



**RECYCLEBC™**

**2018 Annual Report**

Celebrating Five Years of  
Growth and Success

# CELEBRATE



# About Recycle BC

Recycle BC is a not-for profit organization providing residential recycling services to households across British Columbia. It is the only extended producer responsibility program for packaging and paper product (PPP) in North America where producers have full responsibility for the financing and operation of the residential recycling system across the province.

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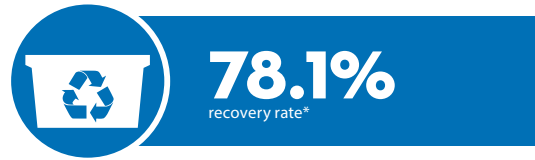
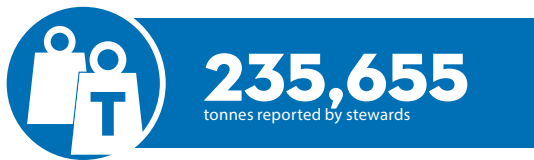
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# 2018 Highlights

In 2019, Recycle BC is marking five years of responsibility for providing residential recycling services to residents across BC. As required by provincial Regulation, in its fifth year Recycle BC is required to update its Program Plan. The revised plan, developed in 2017 and 2018 with extensive stakeholder consultation, was submitted to the Ministry of Environment and Climate Change Strategy (MoECCS) for review and approval. Recycle BC is currently waiting for the Ministry's approval. The plan identifies how Recycle BC will build on its experience and learnings since 2014 in order to achieve ever more ambitious performance targets while pursuing an agenda of continuous improvement. The new Program Plan will mark the beginning of a new chapter for Recycle BC as it continues to demonstrate the benefits of a full extended producer responsibility system for the effective management of PPP.

## Program Performance



MATERIAL CATEGORY	RECOVERY RATE
Paper	86%
Plastic	42%
Rigid Plastic	54%
Flexible Plastic	19%
Metal	67%
Glass	78%

\* Net tonnes collected and recovery rate reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs for reporting in their annual reports

## Access



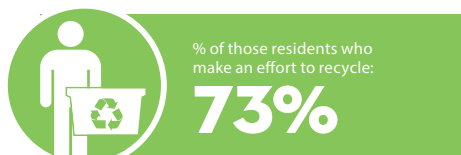
## Stewards



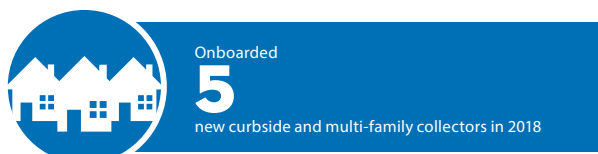
## Financial Performance



## Public Education Highlights



## Collection System Highlights



## Managing Environmental Impact

Recycle BC members collaborating to overcome hurdles for recycling squeeze tube packaging



Recycle BC members make commitment to take action on plastics



## Pollution Prevention Hierarchy

**180,532\*** tonnes of material managed by recycling

**87.3%** of collected tonnes managed by recycling

**6,185** tonnes of material managed by recovery (engineered fuel)

**16,742** tonnes of collected material managed by disposal

\* Based on audited data of quantities of materials shipped, including prior year-end inventory and unshipped inventories at year end

# Message to Stakeholders



John D. Coyne, 2018 Board Chair  
Vice President External  
Affairs and Sustainability,  
Unilever Canada Inc.

Recycle BC is marking its first five years of operating North America's only extended producer responsibility (EPR) program for packaging and paper product (PPP) in which producers have both operational and financial responsibility. While managing constant change on numerous fronts, the program has expanded its reach and capabilities, building strong partnerships across the province aimed at delivering dependable and efficient recycling services to the residents of British Columbia.

Recently the proliferation of plastics in the environment and their impact on our oceans, lakes, rivers and landscapes has come to the forefront. Plastics are an important material with rapidly expanding uses, but 95% of the value of global plastic packaging ends up as waste and is lost to the economy. The creation of a closed loop system, or circular economy for plastics, is the most practical and economic approach to managing this material.

One essential element for the creation of a circular economy is having in place a full producer responsibility framework where responsibility for the capture and repurposing of this material is assigned to producers. This is the model currently in place in BC and, as we look forward, I am confident that Recycle BC is a useful template for a broader national approach to dealing with the plastic waste challenge.

Recognizing the global effort required to effectively reduce plastic waste, we continue to collaborate with international leaders and brand owners through the Ellen MacArthur Foundation's New Plastic Economy initiative. In 2018, together with Canadian Stewardship Services Alliance (CSSA), Recycle BC began participating in the New Plastics Economy Global Commitment to eliminate plastic pollution at its source.

Recycle BC's efforts and accomplishments in 2018 moved the program forward on a number of fronts.

## Program Plan

Recycle BC began consultations and development of its next five-year Program Plan in 2017. In conjunction with the development of the Program Plan, Recycle BC conducted six consultation events at three different stages of the plan development. Stakeholder consultation events were hosted in the fall 2017, spring 2018 and the summer 2018. Revisions were made to the Program Plan following each of these consultations. After considering all stakeholder feedback, the Program Plan was finalized for submission to the provincial government.

Stakeholder feedback determined that there was a desire for more detailed reporting requirements. This resulted in the addition of material-specific targets for the four main material categories: plastic, paper, metal and glass, as well as subcategories for rigid and flexible plastics. There was also keen interest for setting out more detail on how Recycle BC intended to articulate its activities in greenhouse gas emissions reporting, streetscape recycling, and packaging found in the organics stream in the revised plan.



Years of learning and growth, along with stakeholder feedback, provided a strong base upon which to evolve the program and finalize the Program Plan. Earlier this year, we were pleased to submit the final plan to the Ministry of Environment and Climate Change Strategy for approval.

### Expanded partnerships

As the first five-year agreements with our collection partners expired in 2018, revised agreements were provided and renewals were signed to ensure continued operation of curbside, multi-family and depot collection.

Recycle BC continues to explore collector partnership opportunities including the First Nations Recycling Initiative, a partnership that now brings together nine other stewardship organizations, to increase recycling access and participation in First Nations communities.

We continued our partnerships with the Vancouver Canucks, Vancouver Whitecaps FC and our local Community Champions program to support promotion and education initiatives in communities across BC through outreach campaigns for plastic bag reduction and recycling, coffee cup recycling, and plastic recycling.

### Program growth

In 2018, Recycle BC welcomed the City of Powell River, District of Squamish, Township of Langley, Squamish Lillooet Regional District and Thompson Nicola Regional District to our curbside recycling program, adding almost 48,000 households to the curbside program and nearly 4,400 multi-family households. In addition, Bulkley Nechako Regional District and Thompson Nicola Regional District joined our program with 13 depots to facilitate expanded depot recycling.

We also received and approved requests from the City of North Vancouver, District of North Vancouver and District of West Vancouver for Recycle BC to be directly responsible for curbside and multi-family recycling collection starting in 2020, which will significantly increase the number of households Recycle BC services directly.

### Looking back, moving forward

I would like to extend my appreciation to the Board of Directors, the Advisory Committee and the Recycle BC team for their work and ongoing commitment to the Recycle BC program. We look forward to an exciting 2019.

# Program Overview

Recycle BC is a not-for-profit organization delivering residential recycling services for packaging and paper product (PPP) to 1.46 million households throughout British Columbia. The Recycle BC program is financed by brand owners and first importers and businesses such as retailers, manufacturers and quick-service restaurants that supply PPP to residents of BC. Businesses assuming responsibility for recycling services relieves local governments and taxpayers from funding these recycling services. As the only extended producer responsibility (EPR) program for packaging in North America in which producers have both operational and financial responsibility, the program is often recognized as a best-in-class model for the efficient and effective management of residential PPP.

As consumers, governments, NGOs and businesses accelerate their actions to address the current plastics pollution crisis, experts are increasingly recognizing full producer responsibility as a necessary component for building a circular economy for plastics. Recycle BC is contributing to the thinking and action necessary to build a circular economy that keeps plastics off BC's shorelines and out of the natural areas of which BC residents are so proud.

When producers take full responsibility for the end-of-life management of their materials, they have incentive to design it for recycling so that it can be captured and repurposed providing a reliable supply of raw material for their own manufacturing processes. This system creates a closed loop where the value of this material is not lost to the economy but kept in productive cycles of use and reuse. Recycle BC's full producer responsibility system, which has resulted in the creation of an integrated provincial recycling system, provides a foundation upon which a circular economy for PPP can be built.

## Recycle BC's Mission

### PROGRAM PLAN HIGHLIGHTS

Section 6 of the BC Recycling Regulation requires that every five years Recycle BC review its approved Program Plan and submit proposed amendments to the government for review and approval. Recycle BC undertook extensive consultations with stakeholders in late 2017 and through 2018 and developed a revised Program Plan that would define its next five years of operations. The plan not only demonstrates Recycle BC's vision for pursuing a course of continuous improvement over the next five years, but also the leadership role it can play in addressing the growing problem of plastics pollution.

Key highlights of the revised Program Plan include: an increase in the target program recovery rate from the current 75% to 78% by 2022; the introduction of recovery performance targets for the material categories of paper, plastic, metal and glass, and plastic, including recovery performance targets for the subcategories of rigid and flexible plastics.

Other important updates incorporated into the revised plan include commitments to:

- Expand collection of PPP;
- Work to reduce contamination rates;
- Continue to invest in innovations aimed at managing difficult-to-recycle materials; and
- Develop consistent measurement protocols to report performance against program and material-specific recovery performance targets.



Recycle BC’s mission is to be a trusted environmental advocate and community partner offering equitable, effective and efficient residential recycling services. This guides all the work we do in communities throughout BC. We ensure PPP is collected from households and recycling depots, and then sorted and recycled responsibly. Recycle BC is supported in its work by Canadian Stewardship Services Alliance (CSSA), a national, non-profit organization dedicated to providing support services to stewardship programs across Canada. CSSA recently became a signatory to the Ellen MacArthur Foundation New Plastics Economy Global Commitment pledging to collaborate with businesses and governments to help to address plastic waste and pollution at its source. As part of that commitment, CSSA actively supports Recycle BC’s work to achieve the ambitious material-specific targets identified in the updated Program Plan.

### Recycle BC Board of Directors

Recycle BC is overseen by a Board of Directors representing steward members. The members of the board bring their knowledge and experience to the organization ensuring it continues to succeed in meeting its deliverables in the program plan and providing excellent recycling services to BC residents.

The 2018 Recycle BC board members were:

- John Coyne, Unilever Canada Inc. (Board Chair)
- Bob Chant, Loblaw Companies Limited (Vice Chair)
- Debbie Baxter, Deloitte (Independent Director)
- Paul Hazra, Save-On-Foods

The Finance & Audit Committee is made up of Debbie Baxter and Paul Hazra.

