



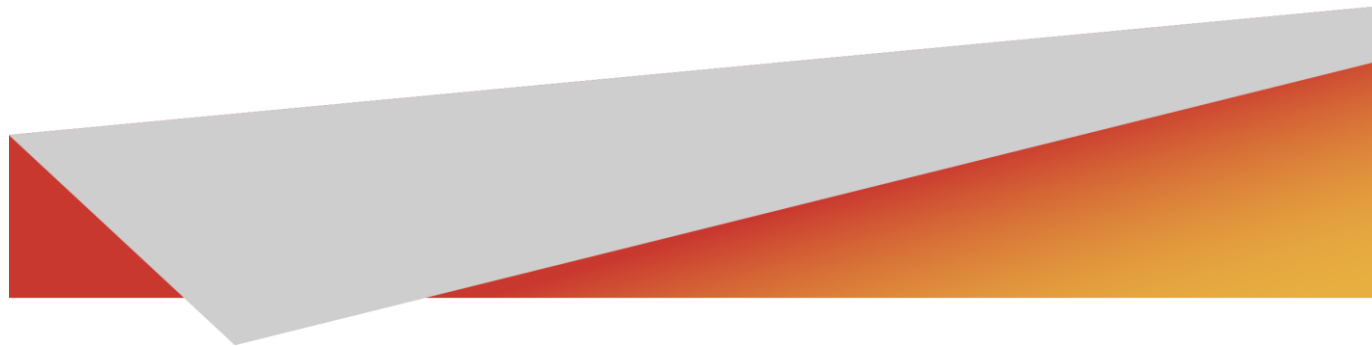
Peter Clayson, DS Smith

General Manager Business Development & External Affairs
Chairman, Resource Association

RECYCLING MARKETS TODAY

Warwickshire Waste Partnership Conference

3rd March 2016



Overview

- **DS Smith**
- **Secondary Raw Materials Market - UK Paper**
- **Changing consumption and recovery patterns**
- **Implications for material quality**
- **Price Trends**

DS Smith – Paper Industry Credentials

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- Founded in **1940** by the Smith brothers in London

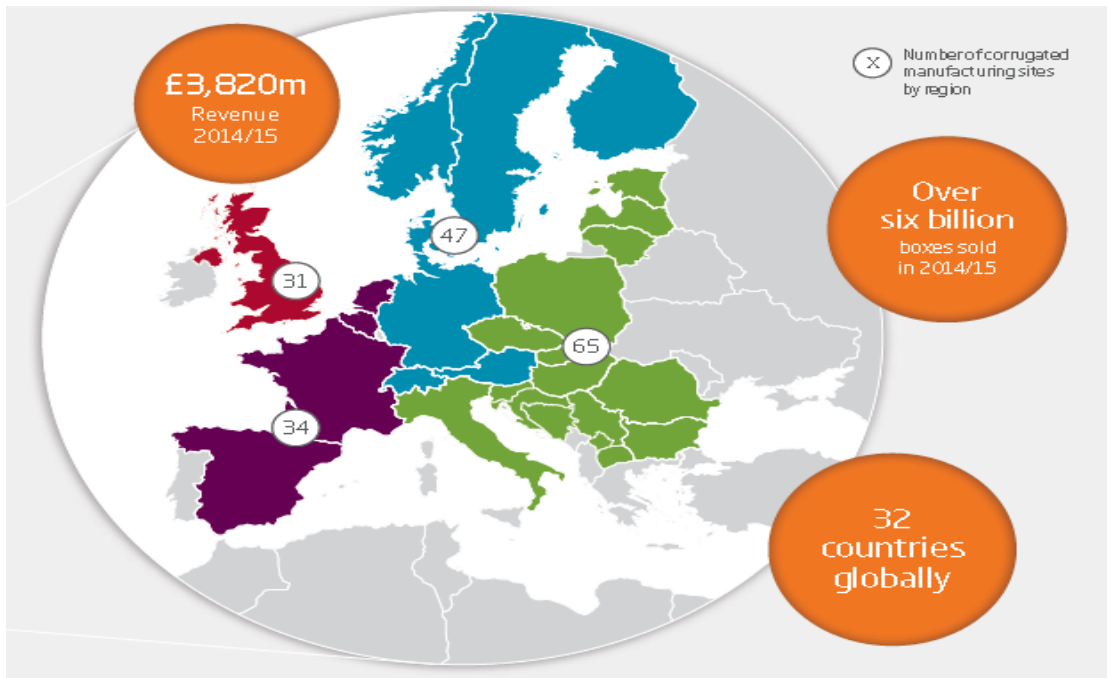
Listed on the **London Stock Exchange -SMDS**

