

**2019
ANNUAL
REPORT**



RECYCLEBC™

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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 extended producer responsibility (EPR) program for packaging and paper product (PPP) in North America where producers have full responsibility for the financing and operation of the province-wide residential recycling system. In 2019, Recycle BC began implementation of a new five-year plan as the program continues to evolve with enhanced performance, accessibility and reporting capabilities.

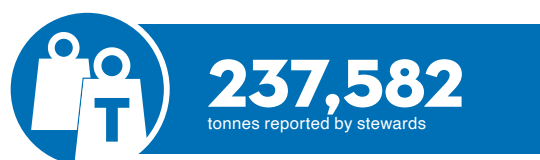
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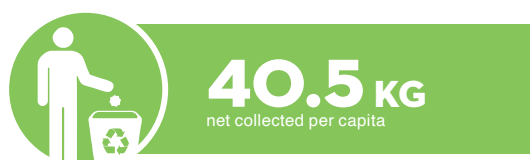
2019 Highlights

In June 2019, the Ministry of Environment and Climate Change Strategy approved Recycle BC's new Program Plan. The Plan was developed in 2017 and 2018 after extensive stakeholder consultation, and outlines how Recycle BC will build on the learning and successes of its first five years of operation. The new Program Plan establishes more ambitious recovery targets, expanded accessibility and reporting enhancements. Approval of the new Plan provides Recycle BC with a mandate to continue to provide best-in-class recycling services to households across BC, while demonstrating how a full EPR system is an effective approach for the management of packaging and paper.

Program Performance

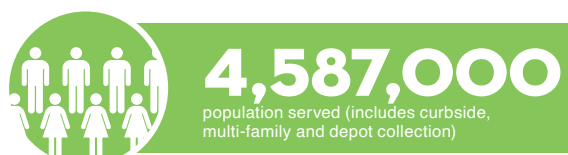
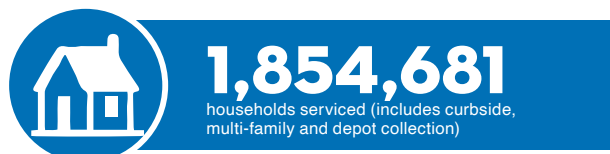


* Net tonnes collected, recovered and recovery rate reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs



MATERIAL CATEGORY	RECOVERY RATE
Paper	83%
Plastic	46%
Rigid Plastic	56%
Flexible Plastic	22%
Metal	73%
Glass	87%

Access





Pollution Prevention Hierarchy

187,228* tonnes of material managed by recycling

90.3% of collected tonnes managed by recycling

8,762 tonnes of material managed by recovery (engineered fuel)

14,399 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



Financial Performance



Public Education



Collection System



Message to Stakeholders

As this annual report is being written we are in the grips of the COVID-19 pandemic and it is important to reflect on our 2019 performance in light of our current situation. World events can require us to reconsider or reorder our priorities and that is certainly the case as 2020 unfolds and our normal patterns of work and life are disrupted.

These unexpected and unprecedented situations have forced many businesses to close or reduce operation as part of the effort to preserve the health and safety of our communities. As part of this ongoing effort, Recycle BC has eased payment terms on steward member fees to provide some financial assistance. Nevertheless, recycling has been broadly maintained across the supply chain network and the extraordinary efforts of our partners to keep this essential service operating are gratefully acknowledged.

As this challenge has evolved, we are adapting in order to continue the important work of providing recycling services to British Columbians and creating more circular, sustainable economies for packaging and paper.

Recycle BC enables residents to manage their household waste in an efficient and effective manner by providing the most comprehensive regional recycling program for packaging and paper in North America. And during the past year, we continued to expand our services and engage even further with residents.

Recycling is not just about diverting materials from landfill but about recognizing the inherent value in the packaging and paper that comes into our households and ensuring this material is captured and repurposed in cycles of ongoing productive use and reuse. Recycling relies on every one of us making intentional and informed choices about how we dispose of every day goods while extracting maximum value from our resources.

Five years since its launch, Recycle BC demonstrates how a full producer responsibility system provides excellent residential recycling service with high recovery rates, and also supports investment and innovation to help support responsible financial and environmental results. New recycling technologies are particularly essential as producers, consumers and governments focus on addressing our collective concerns about excessive plastic pollution.

Regulatory measures aimed at stopping the proliferation of plastic pollution are being introduced by many governments at different levels. Recycle BC participated in provincial consultations on four proposed measures aimed at reducing plastic waste. Local governments across BC also took matters into their own hands by implementing bans on a variety of single-use plastics. Recycle BC is prepared and committed to be part of the solution in effectively managing plastic waste.

Measuring Progress

The new [Program Plan](#) approved in 2019 supports these efforts by committing Recycle BC to material-specific recovery targets, including targets for both rigid and flexible plastics, with continuous improvement as goals are achieved. With strong chain of custody processes, Recycle BC can ensure its stakeholders that plastics and other materials collected at the curbside and at depots are managed and processed in a responsible manner.

Additionally, in 2019, collectors began measuring and reporting the greenhouse gas (GHG) emissions associated with their activities. This information will provide a deeper understanding of the full environmental impact of the collection and processing of packaging and paper.

Building Partnerships

Providers of collection and post-collection services are integral partners in the operation of the recycling system. As Recycle BC's initial contract with its post-collection partner approached expiry, an open and fair competitive procurement process was initiated in 2019. The competitive process concluded in November and Recycle BC looks forward to building a strong relationship with GFL Environmental Inc., which provides post-collection services as of May 2020.

To obtain further insight into the waste packaging and paper collected in the recycling stream, Recycle BC has partnered with Canadian Stewardship Service Alliance (CSSA) to establish the Centre for Material Intelligence (CMI) in Surrey. CMI is a purpose-built facility designed to enable a more in-depth and detailed examination of material composition and characteristics. This one-of-a-kind facility provides a province-wide view of all materials collected in Recycle BC's program. The work done at CMI is aimed at advancing recycling operations and packaging design and will provide valuable insights to maximizing the value of collected materials.

Building recycling relationships and exchanging knowledge with First Nations across BC is an ongoing priority for Recycle BC as we seek more ways to offer participation in the Recycle BC program. We also partner with nine other stewardship organizations in the First Nations Recycling Initiative (FNRI), which offers collective engagement directly with Indigenous communities to support more ease in collection of recyclable items including packaging and paper. A feature at page 16 of this report provides details on these projects and the benefits they are delivering to all parties involved.

Changing the Future

The world around us is continuing to change at a rapid pace and in unexpected ways. From preserving our health during a time of crisis, we should look to maintain our efforts to preserve the health of our planet. I am encouraged by our ability to harness our collective capabilities with new technologies, new collaborations and new initiatives, and am confident Recycle BC will continue to be an integral part of these efforts as expectations and requirements change.

On behalf of myself and the Board of Directors, thank you to all those who work with, and contribute to, Recycle BC's efforts and recycling leadership.



John Coyne, Board Chair



Program Overview

Recycle BC is a not-for-profit organization delivering residential recycling services for packaging and paper product (PPP) to 1.85 million households across British Columbia. The Recycle BC program is financed by steward members (brand owners, first importers and businesses such as retailers, manufacturers and restaurants) that supply packaging and paper to BC residents. By businesses assuming responsibility for recycling services, the cost for delivering residential recycling is shifted from local governments and taxpayers to producers. Recycle BC is the only extended producer responsibility (EPR) program for PPP in North America in which producers have full operational and financial responsibility. The program is often recognized as a best-in-class model for the efficient and effective management of residential packaging and paper.

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

In June 2019 the Ministry of Environment and Climate Change Strategy approved Recycle BC's new five-year Program Plan which builds on successes of the inaugural plan developed in 2013, and its first five years of operation. The new Recycle BC Packaging and Paper Product Extended Producer Responsibility Plan focusses on program performance including ambitious material-specific recovery rates for paper, plastic, metal, and glass; reporting enhancements including greenhouse gas reporting; improved accessibility and advancing its work with streetscape collection.

