

Board of Directors Meeting Highlights  
Held virtually via Zoom  
BRA MRF Board Room  
July 18, 2024 at 8:30 AM



## Coffee Cups, Beverage Containers Can Now Be Tossed In Toronto's Blue Bins

Homeowners and some facilities in Toronto can now recycle hot and cold paper-based and plastic-lined beverage containers as part of a pilot project launched by the province's recycling collection system administrator.

Circular Materials said single and multi-residential homes, long-term care homes, retirement homes and schools within the city can take advantage of the pilot, which is the first step toward incorporating these materials into recycling systems across Ontario by 2026.



Circular Materials said the move is part of an “extended producer responsibility framework, where producers are accountable for the entire lifecycle of their products.” That would mean companies like Tim Hortons and Starbucks are “physically and financially responsible” for the cost of recycled materials they supply to the marketplace instead of taxpayers, CP24 reported.

Toronto, meanwhile, was chosen because of its diverse urban setting and large population.

For cups to be recycled, Circular Materials asks that they be rinsed and emptied of any remaining liquid; that lids, sleeves and any other material be removed from the cup; and that there be no stacking or “nesting” of cups.

Material being accepted includes hot drink cups used for coffee and tea and cold drink cups used for fountain drinks.

## Dissolution of Ontario Government Deposit-Return System Working Group

The Ontario government has announced that it will no longer proceed with introducing a new bottle deposit-return system for non-alcoholic beverages. Therefore, the Deposit-Return System Working group that was established last fall will be dissolved.

The decision was primarily driven by concerns over the "significant costs" that such a program would impose on small businesses and families. "Should producers and retailers wish to work collaboratively to implement a system that is both cost effective and increases recycling rates, we would welcome that, however we cannot support increased costs at a time when cost of living is so high." - Amanda Brodhagen, Director of Communications for Ontario Environment Minister Andrea Khanjin

## Nationwide Bottle Deposit System That Could Increase Recycling Rates By 58%



Researchers at MIT have proposed the implementation of a U.S. nationwide bottle deposit system to address a stagnating 24% recycling rate for PET plastics. Their findings suggest a deposit system could increase recycling rates to 82%, with nearly two-thirds of PET bottles recycled into new ones, costing just a penny per bottle under strong demand conditions. The study emphasized the success of bottle deposit programs in other countries and suggests integrating such policies to meet recycling targets effectively. It also found that balancing supply and demand dynamics across the recycling chain through comprehensive policy frameworks would be key in recycling improvements.

## Official Ground-breaking of WM's North Dumfries Recycling Facility in Cambridge

W2RO CEO, Ashley De Souza and Ravneet Gill were onsite for the official ground-breaking of WM's North Dumfries Recycling Facility in Cambridge, Ontario. This new facility and WM's previously announced Nappanee location will play a key role in processing recyclable materials under Extended Producer Responsibility (EPR) regulations in Ontario.



## **GDB RPRA Issues Administrative Penalty to Blue Box Producer**

On June 28, 2024, RPRA issued an Administrative Penalty (AP) Order to Casper Sleep Inc. for failing to establish and operate a collection system for Blue Box materials in 2023 as required under s. 19 of O. Reg. 391/21 (Blue Box Regulation), and for failing to implement a promotion and education program in 2023, as required under s. 69 of the Blue Box Regulation.

This is the first AP issued by RPRA under O. Reg. 558/22 (Administrative Penalties) and s. 89 of the Resource Recovery and Circular Economy Act, 2016 (RRCEA).

The total penalty for both contraventions under the Blue Box Regulation is \$340,457.04 on the following basis:

s. 19: Failure to establish and operate a collection system

- \$200,000 – Base penalty
- \$63,446.41 – Economic benefit
- \$263,446.41 – Total

s. 69: Failure to implement a promotion and education program

- \$75,000 – Base penalty
- \$2,010.63 – Economic benefit
- \$77,010.63 – Total

The AP Order requires Casper Sleep Inc. to pay the full amount to RPRA within 30 days or appeal the order to the Ontario Land Tribunal within 15 days.

## **Walker Industries Invests \$43 Million In Its Ontario Facility**

Walker Industries Holdings has invested in its Arthur Campus located in the Township of Wellington-North. This investment entails a \$25-million expansion of Walker's composting infrastructure alongside an \$18-million packaging facility.

