Recycled commodities update

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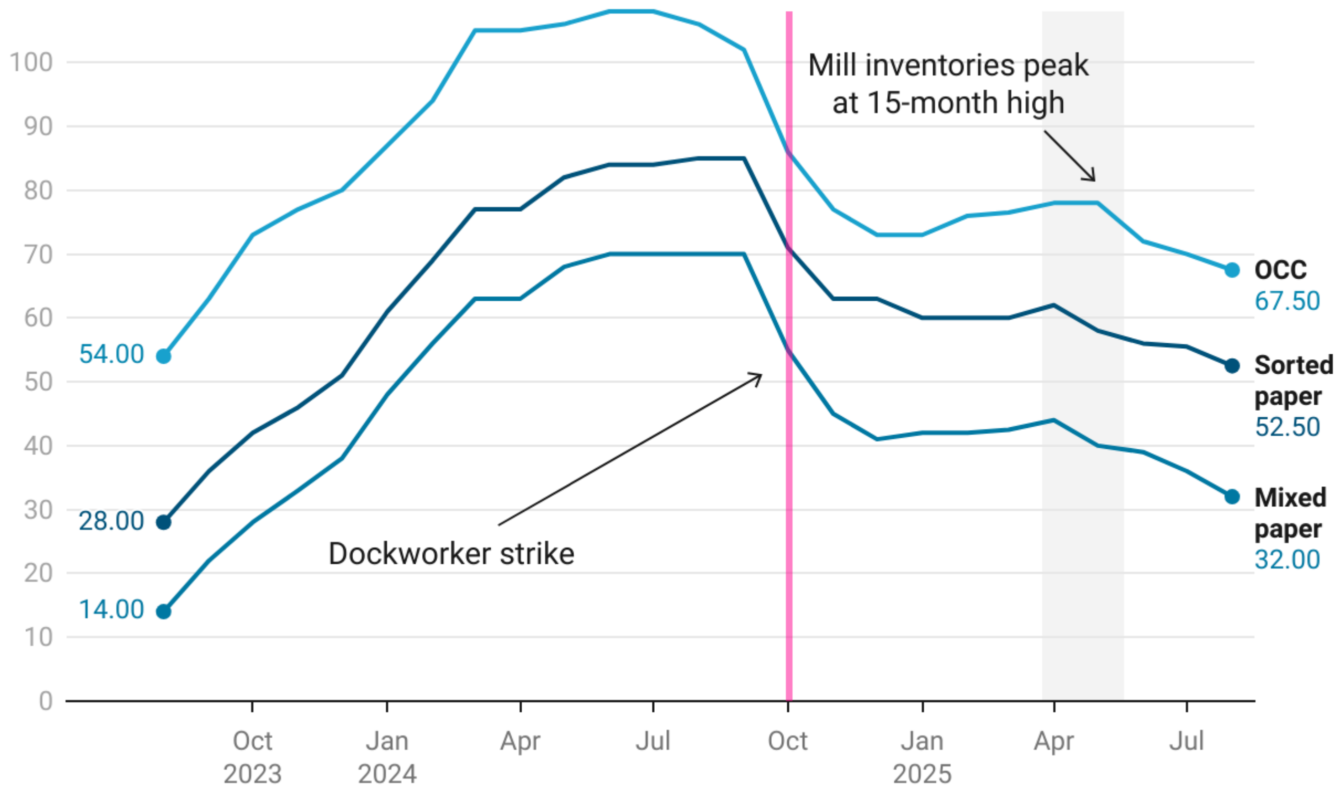
Fiber prices sink throughout the summer

