



Annual Report **2017**



RECYCLEBC[™]

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Introduction

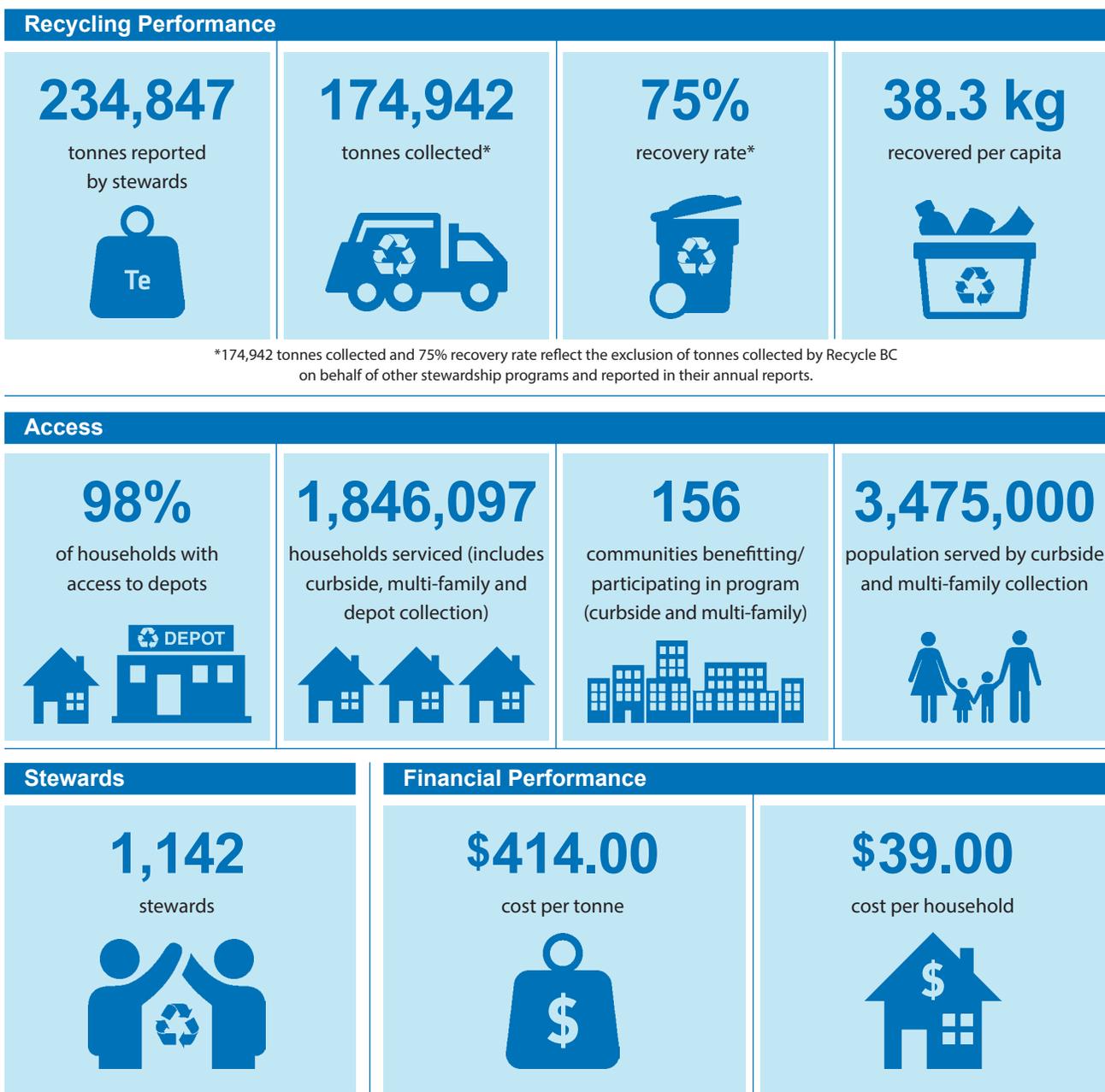
About Recycle BC

Recycle BC is a not-for-profit organization responsible for residential packaging and paper recycling throughout British Columbia. We ensure packaging and paper is collected from households and recycling depots, processed and recycled responsibly.

Our program is financed by businesses, such as retailers, manufacturers and restaurants that supply packaging and paper to BC residents. Recycle BC was originally launched in 2014 as Multi-Material BC (MMBC).

2017 Highlights

In its third full year of operation, Recycle BC continued to provide comprehensive recycling services accessible to 98% of BC households. 2017 also saw the development of the Recycle BC brand, improving the organization's ability to connect with consumers in a more meaningful and intuitive way.



Message to Stakeholders

2017 was a year marked by significant change for packaging and paper recycling programs across Canada, including Recycle BC.

There is growing recognition, signified by increasing attention to the ubiquitous presence of plastics in the environment, that patterns of consumption must evolve quickly from a linear, disposable framework to an engaged, circular and responsible model of resource use. In the months ahead, stewards, including those around the Recycle BC Board table, may be expected to take a leadership role in the search for solutions. Moreover, in June 2018, at the G7 meeting in Quebec our federal government introduced a Plastics Charter calling for near universally reusable, recyclable or compostable plastic packaging in the drive toward packaging standardization and increased recovery.

Recycle BC is well positioned to make significant progress toward a circular economy for plastics and other materials. As the only packaging and paper recycling program in Canada that is fully financed and operated by the businesses that sell products to consumers, we have an opportunity to help achieve the economies of scale necessary to support a circular economy for plastics. Recycle BC is also privileged to be collaborating with a range of international leaders and brand owners through the Ellen McArthur Foundation's (EMF) New Plastics Economy, an ambitious initiative that is building momentum toward closed-loop plastics system across the world. Applying the principles of the circular economy, EMF is bringing together key stakeholders to rethink and redesign the future of plastics. We look forward to continued collaboration on this critical work.

Tightening commodity markets have also been driving significant change as China imposed much stricter rules on foreign recycling imports. While the vast majority of Recycle BC's plastics are directed to end markets in the province of British Columbia, our mixed paper, including paper, boxboard, newspaper and cardboard, has historically been sold to Chinese markets. It is becoming increasingly challenging to meet China's new specifications for paper recycling, despite BC having one of the lowest contamination rates in North America. For now, Recycle BC continues to ship materials to overseas markets and is working with our partners to innovate and plan for what the future holds.

Meanwhile, here at home, supported by our stewards, our Advisory Committee and our Board members, Recycle BC made significant strides forward on projects that included the launch of a new name and brand, the continued development of powerful partnerships, and an expansion of services.

Rollout of Rebrand

On March 28, 2017, we launched our new brand, officially becoming Recycle BC. The clearly-defined name reflects our ongoing mandate to promote recycling best practices and the environmental benefits of recycling to residents through effective promotion and education campaigns. With this new brand came an increase in resident awareness. Our 2017 resident awareness research indicated 38% of BC residents were aware of Recycle BC, up from 16% aware of Multi-Material BC in our 2016 research.