These investments enable Walker to divert 170,000 tonnes of organic materials into compost, soils, and soil amendments. The expansion has also increased the workforce at the Arthur Campus.

Walker began its expansion program at the site in 2020 by constructing 32 new GORE composting cells. These cells are covered with GORE-TEX material, which creates a controlled environment for decomposition. The cover also reduces odours and environmental impacts, allowing for the rapid production of high-quality compost.

Using this method, Walker is poised to reduce greenhouse gas emissions by over 11,350 tonnes of CO<sub>2</sub>e (carbon dioxide equivalent) by 2030 and 137,000 tonnes by 2050.

The packaging facility came online in June 2024, equipped with two fully automated bagging lines capable of producing up to 100,000 pallets of garden soil and mulches annually.

## Plastic Bag Manufacturers And Recyclers Form Responsible Recycling Alliance

A coalition of plastic film recyclers and reusable bag manufacturers have launched the Responsible Recycling Alliance (RRA), a coalition organized to help Californians reduce, reuse, and recycle as a long-term environmental solution to plastic waste.



The RRA's founding members – EFS-Plastics, Merlin Plastics, and PreZero US – oppose AB 2236 and SB 1053, two bills pending in the State Legislature that would eliminate the convenient reusable plastic film grocery bags that millions of Californians use – and reuse – every day. They support instead shifting to the plastics industry responsibility for recycling reusable plastic film grocery bags by integrating them into the Plastic Pollution Prevention and Packaging Producer Responsibility Program created in 2022 by SB 54.

Importantly, reusable plastic film grocery bags are made in California, contain at least 40 percent recycled post-consumer content (PCR), are used multiple times, and can be recycled into new bags and other materials.

RRA strongly advocates for the addition of reusable plastic film grocery bags into SB 54 as the surest path to achieving the right long-term solution for recycling in California. The RRA says that doing so will:

- Provide an easy-to-use way for Californians to collect the plastics they encounter every day – from dry cleaning bags to bread wrappers to so many others that are not included in curbside recycling – for eventual deposit in large collection bins providing the necessary volume to support plastic film recycling.
- Protect middle- and lower-income Californians – who are among the most prevalent users of 10-cent plastic bags – from having to pay more at a time when groceries are already stretching family budgets. 77 percent of purchasers of these bags have annual incomes of less than \$150,000, and 52 percent have incomes of less than \$80,000.
- Preserve thousands of jobs. The reusable plastic film grocery bag manufacturing and recycling industry employs thousands of workers in California and across the country. California's reusable plastic film grocery bag manufacturers cannot simply switch to making poly-woven and non-woven bags with stitched handles or paper bags.

## World's First Carbon Tax On Livestock Will Cost Farmers \$100 Per Cow

Dairy farmers in Denmark face having to pay an annual tax of 672 krone (\$96) per cow for the planet-heating emissions they generate.

The country's coalition government agreed to introduce the world's first carbon emissions tax on agriculture. It will mean new levies on livestock starting in 2030.

Denmark is a major dairy and pork exporter, and agriculture is the country's biggest source of emissions. The coalition agreement — which also entails investing 40 billion krone (\$3.7 billion) in measures such as reforestation and establishing wetlands — is aimed at helping the country meet its climate goals.



The Danish dairy industry broadly welcomed the agreement and its goals, but it has angered some farmers.

The move comes just months after farmers held protests across Europe, blocking roads with tractors and pelting the European Parliament with eggs over a long list of complaints, including gripes about environmental regulation and excessive red tape.

The global food system is a huge contributor to the climate crisis, producing around a third of greenhouse gas emissions.

Livestock farming has a particularly big impact, accounting for around 12% of global emissions in 2015, according to the United Nations' Food and Agriculture Organization. A share of this pollution comes from methane, a potent planet-warming gas produced by cows and some other animals through their burps and manure.

The tax, expected to be approved by Denmark's parliament later this year, will amount to 300 krone (\$43) per tonne (1.1 ton) of CO<sub>2</sub>-equivalent emissions from livestock from 2030, rising to 750 krone (\$107) in 2035.

A 60% tax break will apply, meaning that farmers will effectively be charged 120 krone (\$17) per tonne of livestock emissions per year from 2030, rising to 300 krone (\$43) in 2035.

