Georgia GRCC Carton Recycling Update

The Carton Council’s Carton Recycling Access Campaign
August 21, 2011
Who is The Carton Council?

The Carton Council is a group of carton manufacturers united to deliver long term collaborative solutions to divert valuable cartons from the landfill.
What Does the Carton Council Want?
What are Drivers for Carton Council Goals?
What are Drivers for Carton Council Goals?

- Media
  - USA Today
  - Good Morning America
  - Livable USA

- Brands
  - Starbucks Coffee
  - Ice Tea
  - Disney
  - Danone

- Retailers
  - Kroger
  - Whole Foods
  - Target
  - Wal-Mart
  - Safeway

- NGOs
  - NRDC
  - Sierra Club
  - Environmental Media
  - WWF

- Consumers

- Employees

- Government
What are “Cartons”?
Uses for Cartons

- **Refrigerated (Gable Top):** used for milk, juice, creamer …
- **Shelf stable (Aseptic):** used for soups, milk, juice, wine, water…
What are Cartons Made From?

Refrigerated “gable top” cartons contain about 80% paper and 20% polyethylene.

Cartons are Not Wax Coated
What are Cartons Made From?

Shelf-stable “aseptic” cartons contain on average 74% paper, 22% polyethylene and 4% aluminum.

Cartons are Not Wax Coated

- Outer Polyethylene Coating
  (Liquid Barrier)
- Paperboard
  (Stability)
- Middle Polyethylene Coating
- Aluminium
  (Light, Odor & Oxygen Protection)
- Inner Polyethylene Coatings
  (Liquid Barrier)
**Sustainable Cartons**

*Cartons are one of the most sustainable food and beverage packages*

<table>
<thead>
<tr>
<th>RENEW</th>
<th>RECYCLE</th>
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<tbody>
<tr>
<td>Made mainly from paper</td>
<td>Cartons are recyclable</td>
</tr>
<tr>
<td>Paper is a 100% renewable resource</td>
<td>In fact…</td>
</tr>
<tr>
<td>Fiber comes from well-managed forests</td>
<td>Low carbon footprint through lifecycle</td>
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<table>
<thead>
<tr>
<th>REDUCE</th>
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<tr>
<td>Light weight and compact</td>
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<tr>
<td>Low package-product ratio</td>
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Cartons Council
RecycleCartons.com
Jeffrey Fielkow
Recycling and Cartons – A Misunderstood Commodity In US

- High Value Material
  - 100% virgin fibers – no ink
  - Some of the best fiber still in the waste stream
  - High yield for mill operations

- Carton Recycling Standard Practice Globally
  - Over 140 mills taking cartons worldwide, 9 in N.A.
  - We are playing catch-up here in the US

- Cartons Recycled in US for More than 2 Decades
  - Proven in large markets like New York
  - Expect Cartons to be .5% and higher of incoming material
Carton Recycling Supply Chain

Seeking Partnerships across supply chain

Cities  Sorters  Brokers  Mills

Collection Volume

Pull Factors
High Value End Markets
Carton Recycling Access Campaign

1. Build sustainable markets
   - *Build the Demand*

2. Build sustainable infrastructure
   - *Build the Supply “Pipeline”*

3. Develop consumer awareness and participation
   - *Fill the Supply “Pipeline”*
Achieving the “Right Formula”

- Pro-active industry partnership for voluntary producer responsibility
- Pushing carton friendly financial and technical resources into supply chain
- Supporting sorting facility capital upgrades
- Providing marketplace assistance for guaranteed movement of cartons
- Building community and hauler support for carton recycling access
Carton Recycling Strategy – Working Backwards from End Markets

Sorters & Brokers

Communities Haulers

Mills/Pulping Process

Developing Markets for Poly/Au Component

Paper Products
- Tissues
- Plates
- Paper
Carton Recycling Strategy – Working Backwards from End Markets

Strategy Step #1: Start with End Markets

Communities
Haulers

Sorters & Brokers

Mills/Pulping Process

Paper Products
Tissues
Plates
Paper

Developing Markets for Poly/Au Component
Carton Recycling Strategy – Working Backwards from End Markets

