



Grow & Optimize



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November 7, 2016

SONOCO
RECYCLING

Sonoco is a global provider of a variety of consumer packaging, industrial products, protective packaging and packaging supply chain services.

Segments

Consumer Packaging

Markets



Products and Services

Round composite cans, shaped rigid paperboard containers, fiber caulk/adhesive tubes; aluminum, steel and peelable membrane easy-open closures for composite and metal cans; plastic bottles, jars, jugs, cups and trays; printed flexible packaging, rotogravure cylinder engraving, global brand management



Display and Packaging

Markets



Products and Services

Point-of-purchase displays, retail security, custom packaging; fulfillment, primary package filling, supply chain management; paperboard specialties



Paper and Industrial Converted

Markets



Products and Services

Recycled paperboard, chipboard, tubeboard, light-weight corestock, boxboard, linerboard, corrugated medium, specialty grades; paperboard tubes and cores, molded plugs, reels; collection, processing and recycling of old corrugated containers, paper, plastics, metal, glass and other recyclable materials



Protective Solutions

Markets

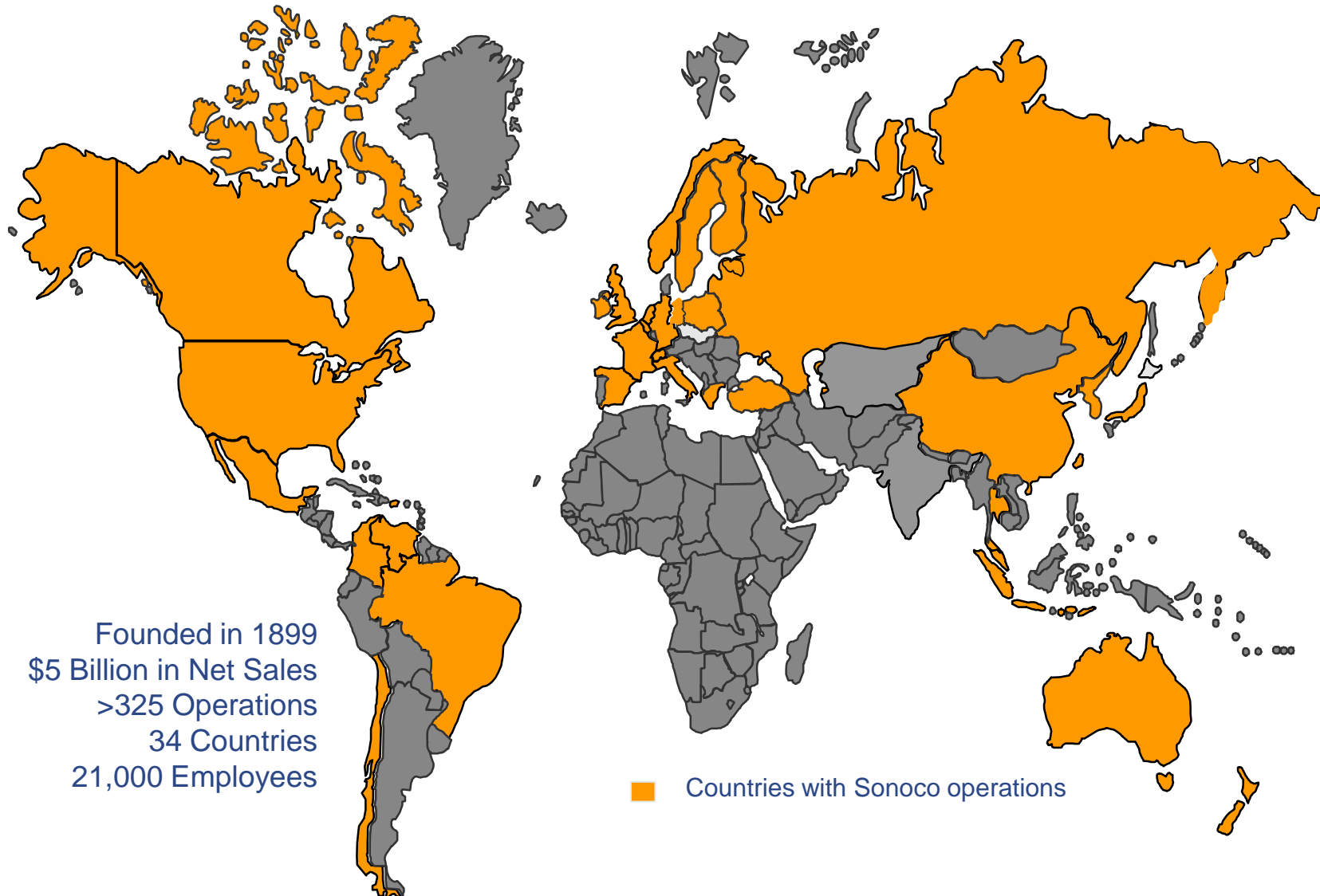


Products and Services

Highly engineered, custom-designed protective and temperature-assurance packaging solutions