Packaging and Paper Product Extended Producer Responsibility Plan

Revised June, 2019

Recycle BC's first 5-year stewardship plan can be found at https://recyclebc.ca/stewardship/legislation_and_stewardship_plan/



405-221 West Esplanade
North Vancouver, BC
RecycleBC.ca

Recycle BC's Mission

Recycle BC's mission is to be a trusted environmental advocate and community partner offering equitable, effective and efficient residential recycling services. This guides all the 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, non-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. As part of that commitment, CSSA actively supports Recycle BC's work to achieve the ambitious material-specific targets identified in the updated Program Plan.

Recycle BC Board of Directors

Recycle BC is overseen by a Board of Directors representing steward members. The members of the board provide their expertise and experience to the organization ensuring it continues to succeed in delivering the requirements of the program plan and providing excellent recycling services to households across British Columbia. The 2019 Recycle BC board members were:

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

The Finance & Audit Committee is made up of Debbie Baxter and Paul Hazra. They met four times in 2019.

The Recycle BC Board of Directors met six times in 2019 as follows:

BOARD MEMBER	MARCH 28	JUNE 19	SEPTEMBER 26	OCTOBER 7	DECEMBER 12	DECEMBER 18
Debbie Baxter	Yes	Yes	Yes	Yes	Yes	Yes
Bob Chant	Yes	Yes	Yes	Yes	Yes	Yes
John Coyne	Yes	Yes	Yes	Yes	Yes	Yes
Paul Hazra	No	No	Yes	No	No	Yes

Recycle BC Advisory Committee

Recycle BC's Advisory Committee includes representatives from a range of stakeholder groups interested in the success of the program. This includes 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. The Advisory Committee will play an oversight role on the next cost study taking place in 2020.

The Advisory Committee meets up to four times annually and the membership in 2019 was:

- Harvinder Aujala, 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

Recycle BC Members

Recycle BC's membership is made up of organizations that supply PPP (as defined by the Recycling Regulation) to consumers in British Columbia. These designated materials generally include items that are supplied to consumers which are 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 stewards becoming members of Recycle BC and by filing a report each year that identifies the types and quantities of packaging and paper supplied into the BC marketplace. Based on this report, producers pay fees 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 goods brand owners and manufacturers
- First importers of packaged products and food
- Retailers (grocery, general merchandise, convenience, drug)
- Financial institutions (banks, credit unions, insurance companies)
- Restaurants
- Magazine publishers
- Nurseries and garden centres.

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

Rob C. Gay, a member of the Recycle BC Advisory Committee, was a strong proponent of new recycling depots now serving households in the Regional District of East Kootenay (RDEK). These depots are located in Kimberley, Fernie, Elkford, Sparwood and Cranbrook. According to the District, these depots allow 76 additional items to be recycled that were previously not accepted.



Photos: Kimberley Bulletin



Rob Gay, Regional District of East Kootenay Board Chair for Recycle BC, (left) and Kimberley Mayor Don McCormick (right) are pictured with their recyclable items at the new Recycle BC Depot at the Kimberley Transfer Station

Public Education

In 2019, Recycle BC continued its focus on public education and awareness of packaging and paper recycling in BC. A variety of campaigns, supported by active partnerships, reached out to BC residents directly and through the community events team. Messages helped support material-specific recovery in the first year of targets.

Awareness Campaigns

WE ALL WIN

Launching in the spring and building on the previous fall's campaign, the 'We all Win' campaign focused on recycling plastic containers – the material with the most ambitious target amongst the new material-specific targets. The message to recycle hard plastics was shared using TV ads, digital display ads, YouTube, social media and native advertising.

JOIN THE FIGHT AGAINST WASTE

Prince George, one of Recycle BC's direct service communities, had a relatively low set-out rate compared to other direct service areas. In an effort to increase participation in curbside recycling, residents were asked, via radio spots, transit shelter ads, billboards and social media, to 'Join the Fight Against Waste' and set out their blue boxes for collection.



CARELESS RECYCLING CAN KILL

To combat the number of hazardous materials and fire incidents in receiving facilities, Recycle BC ran a campaign to raise awareness of what to do with hazardous materials. Recycle BC supported the digital campaign with collector resources, videos, and media outreach, which resulted in over 100 articles.



GET YOUR CONTAINERS OFF THE BENCH

Leveraging our partnership with the Vancouver Canucks, the campaign focused on getting Canucks-clad containers off the bench and into the recycling bin. The focus was on hard plastics, but included all containers and was amplified with TV and digital display ads, YouTube and social media.



HOLIDAY CAMPAIGN

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



COMMUNITY EVENTS TEAM

In addition to campaigns, grass roots provincial outreach is a key component of resident education. Recycle BC's community events teams visited communities around BC in 2019. Having two teams allowed for interactions with more residents than ever before. An interactive display—featuring a virtual reality experience, displays of the recycling process, a sorting game, a recycled park bench, and a trivia challenge—was seen by over 506,000 people. Between May and October, the team engaged with more than 96,000 residents over 68 days at 44 events in 19 different communities. The team shared a broad range of recycling information about what can/cannot be included for recycling, where different items can be recycled, the recycling process, what happens to materials in their second life, other flexible plastic packaging and depot locations.

Communities:

- | | | | |
|--------------|-------------------|-------------|------------------|
| • Abbotsford | • New Westminster | • Quesnel | • Vernon |
| • Castlegar | • North Vancouver | • Richmond | • Victoria |
| • Coquitlam | • Penticton | • Squamish | • West Vancouver |
| • Kelowna | • Prince George | • Surrey | • White Rock |
| • Langley | • Port Moody | • Vancouver | |

Partnerships

VANCOUVER CANUCKS

Recycle BC continued its partnership with the Vancouver Canucks to increase program exposure and engagement with BC residents. For 2019, the focus was on messages around recycling of hard plastic packaging. In addition to in-stadium and television exposure through rink boards and signage, a Canucks home-game theme focused on delivering the Recycle BC messaging with a video featuring mascot FIN, along with an integrated awareness and contest campaign.

VANCOUVER WHITECAPS FC

Recycle BC continued its partnership with the Whitecaps FC to reach residents through player videos, on-site activation, in-stadium signage and contests. The videos produced with the team had more than 50,000 views and generated 300,000 impressions on Facebook and Twitter.



COMMUNITY CHAMPIONS

In 2019, we expanded the Community Champions grant program so more local environmental organizations could help educate residents on packaging and paper recycling. In 2019, seven organizations participated. They included:

- Abbotsford Mission Recycling Program, Abbotsford
- Association of Whistler Area Residents for the Environment (AWARE), Whistler
- Let's Talk Trash, qathet Regional District
- Master Recycler, Vancouver
- Recycling and Environmental Action Planning Society (REAPS), Prince George
- Ridge Meadows Recycling Society, Maple Ridge
- Squamish Climate Action Network, Squamish

BIKE TO WORK WEEK

Recycle BC partnered with Bike to Work Week in 2019 to support the commitment to greener travel solutions. Just under 1,500 teams and 11,400 people registered online for Bike to Work Week, logging over 61,000 commutes. In addition to a celebration station on the north end of Lion's 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.

Additional Engagement

COLLECTOR CONFERENCE

Recycle BC hosted a conference for its collector network in April 2019. More than 150 attendees heard from industry leaders and Recycle BC provided updates, shared learnings, best practices and spoke about emerging technologies. Recycle BC also launched the Blue Star Awards, which recognize partners for exemplifying our values of Service, Knowledge, Respect, Trust, and Innovation. The first five recipients of the award were recognized at the conference – see the [Recycle BC website](#) for more information.



Recycle BC
Blue Star Award

DIGITAL ENGAGEMENT

Recycle BC maintains an active digital presence on RecycleBC.ca with 371,557 visitors in 2019.



Our social media channels include Twitter, Facebook, Instagram and YouTube. Combined data for our accounts (excluding YouTube) in 2019 was:



Recycle BC created a video that explains what happens to collected recyclables, as end markets are a growing concern for BC residents, largely due to national media reports on international recycling markets.