The Recycle BC Board of Directors met five times in 2018. The following table summarizes attendance:

BOARD MEMBER	MARCH 28	JUNE 20	JULY 11	SEPTEMBER 28	DECEMBER 14
Debbie Baxter	Yes	Yes	Yes	Yes	Yes
Bob Chant	Yes	No	No	Yes	Yes
John Coyne	Yes	Yes	Yes	Yes	No
Paul Hazra	Yes	Yes	Yes	Yes	Yes

### Recycle BC Advisory Committee

Recycle BC's Advisory Committee includes representatives from stakeholder groups interested in the success of the program, including local governments, waste management industry associations, steward industry associations, and the Recycling Council of BC. The Advisory Committee is consulted on core elements of the Recycle BC program, helps to identify issues and provides input as needed. In 2018, the Advisory Committee provided important contributions on the development of the revised Program Plan to ensure that it reflected the ambitions of these diverse stakeholder groups.

The committee meets up to four times annually and the membership in 2018 included:

- Will Burrows, Executive Director, Coast Waste Management Association (Advisory Committee Chair)
- Harvinder Aujala, Director of Policy & Communications, Recycling Council of British Columbia
- Andrew Doi, Environmental Planner, Metro Vancouver
- Rob C. Gay, Regional District of East Kootenay Board Chair
- Bill Hardy, BC Landscape and Nursery Association
- Paul Ives, Mayor, Town of Comox
- Dan Rogers, BC Chamber of Commerce (until September 2018)
- Dan Baxter, BC Chamber of Commerce (from September 2018)
- Dan Wong, Executive Director, Western Dairy Council

## Recycle BC Members

Recycle BC's membership is made up of organizations that supply PPP (as defined by the Recycling Regulation) to consumers in British Columbia. These designated materials generally include the materials that are supplied to consumers which are taken home for recycling or disposal in their homes. The regulation requires that organizations that supply materials that require management through the residential waste stream take responsibility for their collection and proper management. This obligation is fulfilled through their membership in Recycle BC and by filing a report each year that identifies the types and quantities of PPP supplied into the BC marketplace. Based on this report, producers pay fees that contribute to the delivery of Recycle BC's services. Recycle BC's membership draws on organizations from a wide variety of sectors including:

- Food and consumer goods brand owners and manufacturers
- First importers of packaged products and food
- Retailers (grocery, general merchandise, convenience, drug)
- Financial institutions (banks, credit unions, insurance companies)
- Quick-service restaurants
- Magazine publishers
- Nurseries and garden centres.

A full list of Recycle BC's members can be accessed [here](#).

# Public Education

In 2018, Recycle BC continued to build its new brand, launched in 2017. Recycle BC ran educational campaigns, deepened its partnerships, and reached out directly to BC residents through the community events team. In addition, Recycle BC continued to reinforce the program and recycling education through operational support materials like its recycling guides.

## Education Campaigns

### MAKE THE RIGHT CALL

Recycle BC leveraged its partnership with the Vancouver Canucks to reinforce to residents that coffee cups should be included for recycling in their blue box. An advertising campaign, coupled with Canucks contests helped raise awareness that coffee cups are accepted for recycling.



### BRING YOUR BAG

In an effort to encourage plastic bag reduction, Recycle BC launched a campaign to demonstrate that 'plastic bag use is a monster-sized problem'. An advertising campaign was combined with a media event featuring major BC retailers such as London Drugs and Save-On-Foods. Recycle BC branded reusable bags were distributed to encourage residents to bring their own bag when shopping. To support the campaign at the store level, a resource guide for retailers was developed, in partnership with the Retail Council of Canada, to educate retailers on ways to decrease single-use bag distribution.



### RETHINK THE WAY YOU RECYCLE

With recent changes in global recycling market conditions it is increasingly important that residents are recycling correctly. Through video and print creative, in 2018 residents were informed about important recycling know-how, like not including plastic bags in recycling bins (taking them to the depot instead) and rinsing materials before including them in the recycling bin. An additional campaign was run in the Comox Valley later in the year directing plastic bags to the depot and not residents' recycling bins. Residents in the area did include plastic bags in their bins prior to joining the Recycle BC program in 2017, so it was an important message to reinforce in that area.



## WE ALL WIN

With new material-specific targets in the updated Program Plan, messaging to reinforce and encourage plastic recycling is important to shifting resident behaviour and capturing more plastics – the material with the most aggressive recovery target. The tagline ‘We all win when you put hard plastic in the recycling bin’ was used and television spots and a digital campaign were developed to share the message.

## RECYCLE YOUR CARTONS

For a third year, Recycle BC partnered with the Carton Council of Canada to raise awareness of carton recycling in BC through a province-wide digital campaign. The campaign reinforced that cartons are accepted in the blue box.

## HOLIDAY RECYCLING

Recycle BC’s digital holiday campaign focused on common recyclables related to the holidays and where they should be placed for recycling. The campaign featured a holiday recycling guide as well as material-specific creative for online and social media.

## COMMUNITY EVENTS TEAM

In addition to campaigns, grass roots provincial outreach is a key component of resident education to reinforce key messages. Recycle BC’s community events teams continue to visit communities around BC. In 2018, two teams attended more events and interacted with more residents than ever before.

The interactive display featured a virtual reality experience, a recycling museum, a sorting game, and, at some events, a soccer shoot. Between the months of May and October, the team engaged with over 86,000 residents on 72 days at 36 events in 16 different communities. Over 500,000 people saw the display. The team shared information about what can/cannot be included for recycling, where different items can be recycled, the recycling process, and what happens to materials in their second life. In addition, the team educated residents about Recycle BC’s new collection category: other flexible plastic packaging and Recycle BC depot locations.

Communities included:

- Richmond
- Kelowna
- Comox / Courtenay
- Abbotsford /
- Coquitlam
- North Vancouver
- Armstrong / Vernon
- Langley
- Vancouver
- Squamish
- Port Moody,
- Prince George
- Surrey
- Penticton
- Maple Ridge /
- Kamloops
- Prince George
- Salmon Arm
- Pitt Meadows

## Partnerships

All Recycle BC’s education campaigns were reinforced through its partnerships with professional sports teams and community groups.

### VANCOUVER CANUCKS

Recycle BC continued its partnership with the Vancouver Canucks to increase program exposure and engagement with BC residents. In addition to in-stadium and television exposure through rinkboards and stadium signage, Recycle BC used the partnership to reinforce coffee cup recycling messages, which included an integrated awareness and contest campaign.



## VANCOUVER WHITECAPS FC

Recycle BC and the Vancouver Whitecaps FC maintain a strong relationship with an objective of engaging and educating residents about recycling in BC. Recycle BC's partnership included in-stadium signage, pre-game plaza activation space, video development and exposure, contests, and social media outreach to help reinforce key recycling messages.



## COMMUNITY CHAMPIONS

Recycle BC continued its partnership with local environmental organizations that work to promote waste reduction and recycling goals in their communities through the Community Champions program. Resources and grant money was contributed to the organizations to support resident outreach and education of packaging and paper recycling. Participating organization in 2018 included:

- Squamish Climate Action Network, Squamish
- Ridge Meadows Recycling Society, Maple Ridge
- Let's Talk Trash, Powell River Regional District
- Abbotsford Mission Recycling Program, Abbotsford
- Master Recycler, Vancouver

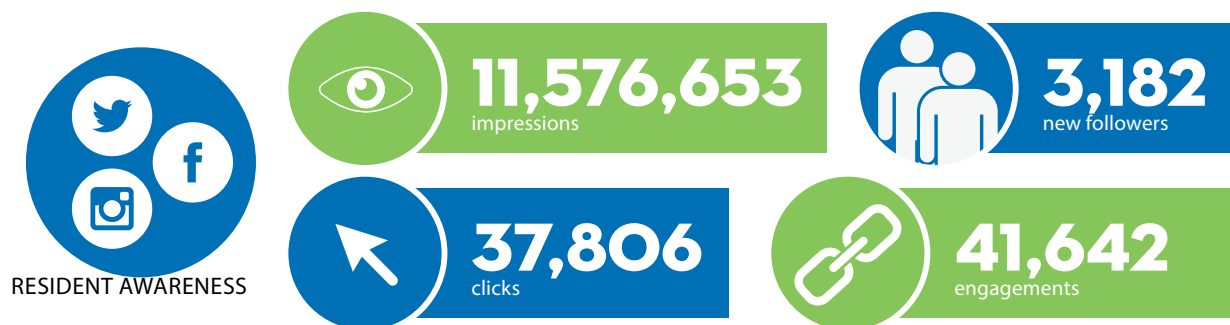
## BIKE TO WORK WEEK

Recycle BC partnered with Bike to Work Week in 2018 to support the commitment to greener travel solutions. 1,498 teams and 11,774 people registered online for Bike to Work Week and over 40,000 people on bikes were counted from 82 celebration stations as part of Bike to Work Week. Recycle BC received print advertising, posters, newsletter, social media and website exposure as part of the partnership.

## Social Media

Recycle BC continues to use social media to connect and engage with residents. The platforms allow us to provide information, respond to and address questions and inquiries and increase engagement with contesting and interactive elements.

Below is our total combined data for our Recycle BC social accounts in 2018:





Recycle BC continues to conduct annual consumer research to determine recycling behaviours and attitudes, and measure resident awareness. In 2018, awareness of Recycle BC rose from 38% to 51% over the previous year.



Percentage of residents aware of packaging and paper recycling program in their community

**95%**

Percentage of residents aware of Recycle BC

**51%**



Percentage of residents make an effort to recycle

**73%**

Percentage of residents claiming to recycle

**99%**



Respondents find the recycling services unchanged or better than in the previous year

**94%**

Number of residents who visited the website

**327,454**



# Collection Systems and Facilities

Recycle BC provides recycling services to approximately 98% of British Columbia residents living in urban, rural and First Nations communities across the province. Providing service to households that include remote island communities and densely populated urban centres requires a variety of collection methods. Recycle BC works with over 170 collection partners to provide the following methods of collection:

- Curbside collection to single family homes that set out materials for pick-up;
- Multi-family collection from a central location in buildings with five or more residential units;
- Depot collection where residents drop off their PPP for pick-up.

## Service Expansion

In 2018, Recycle BC onboarded five curbside and multi-family collectors, representing almost 48,000 households, which now receive curbside, and nearly 4,400 multi-family households receiving service from Recycle BC:

- City of Powell River – curbside and multi-family
- District of Squamish – curbside
- Squamish Lillooet Regional District – curbside
- Township of Langley – curbside and multi-family
- Thompson Nicola Regional District – curbside

In addition, Recycle BC added two new depots in the Bulkley Nechako Regional District in the communities of Smithers and Vanderhoof and 11 depots in the Thompson Nicola Regional District.

In keeping with its commitment to continuous improvement and achieving the ambitious new recovery targets in the program plan, Recycle BC will continue to pursue opportunities to expand its collection network.

