



Resourcing the Future

Risks, Opportunities and the 'Brexit' Factor

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The Power of Less®

About DS Smith

We are a leading provider of corrugated packaging in **36 countries**.

We generate annual revenues of **£4,066 million** and employ around **26,000** people across **Recycling, Paper, Packaging** and **Plastics** operations.

Our recycling operations manage over **5 million tonnes** of fibre every year.

The logo for Mars, featuring the word "MARS" in a bold, blue, serif font.The Kellogg's logo, featuring the word "Kellogg's" in a red, cursive script font.The Coca-Cola logo, featuring the word "Coca-Cola" in its iconic red script font.The LVMH logo, featuring the letters "LVMH" in a blue, serif font above the words "MOËT HENNESSY, LOUIS VUITTON" in a smaller, blue, serif font.The Diageo logo, featuring the word "DIAGEO" in a red, sans-serif font.The P&G logo, featuring the letters "P&G" in a blue, serif font.The Philips logo, featuring the word "PHILIPS" in a blue, sans-serif font above the words "sense and simplicity" in a smaller, blue, sans-serif font.The Nestlé logo, featuring a bird's nest icon to the left of the word "Nestlé" in a blue, serif font, with the words "Good Food, Good Life" in a smaller, blue, sans-serif font below it.The Tesco logo, featuring the word "TESCO" in a red, sans-serif font above three blue diagonal lines.The ICI Dulux logo, featuring the letters "ICI" in a blue, sans-serif font inside a blue circle, followed by the word "Dulux" in a blue, serif font and the words "Decorator Centres" in a smaller, blue, sans-serif font below it.

Impact of Brexit



Piecing together Circular Economy & Brexit

Embracing the circular economy package is key – **in or out** of the EU.

We have no legal obligations to implement the principles, but we can **benefit** from them.

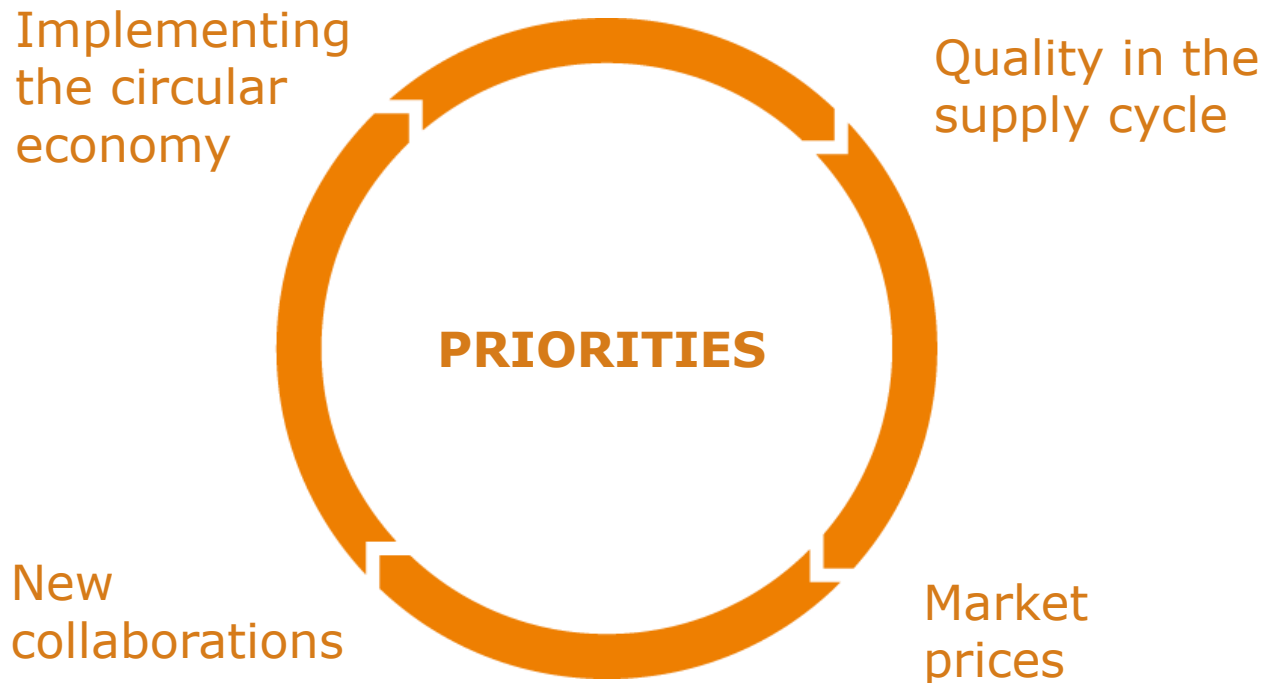


According to the Resource Association, the circular economy should be considered a '**pillar**' of the government's **industrial strategy** – **regardless** of our single market membership.

