

2023 Annual Report



Automotive Materials Stewardship (AMS) is a not-for-profit, producer responsibility organization that manages the collection and recycling of used antifreeze and antifreeze containers, oil filters and oil containers on behalf of our producer customers. We are industry-led and funded and help producers meet their recycling obligations under Ontario's Hazardous and Special Products (HSP) Regulation by taking responsibility for the automotive service materials they sell to Ontario residents at their end of life. AMS provides a convenient, province-wide network for the collection, transportation and recycling of these materials to divert them from landfill and help contribute to a circular economy.

For more information, visit us at: www.automotivematerialsstewardship.ca.

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2023 Highlights

ACCESSIBILITY OF COLLECTION SERVICES





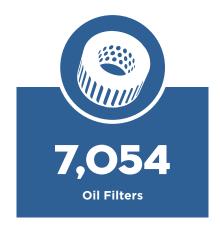




PERFORMANCE - TONNES COLLECTED







Did you know?

AMS currently operates a province-wide network of over 17,500 collection sites throughout Ontario. Each day, AMS diverts more than 34 tonnes of empty oil containers, used oil filters and antifreeze from landfills. Since 2017, AMS has managed the collection of approximately 100,000 tonnes of automotive service materials.



Message from the AMS Board Chair

As a producer-led organization committed to good governance, I am pleased to provide our stakeholders with an update on AMS' activities and achievements in 2023.

The AMS Board is made up of volunteer members from across the Ontario automotive industry. Directors meet regularly throughout the year to provide strategic guidance and oversee the management of AMS services. Our mandate is to enable our customers to comply with the regulation and to ensure that materials are recovered and diverted away from landfills. We are pleased to report that 2023 was another successful year for our program as we met our commitments to customers and exceeded our material management targets.

As producers, it is very satisfying when we can go beyond compliance requirements by servicing more collection locations and recovering more materials – ultimately having an even greater positive impact for the people and the environment in Ontario. We're proud of the fact that our collection system is designed to minimize the risk that our customers' material could be improperly disposed of. We also add value by engaging with and advocating on behalf of our customers. For example, in 2023, we worked with producers and other stakeholders to propose changes to the Ontario Ministry of Environment, Conservation and Parks as part of their review of the HSP Regulation. Our advocacy seeks to ensure that the regulation achieves desired environmental outcomes, provides a level playing field for producers, reflects current operational realities, drives improvements in system efficiencies and reduces the administrative burden and cost for Ontario businesses and consumers. In 2023, we also participated in other consultations with the Resource Productivity and Recovery Authority (RPRA), the Ontario regulator, and we appreciate all the feedback and engagement provided by our producers throughout the year.

More recently, in April 2024, we were pleased to announce the election of Tony Laguardia and Jeff Mason to the Board of Directors. Tony and Jeff bring extensive industry and business experience to AMS, while their backgrounds ensure the board continues to have strong representation across materials and sectors. On behalf of the board and executive, I want to extend my gratitude to outgoing directors Micheline Davies and David Lawrence for their years of service on the board. Their strategic guidance has been instrumental in enabling our continued success in serving producers' needs.

Looking ahead, AMS is in a strong position to continue meeting its mandate and serving producers. 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.

Dave Fifield, Board Chair President, Wakefield Canada



Message from the Executive Director

Our focus in 2023 was to deliver value for producers at the lowest possible cost while continuing to enhance our robust collection and processing network for automotive service materials to meet the stringent regulatory obligations that took effect at the beginning of the year under Ontario's Hazardous Waste Program.

In 2023, our team worked with collection sites, haulers and processors to deliver an efficient and regulatory compliant recycling network. Our field services team collaborated closely with collectors, haulers and processors to ensure efficient material flows and to quickly address operational anomalies as they arose.

Maintaining a convenient and accessible collection system is critical to achieving consumer participation and maximizing diversion activities for automotive service materials. We are very proud to include over 17,500 collection sites province-wide, ensuring our services are accessible to Ontarians across the province. Impressively, **since we commenced operations** in 2017, AMS has collected approximately 100,000 tonnes of materials, and in 2023, we again exceeded the aggregate recovery target for oil filters for all customers. These and other performance data show how our comprehensive network is providing environmentally sustainable ways to divert automotive service materials from landfill and helping businesses contribute to a circular economy.

Producers of automotive service materials have choice about how they want to achieve regulatory compliance. We thank our customers for choosing AMS and invite other producers to consider the many benefits of our program.

Finally, I would like to thank our many stakeholders across the province for their continued support in 2023. Providing a robust collection and processing network for automotive service materials in Ontario requires collaboration with the provincial government, municipalities, First Nation communities, collectors, transporters, processors and many other partners and we look forward to continuing our great work together in 2024 and beyond.

David Pearce Executive Director





Adding Value for Producers

AMS offers a turnkey regulatory compliance solution that efficiently meets Ontario producer responsibilities for collecting and managing used antifreeze and antifreeze containers, oil filters and empty oil containers. We offer our customers benefits that matter including:

- **Industry led**: AMS was established by industry, for industry. The AMS <u>Board of Directors</u> 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.
- **Proven performance and industry expertise**: We are a proven and trusted producer responsibility organization with extensive experience recycling automotive service materials.
- **Reporting service and support**: Producers and supply chain partners use a proven and secure <u>portal</u> for online material reporting. Our customer service team is available to answer any technical and administrative questions.
- **Fee rate stability**: We are committed to providing published and predictable fee rates for the materials we manage.
- **Supply chain performance**: AMS has managed the collection of approximately 100,000 tonnes of materials from 17,500+ service centres and hundreds of depots/events, coordinating with processors to achieve environmental outcomes.
- **Effective industry advocacy**: We regularly engage with governments and regulators to advance member interests. We also collaborate with the National Used Oil Materials and Antifreeze Advisory Council and the <u>Used Oil Management Association</u> throughout Canada to conduct research, share best practices and seek to harmonize initiatives across programs to reduce administrative burden to producers.