Strategy Step #1: Start with End Markets

Strategy Step #2: Targets MRFs and Sorting

Mills/Pulping Process

Sorters & Brokers

Communities Haulers

Paper Products
- Tissues
- Plates
- Paper

Developing Markets for Poly/Au Component

Consumer Sorters & Brokers

Developing Markets for Poly/Au Component
Carton Recycling Strategy – Working Backwards from End Markets

Strategy Step #1: Start with End Markets

Strategy Step #2: Targets MRFs and Sorting

Strategy Step #3: Targets Household Access

Mills/Pulping Process

Sorters & Brokers

Communities Haulers

Paper Products
- Tissues
- Plates
- Paper

Developing Markets for Poly/Au Component
Step 1: Build Sustainable Markets

- Identify Suitable N.A. mill partners
- Negotiate agreements with mills to buy cartons at prices that drive collection and sorting
- Develop broker ties to move supply to markets
Focus on Results
– Building Domestic Markets – 2008

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RecycleCartons.com
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Focus on Results
– Building Domestic Markets – 2011

Currently Taking Cartons
Planning to Take Cartons

Southern Tissue (Q1 2012)
Great Lakes Tissue
ReWall (Q3 2011)

GET Mill
RCM
SFK Pâte
SFK Pulp
S. F. K. Pâte

* Aseptic Only

ReWall

ReWall

Southern Tissue

* Aseptic Only

ReWall
Focus on Results
- Building Domestic Markets – Forecast

- **Currently Taking Cartons**
- **Planning to Take Cartons**
- **Potential Future Market**

**Southern Tissue** (Q1 2012)
**Great Lakes Tissue**
**GET Mill**
**ReWall** (Q3 2011)
**RCM**
**SFK PATE**
**SCA**
**SFK PULP**
**Cascades**
**ATLAS Paper Mills**

* Aseptic Only
New PSI* Spec Grade #52 Aseptic/Gable Top Cartons

- Consists of liquid packing board containers including empty, used PE coated, printed one-side aseptic and gable-top cartons containing no less than 70% bleached chemical fiber and may contain up to 6% aluminum foil and 24% PE film.
- Prohibitive materials may not exceed 2%
- Total out-throws may not exceed 5%

*PSI = The Paper Stock Industries (PSI) Chapter is a national chapter of the Institute of Scrap Recycling Industries, Inc. (ISRI). It is dedicated to the recovered paper industry
Sustainable Carton Pricing

• Grade #52 announced in April, reflecting industry recognition of this grade – eventual use of index expected
• Carton pricing generally follows Sorted Office Paper (SOP) pricing—varies by location of source, fiber mix, etc.
• Export pricing varies based on shipping container weights and locations—strong export demand—over 140 mills consuming cartons worldwide
End of Life Carton Recycling –

- Preferred for Highest Yield
  - Whole Carton Recycling into Building Products
  - Positive Sort of Carton into Tissue/Pulp with Poly/Al Recovery
  - Both Reach 90 to 100% of Carton Recovery (fiber and poly/al)

- Preferred for High Yield
  - Positive Sort of Carton into Tissue/Pulp – no Poly/Al Recovery
  - Yields 90% of Fiber Recovery, 70% Total Recovery

- Acceptable – Lower Yields
  - With Mixed Paper into Domestic or Export (Tissue/Pulp)
  - Recovery Depends on Pulping Time/Temp – 50-60% Total
  - By Product Processing Increases Yield

- Unacceptable – Disposal
Step 2: Build Sustainable Supply Infrastructure

- **Cities**
  - Provide promotional assistance to motivate collectors to add cartons
  - Phase in collection to grow supply in step with new market capacity and allow for existing contract end dates
  - Assist collectors with enhancing program efficiency and effectiveness

- **MRFs**
  - Incentivize sorting facilities to sort cartons and ship to designated mills
  - Assist sorting facilities with enhancing sorting efficiency and effectiveness

- **Brokers**

- **Mills**

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**Carton Council**

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Supply Development Strategy

- Develop long term partnerships with MRFs
- Provide capital for sorting equipment
- Use brokers to help move cartons to support and stabilize market demand and build commodity market value
- Educate, assist, invest and ensure carton recycling access in all markets
- Build volume – fill the pipeline
Small and Medium Sorting Center Needs

Small Sorting Centers (25%)
May include sorting conveyors, with heavy reliance on manual labor for sorting

Medium Sorting Centers (35%)
May include air sort, trommel, eddy current, steel belt conveyor, self-dumping bins and push-through bunkers

