simultaneously requires clearly defined quality and compliance standards.

Quality and compliance

For international brand owners, quality and compliance requirements are a central component of supply chain management.

Structured procurement models are based on clearly defined quality and compliance requirements.

These include, among others:

- FSC-certified products
- clear origin of raw materials
- documented production processes
- compliance with European regulations

These standards ensure that packaging papers meet the requirements of international supply chains.

The future of paper procurement

The requirements for paper procurement are evolving into a structural issue.

Sustainability, transparency and security of supply will play a central role.

Companies are increasingly aligning their raw material strategies with a long-term perspective.

SB Packaging forms a structured link between paper production and packaging supply chains and integrates them into existing procurement systems.

Through industrial production partnerships, structured procurement and clear quality standards, SB Packaging ensures the supply of packaging papers and increases the stability and transparency of supply chains.