



**RECYCLEBC™**

**2020  
ANNUAL  
REPORT**

# About Recycle BC

Recycle BC is a not-for-profit organization providing residential recycling services to households across British Columbia. It is the only full extended producer responsibility (EPR) program for packaging and paper product (PPP) in North America where producers have full responsibility for both the financing and operation of the province-wide residential recycling system. 2020 was the first full year of implementation of Recycle BC's revised 2019 Program Plan with enhanced performance, accessibility and reporting targets.

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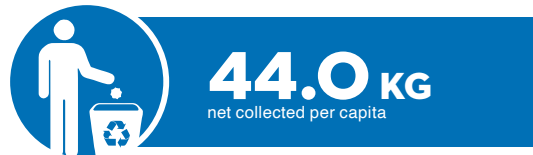
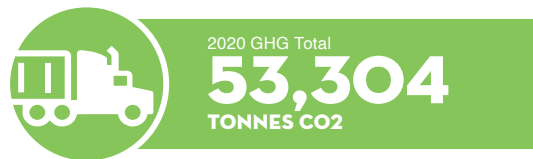
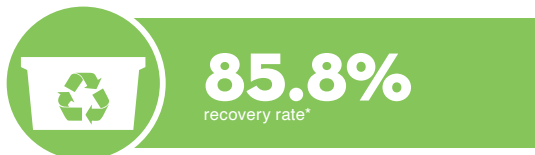
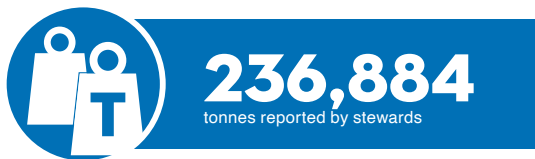
# 2020 Highlights

Adjusting to the health and safety protocols associated with the COVID-19 pandemic, while ensuring on-going delivery of recycling services to BC residents was a main focus for 2020. The commitment of Recycle BC's collection and post-collection service providers, who quickly adjusted to the new ways of working safely, maintained recycling services across the province.

BC residents spent more time at home in 2020 and placed a greater volume of material in recycling bins, bags and depots during the year, resulting in a significant increase to the tonnes of material collected by the program compared to 2019. As a result, the program's recovery rate increased from the previous year.

2020 marks the first year Recycle BC is providing the greenhouse gas (GHG) inventory from its operations in the annual report along with the comparison to the 2019 baseline data. Recycle BC has been working for several years with its supply chain partners to develop reporting on GHG emissions. This data continues the program's leadership status in packaging and paper recycling by providing more information to assess the environmental impact of its operations.

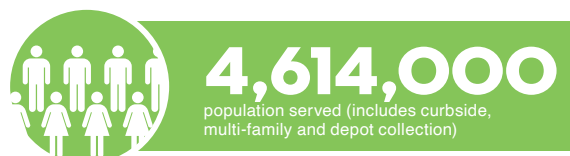
## Program Performance



MATERIAL CATEGORY	RECOVERY RATE
Paper	90%
Plastic	52%
Rigid Plastic	64%
Flexible Plastic	24%
Metal	85%
Glass	97%

\* Net tonnes collected, recovered and recovery rate reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs

## Access





## Pollution Prevention Hierarchy

**199,856**

tonnes\* of material managed by recycling

**90.1%**

of collected tonnes managed by recycling

**9,485**

tonnes of material managed by recovery (engineered fuel)

**20,987**

tonnes of collected material managed by disposal

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

## Steward Members



**1,199**  
members

## Financial Performance



**\$623**  
cost/tonne



**\$68**  
cost per household

## Public Education



Social media impressions across Twitter, Facebook and Instagram:

**15,240,199**



Awareness of Recycle BC brand:

**57%**

## Collection System



**1** **ADDITIONAL COMMUNITY**  
onboarded for Recycle BC curbside and multi-family service in 2020



**11** **ADDITIONAL DEPOTS**  
joined Recycle BC



**28**  
regional districts served



**16**  
areas serviced directly by Recycle BC

# Message to Stakeholders

This annual report reflects upon a most unusual year – as the world began responding to the COVID-19 pandemic in March 2020, few of us could have predicted or prepared for how the succeeding months would unfold.

My sincere thanks go out to the Recycle BC team, our board, our supply chain partners and their frontline workers for their ability to deliver on-going recycling services across the province despite significant and difficult challenges. As many residents were spending more time at home—working, cooking, doing schoolwork and other activities—they created more materials to be recycled and the Recycle BC services were there for them.

I also acknowledge that the pandemic has placed enormous pressures on many of our member businesses, with some sectors hit particularly hard. As we begin to prepare for economic recovery, I want to assure all our member companies that we will continue working hard on your behalf to deliver efficient and reliable recycling service to BC residents while meeting our Program Plan commitments and taking measures to contain program costs.

Despite the challenges of 2020, Recycle BC is able to report some significant accomplishments, including the successful transition to our new post-collection service provider, GFL Environmental Inc. GFL began oversight for the transportation, processing, marketing and reporting of materials collected across British Columbia in May 2020. With its investments in new technology, facilities and processing capabilities, we are confident this partnership will enhance the already-strong environmental performance of our recycling program.

As well, in this report, Recycle BC is delivering on its commitment to provide a full accounting of the greenhouse gas (GHG) emissions associated with our province-wide recycling activities. Our baseline 2019 emissions were published at the end of 2020 and this marks the inclusion of GHG data in our annual reports going forward. This additional disclosure is the result of several years

of preparatory work with our collectors and post-collection providers to implement a GHG tracking system. Their involvement and cooperation are essential to making this valuable information available to stakeholders.

While COVID-19 dominated the headlines throughout the year, Canadians' concern about the state of the environment, and plastic pollution in particular, did not diminish and certain governments are responding with regulatory proposals to address their concerns. The federal government confirmed its intent to add “plastic manufactured items” to Schedule 1 of the Canadian Environmental Protection Act (CEPA), establishing its authority to regulate plastics and signaling its intent to finalize a regulation banning six specific single-use plastic items deemed harmful to the environment by the end of 2021. At the provincial level, the British Columbia Minister of Environment and Climate Change Strategy introduced amendments to the BC Recycling Regulation in September 2020 that revised and expanded the materials designated under the Recycle BC program. Recycle BC members have been asked to begin collecting data on single-use products and packaging-like products in 2021 for reporting in 2022 so that fees can be set for these materials when they are designated in 2023.

Knowing that plastic pollution is a significant concern for Canadians and to begin capturing the full value of this material, a number of Recycle BC members joined the Canada Plastics Pact (CPP) launched in early 2021. The CPP brings together a diverse set of businesses across the plastics value chain to collaborate and rethink the design, use and disposal of plastics with the aim of moving closer to realizing a circular economy for plastics in Canada. The CPP is part of the global Ellen MacArthur Foundation network of country-based pacts. As a member of this network, the CPP has the opportunity to share Canadian findings while learning from other worldwide efforts to accelerate the move to a circular economy in which plastic stays in the economy and out of the environment.

In an unprecedented year that presented many challenges and obstacles, I am extremely proud of the work of our supply chain partners and the Recycle BC team. Together, we faced COVID-19 challenges head on to provide households across the province with reliable, efficient and accessible recycling services while continuing to enhance and improve our efforts. I extend my sincere thanks to all for your commitment and dedication to the Recycle BC program and the important work we do.



A handwritten signature in black ink that reads "John D Coyne". The signature is fluid and cursive.

**John Coyne, Board Chair**



# Program Overview

Recycle BC is a not-for-profit organization delivering residential recycling services for packaging and paper to 1.87 million households across British Columbia. The Recycle BC program is the only full producer responsibility program for packaging and paper in North America fully financed and operated by stewards that supply packaging and paper to residents. As a result of businesses assuming responsibility for recycling services, the cost for delivering residential recycling is shifted from local governments and taxpayers to producers. British Columbia's full producer responsibility model is often recognized as a best-in-class model for the efficient and effective management of residential packaging and paper. Since its inception in 2014, Recycle BC has consistently achieved its recovery rate, which was 75% for the period 2014-2019 and 77% beginning in 2020, while growing to provide service to 99% of BC residents.

The full producer responsibility model contributes to the creation of a circular economy for collected materials. When producers take full responsibility for the management of their materials, they are incented to design them for recycling so that they can be captured and repurposed, providing a reliable supply of raw material for further manufacturing processes. This is important for protection of the province's ecosystems and supports Recycle BC members meeting their sustainability goals.

Recycle BC is now delivering against its revised Program Plan approved by the government in June 2019. 2020 marks the third year that Recycle BC is reporting to stakeholders on material-specific recovery rates for paper, plastic, metal and glass categories. In line with its commitment to continuous improvement in program performance, as material categories achieve their target recovery rate for two consecutive years, a new target will be proposed. The material categories of metal and glass achieved their respective target recovery rates in 2018 and 2019 and, as a result, new target recovery rates for these material categories are in this 2020 report. This annual report also marks the first year that Recycle BC is reporting operational data related to GHG emissions from its collection and post-collection partners, and its team, for 2020 against 2019 baseline data.

## Recycle BC's Mission

Recycle BC's mission is to be a trusted environmental advocate and community partner offering effective and efficient residential recycling services. This guides all the services provided to communities throughout BC. Recycle BC ensures that packaging and paper is collected from residents at households and recycling depots, and then sorted and recycled responsibly. Recycle BC is supported in its work by CSSA, a national, not-for-profit organization dedicated to providing support services to stewardship programs across Canada. CSSA is a signatory to the Ellen MacArthur Foundation New Plastics Economy Global Commitment and has pledged to collaborate with businesses and governments to help to address plastic waste and pollution at its source. CSSA is also a member of the recently launched Canada Plastics Pact, a cross-sector initiative working to create a circular economy for plastics in Canada. With a shared commitment to tackling plastic waste, CSSA actively supports Recycle BC's work to achieve the ambitious material-specific recovery targets identified in the updated Program Plan.

## Recycle BC Board of Directors

Recycle BC is overseen by a Board of Directors representing steward members and an independent member. The members of the board provide their expertise and insights to ensure the organization continues to succeed in delivering the requirements of the Program Plan and providing efficient and reliable recycling services to households across British Columbia. The 2020 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 and Audit Committee is made up of Debbie Baxter and Paul Hazra. They met four times in 2020.

The Recycle BC Board of Directors met five times in 2020, with attendance summarized in the following table:

BOARD MEMBER	MARCH 24	JUNE 24	SEPTEMBER 11	SEPTEMBER 21	DECEMBER 17
Debbie Baxter	Yes	Yes	Yes	Yes	Yes
Bob Chant	Yes	Yes	Yes	Yes	Yes
John Coyne	Yes	Yes	Yes	Yes	Yes
Paul Hazra	No	Yes	Yes	Yes	Yes

### Recycle BC Advisory Committee

Recycle BC's Advisory Committee members are from a range of stakeholder groups committed to the success of the program, including local governments, steward industry associations and the Recycling Council of BC. The Advisory Committee is consulted on key elements of the Recycle BC program and helps to identify issues and provide input as needed.

