



The Aggregates Industry in Canada

“Charting the GAIN Strategy to 2030”



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Aggregate Producers Association of Canada

GAIN Meeting – Queenstown, NZ – July 2023

Canada is a Large Country with a Modest Population

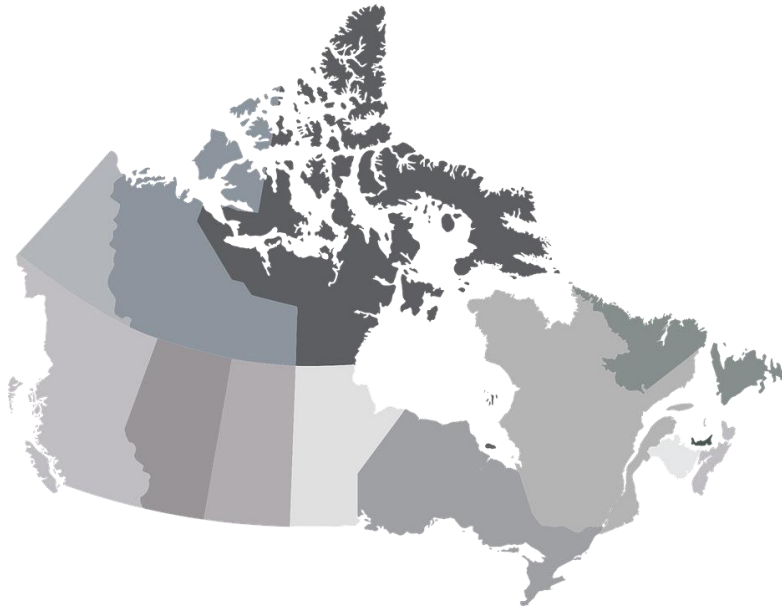
Similar land mass to China, but with great distances between urban centres



Canada:

Land Area: 9.1 million km²
Population: 38.0 million people
~80% living in cities

No. of cities with over 1 million people: 3



China:

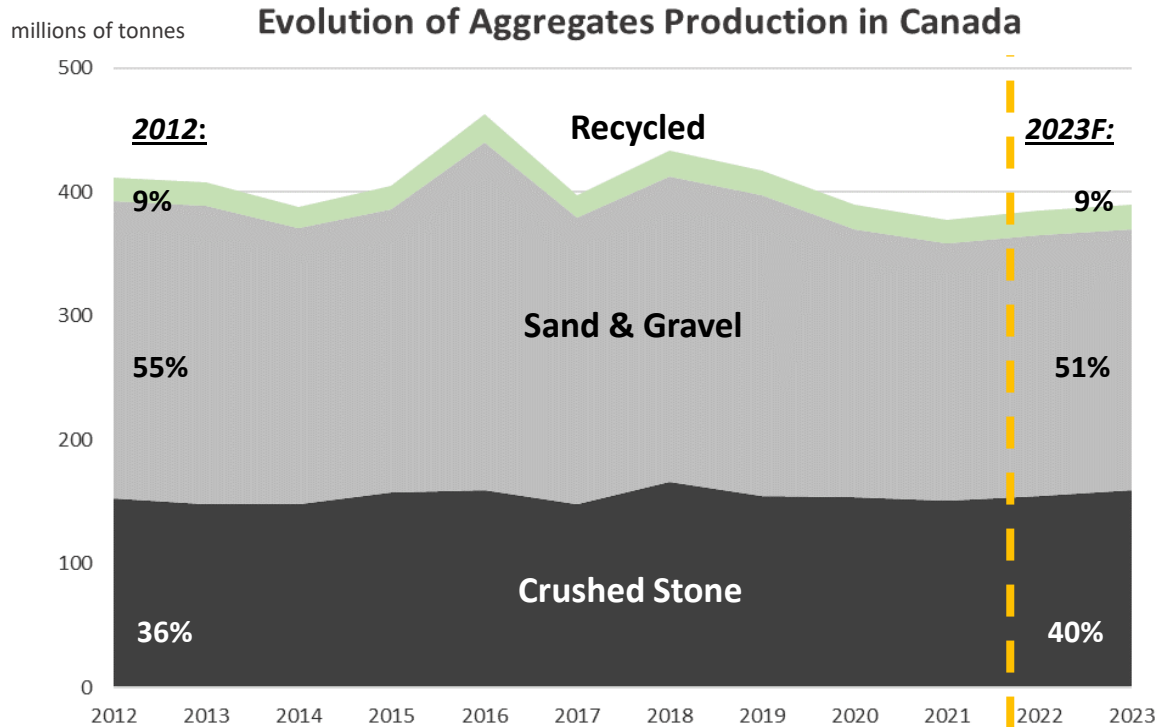
Land Area: 9.3 million km²
Population: 1.4 billion people
~60% living in cities