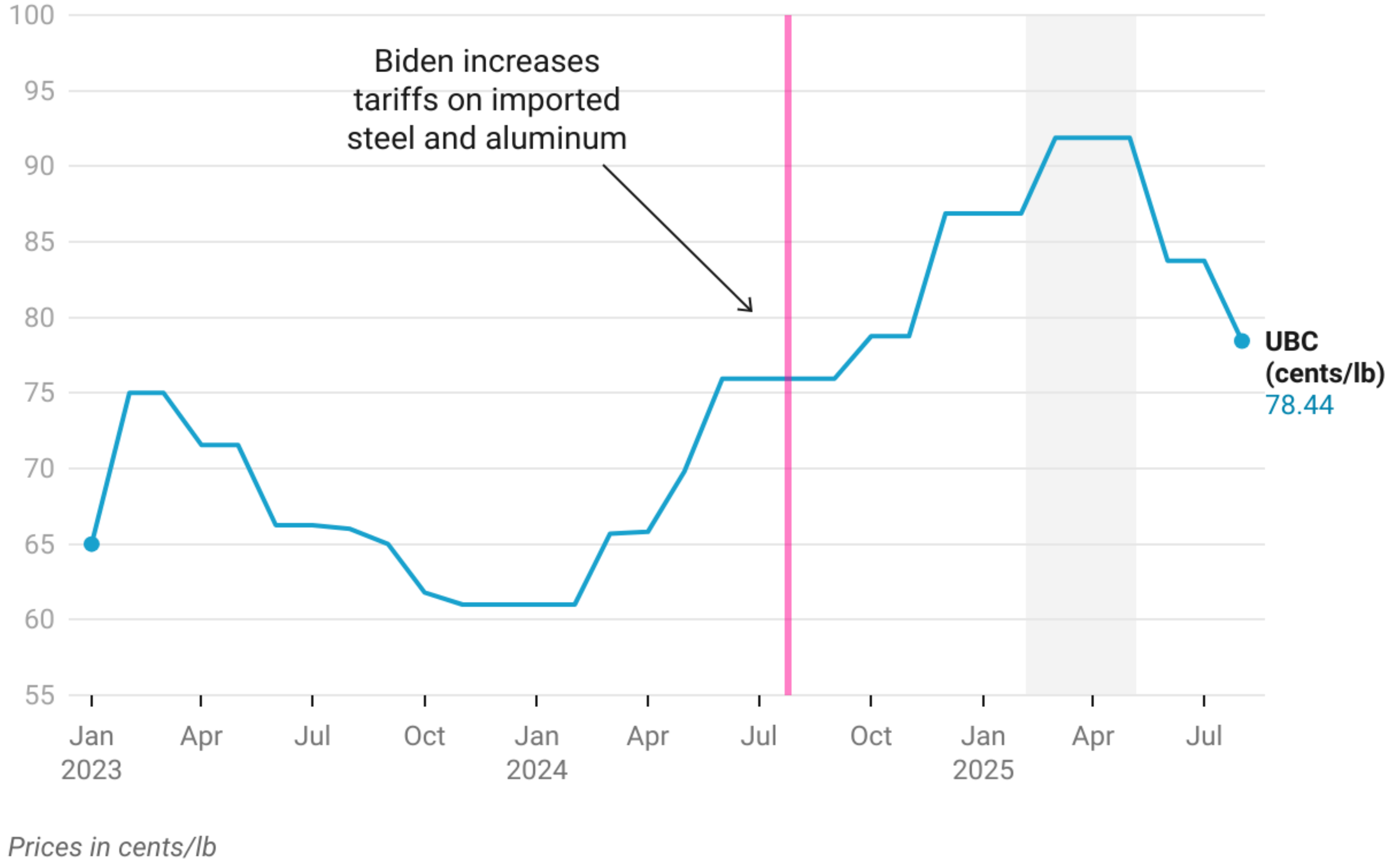
- Q2 containerboard production down 5%
  - Closures represent 6% of capacity
- May mill inventories peaked at 15-month high
  - June stocks eased
- Fewer boxes needed at retail level
  - Affects both demand for and supply of OCC
  - **Key indicator of overall health of US economy**