Sonoco's Global Presence

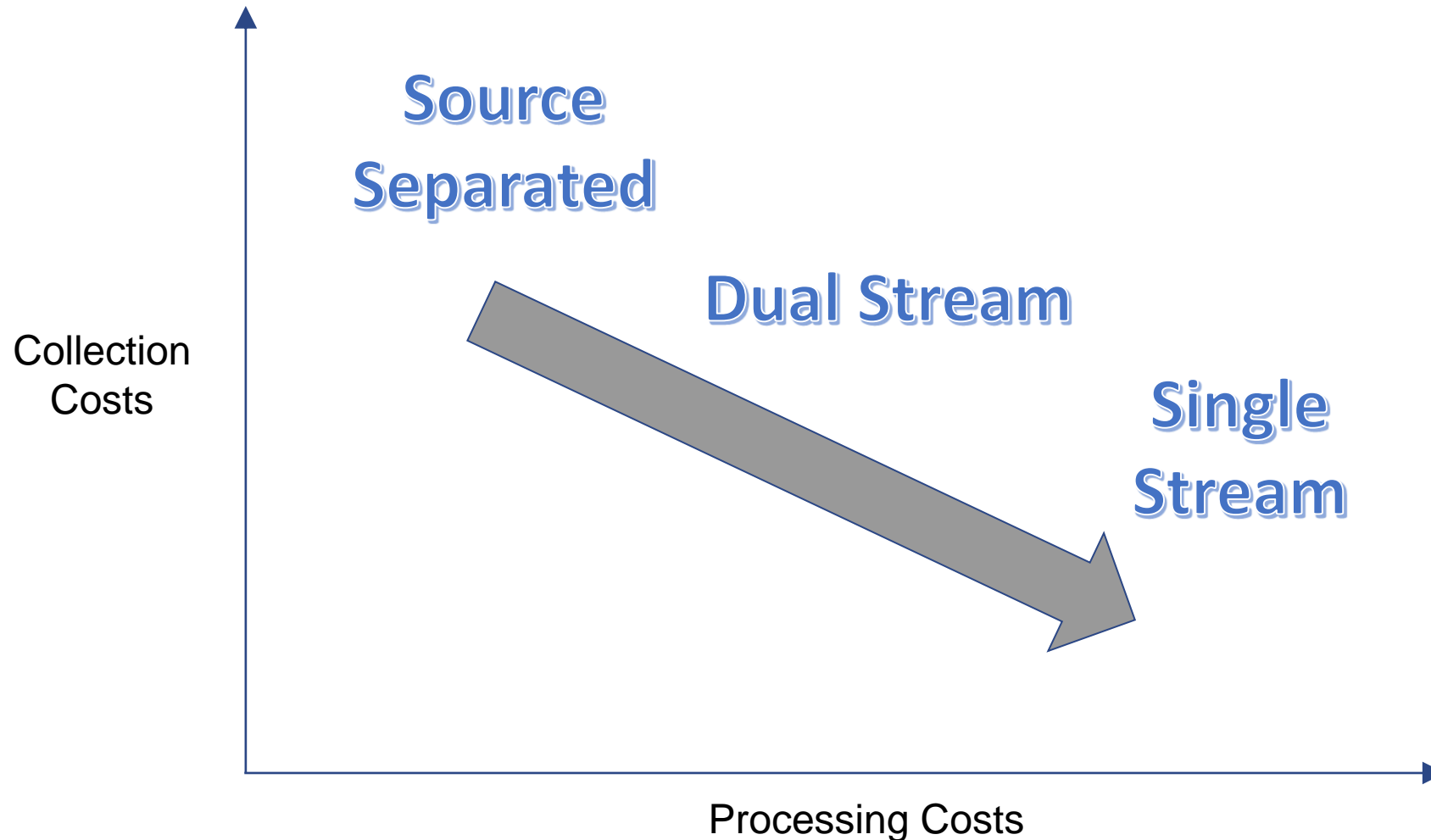


Recycling at Sonoco

- Sonoco – Recovered Fiber in 1920's
- Sonoco Recycling
 - 1970's – Paper Stock Dealers Acquisition
 - 1980's – Southeast Expansion (12 Facilities)
 - Focused on Recover for Paper Mills
 - 1995 – First MRF in Columbia, SC
 - 2000's to Today – Addition and Expansion of MRF's



Residential Recycling Programs



Residential Recycling Programs

(Mostly) Fixed Costs

Variable
Costs/Revenue

Collection
Costs

- Trucks
- Bins/Carts
- Labor

- Diesel Fuel

Processing
Costs

- Processing Equipment
- Labor

- Commodity Prices

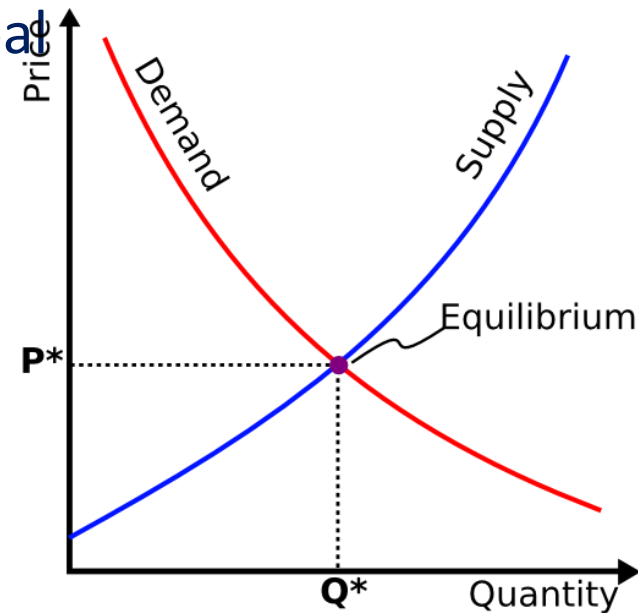
Commodity Prices

- Definition (Oxford Dictionary)