## Other Flexible Plastics Project

Recycle BC has a mandate to expand the range of materials it accepts for recycling. One significant undertaking in 2018 was the Other Flexible Plastic Packaging (OFPP) research and development project. OFPP is a multi-material packaging format made up of different plastic resins. Its multi-material composition has made it difficult to recycle. OFPP includes packaging such as stand-up and zipper lock pouches, crinkly wrappers and bags, flexible packaging with a plastic seal, and non-food protective wrap like bubble wrap or plastic envelopes or net bags. OFPP is one of the fastest growing packaging types on the market and one of the largest categories of packaging not previously collected by Recycle BC.

In 2018, Recycle BC launched a pilot project with Merlin Plastics, a partner in Green by Nature, to see if there was an opportunity to develop a viable, stable commercial process at scale for the recycling of this type of material. In order for Merlin Plastics to access the quantity of material required to conduct the pilot, 116 depots volunteered to accept this material from residents beginning June 1, 2018. Based on the success of the pilot project, in September other depots joined to add OFPP to their list of accepted materials and as of January 1, 2019, all depots were required to accept this material. This research and development project places Recycle BC and Merlin Plastics at the forefront of innovative technological advancement in plastics recycling and will help the program meet its recovery rates for flexible plastics.



## 2018 STATISTICS

**45**

Communities visited

**12**

Regional Districts

**12,442**

Kilometres travelled by car

**4,880**

Kilometres travelled by air



BC First Nations Recycling Initiative



## FIRST NATIONS RECYCLING INITIATIVE

Since 2014, First Nations communities and Recycle BC have worked together to provide curbside and depot recycling services to the residents of a limited number of First Nations communities. In an effort to expand the engagement of First Nations communities, in 2017 Recycle BC founded the First Nations Recycling Initiative (FNRI) with eight other BC stewardship organizations. Managed by a dedicated First Nations representative, the aim of the FNRI is to support the collection and recycling of a wide variety of materials requiring management by First Nations communities. Recycle BC currently provides curbside and multi-family recycling to 24 First Nations in BC.

Outreach and engagement in expanding the range of materials for recycling, as well as improving recycling behaviours has been the focus of the initiative to date. This has been undertaken in a number of ways including: publication of a recycling guide created specifically for First Nations communities that are interested in starting recycling programs; attendance at First Nations events and visits to First Nations communities to assess current recycling activities; and the organization of a pilot “round-up” event to assess the effectiveness of such activities in increasing recycling activity within First Nations communities.

Recycle BC is committed to expanding the number of contracted First Nation collectors beyond the current 11. As outlined in the new Program Plan, Recycle BC will accomplish this by providing a financial offer and services agreement to First Nation recycling programs as they become ready to launch community Recycle BC collection.



## Collection Summary



### CURBSIDE COLLECTION

Collection from households that set out materials individually for pick-up



### MULTI-FAMILY COLLECTION

Collection from a central location in residences with five or more units



### DEPOT COLLECTION

Residents drop off their materials



**1,465,000**

households with curbside service or multi-family collection services under the Recycle BC program



**98.3%**

of households in BC with access to the Recycle BC program through its extensive depot network

## Curbside/Multi-Family Service Areas and Depot Facilities

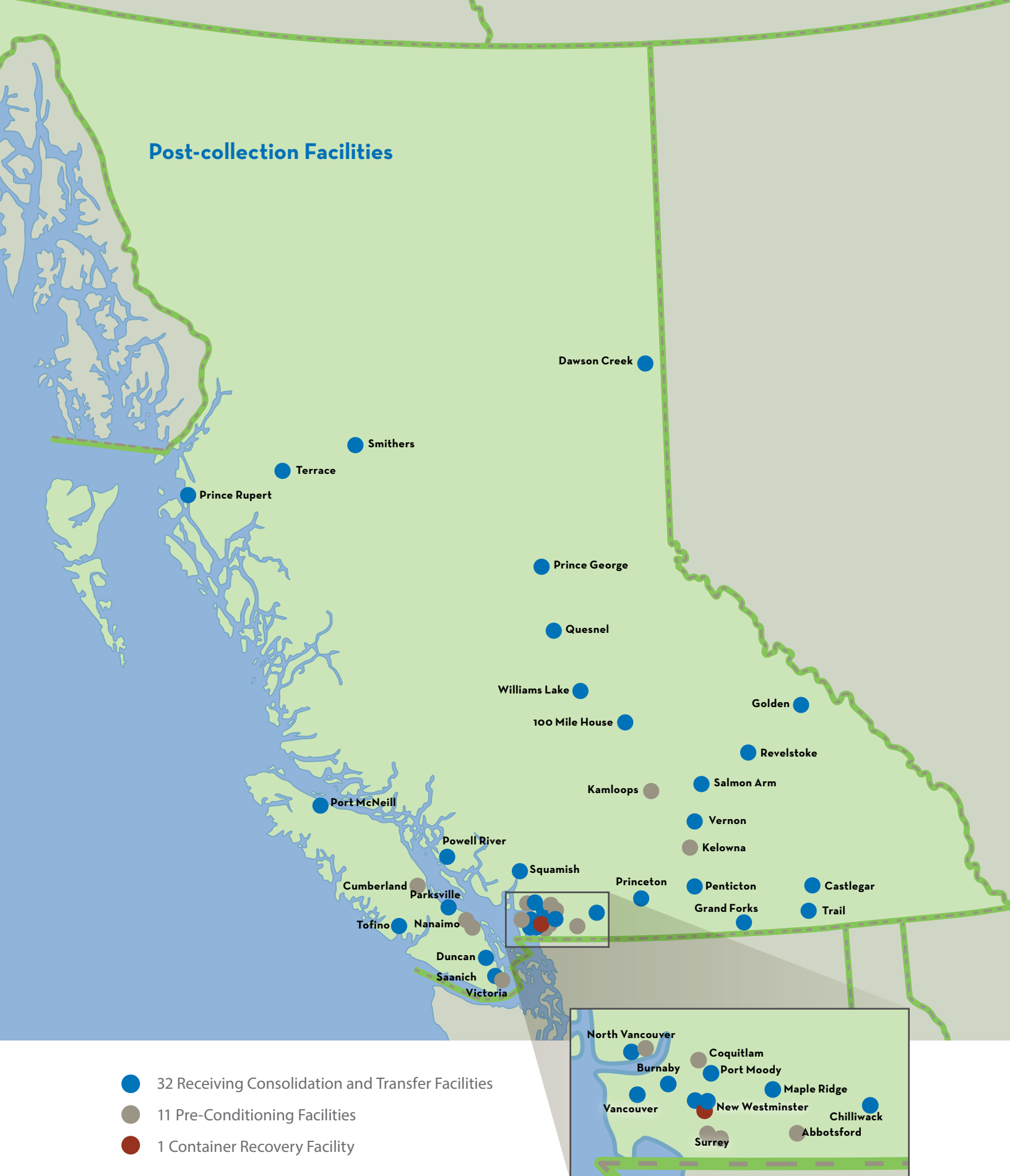
	SERVICE AREA FACILITIES	CHANGE		SERVICE AREA FACILITIES	CHANGE
Alberni-Clayoquot	8	-	Multi-family	2	
Curbside	2		Capital Regional District	1	
Alberni Clayoquot Regional District	1		City of Victoria	1	
Toquaht Nation	1		<b>Cariboo</b>	<b>20</b>	<b>-</b>
Depot	5		Curbside	4	
Alberni Valley Landfill	1		Cariboo Regional District	1	
Bamfield Transfer Station	1		City of Quesnel	1	
Port Alberni Recycling Depot	1		City of Williams Lake	1	
Sonbird Refuse & Recycling	1		District of 100 Mile House	1	
Westcoast Recycling Depot	1		Depot	15	
Multi-family	1		150 Mile House Transfer Station	1	
City of Port Alberni	1		Baker Creek	1	
<b>Bulkley-Nechako</b>	<b>8</b>	<b>1</b>	Central Cariboo Transfer Station	1	
Curbside	3		Forest Grove Transfer Station	1	
Nak'azdli Whut'en	1		Frost Creek Transfer Station	1	
Town of Smithers	1		Gold Trail Recycling Ltd	1	
Village of Telkwa	1		Horsefly	1	
Depot	4		Interlakes Landfill	1	
Burns Lake Return-It Depot	1		Lac La Hache	1	
Nak'azdli Whut'en	1		Lone Butte Transfer Station	1	
Smithers Telkwa Transfer Station	1		Nimpo Lake	1	
Vanderhoof Transfer Station	1		Quesnel Landfill	1	
Multi-family	1		Watch Lake Landfill	1	
Nak'azdli Whut'en	1		Wells	1	
<b>Capital</b>	<b>13</b>	<b>-</b>	Wildwood Transfer Station	1	
Curbside	1		Multi-family	1	
Capital Regional District	1		City of Williams Lake	1	
Depot	10		<b>Central Coast</b>	<b>3</b>	<b>-</b>
Bottle Depot (Saanich)	1		Curbside	1	
Bottle Depot (Victoria)	1		Bella Bella	1	
Galiano Island Recycling Depot	1		Depot	2	
Hartland Recycling Depot	1		Bella Bella Eco Depot	1	
Mayne Island Recycling Depot	1		Thorsen Creek Landfill and Recycling Centre	1	
Oak Bay Public Works	1		<b>Central Kootenay</b>	<b>7</b>	<b>(1)</b>
Pender Island Recycling Depot	1		Curbside	5	
Port Renfrew Transfer Station	1		City of Castlegar	1	
Salt Spring Island Recycling Depot	1		City of Nelson	1	
Saturna Island Recycling Depot	1		Regional District of Central Kootenay	1	