In 2020, the Advisory Committee provided oversight on the completion of an updated cost study—the third such study undertaken by Recycle BC. These studies involve the canvassing of collectors' costs by a qualified independent financial accounting firm, plus related performance data tracked by Recycle BC, to establish market-clearing prices for collectors. We appreciate the input and guidance provided by the Advisory Committee on the recent cost study work.

The Advisory Committee meets up to four times annually and the membership in 2020 was:

- Harvinder Aujala, (Chair), Director of Policy & Communications, Recycling Council of BC\*
- Lara Beckett, Electoral Area Director, Regional District of Fraser-Fort George
- Andrew Doi, Environmental Planner, Metro Vancouver
- Rob C. Gay, Electoral Area C Chair, Regional District of East Kootenay
- Bill Hardy, Business Manager, HortEducationBC
- Patrick Stafford-Smith, CEO, North Vancouver Chamber of Commerce
- Dan Wong, Executive Director, BC Dairy Council

\* Became a consumer/resident representative on the Advisory Committee after November 2020

### Recycle BC Members

Recycle BC's membership is made up of organizations that supply packaging and paper products (as defined by the Recycling Regulation) to residents of British Columbia. These designated materials generally include items that are supplied to residents and taken home for recycling or disposal in their homes. The regulation requires that organizations that supply these materials assume both financial and operational responsibility for their collection and proper management. This obligation is fulfilled through producers registering with Recycle BC and filing an annual report that identifies the types and quantities of packaging and paper supplied to BC residents. Producers then pay fees based on their reports that finance the delivery of Recycle BC's services. Recycle BC's membership draws on organizations from a wide variety of sectors, including:

- Food and consumer good 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 on the [Recycle BC website](#).



# Public Education

Packaging and paper recycling education was particularly important in 2020. At the onset of the COVID-19 pandemic and public health orders in March, Recycle BC adjusted its public education and communications strategy to address the changing circumstances for residents and the collection system.

## Content Strategy

Throughout the year, Recycle BC actively engaged residents with content relevant to their spending more time at home, having reduced access or capacity at depots, increased reliance on take-out from restaurants and reusable bags not being accepted by many grocery stores. Information for residents accessing curbside, multi-family and depot service was shared on topics such as recycling storage solutions, how to recycle common take-out containers, depot safety guidelines, and how to reuse and recycle plastic bags.

## Awareness Campaigns

### HOME TOUR

In April, many businesses were closed and residents were guided to stay at home. Drawing on research conducted in December 2019, Recycle BC launched a room-by-room digital tour of recycling opportunities in the home. The campaign highlighted the recyclable materials residents most commonly throw in the garbage and was supported by media outreach.



### HAZARDOUS WASTE

With resident travel within BC during the summer came an increase in camping and outdoor living and hazardous materials such as single-use propane canisters in recycling collection. Recycle BC ran a digital campaign to raise resident awareness of how to properly dispose of hazardous materials supported with collector resources and videos.

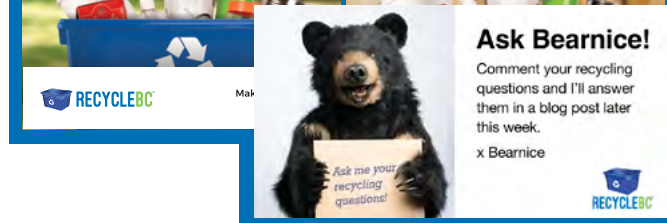


### BC SAYS THANKS

BC survey respondents identify “helping to preserve the land, oceans and environment” as their primary motivator for wanting to recycle. The “BC Says Thanks” integrated media campaign reflected this motivation through TV ads, digital display ads, YouTube, social media and transit shelter and bus ads.



The campaign also introduced a new member of the Recycle BC team, Bearnice, recycling advocate, social media influencer, actor and bear. She took over our social media channels for a week after the campaign to engage with BC residents and answer their recycling questions.



## HOLIDAY

Recycle BC's digital holiday campaign was themed toward pandemic-related activities such as baking, decorating and family time, and the common recyclables related to holiday activities. Materials were identified by categories with residents directed on how to sort them for recycling. The campaign featured a holiday recycling guide as well as online and social media ads.

## DIRECT SERVICE TRANSITIONS

Recycle BC now provides recycling services directly to 16 areas of BC. For these areas, Recycle BC is entirely responsible for resident promotion and education. In 2020, 11 of those areas had service changes requiring additional outreach. Recycle BC also assumed responsibility for providing recycling service to curbside and multi-family residents in three North Shore communities. Examples of service changes included the addition of curbside glass collection, new schedules, new collection containers, and new customer service information.



## Partnerships

### VANCOUVER CANUCKS

Recycle BC continued its partnership with the Vancouver Canucks through the 2019-2020 season. The partnership increased program exposure and engagement with BC residents, focusing on plastic packaging and recycling right. In addition to in-stadium and television exposure through rink boards and signage, players were featured in custom content videos and an integrated contest.

### VANCOUVER WHITECAPS FC

Recycle BC's partnership with the Vancouver Whitecaps FC changed significantly in 2020 due to COVID-19 pandemic restrictions, but maintained exposure opportunities via television and at the MLS is Back Tournament.



## BIKE TO WORK WEEK

Recycle BC's partnership with Bike to Work Week in the fall of 2020 supported messaging for the environment and greener travel solutions. Nearly 4,000 registered participants logged more than 290,000 km with an estimated 63,000 tonnes of GHGs saved. In addition to a celebration station on the north end of Lions Gate Bridge, Recycle BC was featured in print advertising, posters, newsletters, social media and on the Bike to Work Week website as part of the partnership.

## COMMUNITY CHAMPIONS

Recycle BC continued the Community Champions grant program with local environmental organizations to support resident education of packaging and paper recycling. In 2020, eight organizations participated:

- Abbotsford Mission Recycling Program, Abbotsford
- Cariboo Chilcotin Conservation Society, Williams Lake
- Master Recycler, Vancouver
- North Shore Black Bear Society, North Vancouver
- Recycling and Environmental Action Planning Society (REAPS), Prince George
- Ridge Meadows Recycling Society, Maple Ridge
- Shuswap Food Action Society, Salmon Arm
- Squamish Climate Action Network, Squamish

## DIGITAL ENGAGEMENT

Recycle BC maintained an active digital presence with increased website visitors and page views in 2020.

Website:



Social media

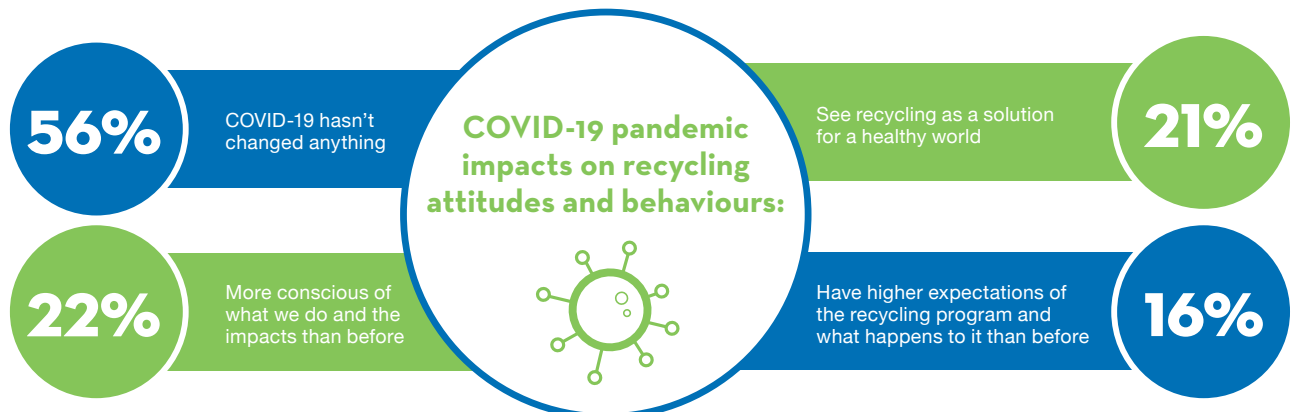
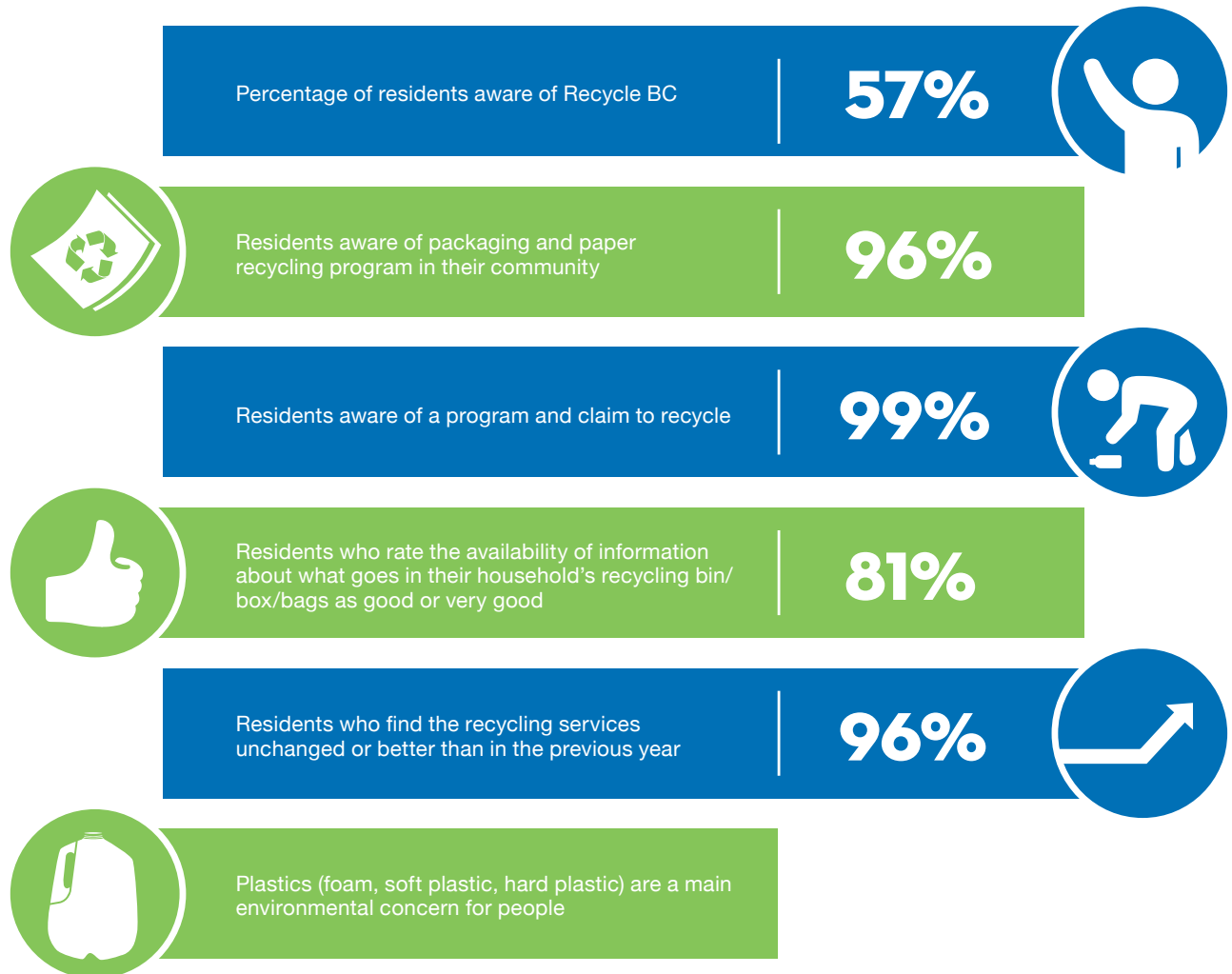