Prices are in $/ton

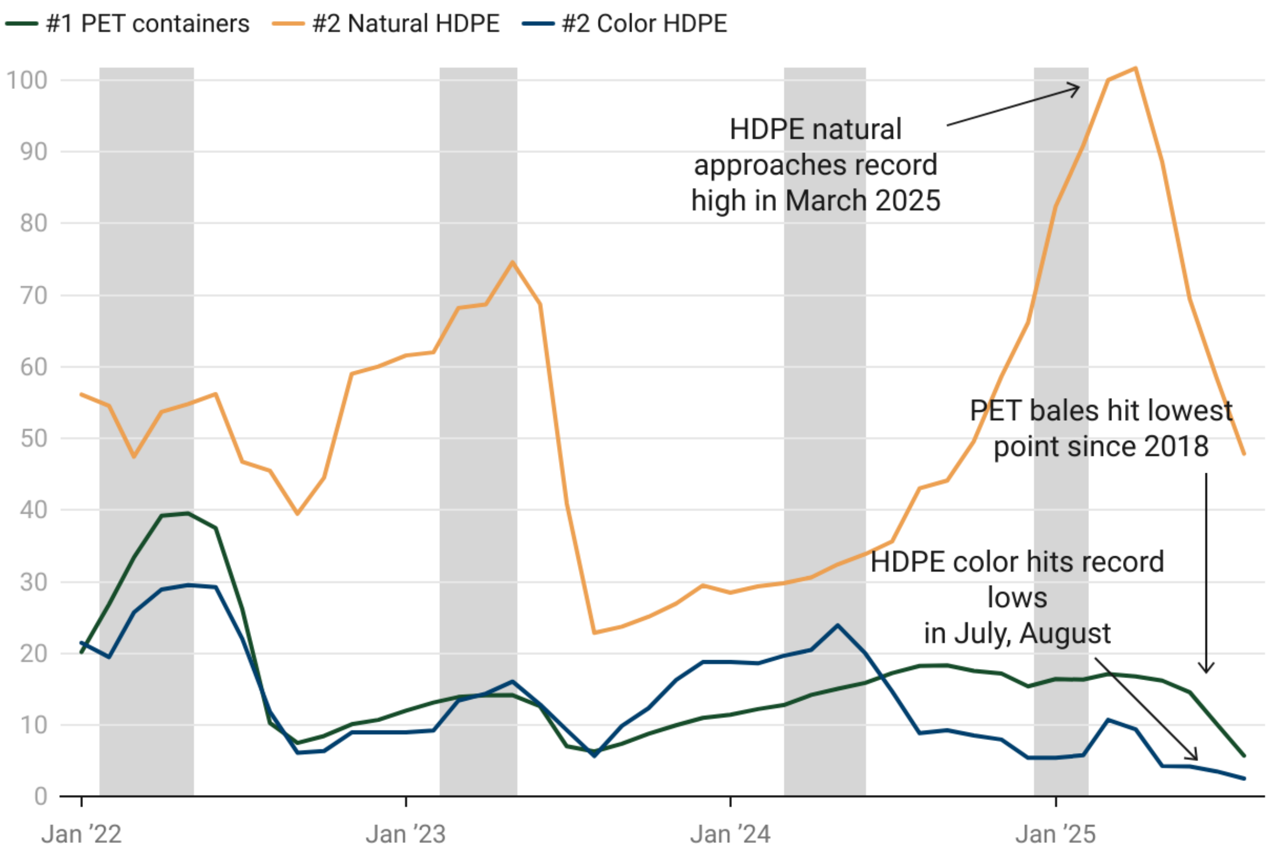
Aluminum prices softening

- Tariffs mostly helping support pricing
- Levels are 3.3% higher than year-ago despite drops
- Younger people drinking less beer than older generations



