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CARTON COUNCIL OF CANADA NEWS WASTE REDUCTION WEEK SPECIAL EDITION

THE CARTON COUNCIL OF CANADA CELEBRATES ANNIVERSARY MILESTONE DURING WASTE REDUCTION WEEK

The Carton Council of Canada (CCC) proudly celebrates that over the past five years some 157,000 tons of cartons have been diverted from Canadian landfills and carton recycling rates have climbed from 41% to 51% nationally.









"This accomplishment is particularly significant as we commemorate our five year anniversary as an organization," stated Elisabeth Comère, the

Council's Vice President, Governmental Affairs. "As we enter Waste Reduction Week, it is important that we recognize how the CCC contributed to this impressive achievement through awareness building, advocacy and consumer education activities."

Five years ago the CCC, a group of carton packaging manufacturers, formed to advance the common goal to deliver long-term collaborative solutions with multiple stakeholders in the value chain in order to divert cartons from landfills. Since that time significant gains have been made due, in part, to the CCC's efforts.

Cartons are a valuable material and represent some of the cleanest and best long fiber remaining in the residential recycling stream and there are stable end markets for cartons in North America. Over the past years CCC has worked to promote visibility and understanding of carton recycling among municipalities and sorting facilities, and to motivate consumers to recycle their cartons.

"We are making concrete progress by driving concerted actions in collaboration both with public authorities and with the various players across the carton recycling value chain in order to improve carton recycling awareness, understanding and infrastructure. This will be a long-term process, and we firmly believe that only by joining forces can we develop the sustainable solutions we need to continue to grow carton recycling," said Ms. Comère in closing.

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A QUICK LOOK—CARTON RECYCLING BEST PRACTICES

Once cartons are collected via the municipal recycling system, they are handled at the sorting facilities in various ways. The Carton Council of Canada favours the sorting of cartons into their own grade, in order to maximize their economic and environmental value. As with other recyclable materials collected through municipal recycling systems, how cartons are sorted depends on the MRF's capacity and requirements. For example, in some cases, optical sorting does not make economical sense and comparable sorting efficiencies can be achieved by manual sorting. Where cartons are sorted in the facility is as individual as each MRF but most facilities sort cartons following the primary container sort when most other recyclables are already removed, making it easier to spot cartons.

Understanding market conditions and having outlets is as vital as any other step without these, your efforts will be in vain. Fibre markets fluctuate like other commodity grades so keeping your material clean and free of contamination is key to creating a consistent demand.

Keep an eye out for our Carton Best Practices Recycling Guide which will be available later this year. It includes more information and detail about implementing sustainable carton recycling initiatives.

Fibre recovered from post-consumer cartons is high quality, bleached long fibre. This material is used in the production of new consumer products such as paper tissue and towels.

NORTH AMERICAN MILL LOCATIONS

Fibrek, Fairmont, WV Fox River, De Pere, WI Great Lakes Tissue, Cheboygan, MI ReWall, Des Moines, IA

MEXICO

Biopappel, Tres Valles, Varacruz *EcoMadera, Jiquilpan, Michoacan GET, San Juan del Rio, Queretaro Kimberly-Clark de Mexico, Orizaba, Veracruz

Papelera San Jose, Los Reyes Acaquilpan, Estado de Mexico *Perlamec, San Luis Potosi, San Luis Potosi

***Placove**, Toluca, Estado de Mexico **RePak**, Toluca, Estado de Mexico **SCA,** Ciudad Sahagún, Hidalgo

<u>ASIA</u>

Shin Chang & Paper Industry Co. Ltd, Chungchongnam-Do, S. Korea Daewang Paper Co. Ltd., Gunpo-si, S. Korea

Samjung Pulp Ind. Co. Ltd., Godeokmyeon, S. Korea

Daewon Paper Co., Pochun, S. Korea Fiber Pattana, Bangkok, Thailand

* Mill accepts poly/aluminum component only for re-processing.





La Société V.I.A (VIA) was founded in 1977 with the mission to be a leader in the recovery and processing of recyclable materials in parallel with supporting people with disabilities. In total, VIA provides service to over 1.1 million people representing 450,000 households throughout Quebec. The Carton Council of Canada recently interviewed VIA's Vice-President of Operations, Jean-Sébastien Daigle, to learn more about carton recycling in their facilities.