Channels include Twitter, Facebook, Instagram and YouTube. Combined data for our accounts (excluding YouTube) in 2020 was:



## CONSUMER RESEARCH

We continue to conduct annual consumer research to better understand evolving recycling behaviours and attitudes, and to measure brand attributes. Key results from 2020 included:



# Collection and Post-Collection System

Recycle BC provides recycling services to 99.2% of British Columbia residents living in urban, rural, remote and First Nations communities across the province. Providing service to households from remote northern and rural communities to densely populated urban centres requires a variety of collection methods. Recycle BC works with over 175 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 packaging and paper for recycling.

## Service Expansion

In 2020, Recycle BC added 11 depots to its network and the City of Delta joined the Recycle BC program with curbside and multi-family collection. In addition, the North Shore communities of the City of North Vancouver, the District of North Vancouver and the District of West Vancouver now receive direct service from Recycle BC. The City of Revelstoke transitioned from single stream blue bags to multi-stream blue box and yellow bag collection. And in December 2020, Recycle BC added segregated glass collection to the curbside programs in Prince George, Quesnel and the North Okanagan, improving resident convenience and collection efficiencies. Four depots left the Recycle BC program in 2020 and new Recycle BC depots were opened at the following 15 locations:

- Balfour Transfer Station
- Crawford Bay Transfer Station
- Crescent Valley Hall Depot
- Creston Car Wash Depot
- Edgewood Transfer Station
- Kaslo Transfer Station
- Nakusp Landfill
- Nelson Recycling Depot
- New Denver Village Depot
- Ootischenia Depot (Castlegar Landfill)
- Salmo Village Depot
- Slocan Transfer Station
- Elkford Transfer Station
- Fernie Transfer Station
- Sparwood Transfer Station

## Recycle BC Welcomes GFL

On May 19, 2020, Recycle BC launched its new post-collection network operated by GFL Environmental Inc (GFL). GFL now oversees the transportation, processing, marketing and reporting of over 220,000 tonnes of packaging and paper material annually from curbside households, multi-family buildings and depots across the province.



Recycle BC's post-collection network is made up of 38 facilities around the province – 36 receiving facilities, and two primary material recovery facilities located in Richmond and New Westminster. These two facilities sort and process BC's packaging and paper recycling to prepare it for end markets.

As part of the new agreement, GFL is making significant investments in recycling infrastructure in the province, including new technology, facilities, and processing capabilities. Increasing the ability to sort materials into multiple grades and reduce contamination provides access to more domestic and North American markets.

A dedicated fibre recovery facility allows Recycle BC to produce paper commodities that meet the quality standards of the North American mills, allowing it to be sold to markets in the Pacific Northwest as these mills build capacity rather than overseas. Marketing materials locally is consistent with Recycle BC's goal to find the right markets for its materials as close to home as possible.

The majority of all plastic, glass, metal, and a significant amount of paper materials collected by Recycle BC will remain in BC, Canada or North America for recycling. As the partnership with GFL continues, we look forward to positive environmental outcomes and increased value for Recycle BC, the businesses that fund the program and the residents of British Columbia.



## GHG REPORTING INCREASES TRANSPARENCY

As part of Recycle BC's Program Plan commitment to performance measurement and continuous improvement, Recycle BC now tracks greenhouse gas (GHG) emissions across its entire operation. Data about the program's GHG emissions inventory are now being included in the annual report. GHG data from 2019 was published on the Recycle BC website in late 2020 and Recycle BC now has a baseline against which all future GHG reporting will be assessed.

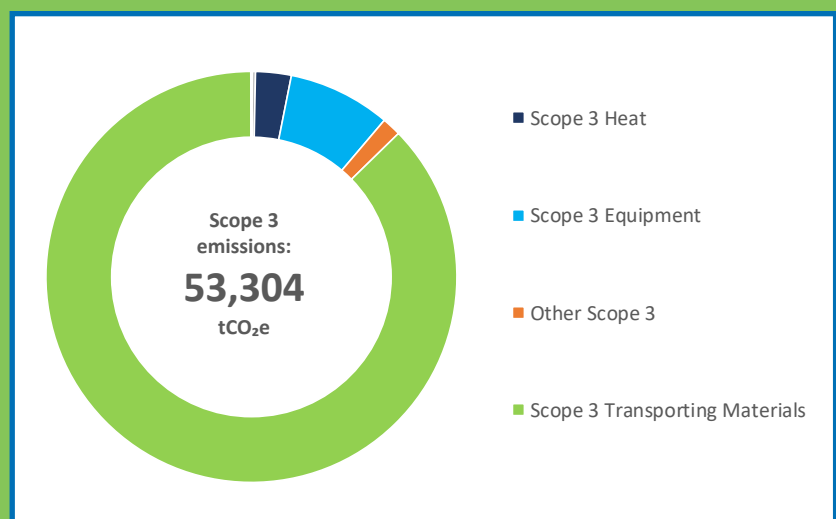
Reported data for 2019 and 2020 GHG inventories were put through a rigorous process and verified by Climate Smart, Recycle BC's partner in providing training, advisory services and the use of its proprietary calculation tool and validation.

GHG reporting involves tracking all emissions related to supply chain operations, starting from the point of receiving residential paper and packaging either at the depot, the curb, or at a multi-family dwelling. It also includes emissions related to the transport, storage and handling of those materials through the collection and post-collection network, until that material is received at end markets. For example, emissions are measured from collection vehicles as well for heating and cooling of facilities.

Recorded emissions in 2019 was 50,680 tonnes of carbon dioxide equivalent, and in 2020 was 53,304 tonnes of carbon dioxide equivalent. The increase is primarily due to greater transporting of materials by road (partially offset by a reduction in transporting goods by water) and more equipment use at post-collection facilities.

Most of Recycle BC's emissions come from indirect GHG emissions resulting from operations at sources owned by other companies, in this case Recycle BC's service providers and their subcontractors. The majority of GHGs are associated with transporting goods (87%) and equipment (8%). These sources are referred to as Scope 3 sources, whereas Scope 1 and 2 sources refer to those emissions resulting from Recycle BC office and facility utilities such as heating and electricity usage. Recycle BC's Scope 1 and 2 emissions are negligible compared to Scope 3 emissions.

Recycle BC is proud to be Climate Smart certified for the 2019 baseline year and for 2020, and to be the first packaging and paper recycling program in North America providing a full accounting of the GHG impact of its operations.





## INDIGENOUS COMMUNITY RECYCLING SUPPORT

### First Nations Recycling Initiative

The First Nations Recycling Initiative (FNRI) is a collective of BC stewardship organizations that works with Indigenous communities in the province to support their recycling programs. FNRI annual summary reports and resources are available at [RecycleBC.ca/First-Nations-Recycling-Initiative](https://RecycleBC.ca/First-Nations-Recycling-Initiative)

Recycle BC has a dedicated specialist who works exclusively with FNRI to raise awareness of the initiative, offering resources to support recycling and organizing community collection events. While travel to First Nations was limited in 2020 due to COVID-19, 20 visits were made to 16 different communities on Vancouver Island and the southern part of BC. For those communities to which travel was not possible, support and engagement was provided through correspondence, video meetings, emails and phone calls.

For the FNRI, an online survey was sent to Indigenous communities in 2020 to seek feedback on a variety of topics, including:

- identifying where there may be a quantity of material for collection or interest in becoming a stewardship program collector;
- level of awareness of the FNRI; and
- ways in which FNRI can support the efforts of communities' waste management representatives.

Survey results from 39 participating communities indicate that:

- 31% had prior awareness of FNRI
- 55% would like material collected

- 92% were interested in a phone or video meeting to explore more options for engagement
- 41.5% are interested in an in-person visit from a FNRI representative.

The FNRI continues its collaboration with Indigenous Services Canada (ISC) through quarterly meetings and engages with the Indigenous Zero Waste Technical Advisory Group (IZWTAG) to exchange information.

### First Nations Participation in Recycle BC Program

Forty-four First Nations participated formally in the Recycle BC program in 2020, of which 10 are First Nations collection partners with service agreements. In addition, 18 First Nations receive curbside and multi-family recycling either through direct service or local government contracts with Recycle BC.

The 2019 pilot project partnership with the Thompson Nicola Regional District and Cariboo Regional District for 15 First Nations to drop off packaging and paper material in bulk at participating local government depots free of charge as part of the Recycle BC program was successful and renewed for 2020 service. Additionally, Recycle BC added Little Shuswap Lake Indian Band's satellite depot with Columbia-Shuswap Regional District into the program.

Recycle BC continues to provide outreach and liaison for First Nations communities and to report First Nations access to collection services annually.