On average, Danish dairy cows, which account for much of the cattle population, emit 5.6 tonnes of CO<sub>2</sub>-equivalent per year, according to Concito, a green think tank in Denmark. Using the lower tax rate of 120 krone results in a charge of 672 krone per cow, or \$96.

With the tax break in place, that levy will rise to 1,680 krone per cow in 2035 (\$241).

In the first two years, the proceeds from the tax will be used to support the agricultural industry's green transition and then reassessed.

## International Acquires A Despray Environmental Aerosol Can Recycling System

GDB International has acquired a Despray Environmental DS500 aerosol recycling system.

Despray's technology in the DS500 enables the complete separation and capture of all components of aerosol paint cans, including metal, liquid contents, and propellant gases. By effectively recycling these materials, the machine significantly reduces environmental impact and enhances overall aerosol recycling efficiency and safety.



Because of this purchase, GDB International says that they are the first aerosol can filler in the world to achieve 100 percent recycling of aerosol cans.

The DeSpray DS500 acquired by GDB International has the potential to process over 2 million full aerosol paint cans per year. This system can process over 284 tonnes of metal, 700 tonnes of paint, and 175 tonnes of LPG propellant gases annually. All these waste streams will be diverted for recycling, reuse, and waste-to-energy.

## Volvo Already Sees Signs Of Pre-Buy Activity As Truck Market Poised To Strengthen

Volvo Trucks North America (VTNA) is already seeing signs of a pre-buy, particularly among private fleets, as costly EPA27 emissions standards that will add about US\$20,000 to the cost of a Class 8 truck loom.

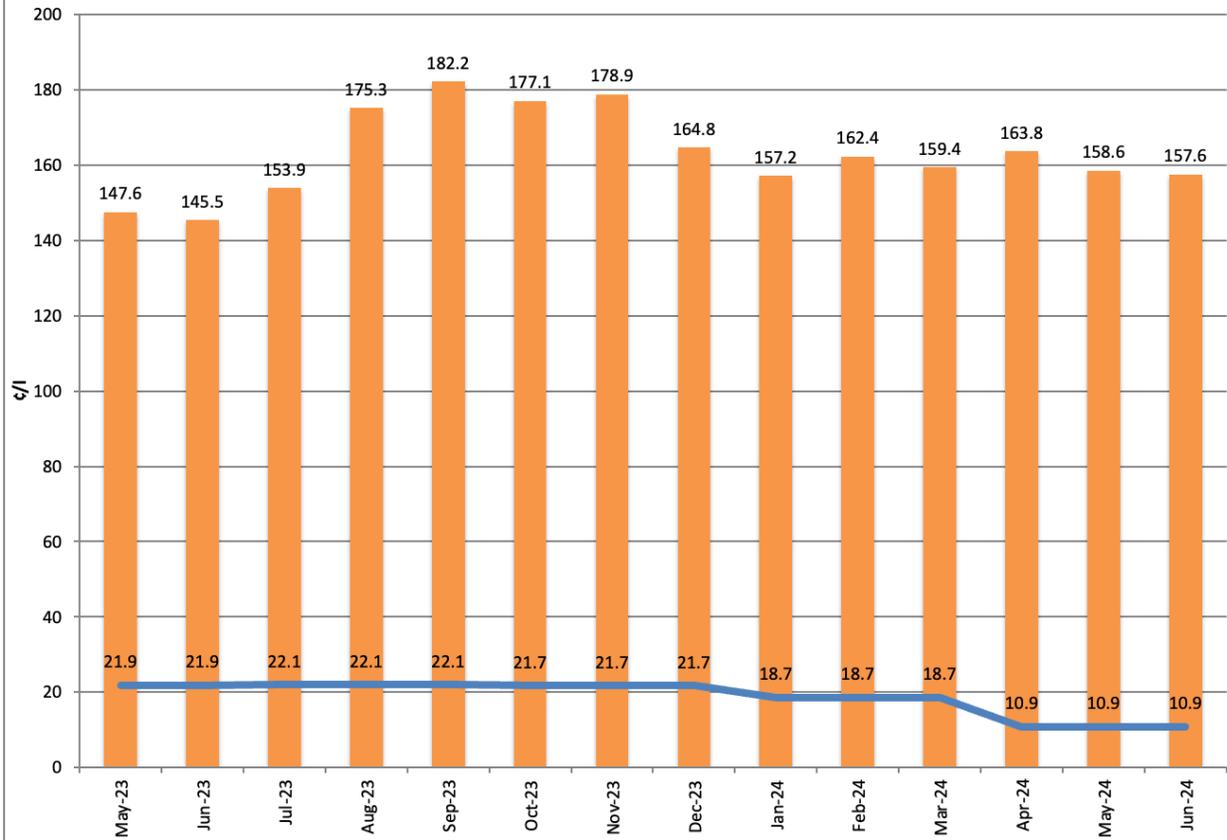
Volvo had anticipated overall Canada/U.S. Class 8 orders of 270,000 units, but it's tracking slightly below expectations and will likely total somewhere in the 260s.

