

RECYCLING NOTICE FROM PATRIOT DISPOSAL

Over the past year the recycling market has experienced some of the most significant changes our industry has seen in decades. These changes are due to a global modification of the contamination threshold for recyclable commodities which is impacting local markets significantly. The biggest change is a new standard set by China, the world's largest importer of recyclables, for acceptable contamination of recyclables. Please click the following link to learn about <u>China's "National Sword"</u> policy.

Locally, we have seen three significant changes:

- There is a significant increase in the percentage of material we deliver that is determined to be contaminated. These loads are then either rejected outright or processed as trash.
- The price to get this material processed has hit an all-time high. It now costs more to process recyclables than trash.
- It is becoming a challenge on a daily basis to find a facility in the area that will accept recycling.

To provide further context, disposal of recyclable commodities currently costs local haulers \$80 per ton. Enclosed <u>here</u> is a letter from Republic Services, our local recycling facility, informing all local haulers of an additional \$150 per ton of recyclables if they are contaminated.

Moving forward we will continue to attempt to deliver these materials to the proper facility. When we can't, we will be forced to dump recycling in our trash trucks to keep resident containers emptied so they can continue to run their daily business. We have taken this step to manage the situation while we explore numerous different options for recycling moving forward.

If you have any questions or need further clarification, please contact your local representatives to discuss the specifics.

Respectfully,

Patriot Disposal