- **24,700** employees
- **Our capabilities**

- Packaging 177 sites
- Recycling

We collect 5.5 million tonnes of fibre every year in Europe

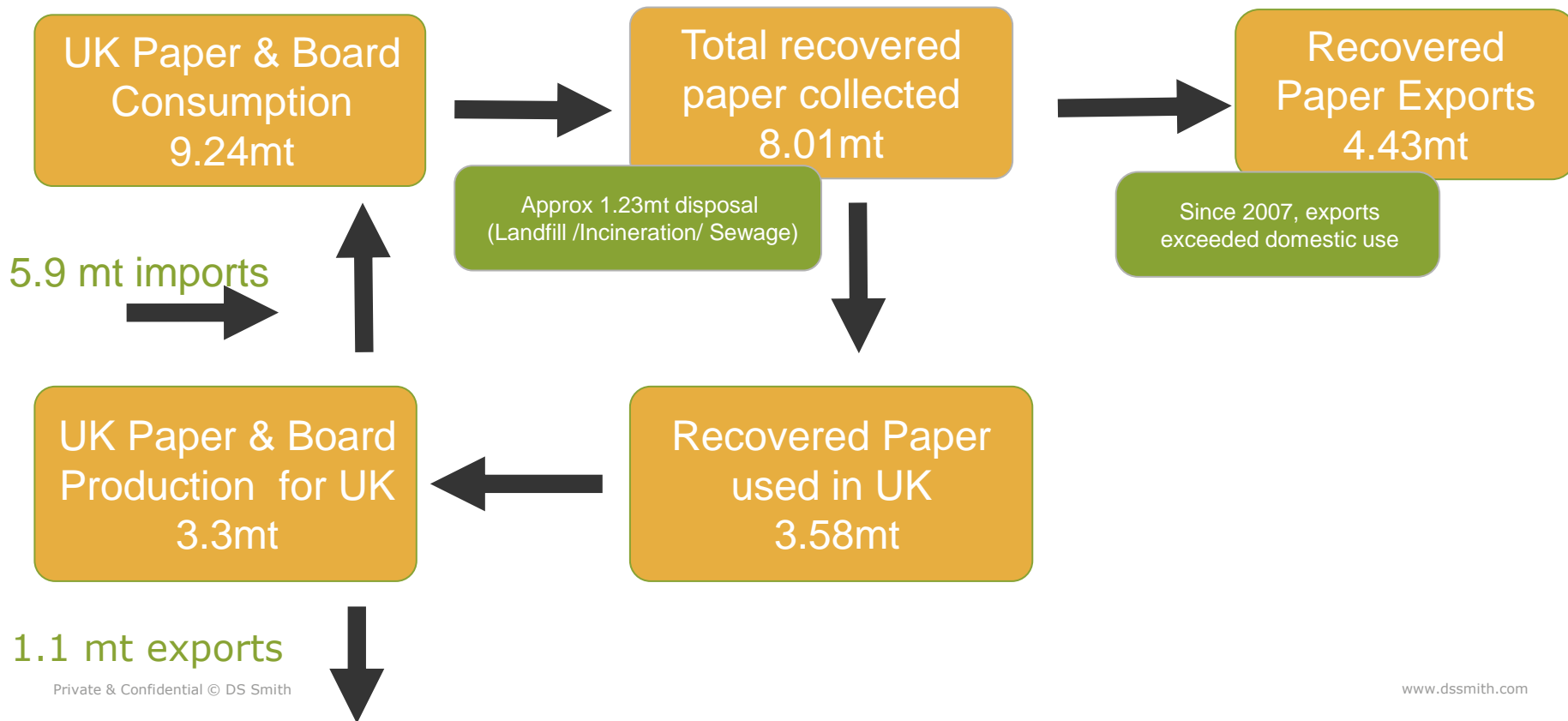
- Paper- 10 paper mills
- Plastics





UK Recovered Paper Flows

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The Paper Industry – Current Trends

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Changing patterns of consumption