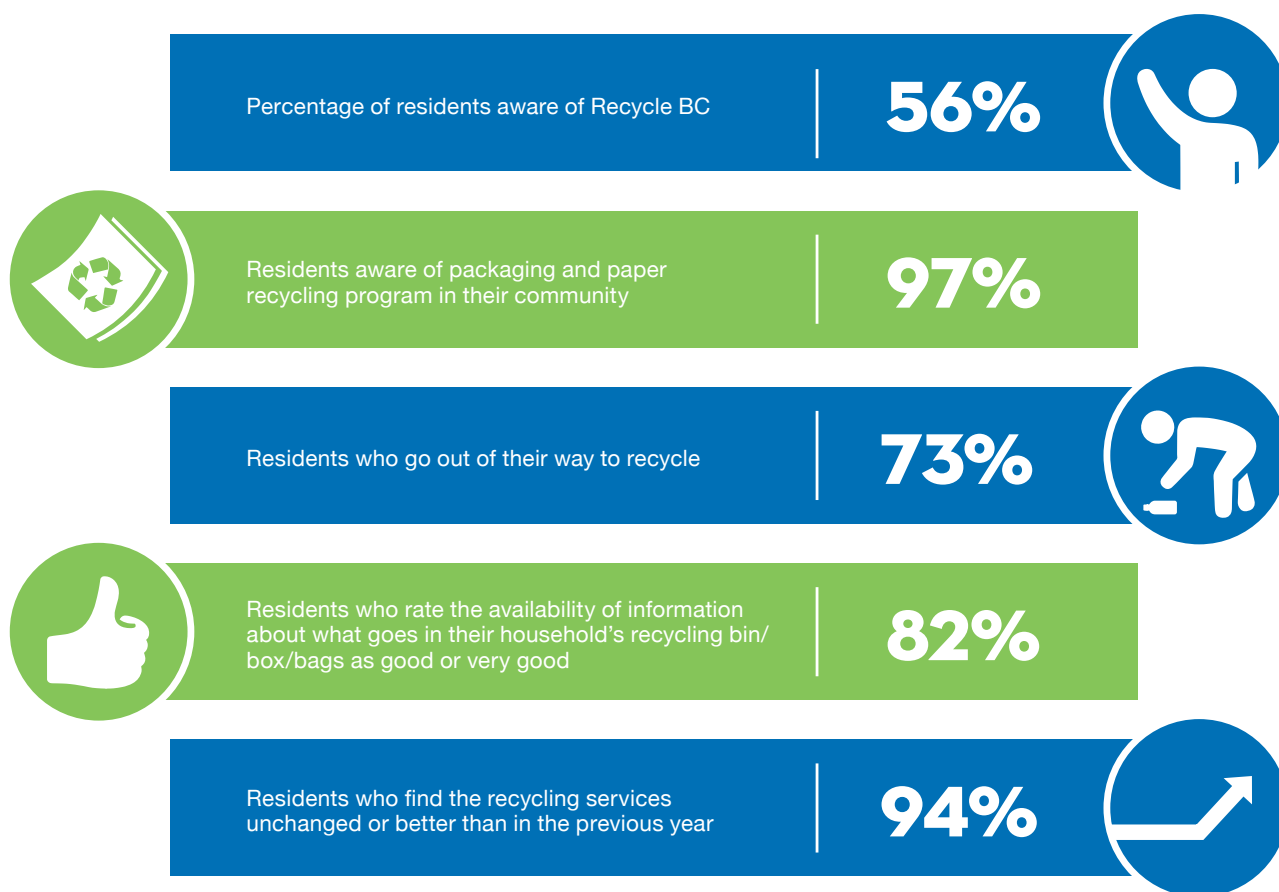


OPERATIONS SUPPORT

Recycle BC continues to connect with residents by providing various operations-focused outreach tools like depot signs, depot brochures, curbside recycling guides (delivered to residents' homes in 13 direct service communities), cart decals, and curbside and multi-family contamination stickers. In addition, Recycle BC conducts resident outreach and education when operational changes occur such as new community onboarding or depot closures. Recycle BC also provides regular updates to the collector network with new resources, news and tools.

RESEARCH

Recycle BC conducts annual consumer research to determine recycling behaviours and attitudes, and measure resident awareness, which increased from 51% in 2018 to 56% in 2019. Other research results include:



Supply Chain Network

Recycle BC provides recycling services to approximately 98% of British Columbia residents living in urban, rural and First Nations communities across the province. Providing service to households that include remote island communities and densely populated urban centres requires a variety of collection methods. Recycle BC works with over 180 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 2019, Recycle BC onboarded six additional communities to the program representing 13,883 households that now receive curbside collection and 971 multi-family households. The new communities that joined the program in 2019 were:

- City of Merritt
- District of Hope
- District of Logan Lake
- District of Sechelt
- District of Barriere
- Township of Spallumcheen

Four First Nation communities began participating in Recycle BC through curbside service expansion in 2019: Ahousaht First Nation (through direct formal agreement), Splatshin First Nation, Kwikwetlem First Nation and Snaw-naw-as (Nanoose First Nation). The Recycle BC collection network also added 11 new depots.

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



GHG REPORTING

In keeping with its broader sustainability goals, preparatory work for implementing a greenhouse gas (GHG) tracking system has been underway for several years. Significant project work in 2018 and 2019 enabled collectors to begin reporting, fulfilling the Program Plan commitment to have a data tracking system in place by 2019 to provide a full accounting of the GHG impact of the program.

Collectors were notified in August 2018 of the requirement to track and report activities that produce GHG emissions. They were provided with GHG reporting guides and training sessions to ensure they were supported and prepared to collect the necessary data. Recycle BC engaged Climate Smart as its partner for training, advisory services, the use of its proprietary calculation tool and validation.

The scope of the GHG reporting includes tracking and calculating emissions across Recycle BC's entire supply chain from the point of receiving materials either at the depot, curb or multi-family building, to shipping sorted packaging and paper to recycling end markets. This includes data such as fuel consumption from vehicles for hauling and collection, operational equipment, facilities' heating and electricity usage, and shipping overseas. Reported data for 2019 data was collected and verified by Climate Smart. Recycle BC is proud to be the first packaging and paper recycling program in North America able to provide a full accounting of the GHG impact of its operations and acknowledges that this could not be accomplished without the investment of time and effort undertaken by its collectors.



FIRST NATIONS RECYCLING INITIATIVE

In British Columbia, there are recycling programs for a wide variety of products and materials, from packaging and paper to household appliances to tires and pharmaceuticals. Each program is managed by a stewardship agency responsible for the collection and processing of their products. Ten of these agencies came together in 2017 to create the **First Nations Recycling Initiative** (FNRI), a program specifically for Indigenous communities.

Recycle BC has a dedicated specialist who works with First Nations throughout the province to raise awareness of the initiative, offer resources to support recycling, and organize community collection events. The FNRI also collaborates with Indigenous Services Canada (ISC) and is an associate member of the Indigenous Zero Waste Technical Advisory Group (IZWTAG), collaborating to increase recycling access across First Nations in BC.

43 of 200 First Nations participate in some manner in the Recycle BC program, representing approximately one third of the First Nations population living on First Nations or Treaty settlement land within BC

Forty-three First Nations participated formally in the Recycle BC program in 2019, of which 12 are First Nations collection partners with service agreements, including Ahousaht First Nation which joined as a collector in early 2019. In addition, 16 First Nations receive curbside and multi-family recycling either through direct service or local government contracts with Recycle BC. In partnership with the Thompson Nicola Regional District and Cariboo Regional District, 15 First Nations joined pilot projects in 2019 that enable them to drop off packaging and paper material in bulk at participating local government depots free of charge as part of the Recycle BC program.