## Collection Summary



**CURBSIDE COLLECTION**  
Collection from households that set out materials individually for pickup.



**MULTI-FAMILY COLLECTION**  
Collection from a central location in residences with five or more units.



**DEPOT COLLECTION**  
Residents drop off their materials for recycling.



**1,555,000**

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



**99.2%**

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





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

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
<b>Alberni-Clayoquot</b>	<b>10</b>	<b>0</b>
<b>Curbside</b>	<b>3</b>	
Ahousaht First Nation	1	
Alberni Clayoquot Regional District	1	
Toquaht Nation	1	
<b>Depot</b>	<b>6</b>	
Ahousaht Transfer Station	1	
Alberni Valley Landfill	1	
Bamfield Transfer Station	1	
Port Alberni Recycling Depot	1	
Sonbird Refuse & Recycling	1	
Westcoast Recycling Depot	1	
<b>Multi-family</b>	<b>1</b>	
City of Port Alberni	1	
<b>Bulkley-Nechako</b>	<b>4</b>	<b>-2</b>
<b>Curbside</b>	<b>0</b>	<b>-2</b>
<b>Depot</b>	<b>4</b>	
Burns Lake Transfer Station Recycling Depot	1	
Fort St. James Transfer Station	1	
Smithers-Telkwa Transfer Station and Recycling Depot	1	
Vanderhoof Transfer Station	1	
<b>Capital</b>	<b>12</b>	<b>-1</b>
<b>Curbside</b>	<b>1</b>	
Capital Regional District	1	
<b>Depot</b>	<b>10</b>	
Galiano Island Recycling Depot	1	
Hartland Recycling Depot	1	
Island Return-It Esquimalt	1	
Sidney Return-It Depot	1	
Mayne Island Recycling Depot	1	
Oak Bay Public Works	1	
Pender Island Recycling Depot	1	
Port Renfrew Transfer Station	1	
Salt Spring Island Recycling Depot	1	
Saturna Island Recycling Depot	1	
<b>Multi-family</b>	<b>1</b>	<b>-1</b>
City of Victoria	1	
<b>Cariboo</b>	<b>21</b>	<b>1</b>
<b>Curbside</b>	<b>4</b>	
Cariboo Regional District	1	
City of Quesnel	1	
City of Williams Lake	1	
District of 100 Mile House	1	
<b>Depot</b>	<b>15</b>	
150 Mile House Transfer Station	1	
Baker Creek Transfer Station	1	
Central Cariboo Transfer Station	1	
Forest Grove Transfer Station	1	
Frost Creek Transfer Station	1	
Gold Trail Recycling Ltd	1	
Horsefly Transfer Station	1	
Interlakes Landfill	1	
Lac La Hache Transfer Station	1	
Lone Butte Transfer Station	1	
Nimpo Lake Recycling Depot	1	
Quesnel Landfill	1	
Watch Lake Landfill	1	
Wells Recycling Centre	1	
Wildwood Transfer Station	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
<b>Multi-family</b>	<b>2</b>	<b>1</b>
City of Quesnel	1	
City of Williams Lake	1	
<b>Central Coast</b>	<b>3</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
Bella Bella	1	
<b>Depot</b>	<b>2</b>	
Bella Bella Eco Depot	1	
Thorsen Creek Landfill and Recycling Centre	1	
<b>Central Kootenay</b>	<b>19</b>	<b>12</b>
<b>Curbside</b>	<b>5</b>	
City of Castlegar	1	
City of Nelson	1	
Regional District of Central Kootenay	1	
Village of Kaslo	1	
Village of Nakusp	1	
<b>Depot</b>	<b>12</b>	<b>12</b>
Balfour Transfer Station	1	
Crawford Bay Transfer Station	1	
Crescent Valley Hall Depot	1	
Creston Car Wash Depot	1	
Edgewood Transfer Station	1	
Kaslo Transfer Station	1	
Nakusp Landfill	1	
Nelson Recycling Depot	1	
New Denver Village	1	
Ootischenia Depot (Castlegar Landfill)	1	
Salmo Village Depot	1	
Slocan Transfer Station	1	
<b>Multi-family</b>	<b>2</b>	
Central Kootenay	1	
City of Nelson	1	
<b>Central Okanagan</b>	<b>14</b>	<b>0</b>
<b>Curbside</b>	<b>5</b>	
City of Kelowna	1	
City of West Kelowna	1	
District of Lake Country	1	
District of Peachland	1	
Regional District of Central Okanagan	1	
<b>Depot</b>	<b>9</b>	
Boucherie Bottle Depot	1	
Columbia Bottle Depot - Central	1	
Columbia Bottle Depot - Rutland	1	
Columbia Bottle Depot - St. Paul	1	
Glenmore Landfill Recycling Depot	1	
Northwestside Recycling Depot	1	
Planet Earth Recycling Ltd.	1	
Traders Cove Recycling Depot	1	
Westside Residential Waste Disposal and Recycling Centre	1	
<b>Columbia-Shuswap</b>	<b>22</b>	
<b>Curbside</b>	<b>3</b>	
City of Revelstoke	1	
City of Salmon Arm	1	
Town of Golden	1	
<b>Depot</b>	<b>18</b>	
Bill's Bottle Depot	1	
Falkland Transfer Station	1	
Glenemma Transfer Station	1	
Golden Bottle Depot	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Golden Landfill	1	
Malakwa Depot	1	
Parson	1	
Revelstoke Bottle Depot	1	
Revelstoke Landfill	1	
Salmon Arm Landfill	1	
Scotch Creek Transfer Station	1	
Seymour Arm Transfer Station	1	
Sicamous Downtown Depot	1	
Sicamous Landfill	1	
Skimikin Transfer Station	1	
Sorrento Fire Hall Depot	1	
Tappen Co-Op Depot	1	
Trout Lake Transfer Station	1	
<b>Multi-family</b>	<b>1</b>	
City of Revelstoke	1	
<b>Comox Valley</b>	<b>10</b>	<b>0</b>
<b>Curbside</b>	<b>4</b>	
City of Courtenay	1	
Comox Valley Regional District	1	
Town of Comox	1	
Village of Cumberland	1	
<b>Depot</b>	<b>5</b>	
Comox Return Centre	1	
Comox Valley Waste Management Centre	1	
Courtenay Return-It Depot	1	
Denman Island Recycling Depot	1	
Hornby Island Recycling Depot	1	
<b>Multi-family</b>	<b>1</b>	
City of Courtenay	1	
<b>Cowichan Valley</b>	<b>13</b>	<b>0</b>
<b>Curbside</b>	<b>6</b>	
City of Duncan	1	
Cowichan Tribes	1	
Cowichan Valley Regional District	1	
District Municipality of North Cowichan	1	
Town of Ladysmith	1	
Town of Lake Cowichan	1	
<b>Depot</b>	<b>5</b>	
Bings Creek Recycling Centre	1	
Island Return-It Duncan	1	
Junction Bottle Depot	1	
Meade Creek Recycling Centre	1	
Peerless Road Recycling Centre	1	
<b>Multi-family</b>	<b>2</b>	
Town of Ladysmith	1	
Town of Lake Cowichan	1	
<b>East Kootenay</b>	<b>7</b>	<b>3</b>
<b>Depot</b>	<b>7</b>	<b>3</b>
Cranbrook Bottle Depot	1	
Cranbrook Transfer Station	1	
Elkford Transfer Station	1	
Fernie Transfer Station	1	
Invermere Transfer Station	1	
Kimberley Transfer Station	1	
Sparwood Transfer Station	1	
<b>Fraser Valley</b>	<b>18</b>	
<b>Curbside</b>	<b>5</b>	
City of Abbotsford	1	
City of Chilliwack	1	
District of Mission	1	
Seabird Island Band	1	
District of Hope	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
<b>Depot</b>	<b>8</b>	
Abbotsford Bottle Depot	1	
Abbotsford Mission Recycling Depot	1	
Agassiz Bottle Depot	1	
Chilliwack Bottle Depot	1	
Mission Recycle Centre	1	
Pacific Mattress Recycling Inc.	1	
R&T Recyclables & Bottle Depot	1	
Sardis Bottle Depot	1	
<b>Multi-family</b>	<b>5</b>	
City of Abbotsford	1	
City of Chilliwack	1	
District of Hope	1	
District of Mission	1	
Seabird Island Band	1	
<b>Fraser-Fort George</b>	<b>4</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
City of Prince George	1	
<b>Depot</b>	<b>2</b>	
Hart Return-It Centre	1	
P.G. Recycling and Return-It Centre	1	
<b>Multi-family</b>	<b>1</b>	
City of Prince George	1	
<b>Kitimat-Stikine</b>	<b>5</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
City of Terrace	1	
<b>Depot</b>	<b>4</b>	
Do Your Part Recycling	1	
Kitimat Bottle Depot	1	
Hazelton Bottle Depot	1	
Stewart Transfer Station	1	
<b>Kootenay Boundary</b>	<b>12</b>	<b>0</b>
<b>Curbside</b>	<b>2</b>	
Kootenay Boundary Regional District - Boundary Region	1	
Regional District of Kootenay Boundary - East Sub Region	1	
<b>Depot</b>	<b>6</b>	
Christina Lake Transfer Station	1	
McKelvey Creek Landfill	1	
Grand Forks Depot	1	
Rock Creek Transfer Station	1	
Trail Bottle Depot	1	
West Boundary Landfill	1	
<b>Multi-family</b>	<b>4</b>	
City of Grand Forks	1	
City of Rossland	1	
City of Trail	1	
Village of Fruitvale	1	
<b>Metro Vancouver</b>	<b>78</b>	<b>0</b>
<b>Curbside</b>	<b>19</b>	<b>1</b>
City of Burnaby	1	
City of Coquitlam	1	
City of Delta	1	
City of Langley	1	
City of Maple Ridge	1	
City of New Westminster	1	
City of North Vancouver	1	
City of Pitt Meadows	1	
City of Port Coquitlam	1	
City of Port Moody	1	
City of Richmond	1	
City of Surrey	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
City of Vancouver	1	
City of White Rock	1	
District of North Vancouver	1	
District of West Vancouver	1	
Township of Langley	1	
University Endowment Lands	1	
Village of Anmore	1	
<b>Depot</b>	<b>41</b>	<b>-2</b>
Aldergrove Return-It Depot	1	
Bridgeview Bottle & Return-It Depot	1	
Burnaby Eco-Centre	1	
City of Richmond Recycling Depot	1	
Coquitlam Return-It Depot	1	
Coquitlam Recycling and Waste Centre	1	
East Hastings Bottle Depot	1	
Edmonds Return-It Depot	1	
Fraser Valley Bottle & Return-It Depot	1	
Guildford Bottle Depot	1	
Haney Bottle Depot	1	
Ironwood Bottle Depot	1	
Jenill Recycling	1	
Kensington Square Return-It Centre	1	
Kitchener Bottle Depot	1	
Ladner Bottle Depot	1	
Lee's Bottle Depot	1	
London Drugs Depot	1	
Lougheed Return-It Depot	1	
Maple Ridge Bottle Depot	1	
Maple Ridge Recycling Depot	1	
Metrotown Return-It Centre	1	
Newton Bottle Depot	1	
North Shore Bottle Depot	1	
North Shore Recycling and Waste Centre	1	
North Vancouver Bottle & Return-It Depot	1	
Panorama Village Return-It	1	
Pitt Meadows Bottle & Return-It Depot	1	
Poco Return-It	1	
Powell Street Return-It Bottle Depot	1	
Queensborough Landing	1	
Sapperton Return-It Depot	1	
Scott Road Bottle Depot	1	
Semiahmoo Bottle Depot	1	
South Van Bottle Depot	1	
Tsawwassen Return-It Centre	1	
Vancouver Central Return-It Depot	1	
Vancouver Landfill	1	
Vancouver Zero Waste Centre	1	
Walnut Grove Bottle & Return Centre	1	
Willowbrook Recycling	1	
<b>Multi-family</b>	<b>18</b>	<b>1</b>
City of Burnaby	1	
City of Coquitlam	1	
City of Delta	1	
City of Langley	1	
City of Maple Ridge	1	
City of New Westminster	1	
City of North Vancouver	1	
City of Pitt Meadows	1	
City of Port Coquitlam	1	
City of Port Moody	1	
City of Richmond	1	
City of Surrey	1	
City of Vancouver	1	
City of White Rock	1	
District of North Vancouver	1	
District of West Vancouver	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Township of Langley	1	
University Endowment Lands	1	
<b>Mount Waddington</b>	<b>14</b>	<b>0</b>
<b>Curbside</b>	<b>4</b>	
District of Port Hardy	1	
Regional District of Mount Waddington	1	
Town of Port McNeill	1	
Village of Alert Bay	1	
<b>Depot</b>	<b>10</b>	
7 Mile Landfill And Recycling	1	
Cormorant Island Recycling Depot	1	
Island Foods Bottle Depot	1	
Malcolm Island Recycling Depot	1	
Port Alice Recycling Depot	1	
Port Hardy Return It Centre	1	
Quatsino Recycling Depot	1	
Tsulquate Recycling Depot	1	
Winter Harbour Recycling Depot	1	
Woss Recycling Depot	1	
<b>Nanaimo</b>	<b>8</b>	<b>-1</b>
<b>Curbside</b>	<b>2</b>	
City of Nanaimo	1	
Regional District of Nanaimo	1	
<b>Depot</b>	<b>3</b>	<b>-2</b>
GFL Environmental Depot	1	
Hayes Road Regional	1	
Old Victoria Regional	1	
<b>Multi-family</b>	<b>3</b>	<b>1</b>
City of Nanaimo	1	
City of Parksville	1	
Nanoose Bay	1	
<b>North Coast</b>	<b>3</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
Gitxaala Nation	1	
<b>Depot</b>	<b>2</b>	
Kitkatla Recycling	1	
Mainland (Regional) Recycling Depot	1	
<b>North Okanagan</b>	<b>9</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
Regional District of North Okanagan	1	
<b>Depot</b>	<b>4</b>	
Armstrong Bottle Depot	1	
Interior Freight and Bottle Depot	1	
Venture Bottle Depot	1	
Venture Training Centre	1	
<b>Multi-family</b>	<b>4</b>	
City of Armstrong	1	
City of Enderby	1	
City of Vernon	1	
Village of Lumby	1	
<b>Northern Rockies</b>	<b>1</b>	<b>0</b>
<b>Depot</b>	<b>1</b>	
Widesky Disposals	1	
<b>Okanagan-Similkameen</b>	<b>19</b>	<b>0</b>
<b>Curbside</b>	<b>7</b>	
City of Penticton	1	
District of Summerland	1	
Penticton Indian Band	1	
Regional District of Okanagan-Similkameen	1	
Town of Oliver	1	
Town of Osoyoos	1	
Town of Princeton	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
<b>Depot</b>	<b>9</b>	
Campbell Mountain Landfill	1	
J & C Bottle Depot	1	
Keremeos Transfer Station	1	
Oliver Landfill	1	
Osoyoos Bottle Depot	1	
Osoyoos Landfill	1	
Princeton Landfill	1	
Summerland Landfill	1	
T2 Market Recycle Depot	1	
<b>Multi-family</b>	<b>3</b>	
City of Penticton	1	
District of Summerland	1	
Town of Oliver	1	
<b>Peace River</b>	<b>10</b>	<b>0</b>
<b>Depot</b>	<b>10</b>	
Buick Creek Transfer Station	1	
Cecil Lake Transfer Station	1	
Moberly Lake Transfer Station	1	
Prespatou Transfer Station	1	
Rolla Transfer Station	1	
Rose Prairie Transfer Station	1	
Tomslake Transfer Station	1	
Tumbler Ridge Transtor	1	
Upper Halfway Transfer Station	1	
Wonowon Transfer Station	1	
<b>qathet</b>	<b>8</b>	<b>0</b>
<b>Curbside</b>	<b>1</b>	
City of Powell River	1	
<b>Depot</b>	<b>6</b>	
Augusta Recyclers	1	
Gillies Bay Community Depot	1	
Lund Community Depot	1	
Powell River South (Black Point) Community Depot	1	
Sliammon Community Depot	1	
Town Centre Depot	1	
<b>Multi-family</b>	<b>1</b>	
City of Powell River	1	
<b>Squamish-Lillooet</b>	<b>12</b>	<b>-1</b>
<b>Curbside</b>	<b>3</b>	<b>-1</b>
District of Squamish	1	
Tsal'alh (Seton Lake)	1	
Squamish-Lillooet Regional District	1	
<b>Depot</b>	<b>6</b>	
Squamish Recycle Centre	1	
Function Junction Depot	1	
Lillooet Landfill & Recycling Depot	1	
Nesters Depot	1	
Pemberton Transfer Station	1	
Pemberton Recycling Centre	1	
<b>Multi-family</b>	<b>3</b>	
District of Squamish	1	
Resort Municipality of Whistler	1	
Village of Pemberton	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
<b>Strathcona</b>	<b>11</b>	<b>0</b>
<b>Curbside</b>	<b>3</b>	
City of Campbell River	1	
Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nation	1	
Strathcona Regional District	1	
<b>Depot</b>	<b>7</b>	
Campbell River Waste Management Centre	1	
Cortes Island Depot	1	
Gold River Recycling Depot	1	
Island Return-It Campbell River	1	
Sayward Recycling Depot	1	
Tahsis Recycling Depot	1	
Zeballos Recycling Depot	1	
<b>Multi-family</b>	<b>1</b>	
City of Campbell River	1	
<b>Sunshine Coast</b>	<b>4</b>	<b>-1</b>
<b>Curbside</b>	<b>1</b>	
District of Sechelt	1	
<b>Multi-family</b>	<b>0</b>	<b>-1</b>
<b>Depot</b>	<b>3</b>	
Gibsons Recycling Depot	1	
Pender Harbour Recycling Depot	1	
Sechelt Recycling Depot	1	
<b>Thompson-Nicola</b>	<b>22</b>	<b>0</b>
<b>Curbside</b>	<b>5</b>	
City of Kamloops	1	
City of Merritt	1	
District of Barriere	1	
District of Logan Lake	1	
Thompson-Nicola Regional District	1	
<b>Depot</b>	<b>14</b>	
70 Mile House Eco-Depot	1	
Cache Creek Transfer Station	1	
Clearwater Eco-Depot	1	
Clinton Eco-Depot	1	
General Grant's - Northshore	1	
General Grant's - Sahali	1	
Heffley Creek Eco-Depot	1	
Logan Lake Eco-Depot	1	
Lorne Street Bottle Depot	1	
Louis Creek Eco-Depot	1	
Lower Nicola Eco-Depot	1	
Lytton Eco-Depot	1	
South Thompson Eco-Depot	1	
Sun Peaks Transfer Station	1	
<b>Multi-family</b>	<b>3</b>	
City of Kamloops	1	
District of Barriere	1	
District of Logan Lake	1	
<b>GRAND TOTAL</b>	<b>373</b>	<b>10</b>