Expanded Partnerships

We continue to build on our solid network of over 160 collection and post-collection partners to support recycling in BC. We expanded our partnership with London Drugs to include more stores where residents can conveniently take their plastic bags, overwrap and foam packaging for recycling.

We continued our partnership with the Vancouver Whitecaps FC and engaged in a new partnership with the Vancouver Canucks, providing the opportunity to engage with the teams' huge fan base about recycling in their communities.

Through our Community Champions program, we continued to provide funding to local environmental organizations that promote waste reduction and recycling goals in their communities. The Community Champions approach to reaching people with targeted recycling messages has been so successful that the program will be carried out in 2018 and beyond.

Recycle BC participated in a number of conferences and events across North America and internationally, over the last year, where we had the opportunity to share learnings from our program and gain insights from other Extended Producer Responsibility (EPR) programs. Ongoing dialogue helps to build on our knowledge and ensures that we are staying abreast of the emerging trends in recycling around the world.

Program Growth

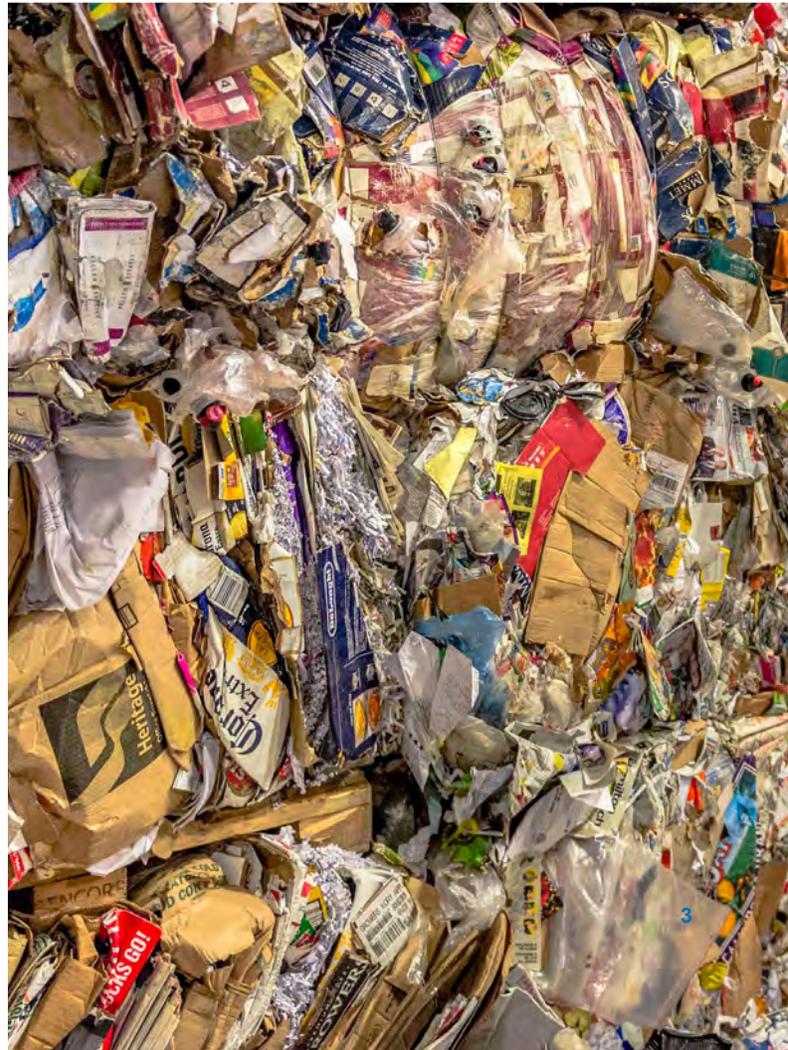
In 2017, Recycle BC welcomed Kamloops, Abbotsford, Mission, Chilliwack and Comox, adding over 102,000 households receiving curbside and multi-family service to the Recycle BC program. We continued our nine-month pilot for on-street recycling in one of BC's busiest areas, Vancouver's West End neighbourhood. In keeping with program plan commitments, we placed 31 on-street residential recycling bins along an 11-block area to test a unique bin design and whether this would assist residents in properly sorting paper and containers for recycling. A [report was released](#) on the findings of the study in October.

Resident Promotion and Education

Informed residents are essential to ensuring we capture and recover a clean stream of targeted materials. In 2017, Recycle BC launched education campaigns targeted at specific aspects of resident recycling, including: depot materials, cartons recycling, holiday recycling 'dos and don'ts' and overall awareness on which materials are accepted for recycling. The promotion and education campaigns were supplemented by the Community Events Team. This high energy team travelled across the province during the summer months attending community events where they used a variety of interactive games and activities to build greater understanding of how recyclables should be sorted and what happens to them as they go through the recycling process and take on a second life.

Exciting Road Ahead

I would like to thank our board members, all our dedicated staff, our stewards, and our many partners and stakeholders for their support and engagement in the past year. We look forward to working together in 2018 and beyond to lead the way in delivering excellent residential recycling and doing our part to preserve and protect beautiful British Columbia.



John Coyne
2017 Board Chair
Vice President, Legal & External Affairs and
General Counsel, Unilever Canada Inc.



Executive Summary

<p>Public Education Materials and Strategies</p> 	<ul style="list-style-type: none"> • Launch of new Recycle BC brand – a more relevant and engaging name allowing Recycle BC to connect with residents in a more meaningful way. • 38% of BC residents are aware of the Recycle BC brand. • Targeted campaigns were undertaken to raise resident awareness of how to properly recycle specific materials – what goes in the blue bin and what goes to the depot. • Partnered with the Whitecaps and the Vancouver Canucks in 2017 to reach a broad audience with key recycling messages. • The Summer Events Team visited 11 communities with interactive activities to educate residents on how to properly sort their recyclables. • Recycle BC had more than 6,800,000 impressions on social media and added an Instagram account to reach even more residents with helpful recycling tips. 		
<p>Collection System and Facilities</p> 	<ul style="list-style-type: none"> • 1,390,000 single-family and multi-family households received curbside or multi-family collection services from 78 local governments, First Nations, or private collectors. • Residents in 156 incorporated municipalities, electoral areas, and First Nations communities have access to curbside and/or multi-family collection services under the Recycle BC program. • 201 depots throughout BC accept Recycle BC materials, operating in 28 regional districts. 		
<p>Product Environmental Impact Reduction, Reusability and Recyclability</p> 	<ul style="list-style-type: none"> • Recycle BC members continue to innovate and explore new technologies to reduce the environmental impact of their packaging and paper materials. Recycle BC member company, Lush, worked with BC-based recycler Merlin Plastics for 100% locally-sourced recycled plastic for its sample-sized plastic pots. • Recycle BC continues to work with the Ellen McArthur Foundation on the New Plastics Economy for ideas to create a circular economy for plastics. 		
<p>Pollution Prevention Hierarchy and Product/Component Management</p> 	<p>181,514</p> <p>Tonnes of collected material managed by recycling</p>	<p>4,647</p> <p>Tonnes of collected material managed by recovery (alternative fuel: an engineered material manufactured to specifications)</p>	<p>11,568</p> <p>Tonnes of collected material managed by disposal</p>
<p>Product Sold, Collected and Recovered</p> 	<p>234,847</p> <p>Tonnes of material supplied by Recycle BC stewards</p>	<p>174,942*</p> <p>Tonnes of material collected</p> <p><small>*2017 tonnes of material collected reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs and reported in their annual reports.</small></p>	<p>75%</p> <p>Recovery rate</p>