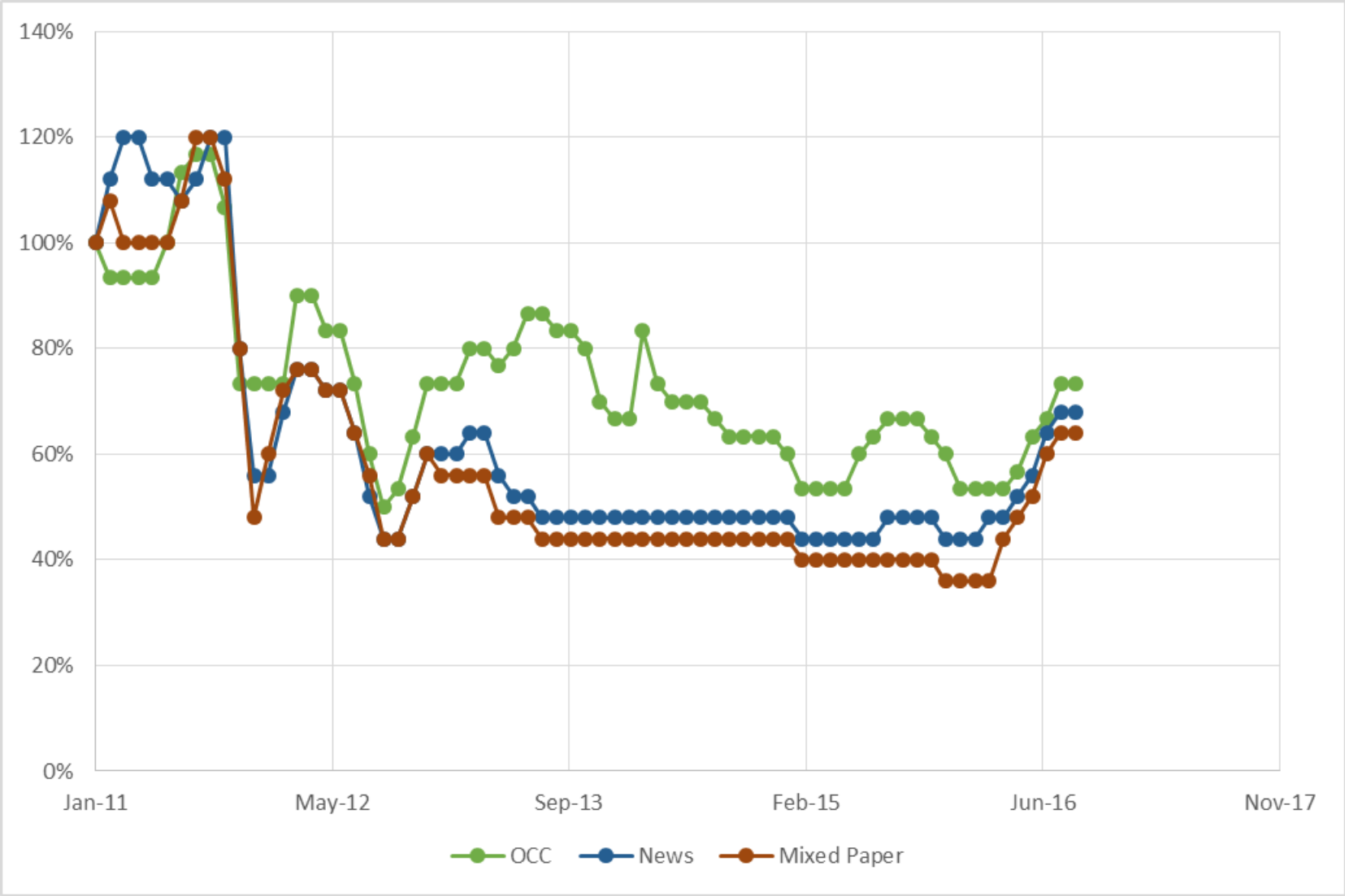
“A raw material or primary agricultural product that can be bought and sold, such as copper or coffee”