Changing
Reading
Patterns



Changing
Shopping
Patterns

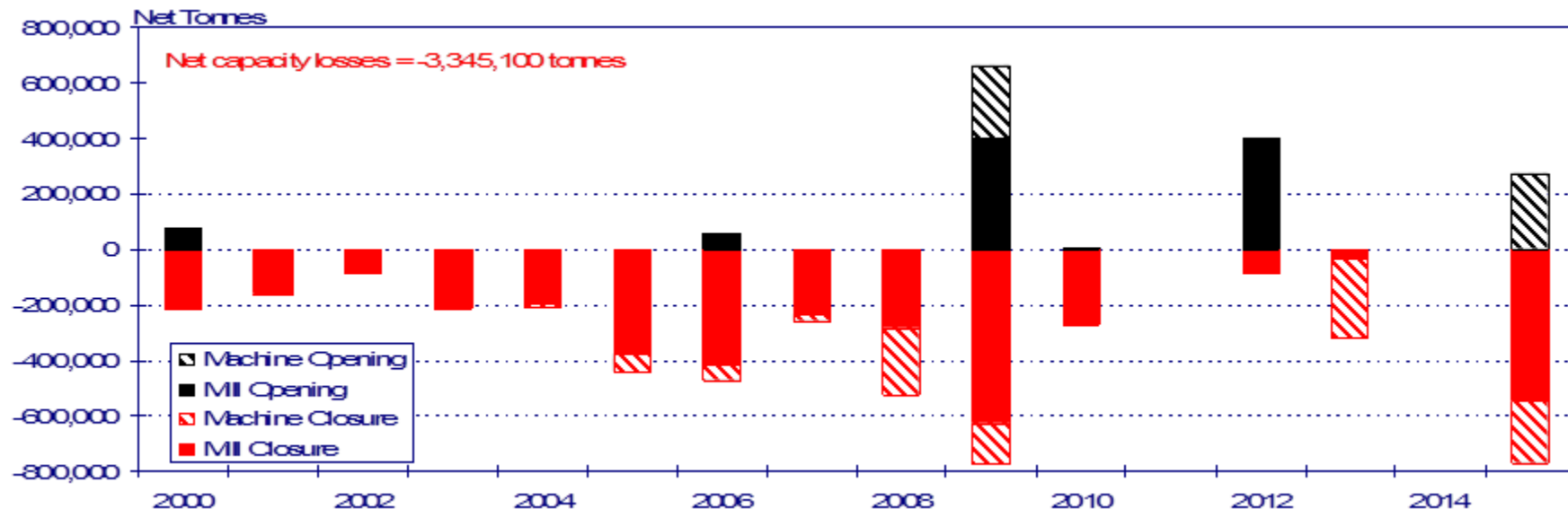


Changing
fibre inputs



Papermaking Capacity Changes 2000 - 2015

7



In 2000 there were **97** paper and board mills in the UK.
2015 there are now **47**

DS Smith Packaging Products

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Innovative Design

- Less Weight
- More strength/protection
- Greater "standout"



Retail Ready Packaging



Recycled Corrugated Case Materials (RCCM)

- **Liner grades**
- **Medium/Fluting grades**
- **Dual-use grades**



Speciality Papers

- **Plasterboard liner**
- **Coreboard**
- **Solid board**
- **Bag paper**
- **Envelope paper**

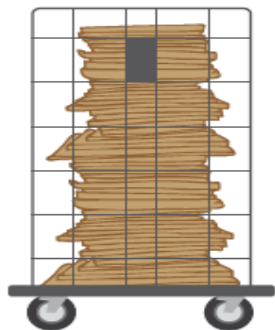


Raw Material - Recyclate

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Mixed



Used
Corrugated



Clippings

Material Inputs

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Lower quality recyclates is the biggest threat for waste, warns Viridor COO