Program Overview

Recycle BC has completed three successful years of managing and financing recycling services for packaging and paper for the residents of British Columbia. Entirely funded by business, the Recycle BC program is recognized as one of the most successful Extended Producer Responsibility (EPR) programs for packaging and paper in North America. In 2017, its services provided more than 1.3 million households in 156 communities with curbside or multi-family collection, with 98% of BC residents having access to Recycle BC depots.

Recycle BC has more than 1,100 member companies that

Recycle BC's mission is to be a trusted environmental advocate and community partner offering equitable, effective and efficient residential recycling services. This guides all the work we do in communities throughout BC. We ensure packaging and paper is collected from households and recycling depots and then sorted and recycled responsibly.

include manufacturers, retailers, restaurants and first importers that supply packaging and paper to BC residents. On behalf of its member companies, Recycle BC has over the past three years successfully established a sophisticated province-wide network of supply chain partners that efficiently collects and processes the packaging and paper distributed by Recycle BC members.

Recycle BC is based in North Vancouver with local staff members managing its program operations. Recycle BC is supported in its work by Canadian Stewardship Services Alliance (CSSA), a national, non-profit organization dedicated to providing support services to stewardship programs across Canada. Recycle BC is governed by a Board of Directors representing brand owners and retailers. Recycle BC also consults with an Advisory Committee on core elements of its program. The Advisory Committee includes representatives from stakeholder groups interested in the success of the program, including local governments, the waste management industry, steward industry associations, and the Recycling Council of BC.

Consultation on Program Plan:

Section 6 of the province's Recycling Regulation requires that a stewardship organization must review its approved Program Plan at least every five years and conduct a thorough review of its performance to identify any potential changes that will ensure ongoing success. In 2017, Recycle BC began that process by initiating a review of its plan and performance in consultation with its many stakeholders.

In November, 2017 Recycle BC hosted two days of workshops with representatives from our contracted collectors, government, industry, other stewardship organizations, educators and community champions. The process of reviewing and revising the program plan in conversation with our stakeholder community continues in 2018 as Recycle BC considers how it can make significant progress toward achieving a circular economy for plastics and other materials. During the summer of 2018, our stakeholder community will be asked to consider important revisions to the program plan that are designed to increase plastic recovery rates and prevent leakage into our environment. Watch [Recycle BC's website](#) for details.

Packaging and Paper Product

Under BC's Environmental Management Act, "packaging is a material, substance or object that is used to protect, contain or transport a commodity or product, or is attached to a commodity or product or its container for the purpose of marketing or communicating information about the commodity or product."

Section 5 of the Recycling Regulation was amended in 2017. Amongst the amendments was a change in the definition of printed paper. Printed paper is now referred to as "paper product" and is defined as: paper of any description, including: flyers, brochures, booklets, catalogues, telephone directories, newspapers, magazines, paper fibre, and paper used for copying, writing or any other general use.

Board of Directors

Recycle BC is supported by a Board of Directors representing the steward members. The members of the Board bring the experience, skills and oversight to ensure the ongoing success of the Recycle BC program. Current members of the Recycle BC board are:

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

Members of the Finance & Audit Committee are Debbie Baxter (Chair) and Paul Hazra.

The Recycle BC Board met four times in 2017. The following table summarizes attendance:

Board Member	Comments	March 30	June 29	September 26	December 11
Debbie Baxter	Joined MMBC Board on March 30, 2017	n/a	Yes	Yes	-
Bob Chant		Yes	Yes	Yes	Yes
John Coyne		Yes	Yes	Yes	Yes
Paul Hazra		Yes	Yes	Yes	Yes

Recycle BC Advisory Committee

The Recycle BC Advisory Committee includes local stakeholders with an interest in the performance and success of Recycle BC's packaging and paper stewardship program. The committee serves as a forum through which stakeholders are kept informed about program developments. In addition, the Advisory Committee is consulted on core elements of Recycle BC's program to identify issues and provide input on how issues might be addressed. Involvement of the Advisory Committee fosters collaborative problem-solving, two-way communication, and facilitates feedback on the operation of the program. Recycle BC's Advisory Committee members in 2017 included:

- Brock Macdonald, CEO, Recycling Council of B.C. (Advisory Committee Chair)
- Will Burrows, Executive Director, Coast Waste Management Association
- Andrew Doi, Environmental Planner, Metro Vancouver
- Rob C. Gay, Board Chair, Regional District of East Kootenay
- Bill Hardy, General Manager, Northwest Landscape Supply
- Jozef Hubburmin, CFO, Fresh Direct Produce Ltd.
- Paul Ives, Mayor, Town of Comox
- Dan Rogers, Executive Director, Kelowna Chamber of Commerce
- Dan Wong, Executive Director, BC Dairy Council

Recycle BC Members

The steward companies that make up the Recycle BC membership are organizations that supply packaging and paper to BC consumers, as defined by the Recycling Regulation. These obligated materials generally encompass the materials that are provided to consumers and are taken home for recycling or disposal. In order to meet their stewardship obligations, Recycle BC's members report the quantities of obligated materials they supply into the BC marketplace each year and pay fees based on supplied quantities. The fees are used to deliver residential recycling services to BC residents. In 2017, 1,142 Recycle BC members contributed over \$86 million to provide these services. Recycle BC operates this recycling system on behalf of its members which include companies that span a breadth of business sectors including:

- Food and consumer goods manufacturers
- Retailers (grocery, general merchandise, convenience, drug stores)
- Financial institutions (banks, credit unions, insurance companies)
- Quick-service restaurants
- Magazine publishers
- Nurseries and garden centres

[Click here](#) or visit the Recycle BC website for a full list of members or for more information about becoming a member.



Public Education

In 2017, Recycle BC launched its new brand – a more intuitive, relevant and engaging name and identity that allows residents to recognize and better understand the services provided by Recycle BC. The new brand is the first step in developing a deeper and more meaningful connection with residents to inform, educate and empower them to recycle and reduce waste.