Plastics prices hit historic lows

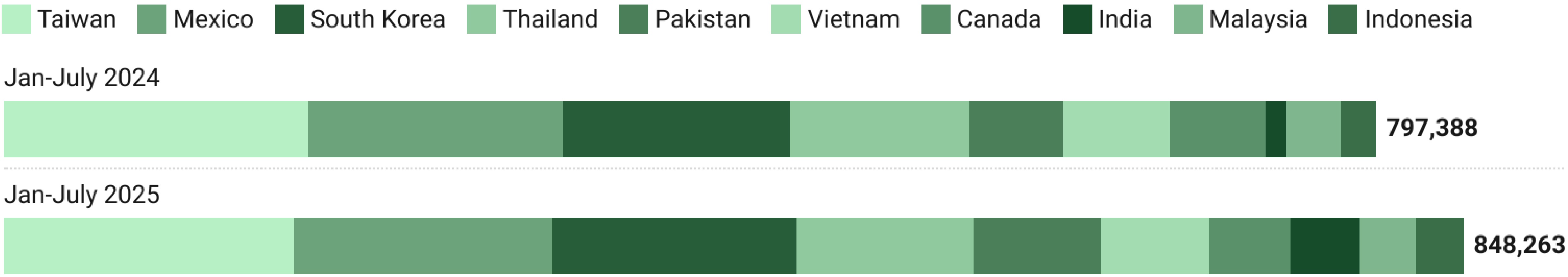
- Post-consumer bale pricing plummeted over the summer
- Lowest price for PET bales in 7+ years
- Price falls continued in September but slowed
- Plastic scrap export volumes drop



Prices are in cents/lb

Jan-July VPET imports rise by 6.4% on the year

- Global oversupply of virgin resin
- US is net importer of VPET; structurally undersupplied
- HTS code includes both virgin and recycled PET
- From September 2025, PET subject to tariffs



2025 PET pricing drivers

- Hesitant consumer spending
    - Bottled beverages consumed during outdoor events, travel

- Tariff-related uncertainty
    - From September 2025, tariffs apply to recycled and virgin resin imports
    - Bale buyers, end users cautious during months of waiting

- Cheap imports
    - Higher by 6.4% on the year in Jan-July

- Cooler and/or rainy weather also dampens demand for bottled beverages

2025 HDPE pricing drivers

HDPE natural

- Oversupply of virgin/off-spec material
- Republic Services buying bales starting July 2024 through March 2025
- Correction after rapid pricing runup

HDPE color

- Weak agricultural market
- Weak export demand for bales due to tariff fears
- Smaller buyers enter the market and push up prices for a month or two, then withdraw

H1 plastic scrap trade drops amid tariff threats

- YTD exports fall 13%, imports rise 5%
- Longer journey, higher risk for both buyer and seller
- Lower overall demand for consumer goods
- Tightening regulations in Malaysia

