

2023 MID-YEAR UPDATE

Automotive Materials Stewardship provides producers the best-value, low-risk option for recycling used antifreeze and antifreeze containers, oil filters and empty oil containers and complying with Ontario's Hazardous and Special Products (HSP) Regulation. AMS is pleased to provide its stakeholders with an update on its activities and achievements.

GOOD GOVERNANCE IS GOOD BUSINESS

AMS was created from a solid understanding of producer priorities amidst significant regulatory change. Our structure and work during the past six years reflect our commitment to producer oversight and good governance.

Our volunteer board represents the Ontario automotive industry. The directors meet regularly throughout the year to oversee the management of our services offering to ensure the needs of the producer community are satisfied.

Our initial investment has proven its value as AMS has successfully navigated the new regulatory

framework during the past year and a half on behalf of our producer customers.

AMS is in a strong position to continue meeting its mandate. I extend thanks to my fellow board members and our management team for their insight and dedication. I also thank our producer customers for their confidence and financial contribution.



BUILDING ON OUR SUCCESS

AMS has successfully managed the 15-month transition to a new regulatory recycling framework that began in October 2021. Our focus in 2023, is to refine our network to meet the more stringent obligations that commenced at the beginning of the year.

Increasing regulatory scrutiny of producer responsibility organizations for other types of designated materials provides a sharp reminder that producers are being held individually responsible for their compliance. Our experience and efforts help ensure that AMS customers don't need to worry about regulatory risk or meeting complex requirements.

Our team has done excellent work with collection sites, haulers and processors to operate an efficient and compliant recycling network. Our service provider partners have the flexibility to innovate and adapt to drive improved environmental performance.

As we prepare to set fee rates for the next year, our focus is on delivering value and stability at the lowest possible cost. We meet regularly with our service partners to understand how their costs are being

impacted by inflation, rising wages, tight labour markets and high fuel prices, and to seek opportunities to mitigate those impacts on our business.

AMS will commission a third-party audit of its management system upon the release of the Resource Productivity and Recovery Authority's (RPRA) audit protocol. The results of the audit will be submitted in accordance with RPRA's timelines, expected to be July 31, 2023, along with an annual report detailing producers' performance during the Transition Period.

Producers of automotive HSP have choice when it comes to how they achieve compliance. We thank our current customers for choosing AMS and invite other producers to consider our benefits. Please contact me directly for more information.



AMS IS THE PRODUCERS' PRO

AMS is uniquely positioned to provide producers a turn-key compliance solution built on a solid track record. We offer our customers benefits that matter:

INDUSTRY LED: AMS was established by industry, for industry. The AMS Board of Directors is a volunteer-based leadership group representing companies that produce, distribute or sell antifreeze, oil containers or oil filters.

NOT FOR PROFIT: Our structure enables us to focus on doing what's right for producers and the environment, seeking to make neither a profit nor a loss.

REPORTING SERVICE AND SUPPORT: Producers and supply chain partners use the proven and secure WeRecycle Portal for online material reporting. Our customer service team is available to assist with technical and administrative questions.

FEE RATE STABILITY: AMS is committed to providing published and predictable fee rates for the material we manage.



BUILDING ON OUR ACHIEVEMENTS

AMS has successfully managed convenient, environmentally sustainable ways for diverting automotive waste from landfill in Ontario on behalf of producers since its creation in 2017. Our network now includes over 17,000 collection sites for automotive materials and in 2022 we supported recycling progress that includes:

- As many collection sites in each municipality as were in operation prior to transitioning to the new regulatory model.
- Over 70 municipalities hosting 200+ public collection events in 2022.
- 80 publicly accessible automotive hazardous material depots operating throughout the province.
- Sufficient oil filter collection and management to exceed our customers' management requirement.