Education Campaigns

Take us to the Depot

Prior to launching the new brand, Recycle BC (then Multi-Material BC) welcomed Abbotsford, Chilliwack, Mission, and Kamloops to the program. By joining the Recycle BC program, residents in Abbotsford, Chilliwack, and Kamloops could no longer put plastic bags and glass into their collection containers. Recycle BC launched a campaign directed at those communities to raise awareness of the changes and directing these materials to depots.

Thanks for taking us to the depot!

Plastic bags and glass no longer belong in your curbside recycling

HELP US RECYCLE MORE

Find your nearest depot at RecyclingInBC.ca

WHIPEEE!

Recycle BC is your residential packaging and printed paper recycling program.

MAKING A DIFFERENCE TOGETHER

Find out everything you can recycle at RecycleBC.ca

Get in the Bin

An integrated education campaign to reinforce the new brand and recycling with fun and engaging creative ran during the spring and fall and included television, online, social media and out-of-home advertising. Characters, such as a metal can, milk carton and whip cream container were used to help residents understand what Recycle BC does and what materials can be included in their home recycling.

Recycle your Cartons

Recycle BC partnered with the Carton Council of Canada for the second consecutive year to raise awareness of carton recycling in BC. The campaign focused on province-wide digital communications and the campaign creative reinforced the message that residents can recycle cartons in their blue box.

THERE'S A PARTY IN YOUR BIN

AND CARTONS ARE INVITED!



Holiday Recycling

The holidays are a busy time for packaging and paper recycling. Recycle BC’s holiday campaign focused on common holiday materials and what can and cannot be included in recycling. The campaign featured a holiday recycling guide, as well as material specific creative for online and social media.

Community Events Team

Recycle BC expanded its Community Events Team in 2017 to include two groups in order to participate in more events and reach more residents. The team focused on educating residents on proper sorting of materials, but also on what happens to the materials when they are collected from their homes so that residents better understand the full recycling process. Interactive elements included a sorting game, virtual reality experience of the recycling process, recycling museum showing items made from recycled material and a soccer shoot.

From May to October, the Recycle BC Summer Events team engaged with residents a total of 45 days at 25 events across BC. It is estimated that over 228,650 residents visited the display and the team had more than 38,000 unique interactions with participants. Communities included:

- Richmond
- Surrey
- Cloverdale
- Vancouver
- Victoria
- Coquitlam
- Maple Ridge / Pitt Meadows
- Abbotsford
- Penticton
- Prince George
- Armstrong / Vernon

Partnerships

Whitecaps

Recycle BC continued its partnership with the Vancouver Whitecaps FC to engage and educate residents about recycling in BC. Partnership elements included in-stadium signage, social media outreach, contests and prizes and on-site engagement with the public to inform and educate attendees through fun, interactive activities. The partnership was especially relevant in 2017, as Recycle BC took over recycling services in the City of Vancouver in the fall of 2016, so the partnership was an effective way to reach Vancouver residents.



Canucks

Recycle BC also partnered with the Vancouver Canucks to increase awareness in markets within Metro Vancouver, but also in communities around the province. Recycle BC had in-stadium and television exposure through traditional and virtual rink boards. Other partnership elements include contesting and social media exposure to reinforce key recycling messages to residents.

Community Champions

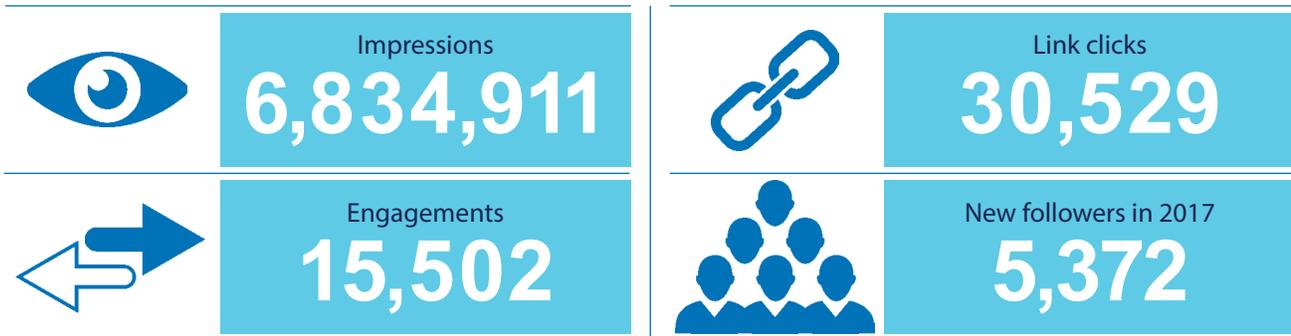
Recycle BC continued its partnerships with local environmental organizations that work to promote waste reduction and recycling goals in their communities through the Community Champions program. Recycle BC provided education materials, grant money to be applied toward the promotion of packaging and paper recycling and ongoing resident outreach and education about what materials are accepted in Recycle BC’s program. 2017 community partners included:

- Recycling and Environmental Action Planning Society (REAPS), Prince George
- Ridge Meadows Recycling Society, Maple Ridge
- Let’s Talk Trash, Powell River Regional District
- Master Recyclers, Vancouver