No. of cities with over 1 million people: >100

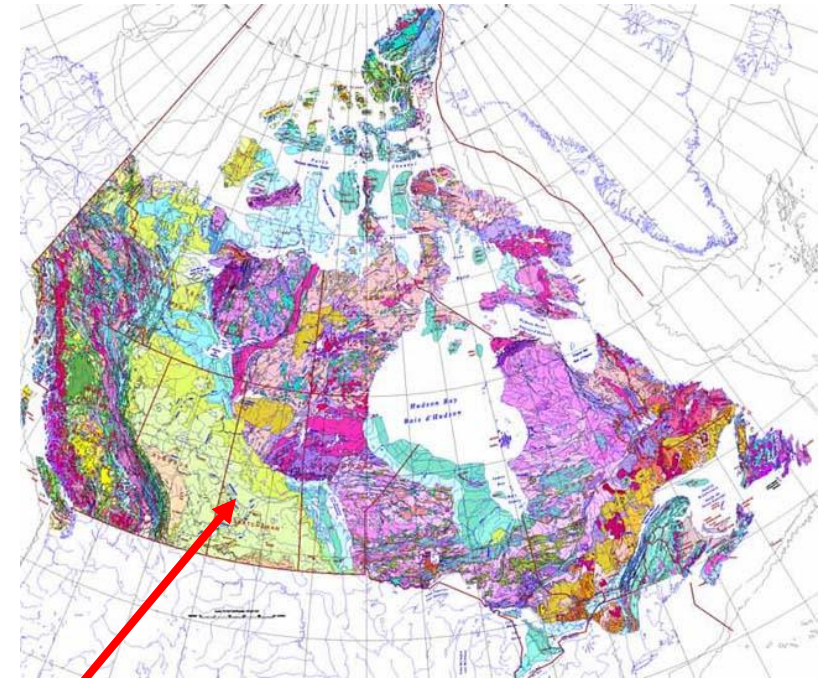


Aggregates Production in Canada

400 million tonnes produced annually, with >10 tonnes per capita ratio



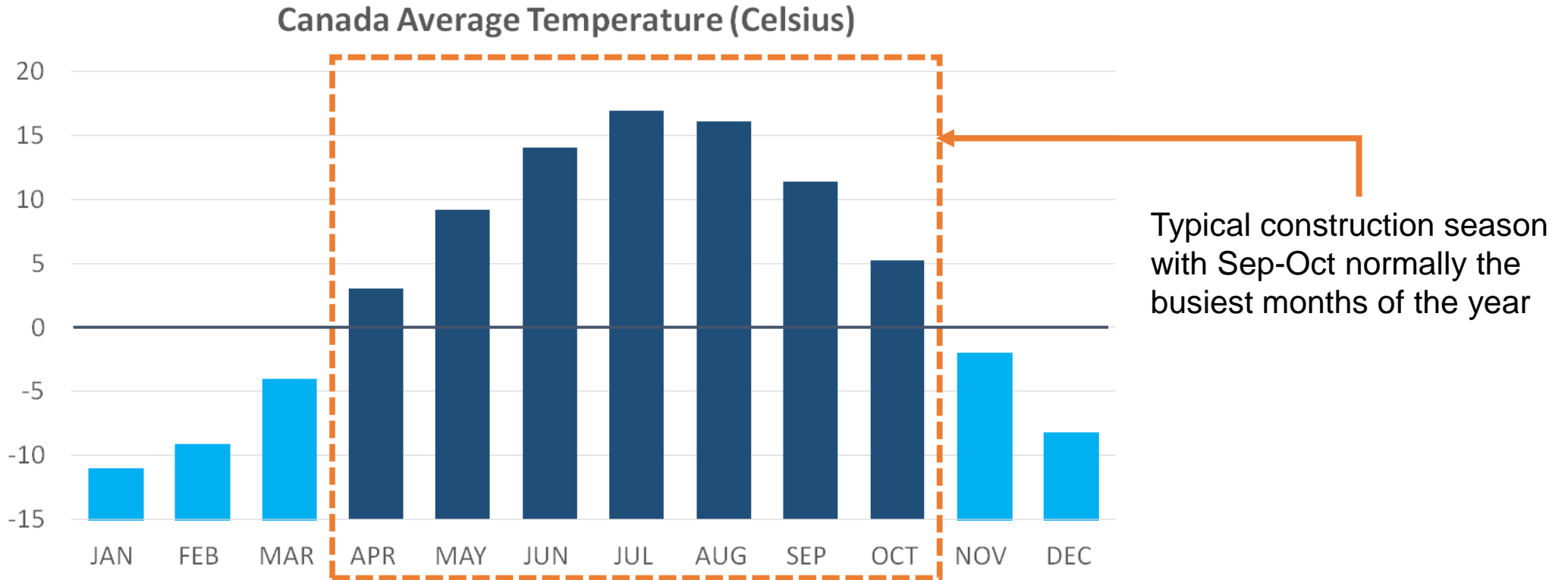
Geological Map of Canada



- Sand & Gravel is still the leading aggregate produced, partly due to limited alternatives in the Prairies
- Slight drop in aggregates production and demand forecasted in 2023 based on a recent survey, with continued impact expected as government stimulus construction projects near completion

Aggregates Production in Canada

Aggregates production season is short for the vast majority of the country



- Sub-zero temperatures and limited hours of daylight suspend most construction activities in the winter
- This presents many challenges for the industry (eg. long summer hours, inventory planning, seasonal labour)
- Over 80% of aggregates are supplied during six months of the year, with over 50% between Aug and Nov

Aggregate Producers Association of Canada (APAC)

Emerged in 2019, but has grown to include members from across the nation



Birth of APAC in 2019: First meeting between the three provincial aggregate associations in British Columbia



First Annual Meeting in 2020: Held in Ontario in February, now included seven provinces face-to-face

- Aggregate producers and provincial associations across the country are now meeting regularly to discuss common concerns – last F2F meeting was in Vancouver in May 2023
- Key objective of APAC is to support a stronger, unified, national industry that is safe, sustainable and growing through networking, advocacy, and the sharing of best practices

Building National Industry Economic Statistics

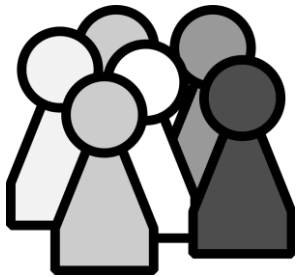
APAC has helped consolidate figures in the industry across Canada