# Managing Environmental Impacts

## Achievement of Glass and Metal Recovery Targets

The Recycle BC Program Plan approved in 2019 introduced material category recovery performance targets for paper, plastic, metal and glass. To promote continuous improvement, new recovery targets were established for material categories to achieve and maintain their target recovery rate for two consecutive years. Recycle BC achieved metal and glass recovery targets in 2018 and 2019. New target rates for these materials are:

Material Category	2020 Recovery Rate*	Updated Target Recovery Rate	2019 Recovery Rate	Target Recovery Rate	Year To Achieve Target
Paper	90%		83%	90%	2020
Plastic	52%		46%	50%	2025
Rigid Plastic	64%		56%	55%	2022
				60%	2025
Flexible Plastic	24%		22%	22%	2022
				25%	2025
Metal	85%	81%	73%	67%	2022
Glass	97%	98%	87%	75%	2022

\* The pandemic effect on recycling behaviour made 2020 an anomalous year to historical trend. 2021 is anticipated to be affected as well.

## Producer Innovations Toward Sustainable Packaging and Plastics

Plastic pollution continues to be an issue of great concern for Canadians, businesses and all levels of government. Recycle BC members are innovating sustainable design as part of the producer solution.

Smart and sustainable design keeps plastics out of the environment and reduces GHG emissions. In 2020, there was an increased focus on the use of recycled resins, improving recyclability, reformulation of products to reduce packaging, and the phase-out of problematic plastics.

These initiatives are important because improved recyclability and increased recycled content, coupled with a full producer responsibility program, provide a pathway to a circular economy for materials. When producers take full responsibility for their materials, they are in a better position to recover them as inputs into new manufacturing processes and capture the maximum value from these resources.

Along with improving the environmental footprint of existing packaging and products, some producers are continuing their efforts to overcome the logistical, health, safety and consumer acceptance obstacles associated with reusable/refillable packaging formats – obstacles made more difficult by COVID-19 pandemic concerns. A limited number of manufacturers and retailers are offering reusable packaging, with some companies undertaking pilot projects in Canada and elsewhere to determine if these concepts can be scaled to make a significant contribution to reducing their packaging and GHG footprints.

Producers are also investing in developing innovative alternatives to single-use plastics and other problematic items included in pending federal and provincial regulations.

Individual company efforts to optimize their packaging and product portfolios is essential, but the severity of the plastic waste problem also requires a more coordinated and holistic response. This is demonstrated by the Recycle BC members that have joined the Canada Plastics Pact (CPP), which was launched in January 2021 and provides the opportunity for businesses across the plastics value chain to address plastic pollution in a collaborative manner. The CPP is a member of the global Ellen MacArthur Foundation Plastics Pact network that brings together country or regional efforts to implement solutions towards a circular economy for plastics. As part of the network, the CPP can exchange learnings and best practices to accelerate the transition to a global circular economy for plastics. Signatories to the CPP have committed to achieving the following targets by 2025 and will report annually on their progress:

- support efforts towards 100% of plastic packaging being designed to be reusable, recyclable or compostable;
- undertake actions to ensure that at least 50% of plastic packaging is effectively recycled or composted;
- ensure an average of at least 30% (by weight) recycled content across all plastic packaging; and
- eliminate problematic or unnecessary plastic packaging.

## Material Management

### POLLUTION PREVENTION HIERARCHY

The BC Recycling Regulation requires that Recycle BC manage collected materials in adherence to the order of preference as outlined in the Pollution Prevention Hierarchy, a tiered approach to the preferred management of waste. Priority is on reduction, redesign, reuse and recycling, followed by recovery and finally, disposal. Because Recycle BC transitioned post-collection service providers mid-year, 2020 reporting on hierarchy reflects the blended performance of both service providers.