- Influences on Commodity Prices

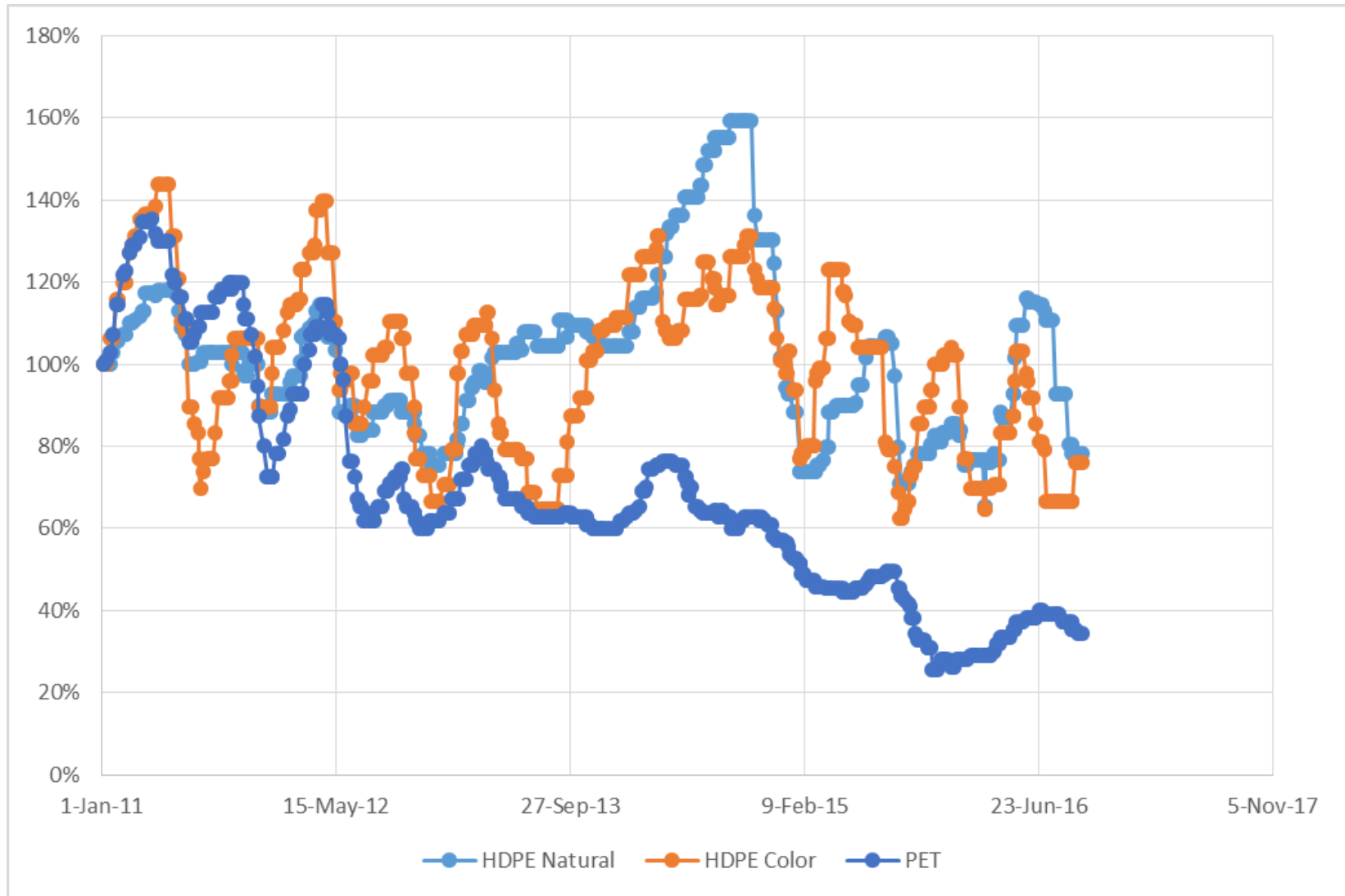
- Supply/Demand – Domestic and Global
- Liquidity
- Alternatives/Substitutes
- Quality
- Currency
- Location/Logistics
- Seasonality/Timing
- etc.