- 400 million tonnes per year
- Over 25,000 licensed pits and quarries

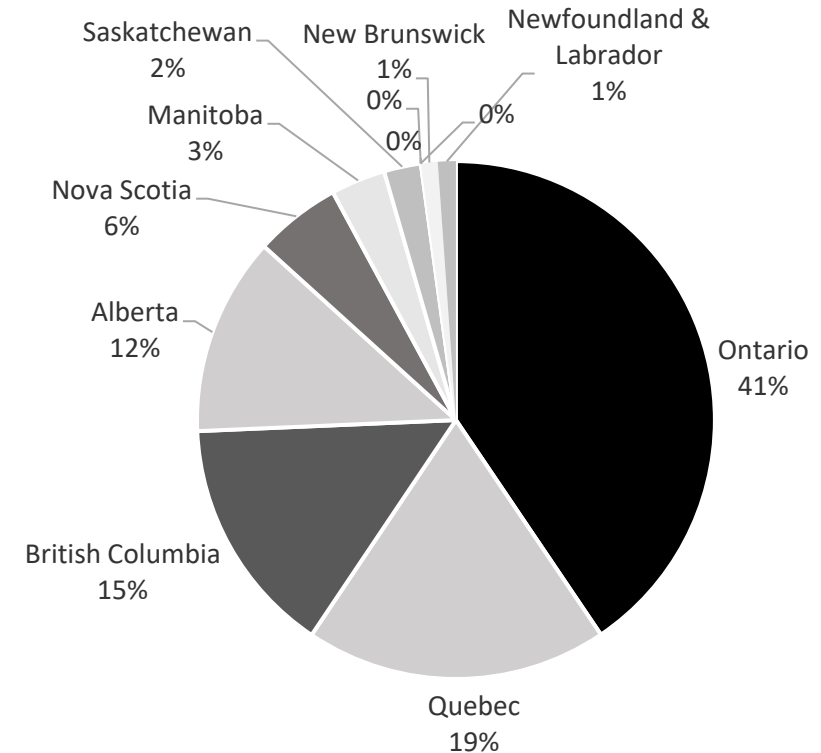


- Total value of \$4.2 billion CDN
- Average material price of \$10 / tonne



- Directly employs over 25,000 people
- Indirectly employs over 85,000 people

Canada Aggregates Production by Province (2021)



APAC Has Grown in Interest and in Importance

Invaluable exchange between provinces in response to Covid-19

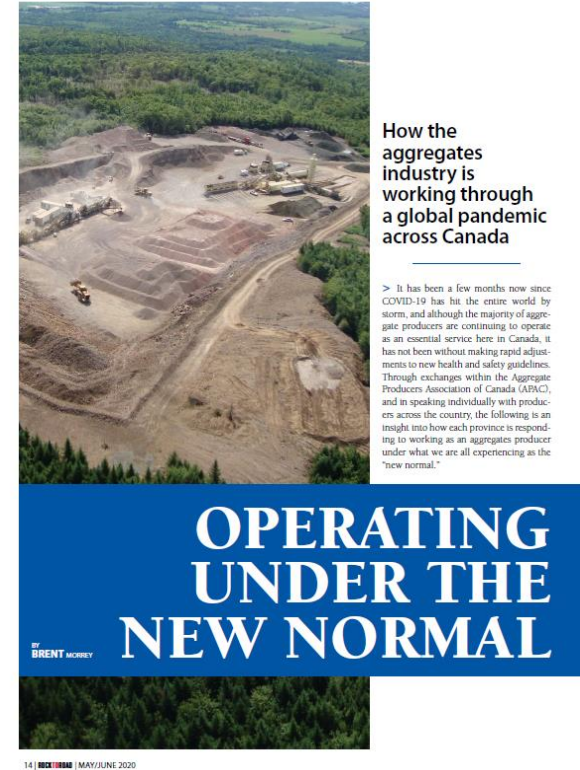
- Best practices shared between provinces on business continuity in light of the pandemic – **learning and adapting together**
- Aggregates considered an essential service – strong collaboration with provincial governments
- Unity in letter to the federal minister of infrastructure



Some producers have moved to remote ticketing, while others are looking to telephone apps and going paperless