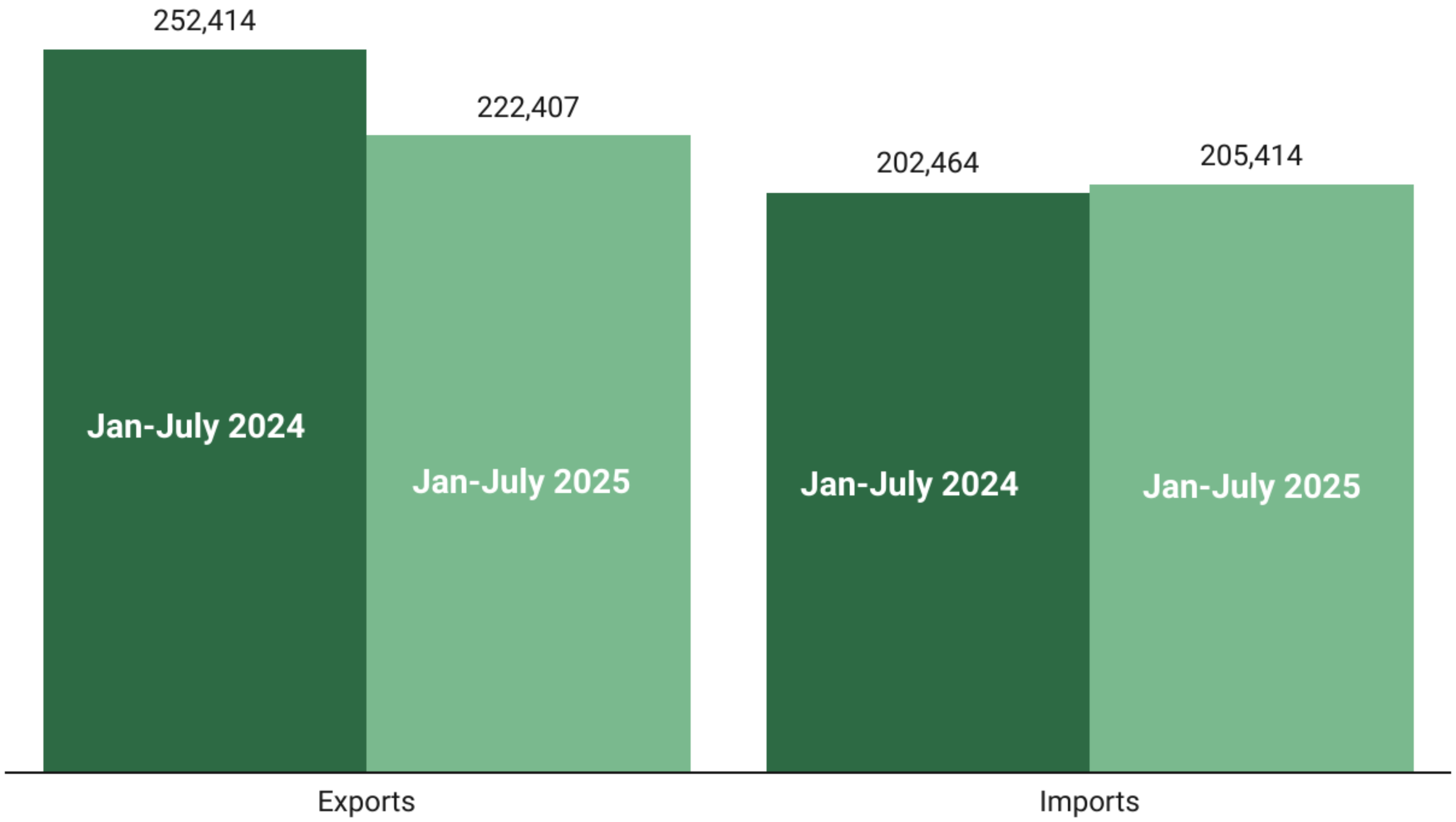
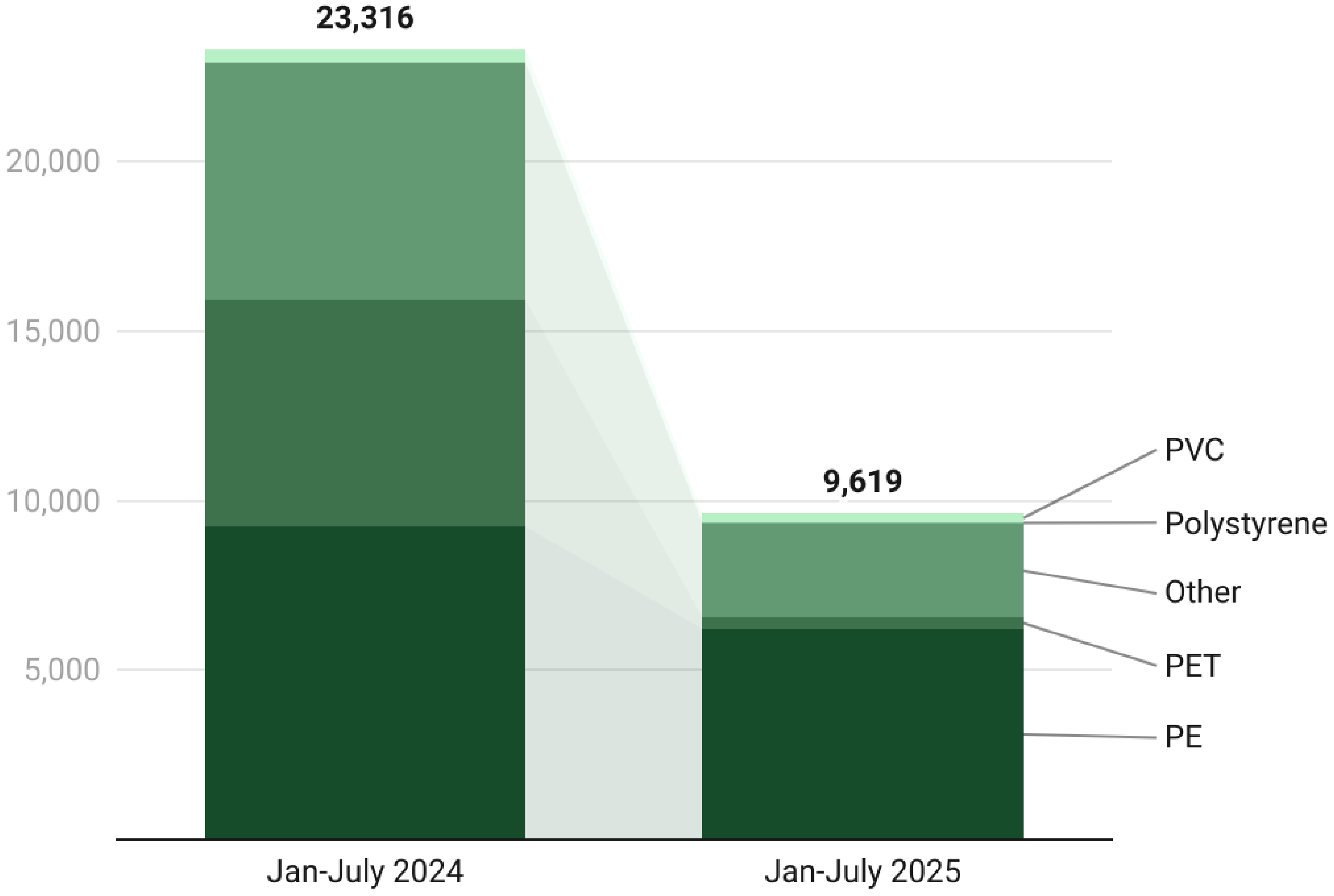