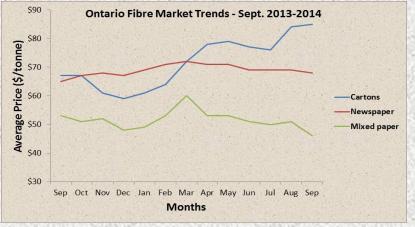
How many municipalities do you service? Today, La Société V.I.A. provides service to a combination of 12 regional county municipalities—or municipalités régionales de comté in French—and cities in eastern Quebec. We operate out of three material recovery facilities (MRF); two of which we own and the third which is owned by the City of Quebec. Combined, the three facilities process over 119,000 tonnes of recyclables per year.

What type of material do your MRFs process? The MRFs process material mostly from the residential sector, as well as some from the institutional, commercial and industrial (ICI) sector such as schools and private businesses. About 80% of the recyclables originate from the residential sector with the remaining from the ICI sector. Just over 1% of the materials we receive are cartons.

How are cartons processed in the MRF? Once the recyclables enter the MRF they are separated into two major categories; containers and fibres. Each stream then moves on towards several other sorting stations. Cartons are sorted by hand by workers in the facility at two locations on the container line: at the beginning of the sorting process as well as after the main container sort once all plastics and metallic recyclables are separated by type (at the end of the sorting process).

Once cartons are sorted, what happens? Cartons are stored in a dedicated bunker. Once full, the bunker is emptied and the material is compacted into bales. Our carton bales are composed of gable top and aseptic cartons in a 75%/25% proportion. Our facility in Lévis produces a full shipment of cartons every two weeks, which translates to about 600 tonnes of carton bales per year delivered to the end market and recycled into new consumer products. What made VIA decide to sort cartons into their own grade? We began sorting cartons into their own grade five years ago in light of stable markets and reliable, trustworthy partners. The business case to sort cartons is strong as the revenue generated is significantly higher than those for mixed paper.

CARTON GRADE MARKET VALUE



Source: Reclay StewardEdge Inc. Price Sheet.

SPC ADVANCE 2014 CONFERENCE—SEPT. 9-11, 2014

SPC Advance is the premier annual sustainable packaging conference which brings professionals together to collaborate, learn, engage and ask questions about the issues that matter most for moving sustainability forward.

This year, the Carton Council in partnership with Tim Hortons and Stewardship Ontario presented on their recent collaboration. The presentation covered what's next on the horizon in regards to creating a new source of marketable fibre supply from recovering a mix of selected postconsumer polycoat packaging. For more information and to access the presentation visit our website at <u>www.recyclecartons.ca/news</u>.

COMMON QUESTIONS ABOUT CARTON MARKETS

Over the past five years, the Carton Council has been working with the North American paper industry to expand the number of mills taking cartons. Meanwhile, export markets for post-consumer fibre have existed for more than 30 years. Marketing materials overseas is an involved and complex process. Here are a few key challenges that are faced within the export market.

1. Can you tell me the price that a load of cartons sells for in North America and overseas, respectively?

The Carton Council of Canada can provide you with baseline information about the price of cartons through our network of brokers. It is important to keep in mind that as with all commodity markets, pricing, freight, and mill demand can all fluctuate from day to day. Other impacts on moving commodities include timing and transportation.

2. How can I make sure I get the best results in moving cartons?

Establishing good working relationships with an agent will yield the best results. The Carton Council can assist in making the connection to the right agents to successfully move cartons.

3. Is my load of cartons going to China? I thought all recyclables went there.

While one of the largest buyers, China also has many rules and regulations around the trade of recovered materials. For example, food contaminated materials are prohibited as exports to and imports into China, therefore current overseas cartons markets are in South Korea and Thailand.

CARTON BROKERS

The following brokers are those known to the Carton Council of Canada as brokers of cartons (PSI-52 grade). The list is presented for your consideration only and does not contain all available options. Please conduct proper due diligence when selecting a broker to ensure pricing and services are competitive and suited to your needs.

Berga Recycling

St-Eustache, QC gates@bergarecycling.com

Recyclage Laroche

Candiac, QC Gerry@larocherecycling.com

Storelli Recycling Company Fort Lauderdale, FL vstorelli@bellsouth.net

Potential Industries, Inc.

Wilmington, CA Tony.fan@potentialindustries.com

Continental Paper Grading of Canada Inc.

Mississauga, ON pvaleriote@cpgcanada.com

Recyclable Materials Marketing Brantford, ON atul@remm.ca

The Paper Tigers Bannockburn, IL nhalper@papertigers.com