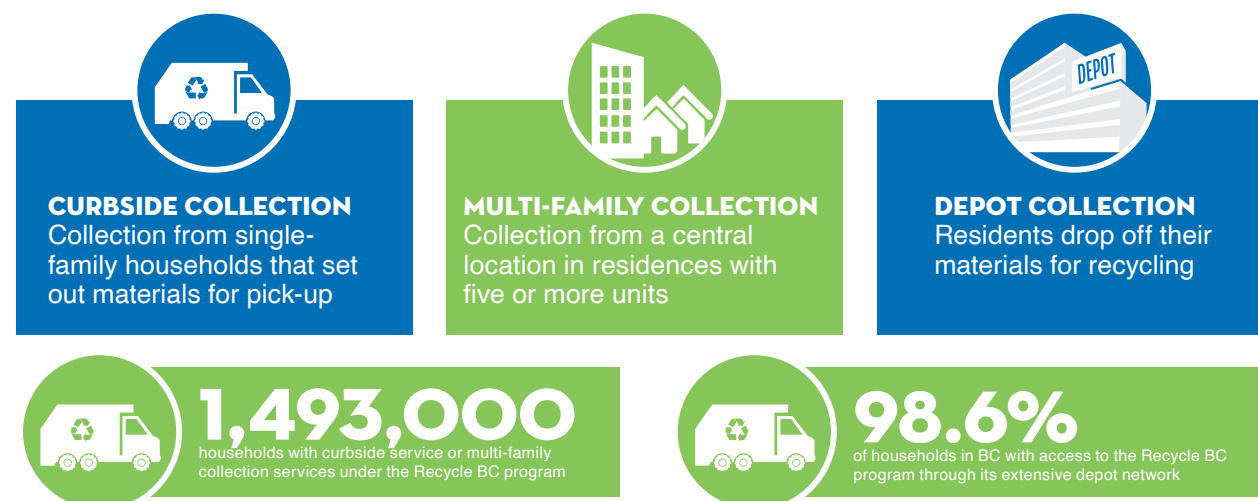
Through these partnerships Recycle BC estimates it is providing packaging and paper recycling services to one-third of the First Nations population living on First Nations or Treaty settlement land within BC. Outreach to other interested First Nations will continue in 2020 and beyond to discuss how and when they may be interested in participating in the Recycle BC program.

Post-Collection Service Provider Update

When Recycle BC (then Multi-Material BC) was launched in 2014, Green by Nature EPR (GBN) was selected through a request for proposal process to manage the post-collection system for residential packaging and paper recycling. With the end of its contract term with GBN approaching, Recycle BC initiated a competitive procurement process in 2018 in preparation for issuing a 2019 request for proposal to the waste management industry to identify a post-collection business partner. Responses were sought from companies that would be able to support Recycle BC as it grows and seeks to achieve enhanced performance through their investments in recycling infrastructure, prioritization of local end markets, and on-going innovation and technology to keep Recycle BC at the forefront of recycling practices in North America.

The competitive procurement process concluded in November with Recycle BC selecting Canada Fibers Ltd, now a GFL Environmental Inc. company, as its post-collection service provider. GFL will begin providing service in May 2020. Recycle BC thanks GBN for its contribution to program. Recycle BC looks forward to building a strong relationship with GFL and working together to deliver a province-wide integrated supply chain for the efficient management of packaging and paper materials.

Collection Summary



Curbside/Multi-Family Service Areas and Depot Facilities

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Alberni-Clayoquot	10	2
Curbside	3	1
Ahousaht First Nation	1	
Alberni Clayoquot Regional District	1	
Toquaht Nation	1	
Depot	6	1
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	
Multi-family	1	
City of Port Alberni	1	
Bulkley-Nechako	6	-2
Curbside	2	
Town of Smithers	1	
Village of Telkwa	1	
Depot	4	
Burns Lake Transfer Station	1	
Fort St. James Transfer Station	1	
Smithers Telkwa Transfer Station	1	
Vanderhoof Transfer Station	1	
Capital	13	
Curbside	1	
Capital Regional District	1	
Depot	10	
Galiano Island Recycling Depot	1	
Hartland Recycling Depot	1	
Island Return-It Esquimalt	1	
Island Return-It Sidney	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	
Multi-family	2	
Capital Regional District	1	
City of Victoria	1	
Cariboo	20	
Curbside	4	
Cariboo Regional District	1	
City of Quesnel	1	
City of Williams Lake	1	
District of 100 Mile House	1	
Depot	15	
150 Mile House Transfer Station	1	
Baker Creek	1	
Central Cariboo Transfer Station	1	
Forest Grove Transfer Station	1	
Frost Creek Transfer Station	1	
Gold Trail Recycling Ltd	1	
Horsefly	1	
Interlakes Landfill	1	
Lac La Hache	1	
Lone Butte Transfer Station	1	
Nimpo Lake	1	
Quesnel Landfill	1	
Watch Lake Landfill	1	
Wells	1	
Wildwood Transfer Station	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Multi-family	1	
City of Williams Lake	1	
Central Coast	3	
Curbside	1	
Bella Bella	1	
Depot	2	
Bella Bella Eco Depot	1	
Thorsen Creek Landfill and Recycling Centre	1	
Central Kootenay	7	
Curbside	5	
City of Castlegar	1	
City of Nelson	1	
Regional District of Central Kootenay	1	
Village of Kaslo	1	
Village of Nakusp	1	
Multi-family	2	
Central Kootenay	1	
City of Nelson	1	
Central Okanagan	14	
Curbside	5	
City of Kelowna	1	
City of West Kelowna	1	
District of Lake Country	1	
District of Peachland	1	
Regional District of Central Okanagan	1	
Depot	9	
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	
Columbia-Shuswap	22	
Curbside	3	
City of Revelstoke	1	
City of Salmon Arm	1	
Town of Golden	1	
Depot	18	
Bill's Bottle Depot	1	
Falkland Transfer Station	1	
Glenemma Transfer Station	1	
Golden Bottle Depot	1	
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	
Multi-family	1	
City of Revelstoke	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Comox Valley	10	
Curbside	4	
City of Courtenay	1	
Comox Valley Regional District	1	
Town of Comox	1	
Village of Cumberland	1	
Depot	5	
Comox Return Centre	1	
Comox Valley Waste Management Centre	1	
Courtenay Return-It Depot	1	
Denman Island	1	
Hornby Island	1	
Multi-family	1	
City of Courtenay	1	
Cowichan Valley	13	
Curbside	6	
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	
Depot	5	
Bings Creek Recycling Centre	1	
Island Return-It Duncan	1	
Junction Bottle Depot	1	
Meade Creek Recycling Centre	1	
Peerless Road Recycling Centre	1	
Multi-family	2	
Town of Ladysmith	1	
Town of Lake Cowichan	1	
East Kootenay	4	3
Depot	4	
Cranbrook Bottle Depot	1	
Cranbrook Transfer Station	1	
Columbia Valley Landfill	1	
Kimberley Transfer Station	1	
Fraser Valley	19	3
Curbside	5	1
City of Abbotsford	1	
City of Chilliwack	1	
District of Mission	1	
Seabird Island Band	1	
District of Hope	1	
Depot	9	1
Abbotsford Bottle Depot	1	
Abbotsford Mission Recycling Depot	1	
Agassiz Bottle Depot	1	
Aldergrove Return-It 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	
Multi-family	5	1
City of Abbotsford	1	
City of Chilliwack	1	
District of Hope	1	
District of Mission	1	
Seabird Island Band	1	
Fraser-Fort George	4	
Curbside	1	
City of Prince George	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Depot	2	
Hart Return-It Centre	1	
P.G. Recycling and Return-It Centre	1	
Multi-family	1	
City of Prince George	1	
Kitimat-Stikine	5	1
Curbside	1	
City of Terrace	1	
Depot	4	1
Do Your Part Recycling	1	
Kitimat Bottle Depot	1	
Hazelton Bottle Depot	1	
Stewart Transfer Station	1	
Kootenay Boundary	12	
Curbside	2	
Regional District of Kootenay Boundary - Boundary Region	1	
Regional District of Kootenay Boundary - East Sub Region	1	
Depot	6	
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	
Multi-family	4	
City of Grand Forks	1	
City of Rossland	1	
City of Trail	1	
Village of Fruitvale	1	
Metro Vancouver	77	2
Curbside	18	
City of Burnaby	1	
City of Coquitlam	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	
Township of Langley	1	
University Endowment Lands	1	
Village of Anmore	1	
Depot	42	1
Biggar Bottle Depot	1	
Bridgeview Bottle & Return-It Depot	1	
Burnaby Eco-Centre	1	
City of Richmond Recycling Depot	1	
Coquitlam Return-It Depot	1	
Coquitlam Transfer Station	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	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Ironwood Bottle & Return-It 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	
Lonsdale Bottle & Return-It Depot	1	
Lougheed Return-It Depot	1	
Maple Ridge Bottle Depot	1	
Maple Ridge Recycling Depot	1	
Metrotown Return-It Centre	1	
New Westminster Recycling Depot	1	
Newton Bottle Depot	1	
North Shore Bottle Depot	1	
North Shore Recycling Transfer Station	1	
North Vancouver Bottle & Return-It Depot	1	
Panorama Village Return-It	1	
Pitt Meadows Bottle & Return-It Depot	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 South Transfer Station	1	
Walnut Grove Bottle & Return Centre	1	
Willowbrook Recycling	1	
Multi-family	17	1
City of Burnaby	1	
City of Coquitlam	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	
Township of Langley	1	
University Endowment Lands	1	
Mount Waddington	14	
Curbside	4	
District of Port Hardy	1	
Regional District of Mount Waddington	1	
Town of Port McNeill	1	
Village of Alert Bay	1	
Depot	10	
7 Mile Landfill & 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	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Nanaimo	9	
Curbside	2	
City of Nanaimo	1	
Regional District of Nanaimo	1	
Depot	5	
Alpine Disposal	1	
Hayes Road Regional	1	
Old Victoria Regional	1	
Parksville Bottle & Recycling Depot Ltd	1	
Qualicum Bottle Depot	1	
Multi-family	2	
City of Nanaimo	1	
City of Parksville	1	
North Coast	3	
Curbside	1	
Gitxaala Nation	1	
Depot	2	
Kitkatla	1	
Mainland (Regional) Recycling Depot	1	
North Okanagan	9	
Curbside	1	
Regional District of North Okanagan	1	
Depot	4	
Armstrong Bottle Depot	1	
Interior Freight and Bottle Depot	1	
Venture Bottle Depot	1	
Venture Training Centre	1	
Multi-family	4	
City of Armstrong	1	
City of Enderby	1	
City of Vernon	1	
Village of Lumby	1	
Northern Rockies	1	
Depot	1	
Widesky Disposals	1	
Okanagan-Similkameen	19	
Curbside	7	
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	
Depot	9	
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	
Multi-family	3	
City of Penticton	1	
District of Summerland	1	
Town of Oliver	1	
Peace River	10	
Depot	10	
Buick	1	
Cecil Lake	1	
Moberly Lake	1	
Prespatou	1	
Rolla Transfer Station	1	

REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Rose Prairie	1	
Tomslake	1	
Tumbler Ridge Transtor	1	
Upper Halfway	1	
Wonowon	1	
qathet	8	
Curbside	1	
City of Powell River	1	
Depot	6	
Augusta	1	
Gillies Bay Community Depot	1	
Lund Community Depot	1	
Powell River South (Black Point) Community Depot	1	
Siammon Community Depot	1	
Town Centre Depot	1	
Multi-family	1	
City of Powell River	1	
Squamish-Lillooet	13	
Curbside	4	
District of Squamish	1	
Tsal'alh (Seton Lake)	1	
Squamish Lillooet Regional District	1	
Squamish Nation	1	
Depot	6	
Carney's Waste Systems	1	
Function Junction Depot	1	
Lillooet	1	
Nesters Depot	1	
Pemberton	1	
Pemberton Recycling Centre	1	
Multi-family	3	
District of Squamish	1	
Resort Municipality of Whistler	1	
Village of Pemberton	1	
Strathcona	11	
Curbside	3	
City of Campbell River	1	
Ka:'yu:'k't'h/h/Che:k'tles7et'h' First Nation	1	
Strathcona Regional District	1	
Depot	7	
Campbell River Waste Management Centre	1	
Cortes Island	1	
Gold River	1	
Island Return-It Campbell River	1	
Sayward	1	
Tahsis	1	
Zeballos	1	
Multi-family	1	
City of Campbell River	1	

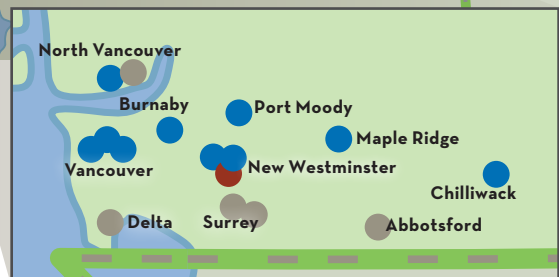
REGIONAL DISTRICTS	SERVICE AREA FACILITIES	CHANGE
Sunshine Coast	5	2
Curbside	1	1
District of Sechelt	1	
Depot	3	
Gibsons Recycling Depot	1	
Pender Harbour Recycling Depot	1	
Sechelt Recycling Depot	1	
Multi-family	1	1
District of Sechelt	1	
Thompson-Nicola	22	5
Curbside	5	3
City of Kamloops	1	
City of Merritt	1	
District of Barriere	1	
District of Logan Lake	1	
Thompson-Nicola Regional District	1	
Depot	14	
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	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	
Multi-family	3	2
City of Kamloops	1	
District of Barriere	1	
District of Logan Lake	1	
GRAND TOTAL	363	16

Post-collection Facilities



*in operation until May 2019

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



Managing Environmental Impacts

Producer Innovations Toward Sustainable Packaging and Plastics

Producers have been working for many years to optimize packaging in ways that allow products to be provided to consumers safely while reducing unnecessary material or components. The increased consumer demand for sustainable packaging options along with increasing government expectations has resulted in a new level of collaboration, cooperation and innovative thinking amongst producers to provide consumers with the sustainable products and packaging they are demanding.

While the primary focus over the past two years has been on plastics, producers are looking at the environmental impacts across all materials and formats. Consideration of full life cycle impact is important when looking at packaging optimization. Replacing one material for another is not always a simple decision when balancing greenhouse gas impacts or food waste with recyclability. These are complex questions which producer and consumers need to navigate together in order to achieve shared sustainability goals.

Producers are working with partners across their supply chains and are applying resources to design the best sustainable options. Many Recycle BC producers have signed on to the Ellen MacArthur Foundation New Plastics Economy Global Commitment and have committed to stretching targets to improve the sustainability profile of their plastic packaging. This ranges from commitments to eliminate problematic plastic, increase recyclability and incorporate more recycled content. Some companies have also committed to an absolute reduction in virgin plastic consumption ranging from 25% to 50%.

There are also many companies that have embarked on new business models and pilot projects aimed at providing products in reusable and returnable packaging formats. 2019 saw an increase in the number of packaging-free retail options and other innovative ways that meet consumers' demands for reduced packaging.

As outlined in the Ellen MacArthur Foundation Global Commitment [2019 Progress Report](#) significant progress has taken place since its 2017 launch, including:

- Signatories from the consumer packaged goods and retail sectors have committed to an average of 22% recycled content by 2025, representing a five-times increase from the 2018 average of 4%;
- Strong momentum by signatories to eliminate use of problematic plastic packaging including plans to eliminate Polystyrene and PVC, along with an accelerated phase out of specific single-use plastic products and black plastics that are undetectable in many systems;
- While only 3% of signatories' plastics are reusable today, 33% have active reuse pilot projects in place testing different business models in different markets.

Incorporating recycled plastic into many packaging formats is becoming more widespread, but to date there has been a limited supply of food grade recycled plastic as it must meet stringent safety standards. Manufacturers are increasing their efforts and investments aimed at overcoming the barriers associated with producing food grade recycled resin. This leadership by food manufacturers will help to increase the availability of this material and decrease their reliance on virgin resin.

Centre for Material Intelligence

While producers are innovating to optimize material use and recyclability, Recycle BC continues to invest in new pilot projects and technologies to expand the range of materials that can be successfully recycled. The success of these new capabilities is based on having a full and comprehensive understanding of barriers to proper sorting and how to continue to achieve the highest quality standards of materials produced.