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 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 collectors to encourage collection and processing of packaging and paper 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
<b>199,856 tonnes*</b>	<b>9,485</b>	<b>20,987</b>	<b>90.1%**</b>
	Tonnes of material managed by recovery (energy from waste)		
	<b>0</b>		

Figures above represents audited data from processors 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 221,870 tonnes

\*\*\* Disposal includes 1,350 tonnes of material damaged in material recovery facility fire in 2020

#### MATERIAL SUPPLIED, COLLECTED AND RECOVERY RATE

	2020	2019
Tonnes of materials supplied by members	236,884*	237,582
Tonnes of material collected**	203,213	183,780****
Recovery Rate***	85.8%	77.4%****

\* Members were permitted to re-use supplied quantities reported the previous year to assist them in managing the impact of the COVID-19 pandemic

\*\* Tonnes of material collected reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs. Note: 3.5 months of collected Schedule 1 non-glass beverage containers was not accepted for redemption lessening the tonnes typically excluded and slightly inflating Recycle BC's recovery rate for the year.

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

\*\*\*\* The 2019 tonnes collected and recovery rate are restated from the 2019 Annual Report

#### RECYCLING END MARKETS

Recycling programs around the world continue to adjust to the National Sword campaign implemented by China in 2018. Its import restrictions resulted in a broad global contraction of markets for recyclables. Despite this disruption, markets still exist for high-quality materials - quality standards that Recycle BC continually strives to achieve in order to compete for orders by these end markets.

High quality materials are also not only easier to market but are also easier to market to local end users which Recycle BC prioritizes over overseas end markets. With the transition in mid-2020 from Green by Nature to GFL as Recycle BC's post-collection service provider, the program is now benefitting from further investments in material processing. This is particularly relevant for the paper material category.



The GFL services agreement included the construction of a dedicated fibre recovery facility that allows for the sorting of all multi-stream paper collected across the province. With the addition of a new single stream facility, which sorts single stream collection into paper and container grades, there has been a significant improvement to the quality of the paper. Improved quality supports greater volumes of paper commodities to be marketed in the Pacific Northwest, reducing reliance on overseas markets and advancing the local circular economy.

Recycle BC's plastic packaging, paper products, glass and metal containers are currently collected, processed and sold as follows:

- More than 97% of plastics collected in BC are sold to end markets in BC, where a local end market in Metro Vancouver processes most of it into pellets for use in new packaging and products and a small quantity of material where there is currently no recycling solution, like other flexible plastic packaging, is recovered into engineered fuel;
- Paper was sold to end markets in BC, the United States and overseas where it is processed into cardboard boxes, molded paper products such as egg cartons, and other paper products;
- Glass collected by Recycle BC is sold to end markets in BC to be sent downstream to a United States glass plant for new bottles, with the remainder processed into sandblast material or construction aggregate in BC;
- Metal containers are sold to end markets in BC, Ontario and the United States; and recycled into sheet metal to make new packaging and products.



## Material Collected by Regional District (2020)

REGIONAL DISTRICT	TONNES	SERVICED POPULATION	KG PER CAPITA (SERVICED)
Alberni-Clayoquot	1,242	30,981	40.1
Bulkley-Nechako	524	36,852	14.2
Capital	19,349	383,291	50.5
Cariboo	2,210	60,461	36.5
Central Coast	52	3,197	16.2
Central Kootenay	1,651	59,336	27.8
Central Okanagan	11,890	194,882	61.0
Columbia-Shuswap	2,684	51,330	52.3
Comox Valley	3,566	66,527	53.6
Cowichan Valley	5,258	82,092	64.0
East Kootenay	1,484	59,472	25.0
Fraser Valley	13,040	295,863	44.1
Fraser-Fort George	2,052	86,048	23.8
Kitimat-Stikine	721	34,358	21.0
Kootenay Boundary	1,068	31,392	34.0
Metro Vancouver	122,118	2,462,028	49.6
Mount Waddington	454	10,909	41.6
Nanaimo	8,494	151,310	56.1
North Coast	488	13,123	37.2
North Okanagan	3,870	84,354	45.9
Northern Rockies	20	5,112	3.9
Okanagan-Similkameen	4,757	83,022	57.3
Peace River	81	62,027	1.3
qathet	1,060	19,620	54.0
Squamish-Lillooet	3,492	42,507	82.1
Strathcona	1,694	42,093	40.2
Sunshine Coast	1,955	29,649	65.9
Thompson-Nicola	6,600	132,357	49.9
<b>GROSS*</b>	<b>221,870</b>	<b>4,614,193</b>	<b>48.1</b>
<b>LESS TONNES COLLECTED ON BEHALF OF OTHER STEWARDSHIP PROGRAMS</b>	<b>(18,657)</b>		
<b>NET</b>	<b>203,213</b>		

\* Gross tonnes collected by Recycle BC

# Program Performance

## Year-Over-Year Performance

METRIC	2020	2019	YOY VARIANCE %
Gross Collected Tonnes	221,870	207,411	7.0%
Recycled Tonnes	199,856	187,228	6.7%
Supplied Tonnes	236,884	237,582	-0.3%
Collected Tonnes*	203,213	183,780**	10.6%
Recovery Rate	86%	77%**	8.4%
Provincial Recovery Target	77%	75%	2%
Collected Tonnes: Paper	127,599	117,451	8.6%
Supplied Tonnes: Paper	141,121	141,426	-0.2%
Recovery Rate: Paper	90%	83%	7.4%
Collected Tonnes: Plastic	32,804	29,199	12.3%
Supplied Tonnes: Plastic	63,416	64,120	-1.1%
Recovery Rate: Plastic	52%	46%	6.2%
<i>Collected Tonnes: Rigid Plastic</i>	27,964	24,883	12.4%
<i>Supplied Tonnes: Rigid Plastic</i>	43,561	44,724	-2.6%
<i>Recovery Rate: Rigid Plastic</i>	64%	56%	8.6%
<i>Collected Tonnes: Flexible Plastic</i>	4,840	4,316	12.2%
<i>Supplied Tonnes: Flexible Plastic</i>	19,856	19,396	2.4%
<i>Recovery Rate: Flexible Plastic</i>	24%	22%	2.1%
Collected Tonnes: Metal	10,742	9,446	13.7%
Supplied Tonnes: Metal	12,619	12,889	-2.1%
Recovery Rate: Metal	85%	73%	11.8%
Collected Tonnes: Glass	19,120	16,606	15.1%
Supplied Tonnes: Glass	19,729	19,146	3.0%
Recovery Rate: Glass	97%	87%	10.2%
Total Population Served by PPP Program	4,614,000	4,587,000	0.6%
Curbside and Multi-family Population Served by PPP Program	3,732,000	3,579,000	4.3%
Net collected KG per Capita*	44.0	40.1	9.9%
Total Households Served	1,867,000	1,850,000	0.9%
Curbside and Multi-family Households Served	1,555,000	1,491,000	4.3%
Percent of Households with Access to Recycling Service	99.2%	98.6%	0.7%
Number of Stewards	1,199	1,186	1.1%
Consumer Awareness of Recycle BC Program	57%	56%	1.0%

\* Figure reflects the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs. The total collected quantity of material is higher than the sum of the material category collected quantities due to non-PPP materials collected and 3.5 months of Schedule 1 non-glass beverage containers

\*\* The 2019 collected tonnes and recovery rate are restated from the 2019 Annual Report

## Performance Against Stewardship Plan Targets

PLAN TARGET	2020 RESULTS	STRATEGIES FOR IMPROVEMENT																																														
<p>Achieve a 2% increase in overall program performance – new target is 77%.</p> <p>Conduct a curb, multi-family and depot cost study overseen by the Advisory Committee. Pending results, and in consultation with stakeholders, Recycle BC will propose amendments to the plan by September 15, 2020 to the Ministry of Environment and Climate Change Strategy for approval.</p>	<p>2020 recovery rate was 85.8% a significant increase from the 2019 recovery rate of 77.4% (the 2019 recovery rate is restated from the 2019 Annual Report) likely because BC residents were spending more time at home due to the COVID-19 pandemic and generated an increased volume of recyclables.</p> <p>This increased collection volume (the numerator used to calculate the recovery rate) is not yet reflected in the supplied quantities (the denominator for the recovery rate) based on the reporting timelines followed by producers, therefore the 2020 recovery rate increase reflects this time lag as well as the increase in collected quantities.</p> <p>Financial Incentive Review</p> <ul style="list-style-type: none"> <li>Recycle BC conducted a financial incentive review, including cost study, in 2020 using 2019 data. This study was overseen by its Advisory Committee.</li> <li>Recycle BC consulted on this financial incentive and payment methodology in July 2020 and published all associated material on its website including the 2020 Cost Study report (<a href="https://recyclebc.ca/recyclebc-consultation/#Financial">https://recyclebc.ca/recyclebc-consultation/#Financial</a>)</li> <li>On September 15, 2020 Recycle BC submitted to the Ministry its proposed amendments to the plan. Recycle BC is awaiting Ministry approval.</li> </ul>	<p>Per the Program Plan, once targets are achieved and stable the target will automatically increase; however, the impact of the COVID-19 pandemic will also need to be taken into consideration for 2021 and perhaps beyond.</p>																																														
<p>Assess performance status for all materials.</p> <p>Establish corrective action plans for underperforming material categories.</p> <p>Update targets for materials that have achieved their performance targets for a period of two years.</p>	<p style="text-align: center;"><b>Material Category 2020 Recovery</b></p> <table border="1" data-bbox="532 1255 1144 1682"> <thead> <tr> <th>Material Category</th> <th>2020 Recovery Rate</th> <th>Updated Target Recovery Rate</th> <th>2019 Recovery Rate</th> <th>Target Recovery Rate</th> <th>Year To Achieve Target</th> </tr> </thead> <tbody> <tr> <td>Paper</td> <td>90%</td> <td></td> <td>83%</td> <td>90%</td> <td>2020</td> </tr> <tr> <td>Plastic</td> <td>52%</td> <td></td> <td>46%</td> <td>50%</td> <td>2025</td> </tr> <tr> <td rowspan="2">Rigid Plastic</td> <td rowspan="2">64%</td> <td rowspan="2"></td> <td rowspan="2">56%</td> <td>55%</td> <td>2022</td> </tr> <tr> <td>60%</td> <td>2025</td> </tr> <tr> <td rowspan="2">Flexible Plastic</td> <td rowspan="2">24%</td> <td rowspan="2"></td> <td rowspan="2">22%</td> <td>22%</td> <td>2022</td> </tr> <tr> <td>25%</td> <td>2025</td> </tr> <tr> <td>Metal</td> <td>85%</td> <td>81%</td> <td>73%</td> <td>67%</td> <td>2022</td> </tr> <tr> <td>Glass</td> <td>97%</td> <td>98%</td> <td>87%</td> <td>75%</td> <td>2022</td> </tr> </tbody> </table> <p>* The pandemic effect on recycling behaviour made 2020 an anomalous year to historical trend. 2021 is anticipated to be affected as well.</p> <p>For under performing material categories in 2020, Recycle BC used promotion and education focused on specific materials in its Recycle BC Home Tour campaign. Drawing on research conducted in December 2019, in April 2020 Recycle BC launched a room-by-room digital tour of recycling opportunities in the home. The campaign highlighted the recyclable materials residents most commonly throw in the garbage and was supported by media outreach.</p>	Material Category	2020 Recovery Rate	Updated Target Recovery Rate	2019 Recovery Rate	Target Recovery Rate	Year To Achieve Target	Paper	90%		83%	90%	2020	Plastic	52%		46%	50%	2025	Rigid Plastic	64%		56%	55%	2022	60%	2025	Flexible Plastic	24%		22%	22%	2022	25%	2025	Metal	85%	81%	73%	67%	2022	Glass	97%	98%	87%	75%	2022	<p>The material categories of metal and glass achieved target recovery rates for 2018 and 2019 and new targets have been set.</p> <p>Looking forward, the impact of the COVID-19 pandemic will need to be taken into consideration for 2021 and perhaps beyond.</p> <p>Existing recovery rates, plus consumer research, will be used to inform the focus of communications campaigns targeting underperforming materials.</p>
Material Category	2020 Recovery Rate	Updated Target Recovery Rate	2019 Recovery Rate	Target Recovery Rate	Year To Achieve Target																																											
Paper	90%		83%	90%	2020																																											
Plastic	52%		46%	50%	2025																																											
Rigid Plastic	64%		56%	55%	2022																																											
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Glass	97%	98%	87%	75%	2022																																											