The Brexit challenge

We must not fall into a crisis over Brexit.

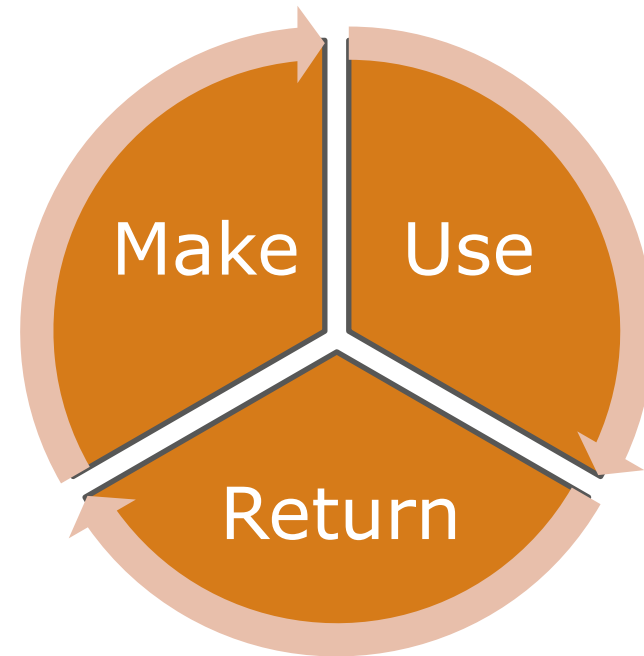
We need to focus on the same things we've always focused on:



Making the leap

Making the **transition** to a circular economy would have **multiple** benefits:

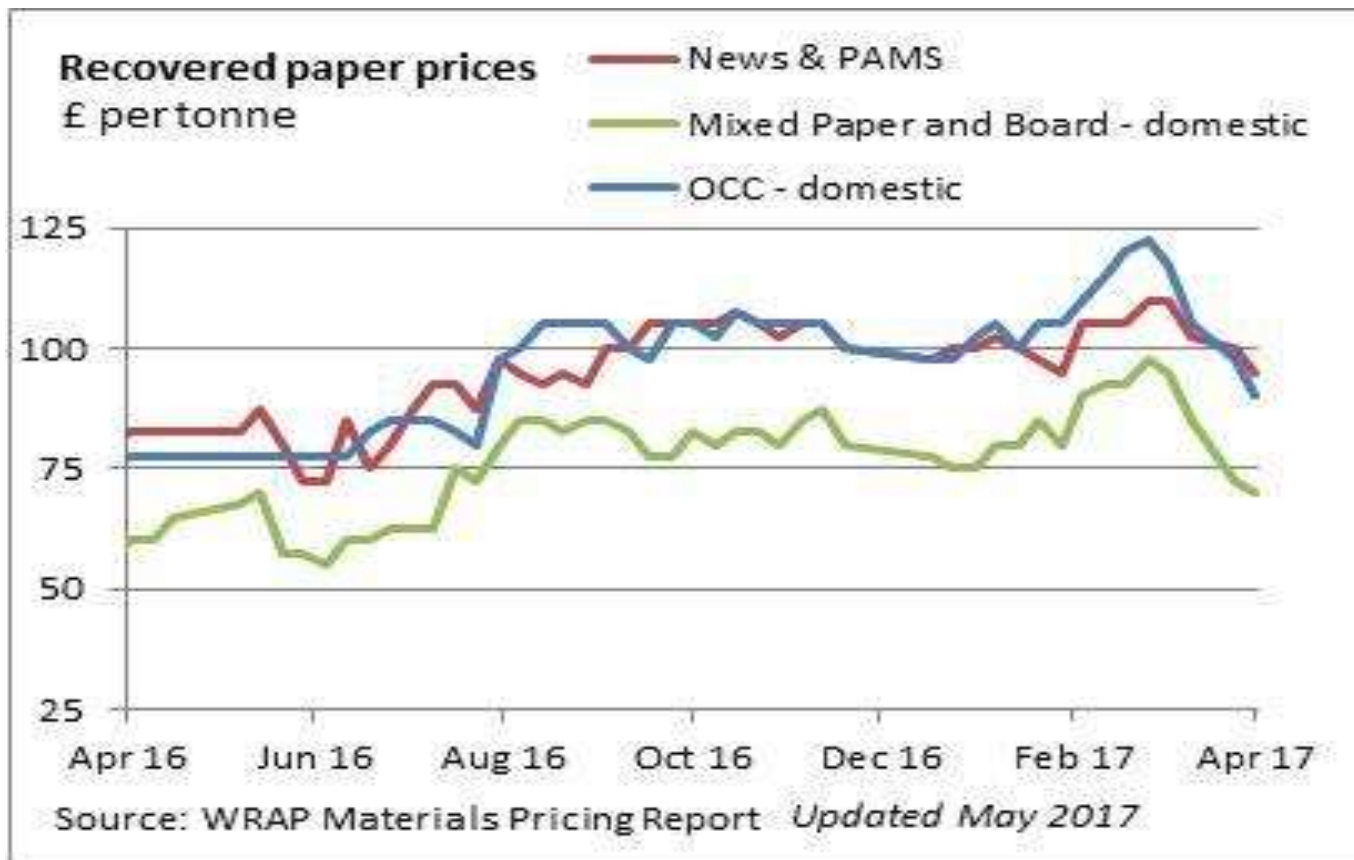
- **Reduced** environmental pressures
- **Minimised** dependence on imports
- **Better** access to resources
- **Lower** overall resource cost



