

SUSTAINABILITY UPDATE

INTERNATIONAL  PAPER

Office of Sustainability

VOL 02 • NO 01 • A publication of International Paper's Office of Sustainability • SEPTEMBER 2007

Recycled Products and Recycling

The Role of Paper & Packaging Products

International Paper is committed to fiber recovery, recycling and recycled materials. Using recovered fiber extends our fiber supply and puts less pressure on the forest, especially where sustainably managed forests are limited. Recycling diverts a valuable resource from landfill disposal and reduces the environmental footprint of paper and packaging products. Our company is encouraging customers to work with us to improve product recovery; this will further reduce paper disposal in landfills, help keep prices for recovered fiber affordable and - perhaps most importantly - promote the wise use of paper and packaging products. The good news is that the fiber in most of the products we manufacture can be recovered and used to make new paper, containerboard, coated paperboard or corrugated boxes.

International Paper is committed to recycling as a part of our business. In the 1990s, we invested in two de-inking plants, in Selma, Ala., and Franklin, Va. Integrating these plants with our paper mills makes producing recycled printing and writing grades very efficient.

International Paper also uses recycled fiber to produce our corrugated boxes and other packaging. There are many types of packaging products available with recycled content. For more information on these products, go to www.internationalpaper.com or contact your sales representative.

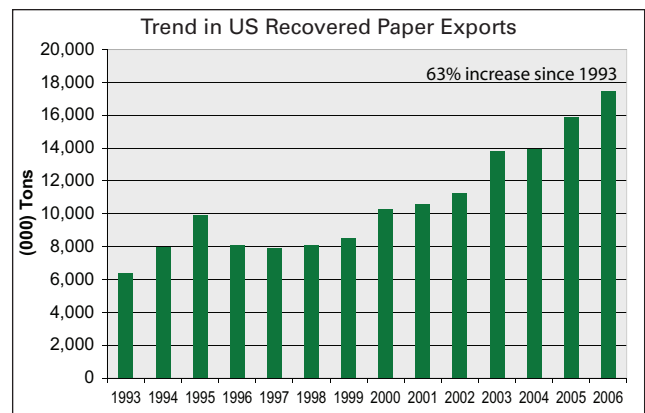
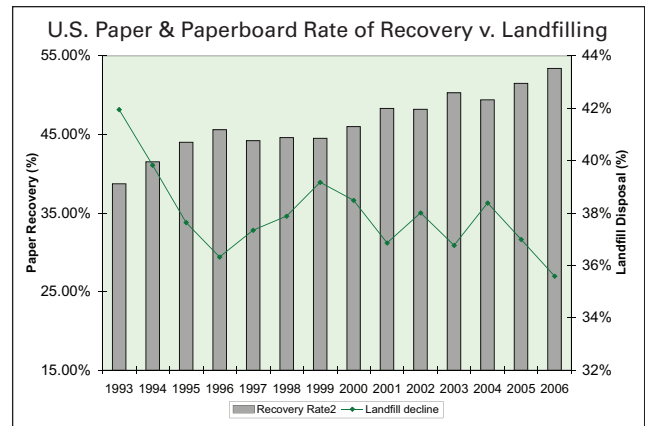
Trends in Supply and Demand of Recovered Fiber

Over the last several years, the cost of postconsumer waste (PCW) fiber has been increasing which, in turn, makes recycled content products more expensive. The increase is due to several global factors. In the U.S., recovered fiber quality is decreasing and cost is increasing partly due to the introduction of desktop publishing which adds additional colors and inks to paper. Other changes include increased contamination by plastic and electronic media in shredded paper and the increasing supply of mixed paper, office and residential sources rather than separated paper grades.

Changes in demand also have affected costs. In China, there have been significant increases in demand for all types of fiber as new paper production capacity comes online. This demand is competing for U.S. recycled fiber. China currently has a limited amount of forestland so they rely in large part on the importation of recovered fiber from countries such as the U.S.

The increasing demand for recovered fiber strains the supply system. Shortfalls in the collection of high quality used paper must be offset by substituting lower quality grades of recovered paper, resulting in a decrease in the quality of PCW delivered to paper mills. As fiber quality decreases, yield decreases, and therefore, costs increase.

In the U.S., paper recovery has been increasing but is not keeping pace with demand. In 1990, the national paper and paperboard recovery rate was more than 34 percent and by 2006 it increased to more than 53 percent. Rates for old corrugated containers increased to more than 76 percent in 2006. In the U.S., the collaborative goal between the Environmental Protection Agency and the paper industry is 55 percent recovery by 2012.



Recovery rate represents recovered paper and paperboard products, including corrugated, as a fraction of the total paper consumed. Source paperrecycles.org.

For more information or materials about recycled products and recycling:

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