PLAN TARGET	2020 RESULTS	STRATEGIES FOR IMPROVEMENT
<p>Recovery Rate/Collection Reporting</p>	<ul style="list-style-type: none"> <li>· Tonnes of PPP and other materials collected within each Regional District: see page 25</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 25</li> <li>· Net tonnes of PPP and other materials collected for the province: 203,213</li> <li>· Net kilograms per capita of PPP and other materials collected for the province: 44.0 kg/capita</li> <li>· Recovery rate expressed as a percentage for the province: 85.8%</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 26</li> </ul>	<p>Recycle BC continues to assess its need to add more communities to the program and expand its depot network to meet recovery rate targets and accessibility performance objectives and as more stewards join the program.</p> <p>Recycle BC continues to work with stewards, collection partners and processors to explore opportunities to move materials up the Pollution Prevention Hierarchy.</p>
<p>Provide curbside collection of PPP to a minimum of 973,400 curbside households and 421,600 multi-family households.</p> <p>Recycle BC will continue to offer financial incentives to all eligible curbside programs to join the Recycle BC program.</p> <p>Recycle BC will review multi-family household participation levels annually and expand multi-family service to BC residents through financial incentive offers to qualified multi-family collectors each year. Recycle BC will identify communities without significant Recycle BC presence in multi-family recycling and offer an established financial incentive to deliver multi-family building collection services.</p>	<p>1,097,000 single-family households and 457,000 multi-family households received curbside and multi-family collection services from Recycle BC. Curbside and multi-family growth was achieved through onboarding and natural population growth.</p> <p>One additional community onboarded for Recycle BC curbside and multi-family service in 2020 and 11 depots joined the Recycle BC collection network.</p> <p>In March 2020, Recycle BC invited new curbside communities that did not have curbside garbage or packaging collection services as of Nov 2012 and were therefore ineligible for MMBC collection services, or those that formally opted out of the program and now desire service that meet established criteria to begin the process of joining Recycle BC. Six of seven have currently accepted Recycle BC’s offer and four are planning to launch in 2021.</p> <p>Recycle BC identified an urban community with low multi-family program participation. In March 2020, Recycle BC sent offers to seven private waste management companies that represented all known collectors servicing multi-family dwellings in that community. None accepted our offer and they continued with their private service arrangements.</p> <p>In 2020, Recycle BC did not develop and deploy a targeted consumer awareness campaign for multi-family residents as noted in its Program Plan due to the pandemic. Recycle BC adjusted its public education and communications strategy to address the changing circumstances for residents accessing curbside, multi-family and depot service during COVID-19.</p>	<p>Household service levels are expected to continue to grow with population growth and as more communities and stewards join the program.</p>

PLAN TARGET	2020 RESULTS	STRATEGIES FOR IMPROVEMENT
<p>Maintain a minimum accessibility performance at 98% and strive to improve accessibility.</p>	<p>Accessibility to the Recycle BC program in 2020 was 99.2%.</p>	<p>Recycle BC continues to assess its need to add more communities to the program and expand its depot network to meet recovery targets and accessibility performance objectives and as more stewards join the program.</p>
<p>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.</p>	<p>In 2020 there were 229 depot locations, a net increase of 11 depots from 2019. Fifteen depot locations were added to the Recycle BC network while four depots left the program. In addition, Recycle BC added 13 new satellite depots.</p>	<p>Recycle BC continues to assess its need to add more communities to the program and expand its depot network to meet recovery targets and accessibility performance objectives and as more stewards join the program.</p>
<p>Following completion of its on-boarding expansion phase, Recycle BC will conduct a province-wide depot accessibility assessment to determine adequacy of depot coverage.</p>	<p>Recycle BC completed its on-boarding expansion phase in 2020 for depots with the exception of one depot that has yet to launch.</p> <p>In late 2020 and early 2021, Recycle BC conducted a province-wide depot accessibility assessment for rural and remote community service.</p>	<p>Recycle BC continues to assess its need to add more communities to the program and expand its depot network to meet recovery targets and accessibility performance objectives and as more stewards join the program.</p>
<p>Report annually: Single-family and multi-family households receiving household collection service.</p> <p>Number and locations of depots accepting PPP.</p> <p>First Nations access to collection services will be reported in Recycle BC's annual report each year.</p>	<p>Recycle BC provided curbside collection of packaging and paper to 1,097,000 single-family households and 457,000 multi-family households in 2020.</p> <p>In 2020 there were 229 depot locations.</p> <p>Depots are detailed in Curbside/ Multi-Family Service Areas and Depot Facilities table at page 17.</p> <p>In 2020, 44 First Nations participated formally in the Recycle BC program, of which 10 are collection partners with service agreements.</p>	<p>Reported as part of Recycle BC's Annual Report submitted to the Ministry of Environment and Climate Change Strategy on July 1 each year.</p>
<p>Other Collection:</p> <p>In 2019 Recycle BC will convene a Streetscape Collector Round Table to consult on the program's design and financial offering. Study report published with consultation 2020.</p>	<p>In February 2020, Recycle BC published a report outlining the findings of the 2019 roundtable discussions with municipalities regarding streetscape packaging and paper. This report can be found here: <a href="#">Streetscape Roundtable-Final-Report</a>.</p> <p>The next project step was a consultation to review the roundtable findings and to propose a streetscape design and financial offer to collectors. Sixteen local governments were represented at the July 2020 consultation along with representatives of the Ministry at which time Recycle BC presented a program design and financial incentive. Local governments were provided with a two- week period to provide comments on the proposal. The report on the consultation can be found here: <a href="#">2020 Consultation Report Streetscape Recycling</a></p>	<p>By August 31, 2021 Recycle BC is to propose amendments to the plan regarding streetscape to the Ministry.</p>

PLAN TARGET	2020 RESULTS	STRATEGIES FOR IMPROVEMENT
Other Collection: Research extent of PPP found in the organics stream.	Recycle BC is awaiting the results of the review of the Organics Matter Recycling Regulation (OMRR) as currently paper products and packaging are considered a contaminant in the organics waste stream. The results of the review of this regulation will help guide Recycle BC's future work in this area.	Based on the results of the Ministry's review of the OMRR, Recycle BC will plan next steps.
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>Percentage of residents aware of packaging and paper stewardship program:</p> <ul style="list-style-type: none"> <li>· In 2020, 96% of people surveyed were aware of the availability of a packaging and paper product recycling program.</li> <li>· Awareness of the Recycle BC brand was 57% in 2020.</li> </ul> <p>Research conducted in 2020 identified that:</p> <ul style="list-style-type: none"> <li>· 96% of respondents find the recycling service unchanged or better than the previous year.</li> <li>· 81% of respondents rate the availability of information about what goes in household's recycling bin/box/bags as good or very good.</li> </ul>	Continue to build Recycle BC brand to better connect with residents on correct recycling behaviours.
<p>Consumer Awareness: Percent of residents aware of packaging and paper product recycling program.</p> <p>Percentage of residents reporting use of available collection services.</p> <p>Visits to the Recycle BC website.</p>	<p>Percentage of residents reporting use of available collection services:</p> <ul style="list-style-type: none"> <li>· 96% of residents surveyed are aware of the availability of the PPP recycling program;</li> <li>· 99% claim to recycle.</li> </ul> <p>In 2020, there were 436,635 unique visits to RecycleBC.ca, the resident website resulting in 1,041,247 total page views.</p>	<p>Direct outreach to residents through awareness campaigns.</p> <p>Continued engagement through website and social media channels.</p>
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>In 2020, Recycle BC continued its work to advance recycling technologies for currently non-recyclable materials including Other Flexible Plastic Packaging which are now collected at all depots across British Columbia. An update on Recycle BC's work on Other Flexible Plastic Packaging can be found here: <a href="https://recyclebc.ca/other-flexible-plastic-packaging-research-and-development/">https://recyclebc.ca/other-flexible-plastic-packaging-research-and-development/</a></p> <p>Recycle BC continued its work in 2020 with a group of producers that provide products in currently non-recyclable squeeze tubes to investigate how these materials could be collected in the recycling stream. Recycle BC also continued its work undertaken with coffee pod stewards to explore opportunities to reduce contaminated coffee pods and improve the recycling rate of coffee pods through product redesign and resident communication.</p> <p>Recycle BC undertakes extensive resident information programs in order to increase awareness of the recycling program and which materials to place in their recycling bins in an effort to collect all recyclables and minimize contamination of the recycling stream.</p>	Continue research and development to explore ways to recover material that is currently non-recyclable

PLAN TARGET	2020 RESULTS	STRATEGIES FOR IMPROVEMENT
Direct 85% to 90% of collected PPP to recycling commodity markets.	In 2020, 199,856 tonnes of Recycle BC's materials were shipped to recycling end markets while 221,870 tonnes were collected (90.1% of collected tonnes were sent to recycling end markets)	
Pollution Prevention Hierarchy Reporting.	<ul style="list-style-type: none"> <li>· Tonnes of material managed by recycling: 199,856</li> <li>· Tonnes of material managed by recovery:               <ul style="list-style-type: none"> <li>· Engineered Fuel: 9,485</li> <li>· Energy from Waste 0</li> </ul> </li> <li>· Tonnes of material managed by disposal: 20,987</li> </ul>	Disposal includes 1,350 tonnes of material damaged in material recovery facility fire in 2020. Fires caused by hazardous material commingled in collection, such as batteries and propane cannisters, are a significant concern that Recycle BC is addressing with education campaigns.
Compile GHG data from Recycle BC collectors.	<p>Recycle BC has been working with its supply chain partners and Climate Smart since 2019 to report the GHG emissions associated with the Recycle BC residential recycling program. The GHG inventory includes all emissions from the point of receiving residential paper and packaging materials for recycling, the transport, storage and handling of those materials through the collection and post-collection network until that material is shipped to end markets. In December 2020, Recycle BC reported on the 2019 results and Recycle BC now has a baseline against which all future GHG reporting will be assessed.</p> <p>In 2020 Recycle BC's supply chain partners again reported on the GHG emissions associated with their operations and is including 2020 GHG inventory as part of the 2020 Annual Report. Please see page 14 for more information.</p>	A full GHG data tracking system is in place with training provided to collectors. 2019 GHG baseline data from Recycle BC's supply chain was published on the Recycle BC website in December 2020. Page 14 of this annual report provides 2020 GHG data.
Other reporting metric: program cost.	<ul style="list-style-type: none"> <li>· Total program cost per tonne: \$623</li> <li>· Total program cost per household: \$68</li> </ul>	

# Additional Information and Third Party Assurance

## OPERATIONAL EFFECTIVENESS INDICATORS:

KG per capita of material sent for recycling **43.3**

## OPERATIONAL EFFICIENCY INDICATORS:

Total program cost (net) per tonne recovered **\$623**

Total program cost per household **\$68**





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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 is 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, 2020:

- 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,
- 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.