	SERVICE AREA FACILITIES	CHANGE		SERVICE AREA FACILITIES	CHANGE
Village of Kaslo	1		Cowichan Valley	13	-
Village of Nakusp	1		Curbside	6	
Multi-family	2		City of Duncan	1	
Central Kootenay	1		Cowichan Tribes	1	
City of Nelson	1		Cowichan Valley Regional District	1	
Central Okanagan	14	-	District Municipality of North Cowichan	1	
Curbside	5		Town of Ladysmith	1	
City of Kelowna	1		Town of Lake Cowichan	1	
City of West Kelowna	1		Depot	5	
District of Lake Country	1		Bings Creek Recycling Centre	1	
District of Peachland	1		Island Return-It Duncan	1	
Regional District of Central Okanagan	1		Junction Bottle Depot	1	
Depot	9		Meade Creek Recycling Centre	1	
Boucherie Bottle Depot	1		Peerless Road Recycling Centre	1	
Columbia Bottle Depot - Central	1		Multi-family	2	
Columbia Bottle Depot - Rutland	1		Town of Ladysmith	1	
Columbia Bottle Depot - St. Paul	1		Town of Lake Cowichan	1	
Glenmore Landfill Recycling Depot	1		East Kootenay	1	-
Northwestside Recycling Depot	1		Depot	1	
Planet Earth Recycling Ltd.	1		Cranbrook Bottle Depot	1	
Traders Cove Recycling Depot	1		Fraser Valley	16	
Westside Residential Waste Disposal and Recycling Centre	1		Curbside	4	
Columbia-Shuswap	22	-	City of Abbotsford	1	
Curbside	3		City of Chilliwack	1	
City of Revelstoke	1		District of Mission	1	
City of Salmon Arm	1		Seabird Island Band	1	
Town of Golden	1		Depot	8	
Depot	18		Abbotsford Bottle Depot	1	
Bill's Bottle Depot	1		Abbotsford Mission Recycling Depot	1	
Falkland Transfer Station	1		Agassiz Bottle Depot	1	
Glenemma Transfer Station	1		Aldergrove Return-It Depot	1	
Golden Bottle Depot	1		Chilliwack Bottle Depot	1	
Golden Landfill	1		Mission Recycle Centre	1	
Malakwa Depot	1		R&T Recyclables & Bottle Depot	1	
Parson	1		Sardis Bottle Depot	1	
Revelstoke Bottle Depot	1		Multi-family	4	
Revelstoke Landfill	1		City of Abbotsford	1	
Salmon Arm Landfill	1		City of Chilliwack	1	
Scotch Creek Transfer Station	1		District of Mission	1	
Seymour Arm Transfer Station	1		Seabird Island Band	1	
Sicamous Downtown Depot	1		Fraser-Fort George	4	-
Sicamous Landfill	1		Curbside	1	
Skimikin Transfer Station	1		City of Prince George	1	
Sorrento Fire Hall Depot	1		Depot	2	
Tappen Co-Op Depot	1		Hart Return-It Centre	1	
Trout Lake Transfer Station	1		P.G. Recycling and Return-It Centre	1	
Multi-family	1		Multi-family	1	
City of Revelstoke	1		City of Prince George	1	
Comox Valley	10	-	Kitimat-Stikine	4	(1)
Curbside	4		Curbside	1	
City of Courtenay	1		City of Terrace	1	
Comox Valley Regional District	1		Depot	3	
Town of Comox	1		Do Your Part Recycling	1	
Village of Cumberland	1		Kitimat Bottle Depot	1	
Depot	5		Hazelton Bottle Depot	1	
Comox Return Centre	1		Kootenay Boundary	12	1
Comox Valley Waste Management Centre	1		Curbside	2	
Courtenay Return-It Depot	1		Kootenay Boundary Regional District - Boundary Region	1	
Denman Island	1		Regional District of Kootenay Boundary - East Sub Region	1	
Hornby Island	1		Depot	6	
Multi-family	1		Christina Lake Transfer Station	1	
City of Courtenay	1		McKelvey Creek Landfill	1	

	SERVICE AREA FACILITIES	CHANGE		SERVICE AREA FACILITIES	CHANGE
Grand Forks Depot	1		Tsawwassen Return-It Centre	1	
Rock Creek Transfer Station	1		Vancouver Central Return-It Depot	1	
Trail Bottle Depot	1		Vancouver Landfill	1	
West Boundary Landfill	1		Vancouver South Transfer Station	1	
Multi-family	4		Walnut Grove Bottle & Return Centre	1	
City of Grand Forks	1		Willowbrook Recycling	1	
City of Rosland	1		Multi-family	16	
City of Trail	1		City of Burnaby	1	
Village of Fruitvale	1		City of Coquitlam	1	
Metro Vancouver	75	1	City of Langley	1	
Curbside	18		City of New Westminster	1	
City of Burnaby	1		City of North Vancouver	1	
City of Coquitlam	1		City of Pitt Meadows	1	
City of Langley	1		City of Port Coquitlam	1	
City of New Westminster	1		City of Port Moody	1	
City of North Vancouver	1		City of Richmond	1	
City of Pitt Meadows	1		City of Surrey	1	
City of Port Coquitlam	1		City of Vancouver	1	
City of Port Moody	1		City of White Rock	1	
City of Richmond	1		City of Maple Ridge	1	
City of Surrey	1		District of North Vancouver	1	
City of Vancouver	1		District of West Vancouver	1	
City of White Rock	1		University Endowment Lands	1	
City of Maple Ridge	1		Mount Waddington	14	(1)
District of North Vancouver	1		Curbside	4	
District of West Vancouver	1		District of Port Hardy	1	
Township of Langley	1		Regional District of Mount Waddington	1	
University Endowment Lands	1		Town of Port McNeill	1	
Village of Anmore	1		Village of Alert Bay	1	
Depot	41		Depot	10	
Biggar Bottle Depot	1		7 Mile Landfill And Recycling	1	
Bridgeview Bottle & Return-It Depot	1		Cormorant Island Recycling Depot	1	
Burnaby Eco-Centre	1		Island Foods Bottle Depot	1	
City of Richmond Recycling Depot	1		Malcolm Island Recycling Depot	1	
Coquitlam Return-It Depot	1		Port Alice Recycling Depot	1	
East Hastings Bottle Depot	1		Port Hardy Return It Centre	1	
Edmonds Return-It Depot	1		Quatsino Recycling Depot	1	
Fraser Valley Bottle & Return-It Depot	1		Tsulquate Recycling Depot	1	
Guildford Bottle Depot	1		Winter Harbour Recycling Depot	1	
Haney Bottle Depot	1		Woss Recycling Depot	1	
Ironwood Bottle & Return-It Depot	1		Nanaimo	9	-
Jenill Recycling	1		Curbside	2	
Kensington Square Return-It Centre	1		City of Nanaimo	1	
Kitchener Bottle Depot	1		Regional District of Nanaimo	1	
Ladner Bottle Depot	1		Depot	5	
Lee's Bottle Depot	1		Alpine Disposal	1	
London Drugs Depot	1		Hayes Road Regional	1	
Lonsdale Bottle & Return-It Depot	1		Old Victoria Regional	1	
Lougheed Return-It Depot	1		Parksville Bottle & Recycling Depot Ltd	1	
Maple Ridge Bottle Depot	1		Qualicum Bottle Depot	1	
Maple Ridge Recycling Depot	1		Multi-family	2	
Metrotown Return-It Centre	1		City of Nanaimo	1	
New Westminster Recycling Depot	1		City of Parksville	1	
Newton Bottle Depot	1		North Coast	3	-
North Shore Bottle Depot	1		Curbside	1	
North Shore Recycling Transfer Station	1		Gitxaala Nation	1	
North Vancouver Bottle & Return-It Depot	1		Depot	2	
Panorama Village Return-It	1		Kitkatla	1	
Pitt Meadows Bottle & Return-It Depot	1		Mainland (Regional) Recycling Depot	1	
Powell Street Return-It Bottle Depot	1		North Okanagan	9	-
Queensborough Landing	1		Curbside	1	
Sapperton Return-It Depot	1		Regional District of North Okanagan	1	
Scott Road Bottle Depot	1		Depot	4	
Semiahmoo Bottle Depot	1		Armstrong Bottle Depot	1	
South Van Bottle Depot	1		Interior Freight and Bottle Depot	1	

	SERVICE AREA FACILITIES	CHANGE		SERVICE AREA FACILITIES	CHANGE
Venture Bottle Depot	1		Depot	6	
Venture Training Centre	1		Carney's Waste Systems	1	
Multi-family	4		Function Junction Depot	1	
City of Armstrong	1		Lillooet	1	
City of Enderby	1		Nesters Depot	1	
City of Vernon	1		Pemberton	1	
Village of Lumby	1		Pemberton Recycling Centre	1	
<b>Northern Rockies</b>	<b>1</b>	<b>-</b>	Multi-family	<b>3</b>	
Depot	1		District of Squamish	1	
Widesky Disposals	1		Resort Municipality of Whistler	1	
<b>Okanagan-Similkameen</b>	<b>19</b>	<b>-</b>	Village of Pemberton	1	
Curbside	7		<b>Strathcona</b>	<b>11</b>	<b>-</b>
City of Penticton	1		Curbside	3	
District of Summerland	1		City of Campbell River	1	
Penticton Indian Band	1		Ka:yu:k't'h/Che:k'tles7et'h' First Nation	1	
Regional District of Okanagan-Similkameen	1		Strathcona Regional District	1	
Town of Oliver	1		Depot	7	
Town of Osoyoos	1		Campbell River Waste Management Centre	1	
Town of Princeton	1		Cortes Island	1	
Depot	9		Gold River	1	
Campbell Mountain Landfill	1		Island Return-It Campbell River	1	
J & C Bottle Depot	1		Sayward	1	
Keremeos Transfer Station	1		Tahsis	1	
Oliver Landfill	1		Zeballos	1	
Osoyoos Bottle Depot	1		Multi-family	1	
Osoyoos Landfill	1		City of Campbell River	1	
Princeton Landfill	1		<b>Sunshine Coast</b>	<b>3</b>	<b>-</b>
Summerland Landfill	1		Depot	3	
T2 Market Recycle Depot	1		Gibsons Recycling Depot	1	
Multi-family	3		Pender Harbour Recycling Depot	1	
City of Penticton	1		Sechelt Recycling Depot	1	
District of Summerland	1		<b>Thompson-Nicola</b>	<b>17</b>	<b>12</b>
Town of Oliver	1		Curbside	2	
<b>Peace River</b>	<b>10</b>	<b>-</b>	City of Kamloops	1	
Depot	10		Thompson-Nicola Regional District	1	
Buick	1		Depot	14	
Cecil Lake	1		70 Mile House Eco-Depot	1	
DC Campbell Recycling Ltd.	1		Cache Creek Transfer Station	1	
Moberly Lake	1		Clearwater Eco-Depot	1	
Prespatou	1		Clinton Eco-Depot	1	
Rolla Transfer Station	1		General Grant's - Northshore	1	
Rose Prairie	1		General Grant's - Sahali	1	
Tomslake	1		Heffley Creek Eco-Depot	1	
Tumbler Ridge Transtor	1		Logan Lake Eco-Depot	1	
Wonowon	1		Lorne Street Bottle	1	
<b>qathet</b>	<b>8</b>	<b>2</b>	Louis Creek Eco-Depot	1	
Curbside	1		Lower Nicola Eco-Depot	1	
City of Powell River	1		Lytton Eco-Depot	1	
Depot	6		South Thompson Eco-Depot	1	
Augusta	1		Sun Peaks Transfer Station	1	
Gillies Bay Community Depot	1		Multi-family	1	
Lund Community Depot	1		City of Kamloops	1	
Powell River South (Black Point) Community Depot	1		<b>GRAND TOTAL</b>	<b>347</b>	<b>16</b>
Sliammon Community Depot	1				
Town Centre Depot	1				
Multi-family	1				
City of Powell River	1				
<b>Squamish-Lillooet</b>	<b>13</b>	<b>2</b>			
Curbside	4				
District of Squamish	1				
Tsal'alh (Seton Lake)	1				
Squamish Lillooet Regional District	1				
Squamish Nation	1				

## Post-collection Facilities



- 32 Receiving Consolidation and Transfer Facilities
- 11 Pre-Conditioning Facilities
- 1 Container Recovery Facility



# Managing Environmental Impacts

## ELLEN MACARTHUR FOUNDATION'S NEW PLASTICS ECONOMY GLOBAL COMMITMENT

Plastics are an important material with rapidly expanding uses, but globally 95% of the value of plastic packaging ends up as waste and is lost to the economy creating avoidable costs and lost opportunity. In response to the plastics pollution crisis, an increasing number of global companies with operations in Canada have made ambitious commitments to ensure that their material is managed properly and does not end up in our oceans, seas, lakes and rivers, scattered across landscapes or left in landfills. Recycle BC along with many of these leading brands have joined the Ellen MacArthur Foundation New Plastics Economy Global Commitment in support of its efforts to accelerate the transition to a circular economy for plastics.