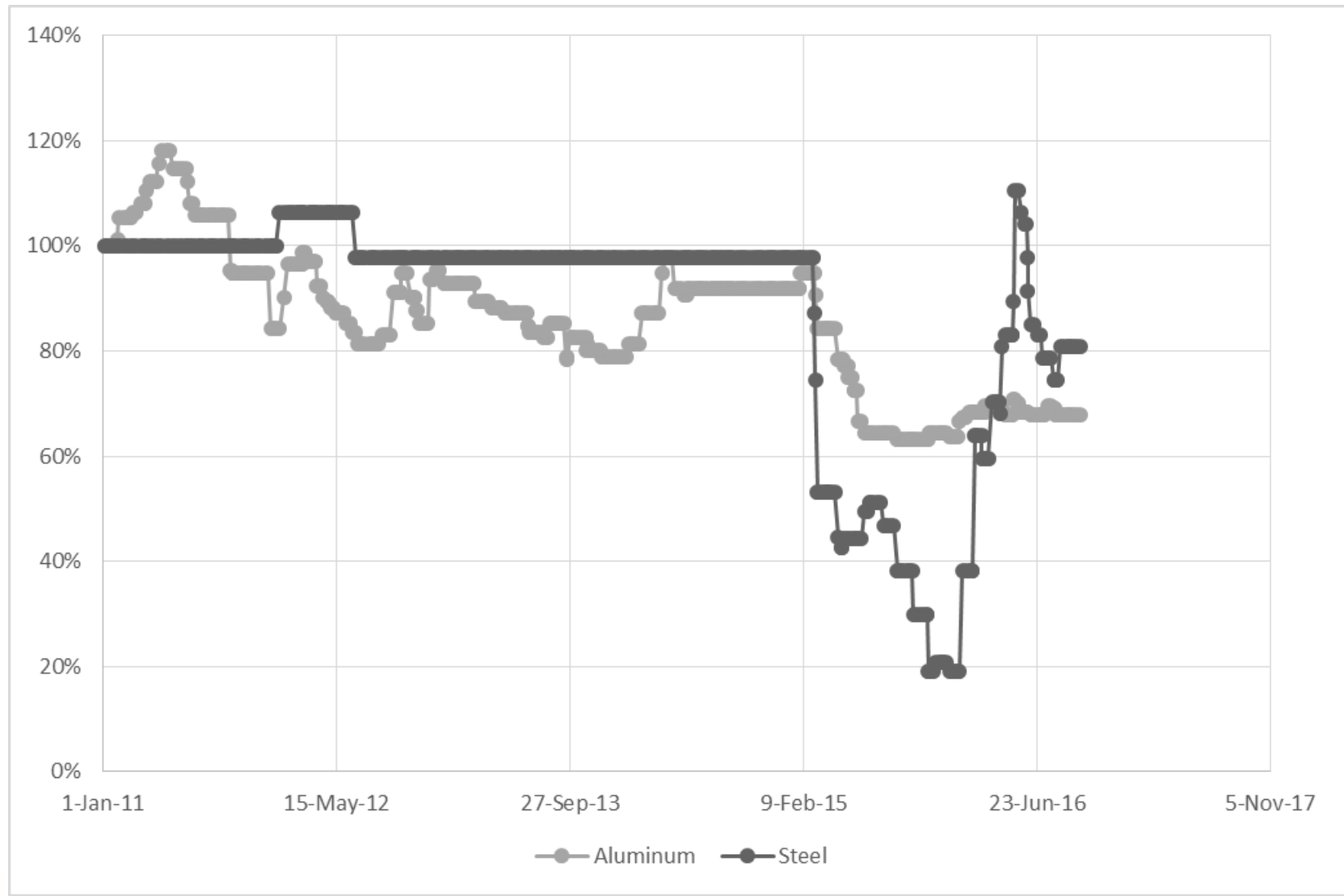
Fiber Commodities



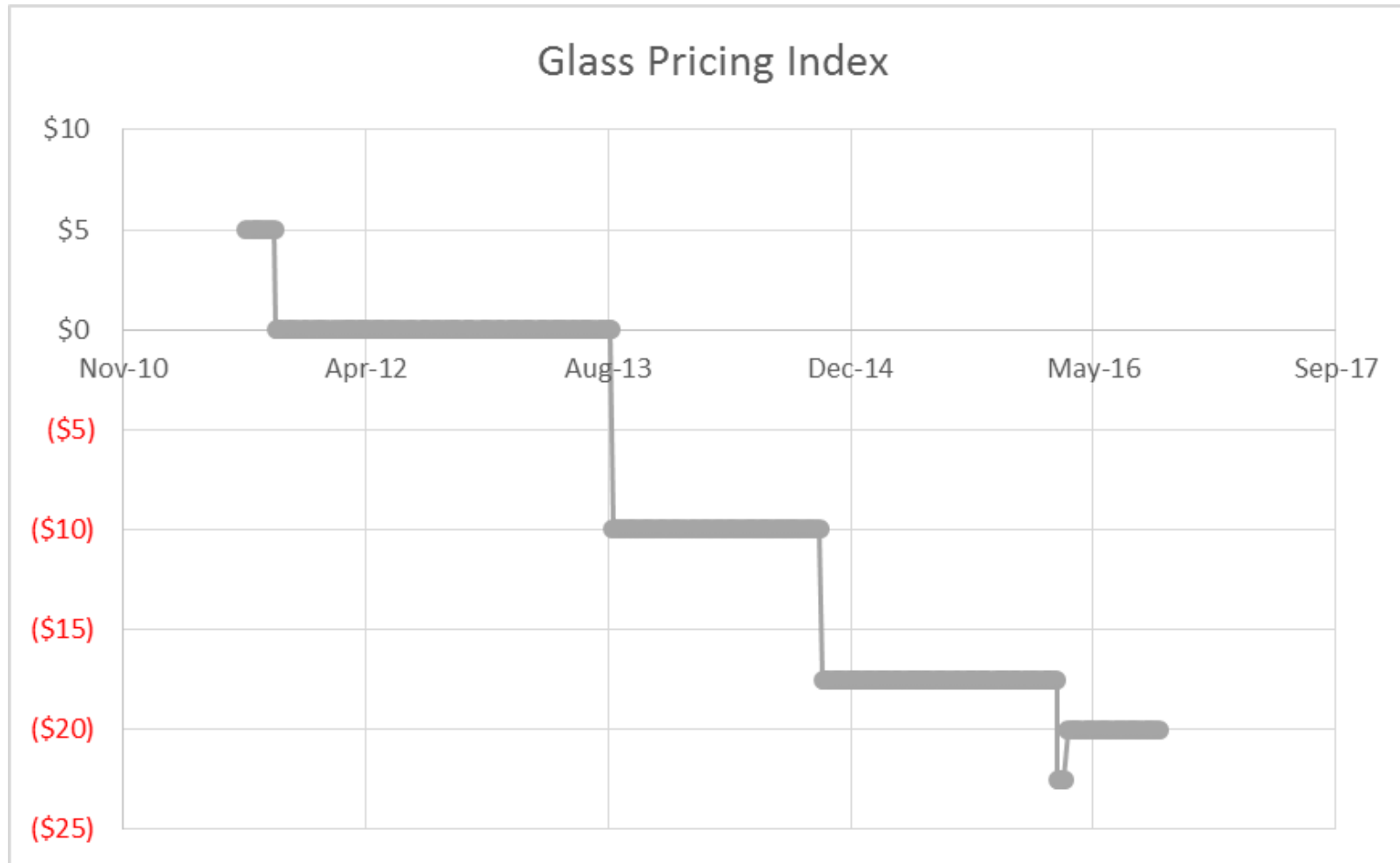
Plastic Commodities



Metal Commodities



Mixed Glass



Recyclable Composition

- Seasonal Changes

- Summer – increased beverage containers (PET, Aluminum, Glass)
- Thanksgiving/Christmas
 - increased at home consumption
 - Internet shopping

- Contamination

- Education
- Roll Carts

- Theoretical Example

- Mixed Paper @ 35%
- Glass @ 20 %
- Newspaper @15%
- Residue @ 10%
- OCC @ 10%
- PET @ 5%
- HDPE Color @ 2%
- HDPE Natural @ 1%
- Steel Cans @ 1%
- Aluminum @ 1%

Commodity Price Influence

	Composition	January-11	January-12	January-13	January-14	January-15	July-15	December-15	September-16