Recycle BC, in partnership with Canadian Stewardship Services Alliance (CSSA), established the Centre for Material Intelligence (CMI) in Surrey near the end of 2019. In addition to enhancing current waste audit activities, the CMI will also serve as a hub for research and pilot projects aimed at advancing recycling operations and packaging design.

The CMI is dedicated to enabling continuous improvement in Recycle BC's packaging and paper recycling through research, pilot programs, ongoing generation of verified statistics for reporting purposes, and collaboration with both producers and other Canadian packaging and paper recycling programs.

This purpose-built facility is the first of its kind in Canada, providing ongoing auditing of recycling from more than 170 communities across the province. Recycle BC already conducts more than 1,800 audits of materials per year, creating important inputs for performance reporting. Informing collectors of the contamination levels of the materials they collect provides valuable insights to assist with the marketing of materials.

Recycle BC is proud to host this innovative facility, allowing it to share knowledge it acquires with other programs across Canada and advancing its leadership of the nation's recycling industry.

Communities Reducing Contamination

Recycle BC commends the work taking place in BC communities to reduce contamination in curbside recycling collection. In particular, the cities of Terrace and Surrey have initiated practices in their communities which are proving to be very effective.

The City of Terrace has instituted a range of compliance measures for curbside pickup aimed at identifying contamination in the recycling bin. This includes pre- screening of carts and the use of hopper cameras to provide a visual recording of the materials collected. The City has also created a database of contamination reports allowing it to track chronic offenders. These measures are supported by local bylaws which allow for fines for repeat offenders. This compliance action is complemented by weekly website and social media posts with recycling tips and reminders on which materials should be placed loose in the cart and those that must be returned to the depot. The effect of these combined efforts is a reduction in curbside contamination from 13.8% in 2018 to 5% in 2019.

The City of Surrey reported to Recycle BC that its different approach resulted in an average decrease in contamination levels of 48% in targeted areas in 2019. Over a six-month period, Surrey undertook more than 56,000 cart inspections from approximately 18,850 households in 40 different neighbourhoods. Staff inspected carts and, where contamination was identified, the unacceptable items were placed into clear bags labelled 'contamination' and placed beside the resident's cart serving as a clear visual notice of items not accepted for recycling. For those households where no contamination was found, a congratulatory gold star sticker was placed on the resident's cart. Surrey will expand this program in 2020 with further auditing and increased promotion and education.

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. The pollution prevention hierarchy is a tiered approach to the preferred management of waste with priority on reduction, redesign, reuse and recycling, followed by recovery and finally, disposal.

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

- **Reduce:** producer fees are based on weight thereby encouraging the elimination or reduction of materials supplied to consumers.
- **Redesign:** fees encourage redesign by rewarding 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
187,228 tonnes*	8,762	14,399	90.3%**
	Tonnes of material managed by recovery (energy from waste)		
	0		

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

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

** Based on gross tonnes collected in Recycle BC system of 207,411 tonnes



MATERIAL SUPPLIED, COLLECTED AND RECOVERY RATE

	2019	2018
Tonnes of materials supplied by members	237,582	235,655
Tonnes of material collected*	185,692	183,983
Recovery Rate**	78.2%	78.1%

* Tonnes of material collected reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs

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

RECYCLING END MARKETS

In the two years since the implementation of China's National Sword Campaign resulted in strict limitations on its imports of recyclables, similar restrictions have been put in place in other Asian countries such as Thailand, Vietnam, and Malaysia. These market restrictions have had a significant and disruptive impact on recycling markets globally resulting in a steep decline in commodity prices.

In response to these conditions, communities in some jurisdictions have been forced to stop collecting certain materials while some have resorted to stockpiling as they are unable to secure viable end markets. Despite this disruption, end markets do still exist for materials that achieve high quality standards.

In addition to successfully finding markets for its high-quality output, Recycle BC is also the only packaging and paper product program in Canada that is able to provide full traceability on the end markets for its material. When identifying end markets, Recycle BC prioritizes those located in Organization for Economic Co-operation and Development (OECD) countries and will only allow marketing of packaging and paper to non-OECD countries if those markets meet or exceed the environmental, health and safety standards equivalent to OECD standards.

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

- More than 98% of plastics collected in BC are sold to end markets in BC with a local end market in Metro Vancouver where it is processed into pellets to be recycled into new packaging and products;
- Glass collected through Recycle BC is sold to end markets in BC to be processed into new bottles, sandblast material or construction aggregate;
- Metal containers are sold to end markets in BC, Ontario and the United States; and recycled into new packaging and sheet metal;
- Paper is sold to end markets overseas, the United States and BC where it is processed into egg cartons, boxes and other paper products.

Material Collected by Regional District (2019)

REGIONAL DISTRICT	TONNES	SERVICED POPULATION	KG PER CAPITA (SERVICED)
Alberni-Clayoquot	1,329	30,981	42.9
Bulkley-Nechako	603	36,852	16.4
Capital	19,523	383,291	50.9
Cariboo	2,210	60,461	36.5
Central Coast	114	3,197	35.7
Central Kootenay	560	37,956	14.8
Central Okanagan	10,841	194,882	55.6
Columbia-Shuswap	2,504	51,330	48.8
Comox Valley	3,411	66,527	51.3
Cowichan Valley	5,196	82,092	63.3
East Kootenay	951	53,371	17.8
Fraser Valley	12,689	295,863	42.9
Fraser-Fort George	2,093	86,048	24.3
Kitimat-Stikine	702	34,358	20.4
Kootenay Boundary	847	31,387	27.0
Metro Vancouver	112,317	2,461,997	45.6
Mount Waddington	447	10,909	41.0
Nanaimo	8,215	151,310	54.3
North Coast	551	13,123	42.0
North Okanagan	3,676	84,354	43.6
Northern Rockies	27	5,112	5.3
Okanagan-Similkameen	4,455	83,022	53.7
Peace River	140	62,027	2.3
qathet	1,054	19,620	53.7
Squamish-Lillooet	3,461	42,507	81.4
Strathcona	1,670	42,093	39.7
Sunshine Coast	1,600	29,649	54.0
Thompson-Nicola	6,224	132,357	47.0
GROSS	207,411*	4,586,678	45.2
LESS TONNES COLLECTED ON BEHALF OF OTHER STEWARDSHIP PROGRAMS	(21,719)		
NET	185,692		

* Gross tonnes collected by Recycle BC

Program Performance

Year-Over-Year Performance

METRIC	2019	2018	YOY VARIANCE %
Gross Collected Tonnes	207,411	206,778	0.3%
Recycled Tonnes	187,228	180,532	3.7%
Collected Tonnes*	185,692	183,983	0.9%
Recovery Rate	78%	78%	0.2%
Provincial Recycling Target	75%	75%	n/a
Collected Tonnes: Paper	117,451	120,267	-2.3%
Supplied Tonnes: Paper	141,426	140,385	0.7%
Recovery Rate: Paper	83%	86%	-3.0%
Collected Tonnes: Plastic	29,199	26,627	9.7%
Supplied Tonnes: Plastic	64,120	62,708	2.3%
Recovery Rate: Plastic	46%	42%	3.5%
Collected Tonnes: Rigid Plastic	24,883	22,865	8.8%
Supplied Tonnes: Rigid Plastic	44,724	42,689	4.8%
Recovery Rate: Rigid Plastic	56%	54%	1.6%
Collected Tonnes: Flexible Plastic	4,316	3,762	14.7%
Supplied Tonnes: Flexible Plastic	19,396	20,020	-3.1%
Recovery Rate: Flexible Plastic	22%	19%	3.3%
Collected Tonnes: Metal	9,446	8,837	6.9%
Supplied Tonnes: Metal	12,889	13,169	-2.1%
Recovery Rate: Metal	73%	67%	6.3%
Collected Tonnes: Glass	16,606	15,162	9.5%
Supplied Tonnes: Glass	19,146	19,392	-1.3%
Recovery Rate: Glass	87%	78%	8.7%
Total Population Served by PPP Program	4,587,000	4,578,000	0.2%
Curbside and Multi-family Population Served by PPP Program	3,579,000	3,516,000	1.8%
Net Collected KG per Capita*	40.5	40.2	0.7%
Total Households Served	1,850,000	1,850,000	0.0%
Curbside and Multi-family Households Served	1,491,000	1,465,000	1.8%
Percent of Households with Access to Depots	98.6%	98.3%	0.3%
Number of Stewards	1,186	1,176	0.9%
Consumer Awareness of Recycle BC Program	56%	51%	5.0%