Chart: Antoinette Smith | Resource Recycling Inc. • Source: US International Trade Commission • Created with Datawrapper

The Malaysia effect

- Effective July 1, Malaysia banned non-Basel Convention compliant imports – effectively, US origin
- YTD volumes down 59%
- In 2024, Malaysia received about 9% of US plastic scrap exports
- Through July 2025, only received 4%



Volumes are in metric tons

Economic indicators

PET

- Consumer spending improving slightly
- Consumer confidence for September at lowest level since April
    - Consistent with decrease in job openings
- Morgan Stanley Research forecasts
    - Year-on-year growth of 3.7% for nominal spending in 2025
    - Forecast of 2.9% growth in 2026
    - In comparison, 2024 saw 5.7% expansion
    - Cooldown likely to be more pronounced in Q4 2025/Q1 2026

HDPE

- August housing starts **down** 6.0% on year
- August building permits **down** 11.1% on year
- August housing completions **down** 8.4% on year
- Home builder confidence **flat** at 32 in September: pessimism
    - Responses reflect interest rates, employment rates, material costs
- Mortgage rates remain relatively high, discouraging home buying, remodeling
- Virgin PE exports affected by tariff chaos; more volumes staying in the US

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What to watch

Shorter/medium term

- Republic Services: third/fourth Polymer Centers siting
  - Allentown, Pennsylvania; bale buying Q3 2026
  - Southeast – announcement in early 2026?
- WM building two Ontario MRFs, complete by end 2025
- Retaliatory tariffs yet to come
- Companies, economists have no idea what to expect, forgoing financial guidance

Longer term

- Maryland, Washington pass extended producer responsibility (EPR) bills for packaging
  - So far 7 states have passed EPR law
- PepsiCo, others announcing lower plastics targets
- Reliability of US federal economic data?

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Thank you!

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