Mixed Paper	35%	\$43.75	\$26.25	\$24.50	\$19.25	\$19.25	\$17.50	\$15.75	\$28.00
Glass	20%	\$1.00	\$0.00	\$0.00	(\$2.00)	(\$3.50)	(\$3.50)	(\$3.50)	(\$4.00)
Newspaper	15%	\$18.75	\$10.50	\$11.25	\$9.00	\$9.00	\$8.25	\$8.25	\$12.75
Residue	10%	(\$6.00)	(\$6.00)	(\$6.00)	(\$6.00)	(\$6.00)	(\$6.00)	(\$6.00)	(\$6.00)
OCC	10%	\$15.00	\$11.00	\$11.00	\$10.00	\$9.00	\$9.50	\$9.00	\$11.00
PET	5%	\$27.75	\$21.50	\$17.50	\$17.00	\$14.50	\$13.25	\$7.75	\$9.75
HDPE Color	2%	\$9.60	\$10.00	\$6.80	\$10.70	\$9.00	\$10.00	\$9.80	\$7.30
HDPE Natural	1%	\$6.90	\$6.40	\$5.40	\$7.20	\$6.10	\$7.20	\$5.75	\$5.40
Steel	1%	\$1.18	\$1.25	\$1.15	\$1.15	\$1.15	\$0.60	\$0.25	\$0.95
Aluminum	1%	\$17.10	\$16.50	\$15.90	\$13.50	\$15.70	\$11.00	\$11.00	\$11.60
TOTAL	100%	\$135.03	\$97.40	\$87.50	\$79.80	\$74.20	\$67.80	\$58.05	\$76.75

Total Disposal Cost for
Residue @ \$60/ton

43% of the value of Jan. 2011!!

57%

Commodity Price Influence

- Dec 2015: \$77/ton “LOST” vs. January 2011
- Where does this fall?
 - Ownership/Contract Structure
 - Risk/Reward
 - Ongoing Viability
 - Return on Investment(s)
 - Reinvestment
- Total System Focus – Municipalities/Haulers/Processors
 - Contamination
 - Residue Disposal
 - Volume

Thank you and any Questions?



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