Written by: Geraldine Faulkner | Published: 26 February 2016

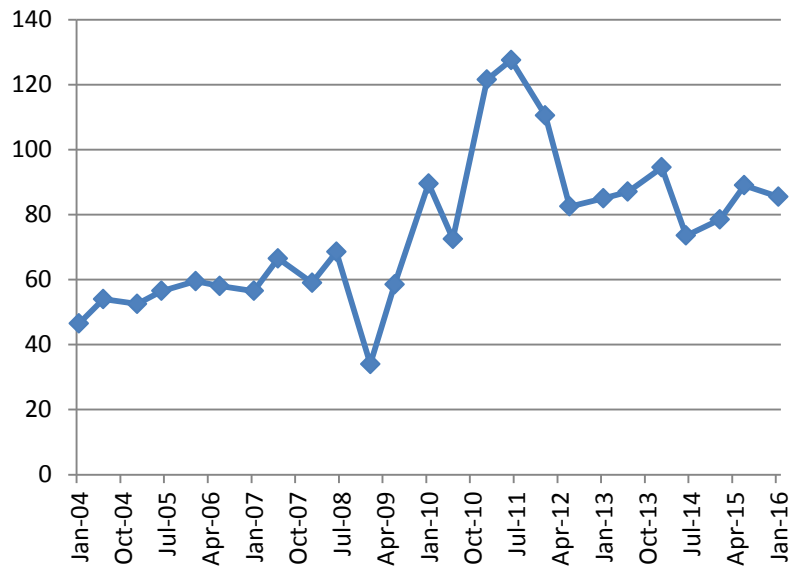
"The biggest problem for the waste management sector has not been low commodity prices for recyclates, Phil Piddington, chief operating officer at Viridor, told delegates at the 12th International Energy from Waste Conference this week, but lower quality recyclates."