"The circular economy provides a coherent framework for innovation."

- The Ellen MacArthur Foundation

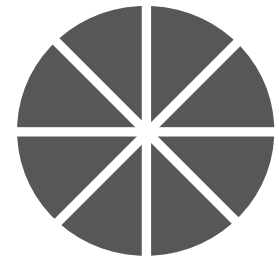
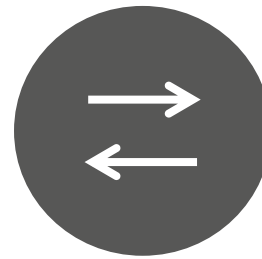
Materials market volatility



Market **volatility** is constant.
It is a **marathon**, not a **sprint**.
Quality is permanent, price is temporary.

How do we achieve quality?

- **Reverse logistics** – easier segregation of recyclables, utilising existing transport movements.
- **Source segregation** – keeping recyclables clear contaminants.
- **Stringent quality control** throughout the process, from collection through to reprocessing.
- **Reducing complexity** – make it easy for the end user, and provide support and training where needed.
- **New collaborations** required.



Consumer behavior and supply chains



We are, undeniably, moving towards greater **e-commerce**.

This will change the dynamic of where we source packaging for recycling.

If more cardboard is ends up in domestic waste, **source segregation** becomes more important for local authorities.

The **last mile of delivery** is the big challenge for e-commerce companies.



What's the **challenge** for reprocessors?

The first mile of recycling.

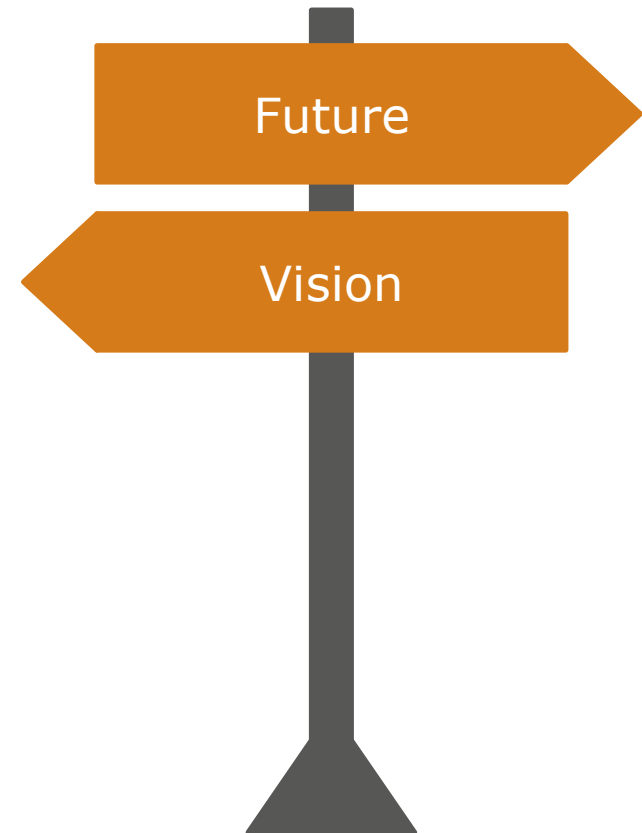


The UK needs to be futureproofed against the changes that are coming from increasing consumer reliance on e-commerce.

A focus on quality means that we can still profitably take part in the global recycling market.



- More cross sector collaboration
- Greater commitment to quality – recycling is a raw material
- Innovation around recycling collections
- Better collaborations between designers and recyclers
- Mandatory CE legislation allied with industry led voluntary measures
- A change in consumer behaviour



Quality is the new black.

We need new supply chain collaborations to improve the quality and sustainability of our recycling.



Thank You

Merci

Grazie

Danke

Gracias

Tack

Tak

Köszönöm

Dziękuję

Děkuji

Kiitos

Dank je



@DSSmithRecycle



www.dssmith.com/recycling

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