Volvo's share of the market this year is 13.7% in Canada, above its 10.8% Canada/U.S. combined market share. That represents growth in both Canada and North America, and the company has yet to begin delivering the all-new VNL it introduced earlier this year. Deliveries of those trucks will begin in the fourth quarter and Volvo is currently hosting some 1,800 dealers, sales reps and customers at its Customer Center to showcase the new truck.

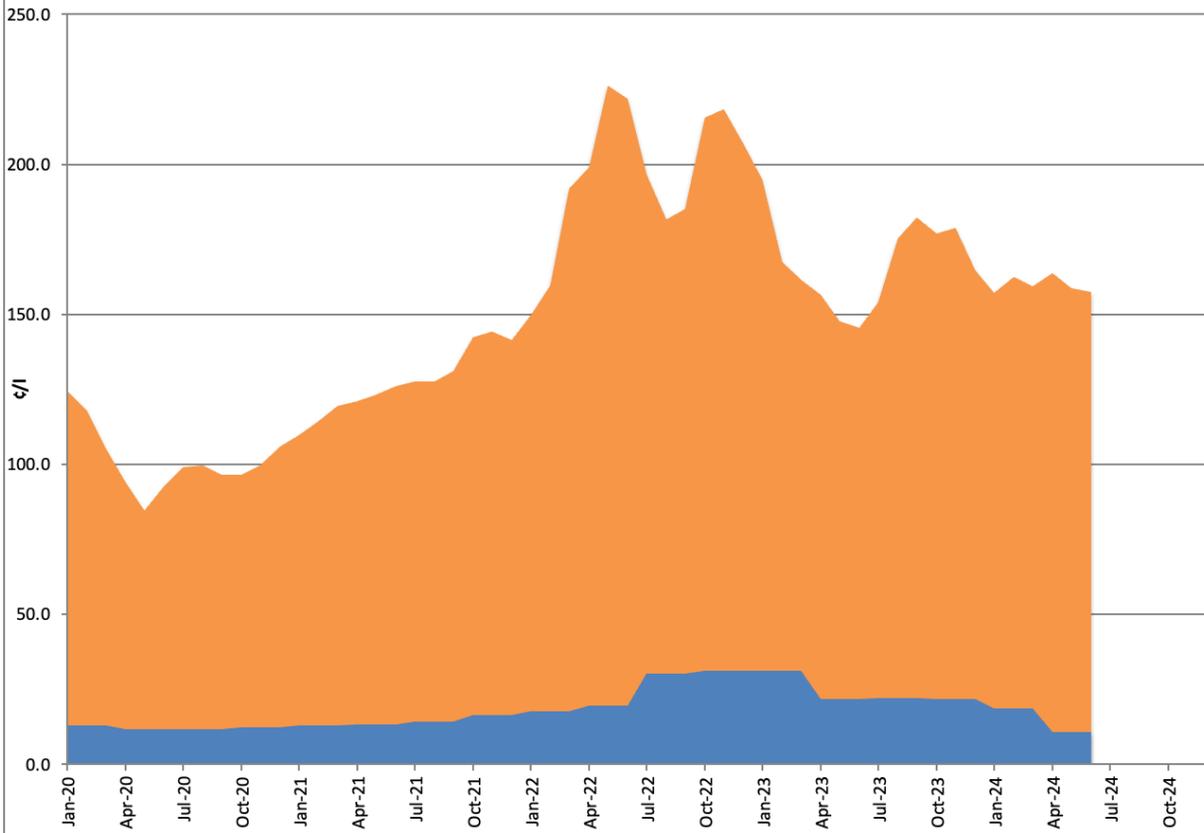
Volvo has invested US\$400 million into its New River Valley plant, and announced plans to add a second plant in Mexico – operational in 2026 – to meet what it anticipates will be heavy demand for the new vehicle.