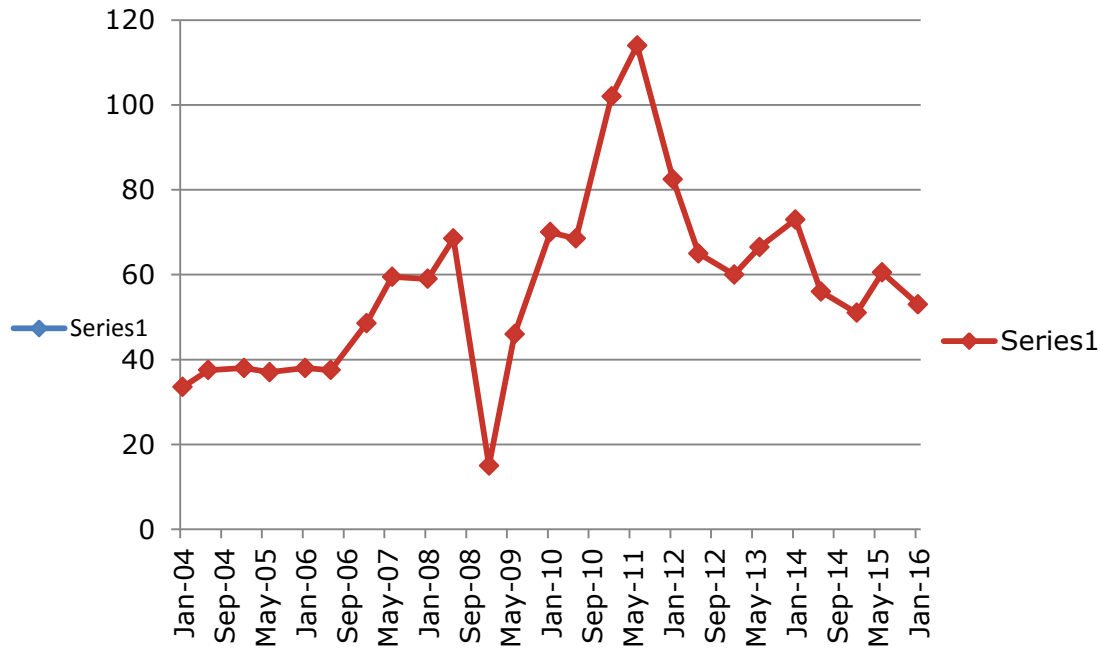
Export OCC and Mixed Papers

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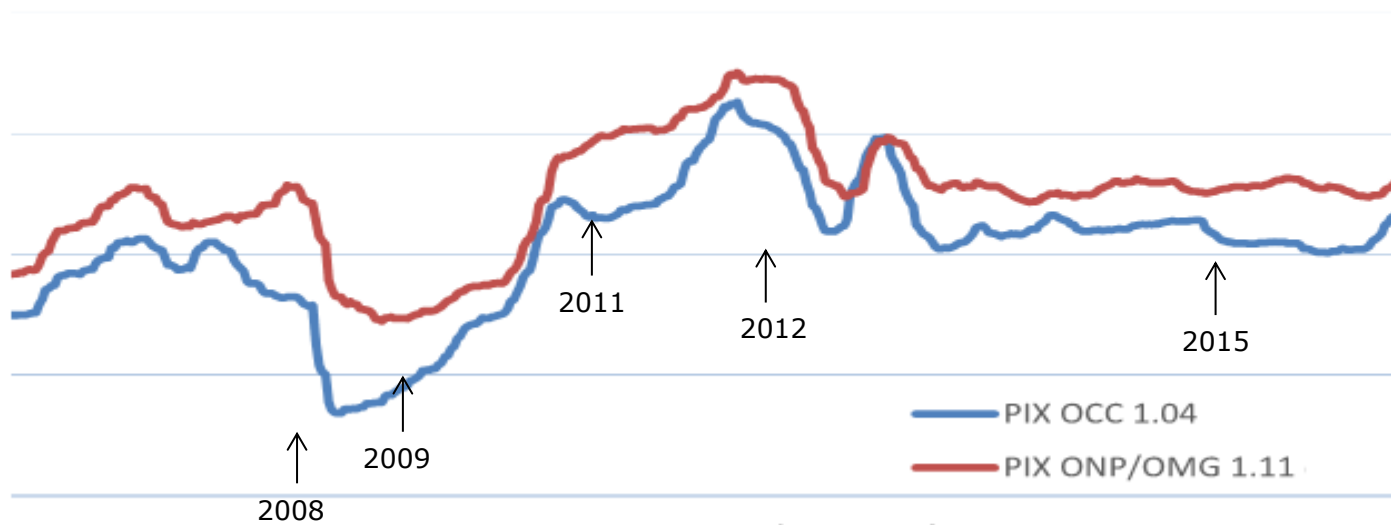
OKLS PRICES



Mixed paper prices



PIX Recovered Paper European Indices 2007-2015



Source: FOEX Indexes Ltd

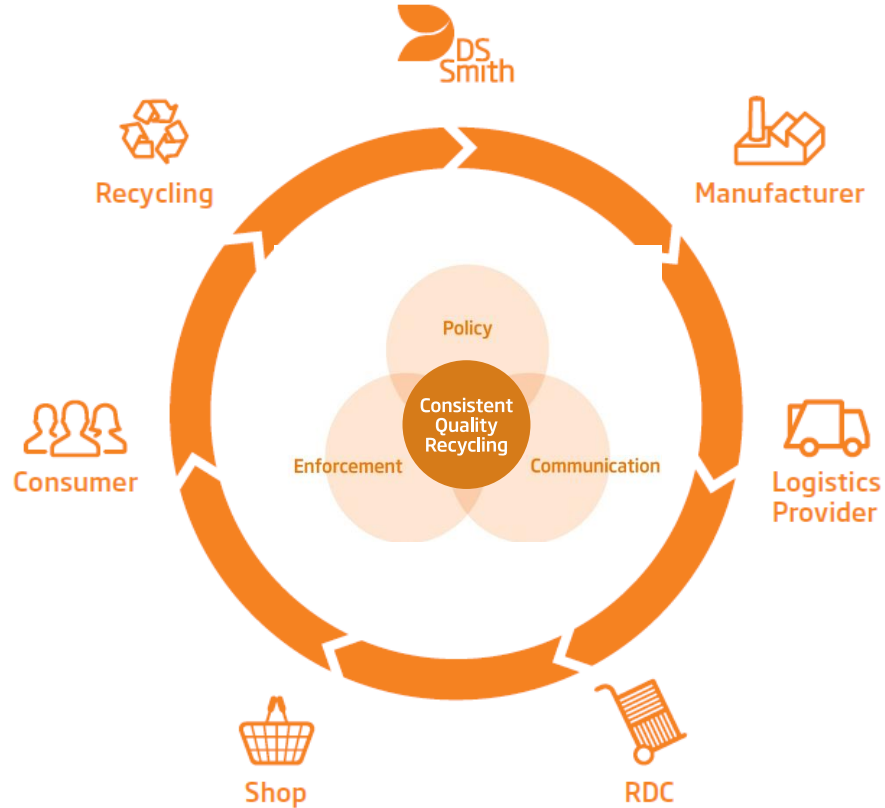
Secondary Raw Material Pricing

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Source: Eunomia - Joe Papineschi

Supply Cycle Thinking



- **Secondary Raw materials are global commodities, UK Competes in the Global Market.**
- **Quality remains paramount**
- **Education and greater awareness of consequences**
- **Transparency and clear cut definition of standards**
- **A collaborative approach from collectors, sorters and re-processor's needed to ensure recovery rates are maximised efficiently whilst maintaining raw material input quality.**

The Power of Less waste and more recycling
The Power of Less materials and greater impact
The Power of Less cost and increased prosperity
The Power of Less complexity and greater efficiency

The Power of Less®