A circular economy is an economic model that seeks to decouple global economic development from finite resource consumption – essentially designing waste out of the system. Recycle BC supports the creation of a circular economy and through its involvement in the Ellen MacArthur Foundation has committed to achieving and reporting on new ambitious plastics recovery targets as outlined in its updated Program Plan.

Efforts being undertaken by global businesses to reduce the impact of their plastic packaging is being realized as these packaging innovations roll out in BC and other Canadian provinces. These packaging innovations include:

- Increasing number of products packaged in 100% post-consumer recycled plastic;
- Replacement of multi-laminate plastic packaging to mono-laminates which are more easily managed in the recycling facility;
- Introduction of concentrated refill products where the consumer adds water at home providing for reuse of the original package; and
- Expanded use of standardized on-pack communication making it clearer to consumers what is and is not recyclable.

A number of Recycle BC members are also participants in Canadian activities aimed at nurturing the development of a circular economy for plastics. In 2018, the Circular Economy Leadership Coalition was launched with a mission to “provide thought leadership, technical expertise and a collaborative platform for the development of pioneering solutions that eliminate waste at all stages of the life cycle of products and accelerate the transition to a Circular Economy”. Several Recycle BC members, as well as CSSA, provide leadership and support to the Coalition and are contributing their knowledge and technical expertise to these efforts.

## RECYCLING PLASTIC SQUEEZE TUBES

As part of advancing a circular economy in Canada and meeting their Global Commitments, brand owners are increasingly looking for partners in research and development projects aimed at recycling a wider range of plastics. Because Recycle BC manages the entire recycling supply chain across the province it is a well-positioned and willing partner.

In 2017, a group of producers (including Colgate-Palmolive, Estee Lauder, Johnson & Johnson, Proctor & Gamble and Unilever) that provide their products in non-recyclable squeeze tube format engaged Recycle BC and More Recycling (a consulting firm focused on increasing recovery of plastics) to conduct a pilot project to determine if plastic squeeze tubes can be effectively collected for recycling.

Recycle BC engaged the residents in the City of Coquitlam in this pilot. Residents were provided with a special pink bag in which to place their empty squeeze tubes to separate them from other materials at the curb. These bags were retrieved by Recycle BC's receiving facility and sent for analysis. In a separate test, Recycle BC conducted sorting tests of a variety of tubes at a container recovery facility. The purpose of this test was to see if plastic squeeze tubes can be sorted into the right stream of recyclables at the sorting facility to be sent for recycling without negative impacts. These two phases of the pilot project are complete and results are expected to be available to stakeholders in mid-2019.

#### **PACKAGING IN THE ORGANICS STREAM**

In 2018, Recycle BC conducted research in a baseline study to determine the amount of PPP being collected and managed in organic waste collection programs. The goal of studying the organics stream is to consider the role that organic waste collection could have over the long-term in the overall post-collection management of PPP in British Columbia.

Audits of municipal source-separated organics waste collection streams were completed for a selection of single-family and multi-family residential households. The audits collected data to develop a preliminary understanding of observed PPP in the source-separated organics stream. As producers continue to innovate packaging design and material with a trend toward compostable packaging as an alternative to plastics, it is important that Recycle BC is fully aware of the collection streams through which PPP travels.

#### **GHG REPORTING**

In keeping with Recycle BC's broader sustainability obligations, beginning in 2020, Recycle BC will begin reporting on the greenhouse gas (GHG) emissions associated with the collection and processing of residential PPP across the province. In order to provide a full accounting of the GHG impact of the program, Recycle BC is working with its service providers to ensure they have the tools and support necessary to implement a GHG tracking system that will enable them to compile the necessary data for reporting to Recycle BC.

The preparatory work for implementing a GHG tracking system has been underway for several years. In 2018, Recycle BC and CSSA assessed different options for calculating GHG emissions and selected Climate Smart as a partner for training, advisory services and a calculation tool. Service providers were notified in August 2018 of the requirement to track and report activities related to GHG emissions data starting in 2019. Support for contractors was sent out in the form of GHG reporting guides in December 2018, with further training scheduled throughout 2019. This work is in line with the Program Plan commitment to have a full data tracking system functional by 2019, in order to report 2019 as the baseline year of greenhouse emissions from Recycle BC's supply chain by 2020.

#### **CHARTING A COURSE FOR IMPROVED PERFORMANCE**

Since 2014, Recycle BC has consistently been achieving the required recovery rate of 75%. That recovery rate, as defined by the Regulation is calculated by dividing the amount of product collected by the amount of product supplied, expressed as a percentage.

In the renewed Program Plan, Recycle BC sets out its goal of increasing the program recovery rate to 77% by 2020 and 78% by 2022. Having achieved a 78.1% recovery rate in 2018, Recycle BC has shown that it has the experience and capacity to work toward improved recovery rates as the program matures and expands. In addition, Recycle BC has committed to new targets for the material categories of paper, plastics (rigid and flexible), metal and glass. Recycle BC is the first jurisdiction in North America to have material-specific reporting for PPP categories and to set performance targets for plastic subcategories.

While Recycle BC acknowledges the significant effort required to meet these new targets, it is examining a number of initiatives to support reaching them, including: the possibility of employing new targeted promotion and education campaigns, investments in innovations in recycling technologies, exploring new end-markets and improvements in collection infrastructure. Recycle BC will also draw on its experience, the relationships with its collector network and its post-collection partners, and the strength of its brand with BC residents in a concerted effort to achieve the new targets.

## Material Management

### POLLUTION PREVENTION HIERARCHY

The Recycling Regulation requires that Recycle BC manage collected materials in adherence to the order of preference as outlined in the pollution prevention hierarchy. The pollution prevention hierarchy is a tiered approach to the preferred management of waste with priority on reduction, redesign, reuse and recycling, followed by recovery and finally, disposal.

Recycle BC utilizes the pollution prevention hierarchy in the following ways:

- Reduce: producer fees are based on weight thereby encouraging the elimination or reduction of materials supplied to consumers
- Redesign: fees encourage redesign by rewarding by easier-to-recycle materials
- Recycle: upon request, provides guidance to producers on designing for recyclability and works with producers to explore opportunities to recycle more materials and utilizes payments to service providers to encourage collection and processing of PPP to meet recycling end-market requirements
- Recover: research and development aimed at advancing recycling technologies in order to recover materials not currently recycled
  - Further processing of system residues to meet recovery end-market requirements for engineered fuel products in order to minimize residue sent to landfill
- Residual Management: disposal of material for which no end-market exists

RECYCLING	RECOVERY	RESIDUAL MANAGEMENT	
Tonnes of material managed by recycling	Tonnes of material managed by recovery (engineered fuel)	Tonnes of material managed by disposal	% of collected tonnes managed by recycling.
180,532 tonnes*	6,185	16,742	87.3%**
	Tonnes of material managed by recovery (energy from waste)		
	0		

Data above represents audited data from processor on quantities of materials shipped. Prior year-end inventory shipped in the current year and unprocessed and unshipped inventories at year end are both considered.

\* Gross tonnes managed by recycling in the Recycle BC system, including newspaper

\*\* Based on gross tonnes collected in Recycle BC system of 206,778 tonnes





**MATERIAL SUPPLIED, COLLECTED AND RECOVERY RATE:**

	<b>2018</b>	<b>2017</b>
Tonnes of materials supplied by members	235,655	234,847
Tonnes of material collected*	183,983	174,942
Recovery Rate**	78.1%	74.5%

\* Tonnes of material collected reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs for reporting in their annual reports

\*\* Recycle BC's recovery rate is determined by dividing collected tonnes by steward-reported tonnes

**RECYCLING END-MARKETS – ENSURING THE RESPONSIBLE MANAGEMENT OF MATERIAL**

Recent changes in global recycling end-markets are impacting jurisdictions and recycling processors across North America and around the world. Until 2018, China had imported approximately half of the world's collected waste plastics and paper for recycling. China's ban on imports of most waste at the beginning of the year is based on strict new quality standards on accepted materials. This action left many collectors without end-markets for certain materials. Facing an oversupply of recyclables, commodity prices fell and only the highest quality materials are able find a viable end-market.

Despite tightening world commodity markets, Recycle BC has been successful in ensuring that plastic packaging, paper products, glass and metal containers collected through its program were managed by recycling. This is in large part due to the high quality of materials produced through the Recycle BC program which are currently collected, processed and sold as follows:

- More than 98% of plastics collected in BC remain in BC, with a local end-market in Metro Vancouver;
- Glass collected through the Recycle BC program is shipped to Abbotsford to be processed into new bottles and to Quesnel to be made into sandblast materials;
- Metal containers are sold to end-markets in BC, Ontario and the United States; and
- Paper is sold to end-markets overseas with some remaining in BC and the United States.

When identifying end-markets, Recycle BC prioritizes those located in Organization for Economic Co-operation and Development (OECD) countries. Recycle BC will allow marketing of PPP to non-OECD countries only if those markets meet or exceed the environmental, health and safety standards equivalent to OECD standards.