Social Media

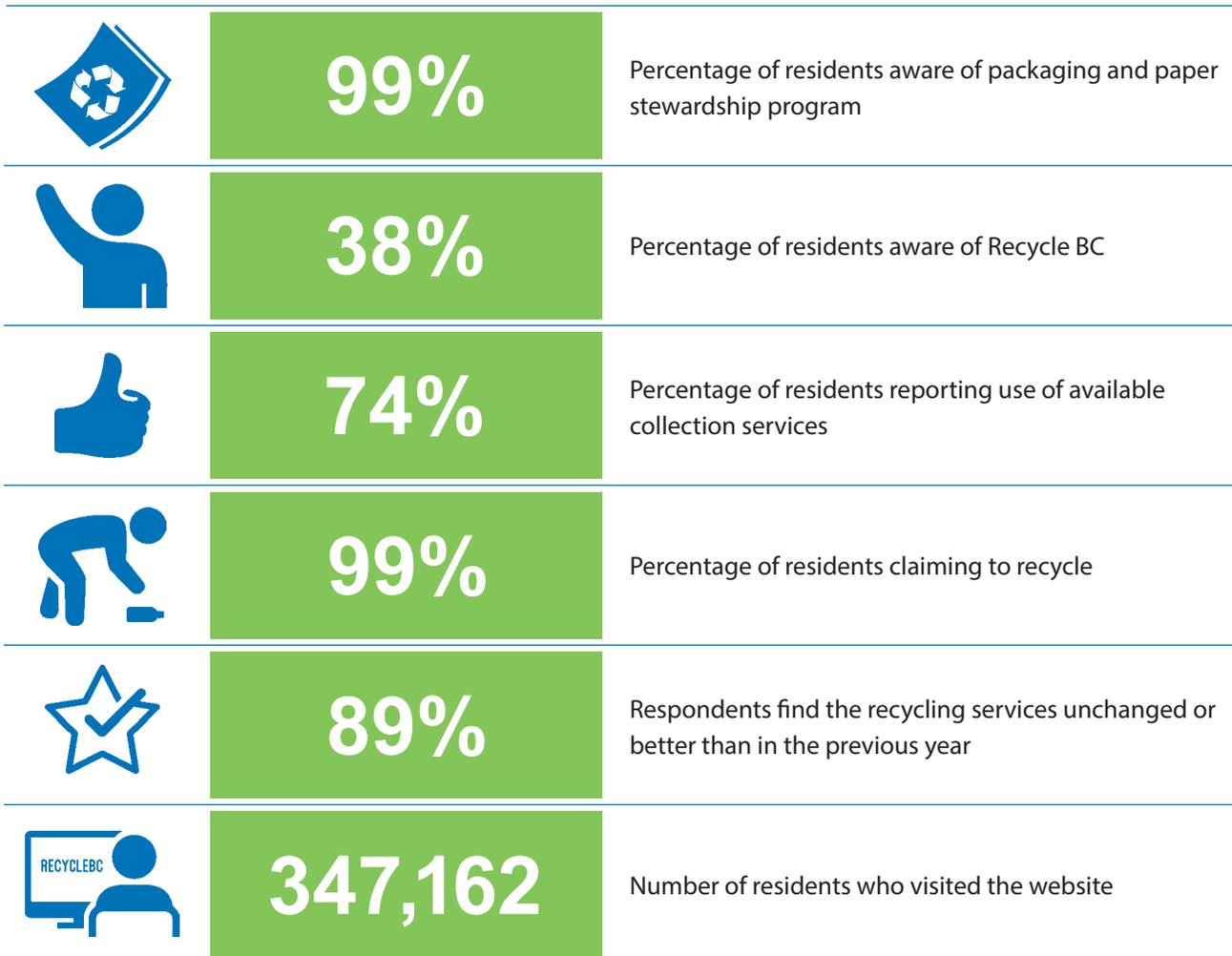
Recycle BC's social media channels continued to provide useful tips and reminders to BC residents, along with contests and program news in 2017. On March 28, 2017 (the day Multi-Material BC rebranded to Recycle BC), the program also launched an Instagram account to further promote recycling information to residents.

The below represent the total combined data for all three of Recycle BC's social accounts: Twitter, Facebook and Instagram:



Resident Awareness

Recycle BC continues to measure resident awareness of the program through consumer research and by measuring the number of people visiting the website. Resident awareness of Recycle BC in 2017 increased to 38% from 16% in the previous year. Recycle BC will continue to conduct consumer research in 2018 to compare and measure program awareness and recycling behaviour of BC residents.



Merlin Plastics

Merlin Plastics is widely recognized as a pioneer in plastics recycling in North America due to its advanced processing facilities and its innovative research and development team based in Delta, BC. It is also a key partner in Green by Nature (GBN), Recycle BC's post-collection partner for the processing of recyclables.

In 2014, Merlin Plastics invested \$20 million in a container recovery facility (CRF) which is able to sort all the mixed containers collected by Recycle BC into the different material types, such as metal containers, cartons and paper cups, and the various types of plastic, as part of the GBN post-collection network. Of these different materials, Merlin Plastics, as an end market, further processes the plastics by grinding, washing, and melting into plastic pellets which can then be sold to manufacturers to be created into new packaging or products.

Merlin Plastics is committed to ongoing innovation and investment in new technology and has collaborated with Recycle BC and its members to explore technological and process innovations that allow the ever growing assortment of plastics distributed into the marketplace to be properly recycled.

As a key partner in the Green by Nature organization, Merlin Plastics is part of the reverse supply chain designed as an efficient network of receiving, consolidation and transfer facilities (RCTs), pre-conditioning facilities (PCFs) and the container recovery facility (CRF). This regional approach to the movement of collected materials across BC where fibres are separated from containers at the RCTs and PCFs is both logistically and financially efficient in that it eliminates the need for the investment in expensive sorting technologies in each facility across the province. Merlin Plastics, as a part of the post-collection network, assists in the efficient consolidation and sorting of all containers captured from BC residents.



Ensuring Responsible Management of Recyclables Overseas

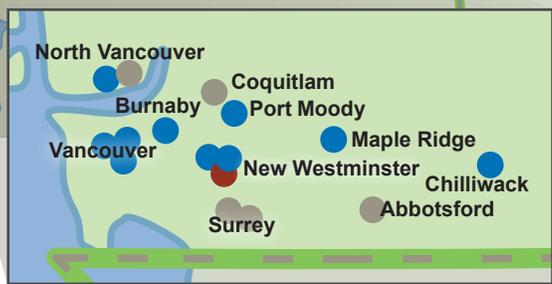
In 2017, representatives from Recycle BC and Green by Nature (GBN), visited end-markets in China and South Korea to see first-hand the facilities that process and recycle British Columbia's cartons, paper and foam packaging. In addition to ensuring Recycle BC materials are being managed responsibly, the facility visits provided an opportunity to better understand the increasingly stringent material standards being implemented by overseas markets. Recycle BC also saw how its recyclables are made into new items and given a second life — including plastic foam packaging that is recreated into picture frames and then sold in Canadian stores. While a better understanding of foreign recyclables markets is useful, Recycle BC favours domestic or North American markets when possible. Recycle BC's plastic containers, metal cans, glass, and plastic bags and overwrap are sold to end-markets in BC, other parts of Canada or North America.