A Spotlight on AMS Field Services

AMS has dedicated team members who work with service providers and communities to ensure an efficient and effective collection and management system for producers. The team conducts regular forensic material composition studies to understand the ever-changing make-up of collected materials and provide a detailed understanding of the status of materials at their end of life.

This important data informs performance reporting and the allocation of costs to ensure a fair feesetting process for producers. The studies also help identify non-member parties and importers to assure a level playing field for producers; and provide an understanding of changes in the end-of-life material flow that may be due to product packaging changes, seasonality and location factors in the province. Finally, this data also ensures contamination rates remain within acceptable tolerances.

When the field service team is on the ground collecting material audit data, they work directly with onsite staff to gain valuable context about the challenges associated with managing automotive service materials. We are grateful to our many partners and service provides who help ensure we provide a great service to our producers.



AMS team member, Scott Krysa, removing oil filters from a collection bin. AMS measures the length and weight of each oil filter as part of our annual oil filter waste audits.



Sebastian Gorecki preparing to weigh large oil filters during an AMS waste audit



Oil filters waiting to be weighed, measured and catalogued during an annual oil filter waste audit. AMS measures up to 3,000 filters per audit and the information gathered helps us to understand the waste oil filter marketplace and any changes that occur over time.

Our Performance in 2023

AMS arranges for the collection and recycling of the following three types of automotive service materials:

- Antifreeze and empty antifreeze containers
- Oil filters
- Empty oil containers that have a capacity of 30 litres or less

See below for information on the performance of our program in 2023. Please note that the HSP Regulation required the submission of a third-party audit of the management system during the transition period (i.e., October 1, 2021 - December 31, 2022) by July 31, 2023. However, as the Ontario regulator, the Resource Productivity and Recovery Authority (RPRA), has not yet finalized the audit protocol, they have postponed the submission of this report and requirement until 2025. AMS will ensure the completion and submission of the report on behalf of its customers.

Table 1: Total tonnes collected

MATERIAL CATEGORY	2023
Antifreeze	2,201
Oil Containers	3,293
Oil Filters	7,054
Total	12,548

Table 2: 2023 Collection sites, events and depots to ensure accessibility for consumers

Maintaining convenient and accessible collection sites is critical to achieving consumer participation and maximizing diversion activities for automotive service materials. Our network of public and private collection sites includes quick lubes, automotive dealerships, fleet management companies and industrial sites, such as mines and quarries. Many municipalities and First Nations communities also offer collection services to their residents through permanent or seasonal depots, or through special one-day collection events.

• **Collection sites**: We are very proud to provide a robust network of collection sites throughout the province of Ontario, exceeding the minimum required.

REGULATORY REQUIREMENT FOR COLLECTION SITES	2023 AMS COLLECTION SITES
12,624	17,500+

- **Collection events**: Collection events for AMS materials are hosted throughout the year in communities across Ontario. In 2023, there were over 170 single-day <u>collection events</u>.
- **Public Collection Depots**: Residents can drop off automotive materials managed by AMS at <u>these local</u> <u>depots</u> to be collected and processed. In 2023, there were 88 participating depots.

Table 3: Number of haulers and processors

We believe fostering competition amongst services providers is in the broad interests of the producer community and waste management sector. We appreciate the partnerships we have with haulers and processors, both large and small, that support our services to producers. As of April 2024, AMS has 12 haulers and 13 processors as part of our collection and management network.

Haulers	12
Processors	13

Table 4: Promotion and education (P&E) activities

AMS promotion and education activities are designed to increase awareness, drive behavioural change and support automotive service materials collection channels (including depots, drop-off collection events, return-to-retail and incentive partners) to achieve recycling targets.

In 2023, AMS met the P&E regulatory requirements including:

All public collection sites and events are promoted online	✓
All collection events are promoted through a minimum of two forms of media	✓
Descriptions of how materials are managed following collection are promoted online	✓
Promotion and education materials are available to retailers, municipal governments and First Nations communities.	✓

WORKING WITH LOCAL GOVERNMENTS AND FIRST NATIONS ON COLLECTIONS SYSTEM

AMS is committed to doing the right thing by going beyond regulatory requirements for our collections network. In addition to providing collection sites, events and depots, AMS works with local governments, including municipalities and First Nations, to support a robust collection network for Ontario residents across the province. We continue to foster strong relationship by participating in various community workshops and committees to discuss how AMS can serve the needs of the individual communities and ensure stable funding to support resource recovery activities. We also work to support the collection network in more remote areas of northern Ontario where AMS serves collection sites located within 21 First Nations communities.

To support producers in ensuring their automotive service materials are responsibly managed at their end-of-life, AMS is committed to going beyond regulatory requirements for our collections network where we can reasonably do so. For example, we provide services to 32 communities in northern Ontario and 15 communities in other areas across the province where none are required.



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