Disinfectants outside of tool sheds

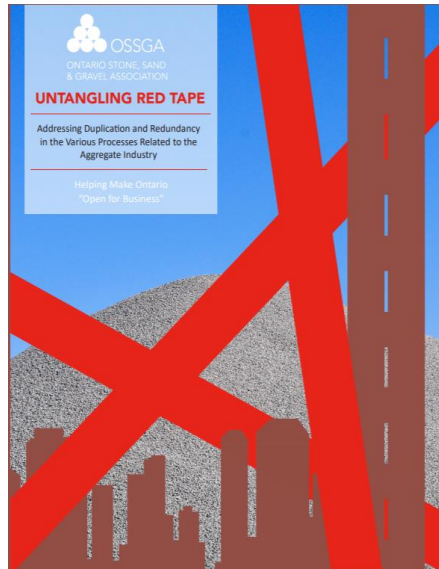


- Virtual environment has proven to be successful and in some cases, participation has grown as more people are able to attend meetings

Government Advocacy Efforts

Various approaches from province to province to improve relations

- Avoid sterilization of future aggregates reserves
- Major regulatory reviews underway in a few provinces to reduce the red tape and improve permitting application process
- Ensuring consistency and fairness of approvals
- Training, education and awareness of new government officials
- Quarry and pit tours
- Competing for attention with other industries (eg. forestry, oil)



Increasing Environmental Requirements & Public Concerns

Changes being imposed causing some concerns within the industry

- Not allowing new extraction in natural heritage system in endangered species habitat
- Environmental and cumulative impact assessments
- New regulations for inert fill
- Amending standards on monitoring process (eg. water sampling in the winter)
- Working closer together to jointly be effective and diligent stewards of the environment



Raising Public Concerns

- Opposition groups are getting stronger
- Everyone needs gravel, but no one wants it in their back yard
- Promoting industry awards & improving recognition - changing public perception with sharing good news about the industry



Various Aggregate Levies Being Applied

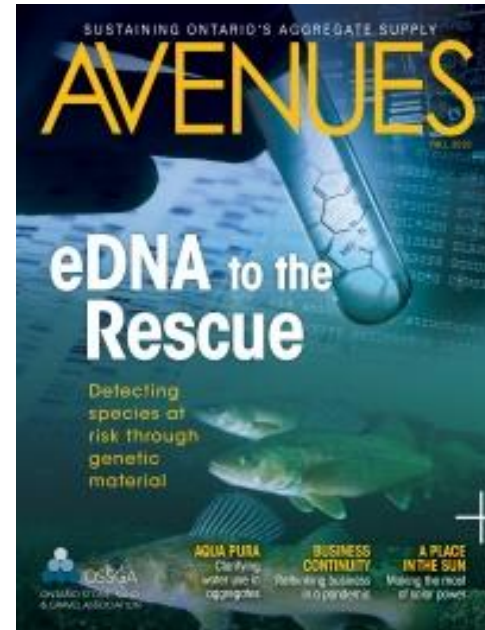
Comparing notes between provinces – what is working and what is not

- Mostly benefiting local municipalities of where aggregates are extracted
- Improving the governance and the transparency of the allocation of funds
- Orphaned and abandoned pits
- Reclamation funding
- Local sand & gravel or aggregates committees