Volvo has also been successful in the emerging e-mobility market, commanding a 43.8% market share in Class 8 electric trucks. However, Koeck acknowledged that total market still represents just 1,400 vehicles. But it continues to expand its network of EV-certified dealers, which now total 62 in the U.S. and Canada, with dealers in B.C., Manitoba, Ontario and Quebec having gone through the process. Also on the e-mobility front, Volvo secured the battery production assets of Proterra in the U.S.

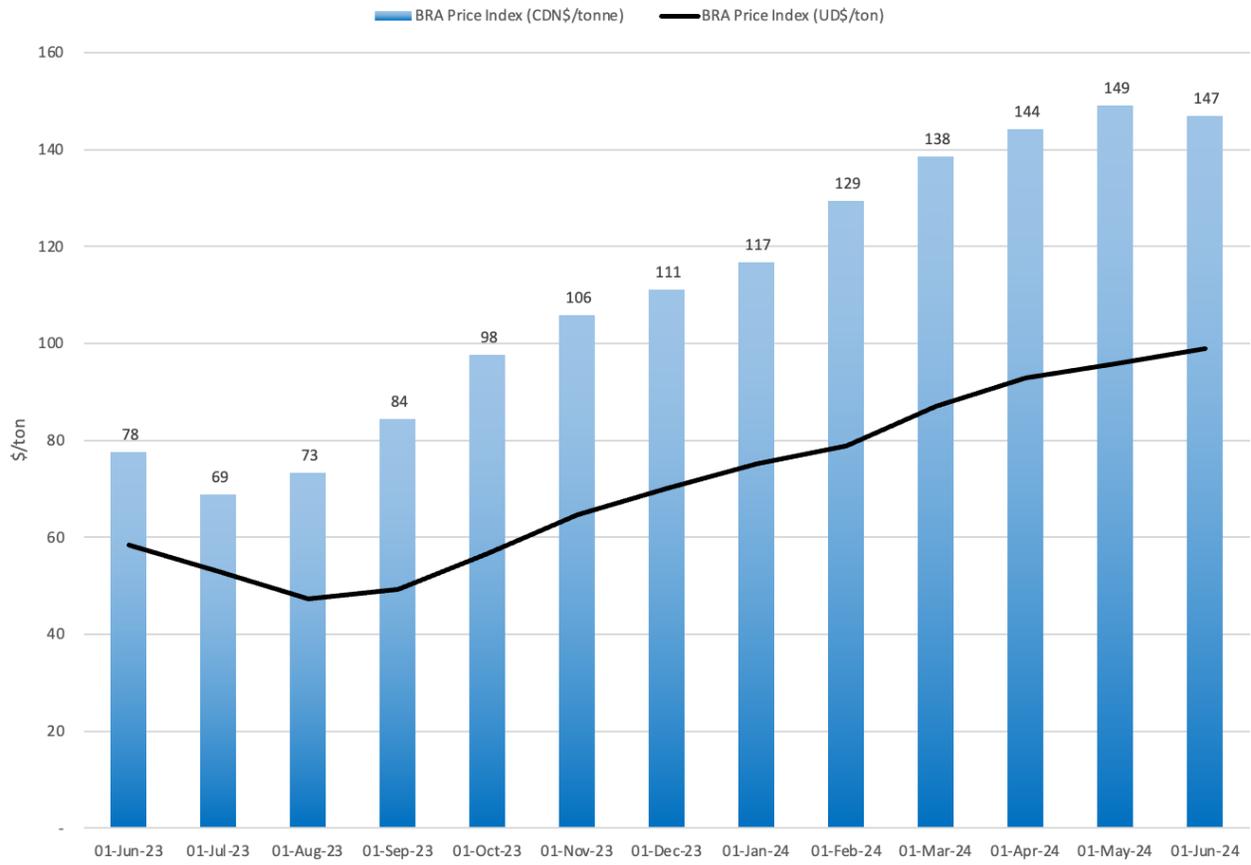
### Diesel vs CNG Price (Retail incl. Tax)



### Diesel vs CNG Price (Retail incl. Tax)



### Commodity Prices



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