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

Performance Against Stewardship Plan Targets

PLAN TARGET	2019 RESULTS	STRATEGIES FOR IMPROVEMENT																																													
1. Maintain a program recovery rate of 75%.	· 2019 Recovery rate was 78.2%.	Per the Program Plan, once targets are achieved and stable, a new increased target will be set.																																													
1a. Establish targets for Paper, Plastic, Metal and Glass. Establish targets for Plastic sub-categories of Rigid Plastic and Flexible Plastic in consultation with stakeholders.	<table><tr><th>MATERIAL CATEGORY</th><th>2019</th><th>2018 RECOVERY RATE</th><th>TARGET RECOVERY RATE</th><th>YEAR TO ACHIEVE TARGET</th></tr><tr><td>Paper</td><td>83%</td><td>86%</td><td>90%</td><td>2020</td></tr><tr><td>Plastic</td><td>46%</td><td>42%</td><td>50%</td><td>2025</td></tr><tr><td>Rigid Plastic</td><td>56%</td><td>54%</td><td>55%</td><td>2022</td></tr><tr><td></td><td></td><td></td><td>60%</td><td>2025</td></tr><tr><td>Flexible Plastic</td><td>22%</td><td>19%</td><td>22%</td><td>2022</td></tr><tr><td></td><td></td><td></td><td>25%</td><td>2025</td></tr><tr><td>Metal</td><td>73%</td><td>67%</td><td>67%</td><td>2020</td></tr><tr><td>Glass</td><td>87%</td><td>78%</td><td>75%</td><td>2020</td></tr></table>	MATERIAL CATEGORY	2019	2018 RECOVERY RATE	TARGET RECOVERY RATE	YEAR TO ACHIEVE TARGET	Paper	83%	86%	90%	2020	Plastic	46%	42%	50%	2025	Rigid Plastic	56%	54%	55%	2022				60%	2025	Flexible Plastic	22%	19%	22%	2022				25%	2025	Metal	73%	67%	67%	2020	Glass	87%	78%	75%	2020	
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Metal	73%	67%	67%	2020																																											
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2 Recovery/Collection Reporting	· Tonnes of PPP and other materials collected within each Regional District: see page 27. · Kilograms per capita of PPP and other materials collected within each Regional District: see page 27. Net tonnes of PPP and other materials collected for the province: 185,692. · Net kilograms per capita of PPP and other materials collected for the province: 40.5 kg/capita. · Recovery rate expressed as a percentage for the province: 78.2%. · 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 28.	Recycle BC continues to add more communities to the program. Recycle BC continues to work with stewards, collection partners and processors to explore opportunities to recycle a wider range of materials.																																													
2a. Provide curbside collection of PPP to a minimum of 973,400 curbside households and 421,600 multi-family households.	· 1,052,000 single-family households and 441,000 multi-family households received curbside and multi-family collection services from Recycle BC.	Household service levels are expected to continue growing with population growth and as more communities and stewards join the program.																																													

PLAN TARGET	2019 RESULTS	STRATEGIES FOR IMPROVEMENT
2b. Maintain a minimum accessibility performance at 98% and strive to improve accessibility.	Accessibility to the Recycle BC program in 2019 was 98.6%.	Recycle BC will add more depots and communities as more stewards join the program.
2c. Annually provide depot collection to communities across BC with a minimum of 200 depot locations. Recycle BC will annually assess the need to expand depot collection coverage in order to address under-served areas and to provide depot accessibility for packaging and paper materials that are not collected at curbside or through multi-family service.	In 2019 there were 218 depot locations, a net increase of 7 depots from 2018.	
2d. Following completion of its on-boarding expansion phase, Recycle BC will conduct a province-wide depot accessibility assessment to determine adequacy of depot coverage.	The depot accessibility assessment will be completed in 2020, and Recycle BC will begin to proffer formal offers to applicable depot collectors for collection services in 2020. At a minimum, accessibility will be maintained at the current level of 98% and Recycle BC will strive to increase accessibility.	Recycle BC continues the onboarding expansion phase.
3. Report annually: Single-family and multi-family households receiving household collection service. Number and locations of depots accepting PPP.	- Recycle BC provided curbside collection of packaging and paper to 1,052,000 single-family households and 441,000 multi-family households in 2019. - Depots are detailed in Curbside/Multi-Family Service Areas and Depot Facilities table at page 18.	Reported as part of Recycle BC's Annual Report submitted to the Ministry of Environment and Climate Change Strategy on July 1 each year.
4. Other Collection: Continue to perform further research through streetscape collection projects to determine if a viable recovery of PPP can occur in the new restricted global marketing conditions	In 2019, Recycle BC organized a series of roundtable discussions with municipalities regarding streetscape packaging and paper aimed at finding consensus on best practices for execution. A summary of these discussions can be found here: https://recyclebc.ca/promotion-education-resources/on-street-recycling/	
4a. Other Collection: Research extent of PPP found in the organics stream	In 2019, Recycle BC continued the work begun in 2018 to determine the amount of PPP being collected and managed in organic waste collection programs. The 2019 summary report can be found here: https://recyclebc.ca/compostablepackaging/	Recycle BC continues to work toward including organics as part of its pollution prevention hierarchy reporting.

PLAN TARGET	2019 RESULTS	STRATEGIES FOR IMPROVEMENT
5. Consumer Awareness: Maintain a resident awareness target of 90% or greater for a PPP recycling program. Continue annual consumer research to measure resident awareness. Conduct regular quantitative research to measure the effectiveness of resident education programs and to gather accurate provincial information on recycling habits, service levels and brand and program awareness.	- Percentage of residents aware of packaging and paper stewardship program: - In 2019, 97% of people surveyed were aware of the availability of a packaging and paper product recycling program. - Awareness of the Recycle BC brand increased from 51% in 2018 to 56% in 2019. - Research conducted in 2019 identified that: 73% of residents go out of their way to recycle. 94% of respondents find the recycling service unchanged or better than the previous year. 82% of respondent rate the availability of information about what goes in household's recycling bin/box/bags as good or very good.	Continue to build Recycle BC brand to better connect with residents on correct recycling behaviours.
5a. Consumer awareness Reporting. Percent of residents aware of packaging and paper product recycling program; Percentage of residents reporting use of available collection services and Visits to the Recycle BC website.	- Percentage of residents reporting use of available collection services: 97% of residents surveyed are aware of the availability of the PPP recycling program. 100% of residents with access to PPP recycling use the available collection services. - In 2019, RecycleBC.ca had 371,557 visitors resulting in 996,216 total page views.	Direct outreach to residents through awareness campaigns. Continued engagement through website and social media channels.
6. Target all PPP for collection and manage according to the pollution prevention hierarchy including shifting as much of the currently unrecyclable PPP from disposal or recovery up the hierarchy into recycling as possible.	- In 2019, 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. Recycle BC continued its work in 2019 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 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.	Continue research and development to explore ways to recover material that is currently non-recyclable.
6a. Direct 85% to 90% of collected PPP to recycling commodity markets.	In 2019, 187,228 tonnes of Recycle BC's materials were shipped to recycling end markets while 207,411 tonnes were collected (90.3% of collected tonnes were sent to recycling end markets).	