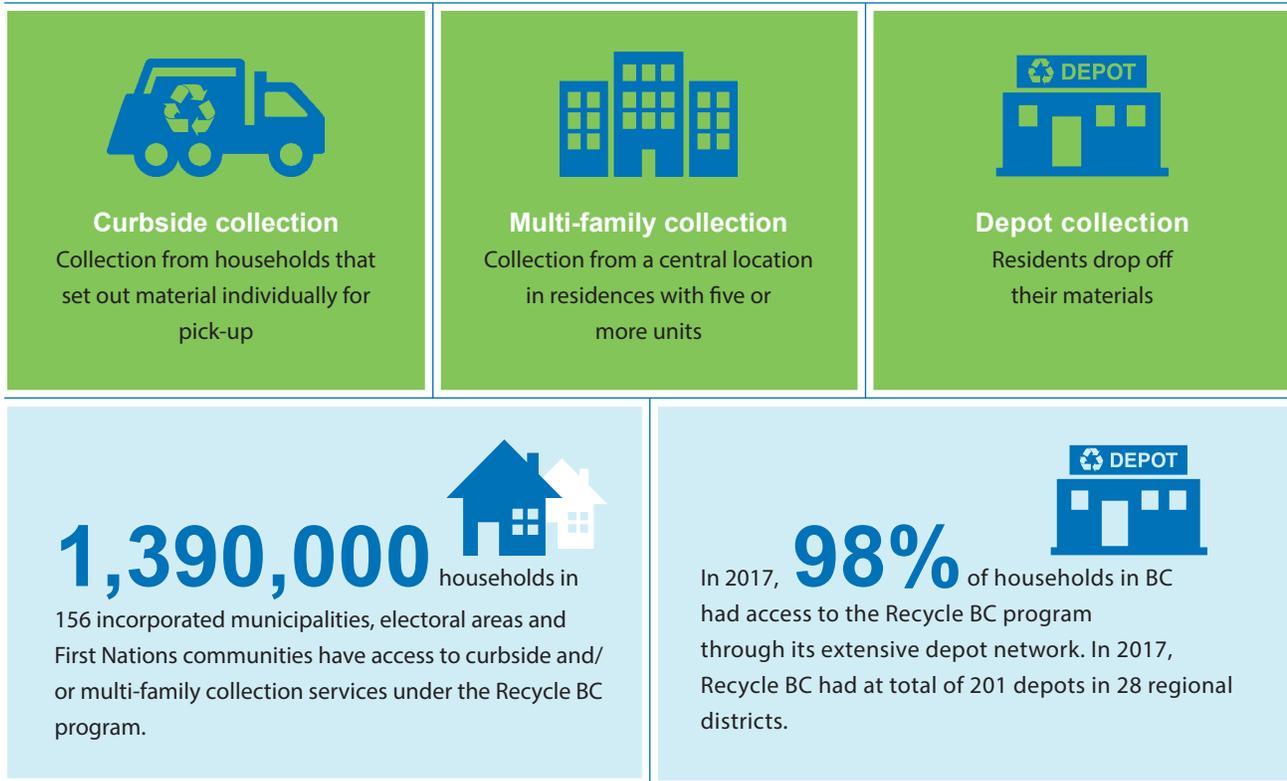
Facilities Network



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



Collection Summary



Curbside/Multi-Family Service Areas and Depot Facilities

	SERVICE AREA FACILITIES	CHANGE
Alberni-Clayoquot	8	-
Curbside	2	
Alberni Clayoquot Regional District	1	
Toquaht Nation	1	
Depot	5	
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	7	-
Curbside	3	
Nak'azdli Whut'en	1	
Town of Smithers	1	
Village of Telkwa	1	
Depot	3	
Bulkley Valley Bottle Depot	1	
Burns Lake Return-It Depot	1	
Nak'azdli Recycling Depot	1	
Multi-family	1	
Nak'azdli Whut'en	1	

	SERVICE AREA FACILITIES	CHANGE
Capital	13	-
Curbside	1	
Capital Regional District	1	
Depot	10	
Bottle Depot (Saanich)	1	
Bottle Depot (Victoria)	1	
Galiano Island Recycling Depot	1	
Hartland Recycling Depot	1	
Mayne Island Recycling Depot	1	
Oak Bay Public Works	1	
Pender Island Recycling Depot	1	
Port Renfrew Transfer Station	1	
Salt Spring Island Recycling Depot	1	
Saturna Island Recycling Depot	1	
Multi-family	2	
Capital Regional District	1	
City of Victoria	1	

	SERVICE AREA FACILITIES	CHANGE
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	
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	8	-
Curbside	5	
City of Castlegar	1	
City of Nelson	1	
Regional District of Central Kootenay	1	
Village of Kaslo	1	
Village of Nakusp	1	
Depot	1	
Zion Trucking	1	
Multi-family	2	
Central Kootenay	1	
City of Nelson	1	

	SERVICE AREA FACILITIES	CHANGE
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 Self Storage & 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	

	SERVICE AREA FACILITIES	CHANGE
Comox Valley	10	2
Curbside	4	
City of Courtenay	1	
Town of Comox	1	
Comox Valley Regional District	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	1	-
Depot	1	
Cranbrook Bottle Depot	1	
Fraser Valley	16	6
Curbside	4	
City of Abbotsford	1	
City of Chilliwack	1	
District of Mission	1	
Seabird Island Band	1	
Depot	8	
Abbotsford Bottle Depot	1	
Aldergrove Return-It Depot	1	
Chilliwack Bottle Depot	1	
City of Abbotsford (ACS)	1	
Mission Recycle Centre	1	
R&T Recyclables & Bottle Depot	1	
Sardis Bottle Depot	1	
*Seabird Island Eco Station	1	
Multi-family	4	
City of Abbotsford	1	
City of Chilliwack	1	
District of Mission	1	
Seabird Island Band	1	

*This depot was dormant as of December 31, 2017

	SERVICE AREA FACILITIES	CHANGE
Fraser-Fort George	4	-
Curbside	1	
City of Prince George	1	
Depot	2	
Hart Return-It Centre	1	
P.G. Recycling and Return-It Centre	1	
Multi-family	1	
City of Prince George	1	
Metro Vancouver	74	2
Curbside	17	
City of Burnaby	1	
City of Coquitlam	1	
City of Langley	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 Maple Ridge	1	
District of North Vancouver	1	
District of West Vancouver	1	
University Endowment Lands	1	
Village of Anmore	1	
Depot	41	
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	
East Hastings Bottle Depot	1	
Edmonds Return-It Depot	1	
Fraser Valley Bottle & Return-It Depot	1	
Guildford Bottle Depot	1	
Haney Bottle Depot	1	
Ironwood Bottle & 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 Vancouver Bottle & Return-It Depot	1	

Metro Vancouver continued next page

	SERVICE AREA FACILITIES	CHANGE
Metro Vancouver (continued)		
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	
North Shore Recycling Transfer Station	1	
Multi-family	16	
City of Burnaby	1	
City of Coquitlam	1	
City of Langley	1	
City of New Westminister	1	
City of North Vancouver	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 Maple Ridge	1	
District of North Vancouver	1	
District of West Vancouver	1	
University Endowment Lands	1	
City of Pitt meadow	1	
Kitimat-Stikine	5	-
Curbside	1	
City of Terrace	1	
Depot	4	
Border Town Recycling	1	
Do Your Part Recycling	1	
Hazelton Bottle Depot	1	
Kitimat Bottle Depot	1	
Kootenay Boundary	11	-
Curbside	2	
Kootenay Boundary Regional District - Boundary Region	1	
Regional District of Kootenay Boundary - East Sub Region	1	
Depot	6	
Christina Lake Transfer Station	1	
Grand Forks Landfill	1	
McKelvey Creek Landfill	1	
Rock Creek Transfer Station	1	
Trail Bottle Depot	1	
West Boundary Landfill	1	