Typical capital need:
- Hoppers for storage of manually sorted cartons

Typical capital need:
- Reconfigure sorting conveyor
- Extend sorting platform
- Add bunker
Large Sorting Centers (40%)
May include advanced mechanical sorting technologies including screens and optical sorters for plastics

Typical capital need:
- Optical sorter
- Reconfigure sorting conveyors
- Add takeaway conveyor
- Extend sorting platform
- Add bunker
Step 3: Build Collection System

- Partner with local governments to add cartons to community & hauler collection programs
- Implement promotion and education campaigns to inform consumers about cartons recyclability and boost participation and volumes at MRFs
- Involve Carton Council customers in targeted local campaigns (e.g. dairies, brands, etc.)
Tools for Collection Communications

PR Tool-kit

» Templates for use by communities, haulers and sorting facilities
  • Press releases, photos and text for websites, templates for giveaways, letters to customers
» Awareness about recyclability of cartons
» Drive volumes at MRFs

Carton Council
RecycleCartons.com
Carton Website - RecycleCartons.com

We Recycle Cartons

The Carton has a simple, classic design that has been part of daily life for generations. What makes these cartons such a smart choice today? Cartons are light-weight, recyclable and made mainly from trees, a renewable resource. Therefore, they are the package of the future.

Classic yet current – cartons help meet our present needs without compromising tomorrow’s resources.

Find out if recycling is already available in your community below.

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Recycling Your Cartons!

Just put them in your recycling bin along with other recyclables. If your community separates recyclables into more than one bin, check with your local recycling coordinator to determine which bin to place the cartons.

If your community is not in the list, carton recycling is not available yet. The Carton Council is working to improve carton recycling availability and we hope to include your community soon. Check later for updates.

Recycle Cartons

@RecycleCartons

Committed to increasing carton recycling in the U.S. Promoting both recycling technology & local education programs: Help us keep cartons out of landfills.

http://www.recyclecartons.com

Follow
Carton Recycling and Schools

• If you can recycle cartons at home, you can recycling cartons at school!
• Guide and technical assistance available
The LA Carton Story

Above: Press conference
Left: In-store display
The Mecklenburg County, NC Story
The Firstar Fiber, NE Carton Story

“The Carton Council’s initiative guarantees an outlet for cartons, so we are happy to add them to our stream and offer carton recycling to our customers.”

Dale Gubbels, Firstar Fiber
Focus On Results
– Carton Recycling Access 2008

FTC Logo – No Qualification (60%)

FTC Logo – With Qualification (30%)
Focus On Results
– Carton Recycling Access Mid–2011

FTC Logo – No Qualification (60%)

FTC Logo – With Qualification (30%)

KICKOFF ➔

1 4 8 10 12 14 15 16 17 17 18 22 30 35


2012 2013 2014 2015

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Focus On Results
– Carton Recycling Access Goals

FTC Logo – No Qualification (60%)

FTC Logo – With Qualification (30%)


? 50 45 40 35 30 22 18 17 17 16 15 14 12 10 8 4 1
What 30% Access Allows

- Possibility to add a qualified logo on-pack

- As per FTC guidelines: When facilities are available to a “significant percentage” of the population or communities, but not to a substantial majority, the Guides suggest that marketers qualify their recycling claim*.

*With a negative qualifier

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RecycleCartons.com

*With a negative qualifier
Get involved!

Communities    Facilities    Haulers
How You Can Recycle Cartons Too

**Material Recovery Facilities**

Agree to:
- Sort cartons into separate grade
- Offer to municipal customers/haulers
- Sell cartons via Carton Council approved brokers

Provide:
- # households you serve & haulers/communities
- What capital upgrades you need (we can help ID)
- Floor price desired to begin negotiations

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How You Can Recycle Cartons Too

Haulers:

Agree to:
- Collect cartons
- Offer to your municipal customers

Provide:
- # households you serve
- MFR contact if we need to get them on board
- List of communities you serve
How You Can Recycle Cartons Too

*Municipalities:*

Agree to:
- Collect cartons
- Promote to your residents

Provide:
- # households you serve
- MFR or Hauler contact if we need to get them on board
Thank you!

Jim Frey
frey@recycle.com

Visit the Carton Council:
www.recyclecartons.com

For updates and information,
follow Carton Council on Twitter @RecycleCartons