## Material Collected by Regional District (2018)

REGIONAL DISTRICT	TONNES	SERVICED POPULATION	KG PER CAPITA (SERVICED)
Alberni-Clayoquot	1,308	30,981	42.2
Bulkley-Nechako	626	36,890	17.0
Capital	19,909	383,291	51.9
Cariboo	1,914	60,460	31.7
Central Coast	96	3,197	29.9
Central Kootenay	736	37,522	19.6
Central Okanagan	11,138	194,882	57.2
Columbia-Shuswap	2,560	51,330	49.9
Comox Valley	3,488	66,527	52.4
Cowichan Valley	5,425	82,092	66.1
East Kootenay	74	44,718	1.7
Fraser Valley	11,952	295,863	40.4
Fraser-Fort George	2,021	86,056	23.5
Kitimat-Stikine	696	33,939	20.5
Kootenay Boundary	1,525	31,387	48.6
Metro Vancouver	112,974	2,462,624	45.9
Mount Waddington	404	10,909	37.0
Nanaimo	8,118	151,310	53.6
North Coast	509	13,123	38.8
North Okanagan	4,297	84,354	50.9
Northern Rockies	28	5,112	5.4
Okanagan-Similkameen	4,561	82,986	55.0
Peace River	90	62,099	1.4
qathet	914	19,623	46.6
Squamish-Lillooet	2,908	42,507	68.4
Strathcona	1,914	42,093	45.5
Sunshine Coast	1,248	29,649	42.1
Thompson-Nicola	5,348	132,357	40.4
<b>GROSS</b>	<b>206,778*</b>	<b>4,577,881</b>	<b>45.2</b>
<b>LESS TONNES COLLECTED ON BEHALF OF OTHER STEWARDSHIP PROGRAMS</b>	<b>(22,795)</b>		
<b>NET</b>	<b>183,983</b>		

\* Gross tonnes collected by Recycle BC

# Program Performance

## Year-Over-Year Performance

	2018	2017	YOY VARIANCE %
Gross Collected Tonnes	206,778	197,949	4.5%
Recycled Tonnes	180,532	181,514	(0.5%)
Collected Tonnes*	183,983	174,942	4.5%
Recovery Rate	78.1%	75%	3.4%
Provincial Recovery Target	75%	75%	na
Collected Tonnes: Paper	120,267	121,829	-1.3%
Supplied Tonnes: Paper	140,385	139,910	0.3%
Recovery Rate: Paper	86%	87%	-1.4%
Collected Tonnes: Plastic	26,627	25,132	5.9%
Supplied Tonnes: Plastic	62,708	61,736	1.6%
Recovery Rate: Plastic	42%	41%	1.8%
<i>Collected Tonnes: Rigid Plastic</i>	22,865	21,019	8.8%
<i>Supplied Tonnes: Rigid Plastic</i>	42,689	41,626	2.6%
<i>Recovery Rate: Rigid Plastic</i>	54%	50%	3.1%
<i>Collected Tonnes: Flexible Plastic</i>	3,762	4,113	-8.5%
<i>Supplied Tonnes: Flexible Plastic</i>	20,020	20,110	-0.5%
<i>Recovery Rate: Flexible Plastic</i>	19%	20%	-1.7%
Collected Tonnes: Metal	8,837	9,209	-4.0%
Supplied Tonnes: Metal	13,169	13,855	-5.0%
Recovery Rate: Metal	67%	66%	0.6%
Collected Tonnes: Glass	15,162	13,961	8.6%
Supplied Tonnes: Glass	19,392	19,346	0.2%
Recovery Rate: Glass	78%	72%	6.0%
Total population serviced by PPP Program	4,578,000	4,566,000	0.3%
Curbside and multi-family population serviced by PPP Program	3,516,000	3,475,000	1.2%
Recovered KG per capita	40.2	38.3	4.9%
Total households serviced	1,850,000	1,846,000	0.2%
Curbside and multi-family households serviced	1,465,000	1,390,000	5.4%
Percent of Households with Access to Depots	98.3%	98.1%	0.2%
Number of Stewards	1,176	1,142	3.0%
Consumer Awareness of Recycle BC Program	51%	38%	13%

\* Figure reflects the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs for reporting in their annual reports.

## Performance Against Stewardship Plan Targets

PLAN TARGET	2018 RESULTS	STRATEGIES FOR IMPROVEMENT																																													
<p>1. Maintain a program recovery rate of 75%.</p>	<ul style="list-style-type: none"> <li>2018 Recovery rate was 78.1%.</li> </ul>	<p>Per the Program Plan, once targets are achieved and stable the target will automatically increase.</p>																																													
<p>1a. Establish targets for Paper, Plastic, Metal and Glass.</p> <p>Establish targets for Plastic sub-categories of Rigid Plastic and Flexible Plastic in consultation with stakeholders.</p>	<table border="1"> <thead> <tr> <th>MATERIAL CATEGORY</th> <th>2018 RECOVERY RATE</th> <th>2017 RECOVERY RATE</th> <th>TARGET RECOVERY RATE</th> <th>YEAR TO ACHIEVE TARGET</th> </tr> </thead> <tbody> <tr> <td>Paper</td> <td>86%</td> <td>87%</td> <td>90%</td> <td>2020</td> </tr> <tr> <td>Plastic</td> <td>42%</td> <td>41%</td> <td>50%</td> <td>2025</td> </tr> <tr> <td>Rigid Plastic</td> <td>54%</td> <td>50%</td> <td>55%</td> <td>2022</td> </tr> <tr> <td></td> <td></td> <td></td> <td>60%</td> <td>2025</td> </tr> <tr> <td>Flexible Plastic</td> <td>19%</td> <td>20%</td> <td>22%</td> <td>2022</td> </tr> <tr> <td></td> <td></td> <td></td> <td>25%</td> <td>2025</td> </tr> <tr> <td>Metal</td> <td>67%</td> <td>66%</td> <td>67%</td> <td>2020</td> </tr> <tr> <td>Glass</td> <td>78%</td> <td>72%</td> <td>75%</td> <td>2020</td> </tr> </tbody> </table>	MATERIAL CATEGORY	2018 RECOVERY RATE	2017 RECOVERY RATE	TARGET RECOVERY RATE	YEAR TO ACHIEVE TARGET	Paper	86%	87%	90%	2020	Plastic	42%	41%	50%	2025	Rigid Plastic	54%	50%	55%	2022				60%	2025	Flexible Plastic	19%	20%	22%	2022				25%	2025	Metal	67%	66%	67%	2020	Glass	78%	72%	75%	2020	<p>As material categories achieve and maintain the target recovery rate for two years, a new target will be proposed.</p>
MATERIAL CATEGORY	2018 RECOVERY RATE	2017 RECOVERY RATE	TARGET RECOVERY RATE	YEAR TO ACHIEVE TARGET																																											
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Metal	67%	66%	67%	2020																																											
Glass	78%	72%	75%	2020																																											
<p>2 Recovery/Collection Reporting</p>	<ul style="list-style-type: none"> <li>Tonnes of PPP and other materials collected within each Regional District: see page 26.</li> <li>Kilograms per capita of PPP and other materials collected within each Regional District; See summary table "Material Collected by Regional District": see page 26.</li> <li>Tonnes of PPP and other materials recycled and recovered for the province: 183,983.</li> <li>Kilograms per capita of PPP and other materials recycled and recovered for the province: 40 kg/capita.</li> <li>Recovery rate expressed as a percentage for the province: 78.1%.</li> <li>Tonnes and recovery rate expressed as a percentage for the major categories of Paper, Plastic, Metal and Glass and for the plastic sub-categories of Flexible and Rigid: See Program Performance: page 27.</li> </ul>	<p>Recycle BC continues to add more communities to the program.</p> <p>Recycle BC continues to work with stewards, collection partners and processors to explore opportunities to recycle a wider range of materials.</p>																																													
<p>2a. Provide curbside collection of PPP to a minimum of 973,400 curbside households and 421,600 multi-family households.</p>	<ul style="list-style-type: none"> <li>1,030,000 single-family households and 435,000 multi-family households received curbside and multi-family collection services from Recycle BC.</li> </ul>	<p>Household service levels are expected to continue growing with population growth and as more communities and stewards join the program.</p>																																													

PLAN TARGET	2018 RESULTS	STRATEGIES FOR IMPROVEMENT
2b. Maintain a minimum accessibility performance at 98% and strive to improve accessibility.	<ul style="list-style-type: none"> <li>· Accessibility to the Recycle BC program in 2018 was 98.3%.</li> </ul>	Recycle BC will add more depots and communities as more stewards join the program.
2c. Annually provide depot collection to communities across BC with a minimum of 200 depot locations. Recycle BC will annually assess the need to expand depot collection coverage in order to address under-serviced areas and to provide depot accessibility for packaging and paper materials that are not collected at curbside or through multi-family service.	<ul style="list-style-type: none"> <li>· In 2018 there were 211 depot locations, an increase of 10 depots from 201 in 2017.</li> </ul>	
2d. Following completion of its on-boarding expansion phase, Recycle BC will conduct a province-wide depot accessibility assessment to determine adequacy of depot coverage.	<ul style="list-style-type: none"> <li>· The depot accessibility assessment will be completed in 2019.</li> </ul>	
3. Report Annually: Single-family and multi-family households receiving household collection service. Number and locations of depots accepting PPP.	<ul style="list-style-type: none"> <li>· Recycle BC provided curbside collection of packaging and paper to 1,030,000 single-family households and 435,000 multi-family households in 2018.</li> <li>· Depots are detailed in Curbside/Multi-Family Service Areas and Depot Facilities table at page 17.</li> </ul>	Reported as part of Recycle BC's Annual Report submitted to the Ministry of Environment and Climate Change on July 1 each year.
4. Other Collection: Continue to perform further research through streetscape collection projects to determine if a viable recovery of PPP can occur in the new restricted global marketing conditions.	<ul style="list-style-type: none"> <li>· A report on streetscape collection will be completed in the second quarter of 2019.</li> </ul>	
4a. Other Collection: Research extent of PPP found in the organics stream.	<ul style="list-style-type: none"> <li>· In 2018 Recycle BC began research to determine the amount of PPP being collected and managed in organic waste collection programs (see page 23 for more information on this project).</li> </ul>	Include End of Life disposition in Pollution Prevention Hierarchy Report.

PLAN TARGET	2018 RESULTS	STRATEGIES FOR IMPROVEMENT
<p>5. Consumer Awareness: Maintain a resident awareness target of 90% or greater for a PPP recycling program. Continue annual consumer research to measure resident awareness. Conduct regular quantitative research to measure the effectiveness of resident education programs and to gather accurate provincial information on recycling habits, service levels and brand and program awareness.</p>	<ul style="list-style-type: none"> <li>· In 2018, 95% of people surveyed were aware of the availability of a packaging and paper product recycling program.</li> <li>· Awareness of the Recycle BC brand increased from 38% in 2017 to 51% in 2018.</li> <li>· Research conducted in 2018 identified that:               <ul style="list-style-type: none"> <li>· 73% of residents make an effort to recycle.</li> <li>· 94% of respondents find the recycling service unchanged or better than the previous year.</li> </ul> </li> </ul>	<p>Continue to build Recycle BC brand to better connect with residents on correct recycling behaviours.</p>
<p>5a. Consumer Awareness Reporting: Percent of residents aware of packaging and paper product recycling program; Percentage of residents reporting use of available collection services; and Visits to the Recycle BC website.</p>	<ul style="list-style-type: none"> <li>· Percentage of residents reporting use of available collection services:               <ul style="list-style-type: none"> <li>· 95% of residents surveyed aware of the availability of the PPP recycling program; 99% claim to recycle.</li> <li>· 73% go out of their way to recycle, and 27% recycle only if it is convenient.</li> </ul> </li> <li>· In 2018, 327,454 people visited the resident website RecycleBC.ca, resulting in 797,617 total page views.</li> </ul>	<p>Direct outreach to residents through awareness campaigns.</p> <p>Continued engagement through website and social media channels.</p>
<p>6. Target all PPP for collection and manage according to the pollution prevention hierarchy including shifting as much of the currently unrecyclable PPP from disposal or recovery up the hierarchy into recycling as possible.</p>	<ul style="list-style-type: none"> <li>· In 2018, Recycle BC continued its work to advance recycling technologies for currently non-recyclable materials including Other Flexible Plastic Packaging.</li> <li>· Recycle BC was engaged by a group of producers that provide products in non-recyclable squeeze tubes to determine if these materials could be collected in the recycling stream.</li> <li>· Recycle BC undertakes extensive resident information programs in order to increase awareness of both the recycling program and which materials to place in recycling bins in an effort to collect all recyclables and minimize contamination of the recycling stream.</li> </ul>	<p>Continue research and development to explore ways to recover material that is currently non-recyclable.</p>
<p>6a. Direct 85% to 90% of collected PPP to recycling commodity markets.</p>	<ul style="list-style-type: none"> <li>· In 2018, 180,532 tonnes of Recycle BC's materials were shipped to recycling end-markets while 206,778 tonnes were collected (87.3% of collected tonnes were sent to recycling end-markets).</li> </ul>	
<p>6b. Pollution Prevention Hierarchy Reporting.</p>	<ul style="list-style-type: none"> <li>· Tonnes of material managed by recycling: 180,532</li> <li>· Tonnes of material managed by recovery:               <ul style="list-style-type: none"> <li>· Engineered Fuel: 6,185</li> <li>· Energy from Waste: 0</li> </ul> </li> <li>· Tonnes of material managed by disposal: 16,742</li> </ul>	