	SERVICE AREA FACILITIES	CHANGE
Kootenay Boundary (continued)		
Multi-family	3	
City of Rossland	1	
City of Trail	1	
Village of Fruitvale	1	
Mount Waddington	15	-
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 And Recycling	1	
Cormorant Island Recycling Depot	1	
Island Foods Bottle Depot	1	
Malcolm Island Recycling Depot	1	
Port Alice Recycling Depot	1	
Port Hardy Return It Centre	1	
Quatsino Recycling Depot	1	
Tsulquate Recycling Depot	1	
Winter Harbour Recycling Depot	1	
Woss Recycling Depot	1	
Multi-family	1	
Regional District of Mount Waddington - Coal Harbour	1	
Nanaimo	9	(2)
Curbside	2	
City of Nanaimo	1	
Regional District of Nanaimo	1	
Depot	5	
Alpine Disposal	1	
Nanaimo Recycling Exchange	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 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	

	SERVICE AREA FACILITIES	CHANGE
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	(1)
Depot	10	
Buick	1	
Cecil Lake	1	
Kelly Lake	1	
Moberly Lake	1	
Prespatou	1	
Rolla Transfer Station	1	
Rose Prairie	1	
Tomslake	1	
Tumbler Ridge Transtor	1	
Wonowon	1	
Powell River	6	-
Depot	6	
Augusta	1	
Gillies Bay Community Depot	1	
Lund Community Depot	1	
Powell River South (Black Point)		
Community Depot	1	
Sliammon Community Depot	1	
Town Centre Depot	1	

	SERVICE AREA FACILITIES	CHANGE
Skeena-Queen Charlotte	3	-
Curbside	1	
Gitxaala Nation	1	
Depot	2	
Kitkatla	1	
Mainland (Regional) Recycling Depot	1	
Squamish-Lillooet	11	-
Curbside	2	
Seton Lake Band	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'/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	
Sunshine Coast	3	-
Depot	3	
Gibsons Recycling Depot	1	
Pender Harbour Recycling Depot	1	
Sechelt Recycling Depot	1	
Thompson-Nicola	5	2
Curbside	1	
City of Kamloops	1	
Depot	3	
General Grant's - Northshore	1	
General Grant's - Sahali	1	
Lorne Street Bottle	1	
Multi-family	1	
City of Kamloops	1	

Grand Total	331	9
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Managing Environmental Impacts

Producer Innovations

Recycle BC works with its steward members to explore ways to reduce the environmental impact of their packaging and paper materials. Because Recycle BC manages the entire recycling system of this material in British Columbia, from collection to processing and sale of material to end markets, it is well positioned to coordinate efforts across the supply chain and foster innovation with its member companies and the processors of collected materials.

Recycle BC has been able to facilitate pilot projects with a number of its members in an effort to expand the range of materials that can be successfully collected and recycled. Much can be done by manufacturers and others in the design and distribution of their packaging and paper products, with efforts that include:

- The use of new technology adhesives that facilitate the removal of labels from containers in the recycling process
- Packaging innovations that reduce food residue on packaging
- Simplification of packaging components to facilitate easier recycling
- Clearer recycling labelling so that consumers understand which materials are and are not recyclable
- Allowing consumers to bring their own refillable containers when purchasing bulk products
- Encouraging consumers to use reusable bags at retailers
- Utilizing stickers, tape or other “paid purchase” identifiers in lieu of plastic bags for large items
- Incorporating up to 100% recycled materials in packaging and paper products, stimulating the market for recycled materials.

Lush, a Recycle BC member, is reducing the environmental impact of its packaging by sourcing 100% recycled plastic from Merlin Plastics for some of its packaging formats. Lush purchases recycled plastic from Merlin for their black sample-sized pots allowing them to be made from plastic sourced from BC residents’ recyclables. Lush is also testing the feasibility of producing their larger, regular-sized pots with the same BC-sourced 100% recycled plastic. To encourage consumers to become part of their closed recycling loop, they also operate a reward system whereby for every five clean black pots returned to their shop, the customer can enjoy a free, fresh facemask.

Ellen McArthur Foundation New Plastics Economy

As more companies commit to reducing the environmental impact of their packaging and paper products, the Ellen McArthur Foundation is working toward the creation of a circular economy at a global level. Recycle BC is a partner in the Foundation’s New Plastics Economy (NPEC) initiative, an ambitious, three-year effort to create a circular economy specifically for plastics. The initiative brings together key stakeholders from around the world to re-think and re-design the future of plastics. In 2017, Recycle BC created a video available [here](#) to raise awareness and understanding of the NPEC. The video features an interview by Managing Director,



Allen Langdon with Michiel De Smet, Project Manager for the New Plastics Economy at the Ellen MacArthur Foundation that details the initiative,

its purpose and its vision for the future of plastics.





On-Street Recycling Pilot Project Update

Not all packaging and paper is disposed of at home and Recycle BC wants to make recycling convenient for BC residents when they are out in their communities. As it is important to minimize contamination that compromises recyclability of collected materials, Recycle BC, in partnership with the City of Vancouver, undertook a nine-month pilot project during 2016 and 2017 to determine the best way to provide streetscape (or on-street recycling) bins to collect packaging and paper outside the home. The full study report can be found [here](#).

The specific objectives of the project were to:

- Increase diversion of solid waste disposed of in public spaces
- Communicate, reinforce and support waste diversion behaviors
- Test opportunities for organics recovery in key locations
- Assess adequacy and effectiveness of communications approaches
- Determine opportunities and challenges with on-street recycling systems to determine the best course of action for future planning

What is a streetscape?

Streetscape venues refer to municipal property that is not industrial, commercial or institutional property and comprises the following:

- Sidewalks which are municipal property, which adjoin buildings in an urban commercial area and which are used for pedestrian traffic;
- Plazas or town squares which are municipal property and which are available to the public; or
- Parks which are municipal property.

How was the Project Implemented?

Metro Vancouver held a design competition in partnership with the Emily Carr University of Art + Design to select the bins that would be used for pilot projects. The bin colours aligned with the colours residents were familiar with for curbside collection containers and multi-family cart decals in the City of Vancouver: yellow for paper and blue for containers. After two smaller tests by Recycle BC in three communities, in August 2016, recycling bins were installed along sidewalks in Vancouver's West End, and at Second Beach in Stanley Park so that residents and visitors could recycle single-use items such as hot and cold beverage cups and plastic or paper fast food packaging. A total of 31 recycling stations were included in the project. At each recycling station, pedestrians found either three or four bins:

- a garbage bin for items that could not be recycled and would be disposed of in a landfill;
- a mixed paper bin to collect materials such as newspapers, flyers, paper bags, and paper take-out containers;
- a bin for recyclable containers such as hot or cold drink cups, plastic take-out containers, as well as other beverage containers; and
- in a few select locations, an organics bin was provided for food scraps, food soiled paper containers and napkins.