Industry Practices Shared Across the Country

Increased communications & networking within industry associations



 **Safety Toolkit**
HSE REFERENCE LIBRARY FOR THE ALBERTA AGGREGATE INDUSTRY

Combining a Quarry Tour with Industry Association Events

Increased communications & networking within industry associations



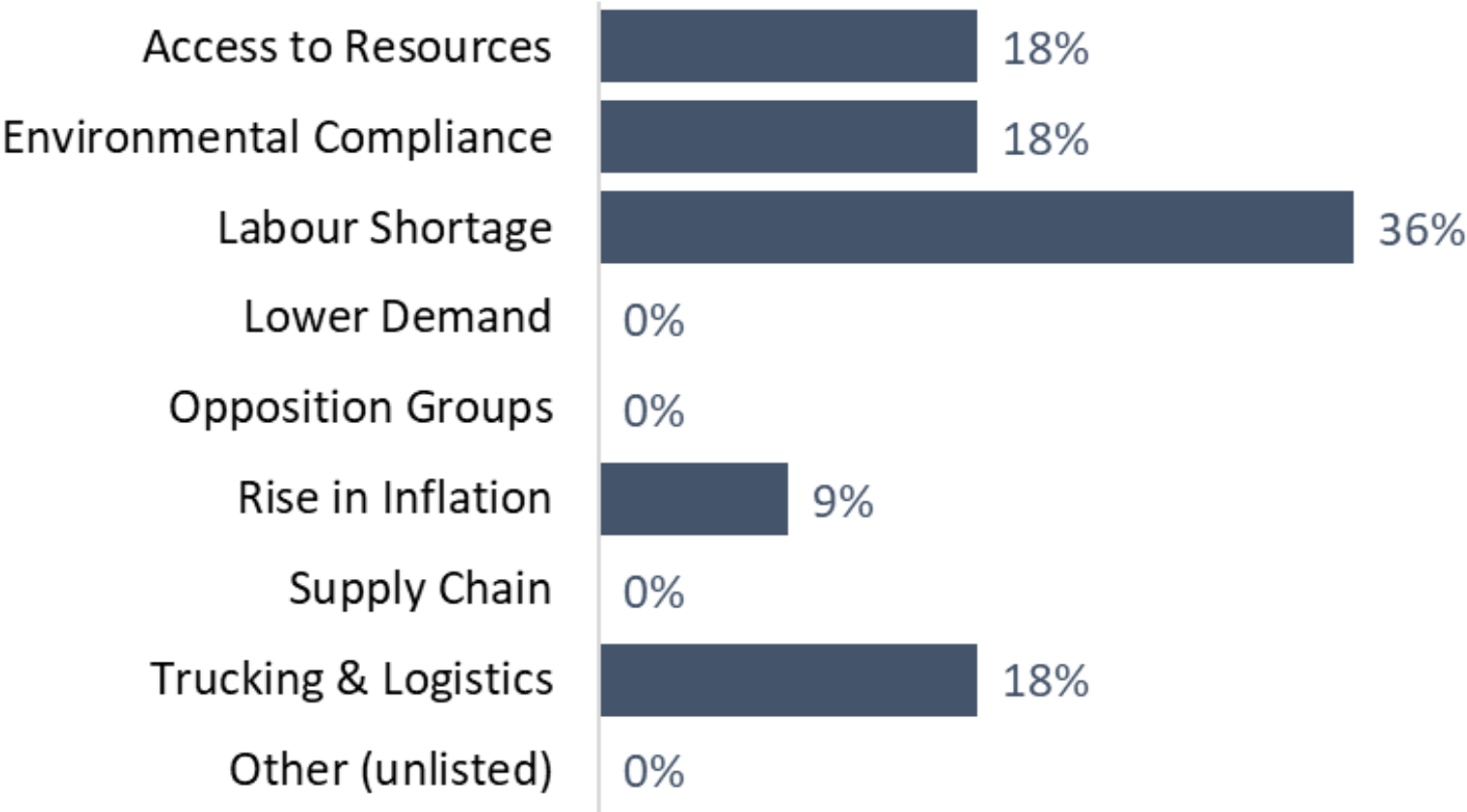
- Taking advantage of planned events to coordinate an informal exchange amongst APAC members and to possibly attend each other's event for continued learning

September 2022: Held in Halifax, APAC held an informal exchange around an existing OSSGA event and the Maritimes Roadbuilding and Heavy Construction events

APAC Survey Highlights Common Issues for Next Dialogue

What is the biggest issue facing aggregate producers in your province today?

Pick only one...



Next Steps for APAC

Open discussion & questions



- Continued sharing of best practices and lessons learned (eg. health & safety, government advocacy)
- Improve public perception of the industry
- Momentum has grown for increased collaboration and sharing of best practices between Canada's provincial industry associations – members see the value, especially since 2020
- APAC is a voluntary informal network and will continue to operate as such, at least for now
- Continue to participate and contribute within the global aggregates community (GAIN, CAA, other national associations) by learning from and sharing recent developments and best practices within the industry