PLAN TARGET	2018 RESULTS	STRATEGIES FOR IMPROVEMENT
7. Compile GHG data from Recycle BC service providers.	<ul style="list-style-type: none"> <li>In 2018, Recycle BC assessed different options for calculating GHG emissions deciding on Climate Smart as a partner for training, advisory services and a calculation tool. Collector service provider contracts were modified in 2018 to include requirement to report the necessary data.</li> </ul>	Full GHG data tracking system will be functional by 2019 in order to report 2019 as the baseline year of greenhouse emissions from Recycle BC's supply chain by 2020.
8. Other reporting metric: program cost.	<ul style="list-style-type: none"> <li>Total program cost per tonne: \$482.</li> <li>Total program cost per household: \$48.</li> </ul>	

## Additional Information and Third Party Assurance

### OPERATIONAL EFFECTIVENESS INDICATORS:

KG per capita of material recycled for the province

**40**

### OPERATIONAL EFFICIENCY INDICATORS:

Total program cost (net) per tonne recovered

**\$482**

Total program cost per household

**\$48**



# Financial Performance

**Recycle BC Financial Statements**  
**For the year ended December 31, 2018**

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## Financial Statements

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## Independent Assurance Report

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To the Directors of the MMBC Recycling Inc.:

We have been engaged by the management of MMBC Recycling Inc. (“MMBC”, trade name “Recycle BC”), to undertake a reasonable assurance engagement in respect of MMBC’s recycling program “Recycling Program” which are comprised of the following disclosures within Recycle BC’s Annual Report to the Ministry of Environment & Climate Change Strategy for the year ended December 31, 2018:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of BC Regulation 449/2004 (the Recycling Regulation);
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amount of the producer’s product sold and collected and, if applicable, the producer’s recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- Performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

### RESPONSIBILITIES

In Appendix A MMBC has provided an assertion about the preparation and fair presentation of the Recycling Program in accordance with the evaluation criteria in Appendix B. Management is also responsible for such internal control as management determines necessary to enable the preparation of the Recycling Program such that it is free from material misstatement. Furthermore, management is responsible for preparation of suitable evaluation criteria in accordance with the Guide to Third Party Assurance for Non-Financial Information in Annual Reports - 2018 Reporting Year, dated October 2018 (“Assurance Requirements”) as specified under Section 8(2)(h) of the Recycling Regulation of the Province of British Columbia.

Our responsibility is to express an opinion on the Recycling Program based on the procedures we have performed and the evidence we have obtained.

### SCOPE OF THE AUDIT

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants (“IFAC”). This Standard requires, amongst other things, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Recycling Program, and that they comply with the independence and other ethical requirements of the IFAC Code of Ethics for Professional Accountants.

This standard requires that we comply with independence requirements and other ethical requirements IESBA Code and plan and perform the engagement to obtain reasonable assurance about whether the Recycling Program is free of material misstatement.

The firm applies Canadian Standard on Quality Control 1, which is at least as demanding as the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Recycling Program. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement in the Recycling Program due to omissions, misrepresentation and



errors. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the Recycling Program in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the entity's internal control. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Recycling Program.

The main elements of our work were:

- understanding and evaluating the design of the key processes and controls for managing and reporting the Recycling Program used by management in preparing the Annual Recycling Program;
- responding to assessed risks through testing, on a test basis, the Recycling Program used by management;
- procedures such as inquiring, inspecting, observing, vouching to independent sources, recalculating and re-performing procedures were performed to obtain corroborating evidence to address assessed risks linked to the Recycling Program; and
- evaluating the sufficiency and appropriateness of the evidence obtained.

#### INHERENT LIMITATIONS

Due to the nature of non-financial information, there are inherent limitations to this information and it cannot be tested with the same level of precision and clarity as financial and quantitative information. Further, there are varying approaches in how non-financial reporting can be tested and audited, whereas for financial reporting rigorous and standardized procedures have been established. As such, the relevance, completeness, reliability, neutrality and understandability of the criteria selected are dependent on the reader's perception. As such, this report should be read keeping in mind the specific evaluation criteria that has been identified in Appendix A.

#### CONCLUSION

In our opinion, the Recycling Program within Recycle BC's Annual Report for the year ended December 31, 2018 presents fairly, in accordance with the evaluation criteria presented in Appendix B, in all material respects:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation;
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- The description of the performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Our report has been prepared solely for the purposes of management's stewardship under the Recycling Regulation and may not be suitable for another purpose. Our duties in relation to this report are owed solely to MMBC Recycling Inc., and accordingly, we do not accept any responsibility for loss incurred by any other party acting or refraining from acting based on this report.

Chartered Professional Accountants

Toronto, Ontario  
July 11, 2019

## Appendix A

### MANAGEMENT ASSERTION

We have prepared the description the Recycling Program which are comprised of the following disclosures within Recycle BC's Annual Report to the Ministry of Environment & Climate Change Strategy for the year ended December 31, 2018:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of BC Regulation 449/2004 (the Recycling Regulation);
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- Performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

We confirm, to the best of our knowledge and belief, that:

- (a) the description fairly represents the Recycling Program in accordance with the evaluation criteria in Appendix B.
- (b) we are responsible for implementing internal controls necessary to enable the preparation of the Recycling Program such that it is free from material misstatement.
- (c) We are responsible for preparation of suitable evaluation criteria in accordance with the Guide to Third Party Assurance for Non-Financial Information in Annual Reports - 2018 Reporting Year, dated October 2018 ("Assurance Requirements") as specified under Section 8(2)(h) of the Recycling Regulation of the Province of British Columbia.



Kathleen Kennedy, Chief Financial Officer  
Canadian Stewardship Services Alliance Inc.  
July 11, 2019



## Appendix B

### EVALUATION CRITERIA

1. Assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Disclosed information per Annual Report	Text of data claim in the Annual Report	Reference
Collection Systems and Facilities - Location of Collection Facilities	Table of locations of collection facilities, totaling 347 collection facilities comprised of 211 depots, 85 curbside and 51 multi-family location facilities.	Pages 17 through 20

#### Evaluation Criteria

The following evaluation criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- The list of active, terminated and dormant collection facilities is obtained as of December 31;
- The changes in the number of collection facilities is outlined with a breakdown by the types of collection facilities (curbside, multi-family and depot);
- The calculation of the number of collection facilities is performed by adding up to total number of collection facilities in the listing;
- The collection facilities are listed as active, terminated or dormant; the status of facilities are tracked on a listing; and
- The number of collection facilities disclosed in the Annual Report is supported by evidence that is neutral and understandable.



2. Assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Disclosed information per Annual Report	Text of data claim in annual report	Reference
Pollution Prevention Hierarchy and Product / Component Management	Tonnes of material managed by recycling: 180,532 Tonnes of material managed by recovery (engineered fuel): 6,185 Tonnes of material managed by recovery (energy from waste): 0 Tonnes of material managed by disposal: 16,742 Percentage of collected tonnes managed by recycling: 87.3%	Page 24

**Evaluation Criteria**

The following evaluation criteria were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation:

- The calculation of the percentage of collected tonnes managed by recycling is determined by dividing the tonnes of material managed by recycling by the total tonnes of materials disposed (sum of tonnes of material managed by recycling, engineered fuel, energy from waste and landfill disposals);
- A monthly reasonability check is performed on the source data used in the percentage of collected tonnes managed by recycling calculation;
- The reasonability check is supported by detailed review of source data to ensure completeness and accuracy of tonnes collected;
- A listing of approved end-markets is maintained; and
- All end-market shipments of processed materials are validated to the listing of approved end-markets.



3. Assessment of the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Discloses information per Annual Report	Text of data claim in the Annual Report	Reference
Product Sold and Collected and Recovery Rate	<u>2018 Operating Year (Reflecting 12 months):</u> Amount of product sold (supplied by MMBC stewards)(te): 235,655 Amount of product collected (not inc. tonnes collected by Recycle BC on behalf of other stewardship programs (te): 183,983 Recovery rate: 78.1%.	Page 25

**Evaluation Criteria**

The following evaluation criteria were applied to the assessment of the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

- Product sold has been calculated using the source data from independent sources;
- Product recovered has been calculated using the source data from independent sources;
- Source data for sold and recovered is complete;
- The product units sold and collected, and the recovery rate reconcile to the numbers published in the annual report; and
- The calculation of the recovery rate is determined by dividing the amount of product collected by the amount of product sold (as supplied by MMBC Stewards) using the appropriate source data to ensure calculation is arithmetically accurate.

4. Assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation

Specific Disclosures in the Annual Report for which evaluation criteria were developed:						
Disclosed information on Targets per Annual Report	Text or data claim in relation to Targets					Reference
Maintain a program recovery rate of 75%	2018 Recovery rate was 78.1%					Page 28
Report 2018 category recovery performance for Paper, Plastic, Metal and Glass and Plastic sub-categories of Rigid Plastic and Flexible Plastic.	Material Category	2018 Recovery Rate	2017 Recovery Rate	Target Recovery Rate	Year to Achieve Target	Page 28
	Paper	86%	87%	90%	2020	
	Plastic	42%	41%	50%	2025	
	Rigid Plastic	54%	50%	55%	2022	
				60%	2025	
	Flexible Plastic	19%	20%	22%	2022	
				25%	2025	
	Metal	67%	66%	67%	2020	
	Glass	78%	72%	75%	2020	
Direct 85% to 90% of collected PPP to recycling commodity markets	In 2018, 180,532 tonnes of Recycle BC's materials were shipped to recycling end-markets while 206,778 tonnes were collected (87.3% of collected tonnes were sent to recycling end-markets).					Page 30

#### Evaluation Criteria

The following evaluation criteria were applied to the assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation:

- Targets in the stewardship plan have been identified, and reported on by management in the annual report;
- The list of targets is complete;
- The targets are neutral and consistent with the targets approved in the stewardship plan;
- The performance of the targets are supportable by evidence; and
- The performance of the targets are calculated accurately.