PLAN TARGET	2019 RESULTS	STRATEGIES FOR IMPROVEMENT
6b. Pollution Prevention Hierarchy Reporting.	· Tonnes of material managed by recycling: 187,228 · Tonnes of material managed by recovery · Engineered Fuel: 8,762 · Energy from Waste 0 · Tonnes of material managed by disposal: 14,399	
7. Compile GHG data from Recycle BC collectors.	· Recycle BC's collectors were notified in August 2018 of the requirement to track their 2019 GHG emissions for reporting in 2020. They were provided with GHG reporting guides and training sessions to ensure they were well supported and prepared to collect the necessary data. Recycle BC engaged Climate Smart as its partner for training, advisory services, the use of its proprietary calculation tool and validation. Recycle BC will be in a position to report 2019 baseline GHG data in 2020. The verified data will be published on the Recycle BC website in the fall of 2020 and included in the 2021 annual report.	Full GHG data tracking system is in place and training has been provided to collectors in order to report 2019 as the baseline year of greenhouse emissions from Recycle BC's supply chain in 2020.
8. Other reporting metric: program cost.	· Total program cost per tonne: \$545 · Total program cost per household: \$55	

Additional Information and Third Party Assurance

OPERATIONAL EFFECTIVENESS INDICATORS:

KG per capita of material recycled for the province **40.8**

OPERATIONAL EFFICIENCY INDICATORS:

Total program cost (net) per tonne recovered **\$545**

Total program cost per household **\$55**



Independent Assurance Report

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, 2019:

- 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 - 2019 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.

CONCLUSION

In our opinion, the Recycling Program within Recycle BC's Annual Report for the year ended December 31, 2019 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 24, 2020

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, 2019:

- 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 - 2019 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 24, 2020

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 363 collection facilities comprised of 218 depots, 90 curbside and 55 multi-family location facilities.	Pages 18 through 21

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: 187,228 Tonnes of material managed by recovery (engineered fuel): 8,762 Tonnes of material managed by recovery (energy from waste): 0 Tonnes of material managed by disposal: 14,399 Percentage of collected tonnes managed by recycling: 90.3%	Page 25

Evaluation Criteria

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

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

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

Specific Disclosures in the Annual Report for which evaluation criteria were developed:		
Discloses information per Annual Report	Text of data claim in the Annual Report	Reference
Product Sold and Collected and Recovery Rate	<u>2019 Operating Year (Reflecting 12 months):</u> Amount of product sold (supplied by MMBC stewards)(te): 237,582 Amount of product collected (not incl. tonnes collected by Recycle BC on behalf of other stewardship programs) (te): 185,692 Recovery rate: 78.2%.	Page 26

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%	2019 Recovery rate was 78.2%					Page 29
Report 2019 category recovery performance for Paper, Plastic, Metal and Glass and Plastic sub-categories of Rigid Plastic and Flexible Plastic.	Material Category	2019 Recovery Rate	2018 Recovery Rate	Target Recovery Rate	Year to Achieve Target	Page 29
	Paper	83%	86%	90%	2020	
	Plastic	46%	42%	50%	2025	
	Rigid Plastic	56%	54%	55%	2022	
				60%	2025	
	Flexible Plastic	22%	19%	22%	2022	
				25%	2025	
	Metal	73%	67%	67%	2020	
	Glass	87%	78%	75%	2020	
Direct 85% to 90% of collected PPP to recycling commodity markets	In 2019, 187,228 tonnes of Recycle BC's materials were shipped to recycling end-markets while 207,411 tonnes were collected (90.3% 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, 2019

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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, 2019, 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, 2019, 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.

Chartered Professional Accountants, Licensed Public Accountants

BDO Canada LLP

Toronto, Ontario
March 24, 2020

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

December 31	2019	2018
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Assets

Current

Cash	\$ 65,015,714	\$ 66,777,171
Accounts and other receivables (Note 2)	8,740,509	5,983,520
Due from related party (Note 3)	6,597	10,796
Prepaid expenses	102,609	113,013

73,865,429	72,884,500
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Capital assets (Note 4)	383,350	11,760
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\$ 74,248,779	\$ 72,896,260
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Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 13,658,623	\$ 11,330,154
Due to related party (Note 6)	592,387	544,002
	14,251,010	11,874,156

Net Assets

Invested in capital assets	383,350	11,760
Unrestricted	9,614,419	11,010,344
Internally restricted (Note 7)	50,000,000	50,000,000
	59,997,769	61,022,104

\$ 74,248,779	\$ 72,896,260
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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, 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)	-	-
Balance, end of year	\$ 383,350	\$ 9,614,419	\$ 50,000,000	\$ 59,997,769

For the year ended December 31, 2018

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

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

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

For the year ended December 31	2019	2018
Revenue		
Fee revenue	\$ 98,433,345	\$ 84,908,258
Investment income	1,778,466	1,551,265
	100,211,811	86,459,523
Expenses		
Material management costs (Note 5 and 8)	90,660,728	77,760,725
Program management (Note 6)	8,786,238	8,764,093
Promotion and education	1,808,620	1,931,406
Research and program development (recovery)	(19,440)	272,446
	101,236,146	88,728,670
Deficiency of revenue over expenses for the year	\$ (1,024,335)	\$ (2,269,147)

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

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

For the year ended December 31	2019	2018
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	\$ (1,024,335)	\$ (2,269,147)
Adjustments to reconcile deficiency of revenue over expenses for the year to cash provided by operating activities		
Amortization of capital assets	47,884	14,906
Changes in non-cash working capital balances:		
Accounts and other receivables	(2,756,989)	1,031,917
Prepaid expenses	10,404	(36,948)
Accounts payable and accrued liabilities	2,328,469	(240,753)
Deferred revenue	-	(1,304,000)
Due to/from related parties	52,584	(35,063)
	<u>(1,341,983)</u>	<u>(2,839,088)</u>
Investing activities		
Purchase of capital assets	<u>(419,474)</u>	<u>-</u>
Decrease in cash during the year	(1,761,457)	(2,839,088)
Cash, beginning of year	<u>66,777,171</u>	<u>69,616,259</u>
Cash, end of year	\$ 65,015,714	\$ 66,777,171

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

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

December 31, 2019

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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.

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

December 31, 2019

1. Significant Accounting Policies - (Continued)

(e) Capital Assets

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

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

(f) Impairment of Long-Lived Assets

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

(g) Use of Estimates

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

2. Accounts and Other Receivables

	2019	2018
Fee revenue	\$ 5,777,980	\$ 3,414,761
Outstanding credits for indexed value of commodities processed, net	430,374	136,078
Other	2,704,114	2,589,904
Allowance for doubtful accounts	(171,959)	(157,223)
	\$ 8,740,509	\$ 5,983,520

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

December 31, 2019

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 \$80,000 (2018 - \$120,000) was charged by the Organization to MMSW. These charges have been offset against program management expenses in the statement of operations.

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

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

4. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 16,726	\$ 14,821	\$ 16,726	\$ 10,031
Furniture and fixtures	468,993	87,548	49,519	44,454
	485,719	102,369	66,245	54,485
	\$ 383,350		\$ 11,760	

5. Deferred Revenue

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

In 2019, \$nil (2018 - \$1,304,000) of the deferred revenue amount was taken into income plus additional payments of \$nil (2018 - \$1,548,960) to offset against the costs of collecting and processing newspaper print in the material management costs expense in the statement of operations.

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

December 31, 2019

6. Due to Related Party

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

The Organization's board of directors consists of 50% (2018 - 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.

7. Internally Restricted Net Assets

The directors authorized the establishment of the Operating Reserve to provide for an appropriate level of working capital and to satisfy all of its obligations for a reasonable period of time. During the year, the Organization internally restricted \$nil (2018 - \$5,000,000) for this purpose.

8. Material Management Costs

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

9. Commitments

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

2020	\$	62,400
2021		62,400
2022		64,100
2023		65,300
2024		65,300
Thereafter		<u>296,800</u>
	\$	<u>616,300</u>

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

December 31, 2019

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10. Financial Instrument Risk Exposure and Management

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

(a) Credit Risk:

Financial instruments potentially exposed to credit risk include cash, accounts and other receivables and due from related parties. 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 \$171,959 (2018 - \$157,223).

(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.

11. Subsequent Event

Subsequent to year-end, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine periods, have caused disruption to businesses globally, which are resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by governments and central banks. 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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