### 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 - 2020 Reporting Year, dated November 2019 (“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.

#### Basis for Qualified Conclusion

On page 27 of Recycle BC's Annual 2020 Report the category recovery performance for Paper, Plastic, Metal and Glass and Plastic sub-categories of Rigid Plastic and Flexible Plastic is reported. The basis of the reporting are physical inbound composition audits, however for the period of March 26, 2020 to June 7, 2020 the audit facility was closed due to COVID-19 therefore samples from February 2020 through June 2020 were not audited. The previous year's audited ICA results for the same period were used as a substitute, however since the actual information required to categorize recovery performance was not obtained we were unable to determine whether any adjustments to these amounts were necessary.

On pages 4, 23, 26 and 31 of Recycle BC's Annual 2020 Report the tonnage of Recycle BC's materials that were shipped to recycling end-markets is reported, however, some of the shipping records at one of the facilities in our sample were not recorded accurately. Since accurate shipping information to report the tonnage of Recycle BC's materials that were shipped to recycling end-markets was not retained by one of the facilities in our sample, we were unable to determine whether any adjustments to these amounts were necessary.

#### CONCLUSION

In our opinion, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, the Recycling Program within Recycle BC's Annual Report for the year ended December 31, 2020 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.

*BDO Canada LLP*

Chartered Professional Accountants  
Toronto, Ontario  
June 29, 2021



## 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, 2020:

- 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,
- 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.

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 - 2020 Reporting Year, dated November 2019 ("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.  
June 29, 2021

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 373 collection facilities comprised of 229 depots, 89 curbside and 55 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: 199,856 Tonnes of material managed by recovery (engineered fuel): 9,485 Tonnes of material managed by recovery (energy from waste): 0 Tonnes of material managed by disposal: 20,987 Percentage of collected tonnes managed by recycling: 90.1%	Page 23

**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	<p><u>2020 Operating Year (Reflecting 12 months):</u>            Amount of product sold (supplied by MMBC stewards)(te): 236,884            Amount of product collected (not incl. tonnes collected by Recycle BC on behalf of other stewardship programs) (te): 203,213            Recovery rate: 85.8%.</p>	Page 23

**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%	2020 Recovery rate was 85.8%					Page 27
Report 2020 category recovery performance for Paper, Plastic, Metal and Glass and Plastic sub-categories of Rigid Plastic and Flexible Plastic.	Material Category	2020 Recovery Rate	2019 Recovery Rate	Target Recovery Rate	Year to Achieve Target	Page 27
	Paper	90%	83%	90%	2020	
	Plastic	52%	46%	50%	2025	
	Rigid Plastic	64%	56%	55%	2022	
				60%	2025	
	Flexible Plastic	24%	22%	22%	2022	
				25%	2025	
	Metal	85%	73%	67%	2022	
	Glass	97%	87%	75%	2022	
Direct 85% to 90% of collected PPP to recycling commodity markets	In 2020, 199,856 tonnes of Recycle BC's materials were shipped to recycling end-markets while 221,870 tonnes were collected (90.1% of collected tonnes were sent to recycling end-markets).					Page 31

#### 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.

# Financial Performance

**Recycle BC Financial Statements**  
**For the year ended December 31, 2020**

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## **Financial Statements**

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## Independent Auditor's Report

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To the Member of MMBC Recycling Inc. (O/A Recycle BC)

### Opinion

We have audited the financial statements of MMBC Recycling Inc. (O/A Recycle BC) (the "Organization"), which comprise the balance sheet as at December 31, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they



could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
March 24, 2021

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

**December 31** **2020** **2019**

**Assets**

**Current**

Cash	\$ 64,976,227	\$ 65,015,714
Accounts and other receivables (Note 2)	8,928,341	8,740,509
Due from related party (Note 3)	10,500	6,597
Prepaid expenses	46,777	102,609

**73,961,845** **73,865,429**

**Capital assets (Note 4)**

**296,403** **383,350**

**\$ 74,258,248** **\$ 74,248,779**

**Liabilities and Net Assets**

**Current**

Accounts payable and accrued liabilities	\$ 16,746,994	\$ 13,658,623
Due to related party (Note 5)	1,322,609	592,387

**18,069,603** **14,251,010**

**Net Assets**

Invested in capital assets	296,403	383,350
Unrestricted	5,892,242	9,614,419
Internally restricted (Note 6)	50,000,000	50,000,000

**56,188,645** **59,997,769**

**\$ 74,258,248** **\$ 74,248,779**

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, 2020**

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
<b>Balance, beginning of year</b>	<b>\$ 383,350</b>	<b>\$ 9,614,419</b>	<b>\$ 50,000,000</b>	<b>\$ 59,997,769</b>
<b>Deficiency of revenue over expenses for the year</b>	<b>(86,947)</b>	<b>(3,722,177)</b>	<b>-</b>	<b>(3,809,124)</b>
<b>Balance, end of year</b>	<b>\$ 296,403</b>	<b>\$ 5,892,242</b>	<b>\$ 50,000,000</b>	<b>\$ 56,188,645</b>

**For the year ended December 31, 2019**

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
Balance, beginning of year	\$ 11,760	\$ 11,010,344	\$ 50,000,000	\$ 61,022,104
Deficiency of revenue over expenses for the year	(47,884)	(976,451)	-	(1,024,335)
Investment in capital assets	419,474	(419,474)	-	-
<b>Balance, end of year</b>	<b>\$ 383,350</b>	<b>\$ 9,614,419</b>	<b>\$ 50,000,000</b>	<b>\$ 59,997,769</b>

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>2020</b>	<b>2019</b>
<b>Revenue</b>		
Fee revenue	<b>\$ 121,838,854</b>	\$ 98,433,345
Investment income	<b>969,384</b>	1,778,466
	<b>122,808,238</b>	100,211,811
<b>Expenses</b>		
Material management costs (Note 5 and 7)	<b>116,449,335</b>	90,660,728
Program management (Note 3 and Note 5)	<b>9,167,389</b>	8,786,238
Promotion and education	<b>965,888</b>	1,808,620
Research and program development (recovery)	<b>34,750</b>	(19,440)
	<b>126,617,362</b>	101,236,146
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (3,809,124)</b>	\$ (1,024,335)

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>2020</b>	<b>2019</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses for the year	<b>\$ (3,809,124)</b>	\$ (1,024,335)
Adjustments to reconcile deficiency of revenue over expenses for the year to cash provided by operating activities		
Amortization of capital assets	<b>86,947</b>	47,884
Changes in non-cash working capital balances:		
Accounts and other receivables	<b>(187,832)</b>	(2,756,989)
Prepaid expenses	<b>55,832</b>	10,404
Accounts payable and accrued liabilities	<b>3,088,371</b>	2,328,469
Due to/from related parties	<b>726,319</b>	52,584
	<b>(39,487)</b>	(1,341,983)
<b>Investing activities</b>		
Purchase of capital assets	<b>-</b>	(419,474)
<b>Decrease in cash during the year</b>	<b>(39,487)</b>	(1,761,457)
<b>Cash, beginning of year</b>	<b>65,015,714</b>	66,777,171
<b>Cash, end of year</b>	<b>\$ 64,976,227</b>	\$ 65,015,714

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, 2020**

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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"). In June 2019, Recycle BC's new five-year Packaging and Paper Product Extended Producer Responsibility Plan was approved by the Ministry of Environment and Climate Change Strategy.

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.

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

**December 31, 2020**

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**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.

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**2. Accounts and Other Receivables**

	<b>2020</b>	<b>2019</b>
Fee revenue	<b>\$ 2,159,504</b>	\$ 5,777,980
Outstanding credits for indexed value of commodities processed, net	<b>3,348,963</b>	430,374
Other	<b>3,881,079</b>	2,704,114
Allowance for doubtful accounts	<b>(461,205)</b>	(171,959)
	<b>\$ 8,928,341</b>	<b>\$ 8,740,509</b>



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

**December 31, 2020**

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**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 (2019 - \$80,000) 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 5).

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.

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**4. Capital Assets**

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 16,726	\$ 16,726	\$ 16,726	\$ 14,821
Furniture and fixtures	468,993	172,590	468,993	87,548
	<b>485,719</b>	<b>189,316</b>	485,719	102,369
		<b>\$ 296,403</b>		<b>\$ 383,350</b>

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

**December 31, 2020**

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**5. 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 \$7,241,752 (2019 - \$6,000,000) were paid to CSSA pursuant to this contract, which includes reimbursement of costs paid by CSSA on behalf of the Organization. These costs are included in program management and material management cost expenses in the statement of operations.

The Organization's board of directors consists of 25% (2019 - 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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**6. 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.

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**7. 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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**8. Commitments**

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

2021	\$ 62,400
2022	64,100
2023	65,300
2024	65,300
2025	65,300
Thereafter	<u>231,500</u>
	<u>\$ 553,900</u>

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

**December 31, 2020**

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**9. 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 \$461,205 (2019 - \$171,959).

(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.

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**10. COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus ("COVID-19") a pandemic. There have been significant disruptions to the Canadian and global economies. As the impact of COVID-19 continues to evolve, management is actively monitoring the effect on its financial condition, liquidity, operations, suppliers, industry, and workforce.

Although the Organization continues to operate, it is not possible to reliably estimate the length or effect of these developments, including the impact on the financial results of the Organization in future periods.



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