**MMBC Recycling Inc.  
(O/A Recycle BC)  
Balance Sheet**

**December 31** **2018** **2017**

**Assets**

**Current**

Cash	\$ 66,777,171	\$ 69,616,259
Accounts and other receivables (Note 2)	5,983,520	7,015,437
Due from related party (Note 3)	10,796	10,334
Prepaid expenses	113,013	76,065

**72,884,500** **76,718,095**

**Capital assets** (Note 4)

**11,760** **26,666**

**\$ 72,896,260** **\$ 76,744,761**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 11,330,154	\$ 11,570,907
Deferred revenue (Note 5)	-	1,304,000
Due to related party (Note 6)	544,002	578,603

**11,874,156** **13,453,510**


**Net Assets**


Invested in capital assets	11,760	26,666
Unrestricted	11,010,344	18,264,585
Internally restricted (Note 7)	50,000,000	45,000,000

**61,022,104** **63,291,251**

**\$ 72,896,260** **\$ 76,744,761**

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The accompanying notes are an integral part of these financial statements.



**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Statement of Changes in Net Assets**

**For the year ended December 31, 2018**

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
<b>Balance, beginning of year</b>	\$ 26,666	\$ 18,264,585	\$ 45,000,000	\$ 63,291,251
<b>Deficiency of revenue over expenses for the year</b>	(14,906)	(2,254,241)	-	(2,269,147)
<b>Transfer to operating reserve (Note 7)</b>	-	(5,000,000)	5,000,000	-
<b>Balance, end of year</b>	\$ 11,760	\$ 11,010,344	\$ 50,000,000	\$ 61,022,104

**For the year ended December 31, 2017**

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
Balance, beginning of year	\$ 26,306	\$ 11,613,230	\$ 40,000,000	\$ 51,639,536
Excess (deficiency) of revenue over expenses for the year	(12,524)	11,664,239	-	11,651,715
Investment in capital assets	12,884	(12,884)	-	-
Transfer to operating reserve (Note 7)	-	(5,000,000)	5,000,000	-
Balance, end of year	\$ 26,666	\$ 18,264,585	\$ 45,000,000	\$ 63,291,251

The accompanying notes are an integral part of these financial statements.

**MMBC Recycling Inc.  
(O/A Recycle BC)  
Statement of Operations**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Fee revenue	\$ 84,908,258	\$ 83,398,409
Investment income	1,551,265	766,465
	<b>86,459,523</b>	<b>84,164,874</b>
<b>Expenses</b>		
Material management costs (Note 5 and 8)	77,760,725	61,346,863
Program management (Note 6)	8,764,093	9,173,000
Promotion and education	1,931,406	1,824,395
Research and program development	272,446	168,901
	<b>88,728,670</b>	<b>72,513,159</b>
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>\$ (2,269,147)</b>	<b>\$ 11,651,715</b>

The accompanying notes are an integral part of these financial statements.

**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	\$ (2,269,147)	\$ 11,651,715
Adjustments to reconcile (deficiency) excess of revenue over expenses for the year to cash provided by operating activities		
Amortization of capital assets	14,906	12,524
Changes in non-cash working capital balances:		
Accounts and other receivables	1,031,917	(599,021)
Prepaid expenses	(36,948)	4,720
Accounts payable and accrued liabilities	(240,753)	4,473,219
Deferred revenue	(1,304,000)	(3,696,000)
Due to related parties	(35,063)	(156,828)
	<b>(2,839,088)</b>	<b>11,690,329</b>
<b>Investing activities</b>		
Purchase of capital assets	-	(12,884)
<b>Increase (decrease) in cash during the year</b>	<b>(2,839,088)</b>	<b>11,677,445</b>
<b>Cash, beginning of year</b>	<b>69,616,259</b>	<b>57,938,814</b>
<b>Cash, end of year</b>	<b>\$ 66,777,171</b>	<b>\$ 69,616,259</b>

The accompanying notes are an integral part of these financial statements.

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**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Notes to Financial Statements**

**December 31, 2018**

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**1. Significant Accounting Policies**

The following is a summary of significant accounting policies of the Organization:

(a) Business Organization and Operations

MMBC Recycling Inc. (the "Organization") or ("Recycle BC") was incorporated under the Canada Not-for-profit Corporations Act on September 7, 2016 to undertake responsibility for the stewardship of the packaging and printed paper environmental management program under provincial legislation.

The Packaging and Printed Paper Stewardship Plan ("Program Plan") was approved by the BC Ministry of Environment in April 2013 and the program was launched in May 2014 through Multi-Material BC Society ("MMBC").

On December 31, 2016, the Organization entered into an asset purchase agreement with MMBC whereby the Organization purchased all assets, assumed all obligations, and continued operations of the program under federal legislation.

The Organization is a not-for-profit organization and as such is not subject to income taxes.

(b) Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

(c) Revenue Recognition

Fee revenue is based on reported tonnages for members with signed Membership Agreements with the Organization. Revenue is recognized when tonnage is reported, fees are received or receivable and collection is reasonably assured. Revenue arising from member reported tonnages or adjustments for prior years' obligations and revenues resulting from compliance and enforcement activities are recognized when the amount can be reasonably estimated and collection is reasonably assured.

The Organization follows the deferral method of accounting for revenues. Amounts received for programs are recognized as revenue when the related expenses are incurred.

(d) Financial Instruments

Unless otherwise noted, the Organization initially measures its financial assets and liabilities at fair value and subsequently measures its financial assets and liabilities at amortized cost.

**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Notes to Financial Statements**

**December 31, 2018**

**1. Significant Accounting Policies - (Continued)**

(e) Capital Assets

Capital assets are recorded at cost less accumulated amortization and is amortized on the following basis:

Computer equipment	-	3 years straight line
Furniture and fixtures	-	5 years straight line

(f) Impairment of Long-Lived Assets

When a long-lived asset no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounting estimates include estimates of unreported tonnages and collectability of steward fees, accrued post collection costs and the valuation of accounts receivable. Actual results could differ from management's best estimates as additional information becomes available in the future.

**2. Accounts and Other Receivables**

	<b>2018</b>	2017
Fee revenue	<b>\$ 3,414,761</b>	\$ 4,317,935
Outstanding credits for indexed value of commodities processed, net	<b>136,078</b>	1,340,288
Other	<b>2,589,904</b>	1,506,606
Allowance for doubtful accounts	<b>(157,223)</b>	(149,392)
	<b>\$ 5,983,520</b>	\$ 7,015,437

**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Notes to Financial Statements**

**December 31, 2018**

**3. Due from Related Party**

Multi-Material Stewardship Western Inc. ("MMSW") is a not-for-profit organization established under The Saskatchewan Non-Profit Corporations Act to undertake responsibility for the stewardship of the packaging and printed paper environmental management product under provincial legislation. During the year, the Organization shared common management with MMSW and \$120,000 (2017 - \$120,000) was charged by the Organization to MMSW. These charges have been offset against program management expenses in the statement of operations.

The Organization and MMSW are under common control of CSSA (Note 6).

All transactions between the Organization and MMSW are in the normal course of operations and are recorded at their exchange amount as agreed upon by the parties.

**4. Capital Assets**

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 16,726	\$ 10,031	\$ 16,726	\$ 4,456
Furniture and fixtures	49,519	44,454	49,519	35,123
	<b>66,245</b>	<b>54,485</b>	66,245	39,579
		<b>\$ 11,760</b>		<b>\$ 26,666</b>

**5. Deferred Revenue**

In 2016, the Organization received a prepayment of \$5,000,000 from the Province of British Columbia, represented by the Minister of Environment ("Province"), pursuant to an agreement whereby the Province would pay Steward Fees to the Organization equivalent to the estimated fees that Newspaper Producers would otherwise pay. This is a multi-year agreement expiring December 31, 2022 whereby additional payments will be made up to a capped limit.

In 2018, \$1,304,000 (2017 - \$3,696,000) of the deferred revenue amount was taken into income plus additional payments of \$1,548,960 (2017 - \$nil) to offset against the costs of collecting and processing newspaper print in the material management costs expense in the statement of operations.

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**MMBC Recycling Inc.**  
**(O/A Recycle BC)**  
**Notes to Financial Statements**

**December 31, 2018**

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**6. Due to Related Party**

Effective January 2018, the Organization renewed the 5 year Management Service Agreement with Canadian Stewardship Services Alliance Inc. ("CSSA") for management services including administrative and technical support, other services and facilities for administrative, technical and reporting activities. During the year, charges totaling \$5,860,000 (2017 - \$6,373,160) were paid to CSSA pursuant to this contract, which includes reimbursement of costs paid by CSSA on behalf of the Organization, and \$210,104 (2017 - \$204,980) was paid to CSSA for shared management costs. These costs are included in program management expenses in the statement of operations.

The Organization's board of directors consists of 50% (2017 - 50%) who are also members of the CSSA board of directors and CSSA has the ability to elect board members; therefore, the CSSA board of directors has control over the Organization.

All transactions between the Organization and CSSA are in the normal course of operations and are recorded at their exchange amount as agreed upon by the parties.

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**7. Internally Restricted Net Assets**

The directors authorized the establishment of the Operating Reserve to provide for an appropriate level of working capital and to satisfy all of its obligations for a reasonable period of time. During the year, the Organization internally restricted \$5,000,000 (2017 - \$5,000,000) for this purpose.

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**8. Material Management Costs**

Material management costs include all costs related to the collection, transportation and processing of materials managed through the program, net of credits for indexed value of commodities processed.

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**9. Commitments**

Under the terms of a realty lease agreement, the Organization is committed to pay basic rent approximately as follows:

2019	\$	44,400
2020		62,400
2021		62,400
2022		64,100
2023		65,300
Thereafter		<u>362,100</u>
	\$	<u>660,700</u>

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**MMBC Recycling Inc.**  
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**10. Financial Instrument Risk Exposure and Management**

Management has established policies and procedures to manage risks related to financial instruments, with the objective of minimizing any adverse effects on financial performance. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. A brief description of management's assessments of these risks is as follows:

(a) Credit Risk:

Financial instruments potentially exposed to credit risk include cash, accounts and other receivables and due from related party. Management considers its exposure to credit risk over cash to be remote as the Organization holds cash deposits at a major Canadian bank. Accounts and other receivables are monitored regularly for collections and the carrying amount represents the maximum credit risk exposure. The Organization's provision for uncollectable accounts receivable is \$157,223 (2017 - \$149,392).

(b) Liquidity Risk:

Liquidity risk is the risk that the Organization will not be able to meet its obligations as they come due. The program operated by the Organization carries risks in the ability to forecast and control expenditures. Management has taken steps to ensure that the program will have sufficient working capital available to meet obligations.





  
RECYCLEBC



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