The pilot project was supported with a media launch, transit shelter advertising and a Facebook campaign, all targeted at residents in downtown Vancouver.

What did the Pilot Project Tell Us?

The full study results ([available here](#)) indicate that the collection of marketable packaging and paper from streetscape locations can be very challenging due to the highly contaminated nature of this material. These challenges are further exacerbated by increasingly strict end-market specifications. The inability to find end markets for mixed waste material is now a global issue as many recycling programs strive to meet increasingly tighter restrictions such as China's requirement for a contamination level of no more than 0.5%. Recycle BC's Streetscape pilot often resulted in a contamination level of greater than 30%, suggesting that streetscape packaging and paper collection may not be recoverable under current market conditions.

What's Next?

The pilot project recycling stations will be left in place for 2017 and beyond so that residents can continue to recycle in these areas and Recycle BC and the City of Vancouver can continue to collect data. Recycle BC will continue to perform further research through streetscape collection projects to determine if a viable recovery of packaging and paper can occur under the new restricted global marketing conditions.

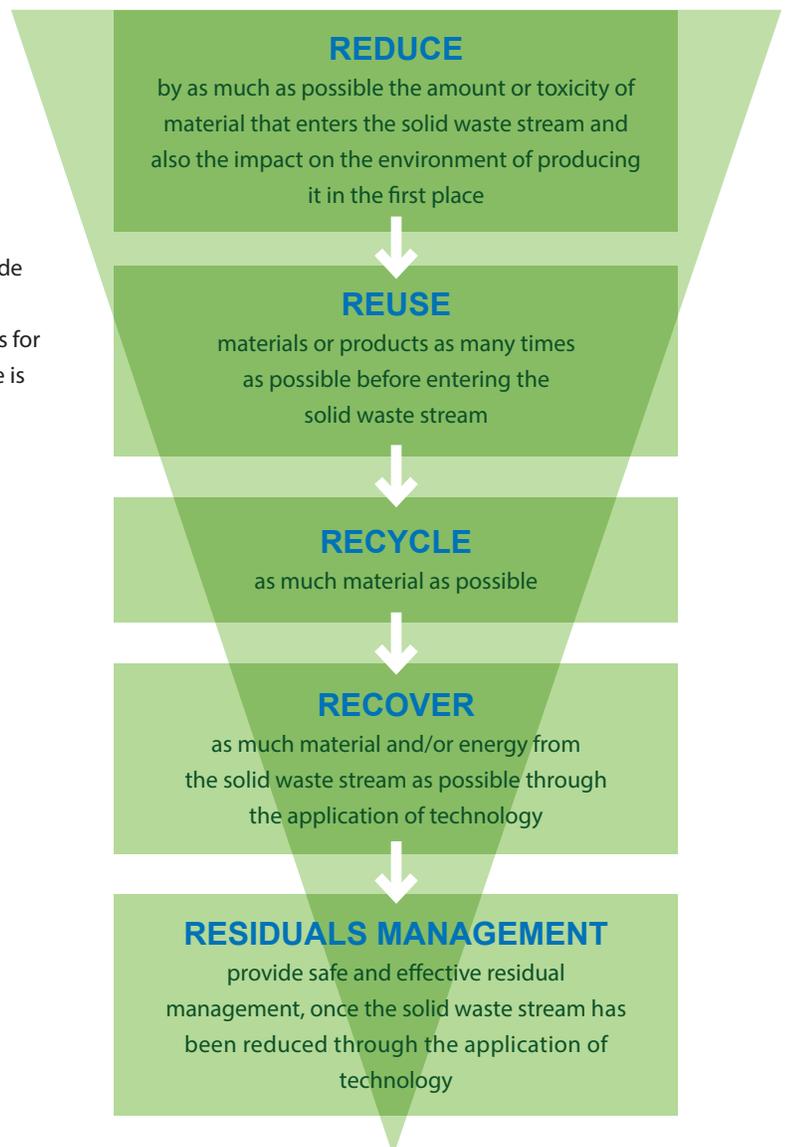
Material Management

Pollution Prevention Hierarchy

Recycle BC's Stewardship Plan includes reference to the pollution prevention hierarchy, which is a tiered approach to the preferred management of waste. It is often simply referred to as "reduce, reuse, recycle, recover". The graphic below provides a visual representation and explanation of Recycle BC's interpretation of the pollution prevention hierarchy.

Recycle BC's involvement in the hierarchy includes:

- Reducing the environmental impact of producing the product: member fees are based on the amount and the kind of packaging they supply to BC residents.
- Recycling the product: fees pay for the collection and recycling of packaging and printed paper in BC.
- Recovery: where recycling options are not available for material placed in a resident's recycling container, provide that material for alternative fuel products.
- Residual Management: material collected from residents for which there is no recycling or recovery options available is sent for disposal



2017 collected material in relation to the pollution prevention hierarchy:

<h1>181,514*</h1> <p>Tonnes of material managed by recycling</p>	<h1>4,647</h1> <p>Tonnes of material managed by recovery <small>(alternative fuel: an engineered material manufactured to specifications)</small></p>	<h1>11,568</h1> <p>Tonnes of material managed by disposal</p>	<h1>92%**</h1> <p>Percentage of collected tonnes managed by recycling</p>
------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------	---------------------------------------------------------------------------

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 197,949 tonnes.

Material supplied, collected and recovery rate:

	2017	2016
Tonnes of Material supplied by members	<h1>234,847</h1>	<h1>238,062</h1>
Tonnes of Material Collected*	<h1>174,942</h1>	<h1>185,477</h1>
Recovery Rate**	<h1>75%</h1>	<h1>78%</h1>

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

**Recycle BC's recovery rate is determined by dividing collected tonnes by steward-reported tonnes and shows a decrease from 2016 due to the exclusion of newspaper for the first time in 2017 and going forward

Recycling End Markets

When selecting end-markets for materials, Recycle BC gives priority to those located in countries that are members of the Organization for Economic Co-operation and Development (OECD). Recycle BC will allow marketing to packaging and paper end-markets located in countries that are not members of OECD only if the end-market meets or exceeds environmental, health and safety standards equivalent to OECD standards.

In 2017, materials were directed to market destinations as follows:

- Plastics – Sold to end-markets in BC (except polystyrene foam to China and Spain)
- Paper/Fibres (including aseptic/polycoat containers) – The majority was sold to end-markets in China, with the rest either remaining in BC or going to end-markets in Indonesia and South Korea
- Glass – Sold to end-markets in BC
- Metals – Largely sold to end-markets in Ontario, with the rest either remaining in BC or going to end markets in the United States



Material Collected by Regional District (2017)

REGIONAL DISTRICT	TONNES	SERVICED POPULATION	KG PER CAPITA (SERVICED)
Alberni-Clayoquot	1,240	30,981	40.0
Bulkley-Nechako	548	35,518	15.4
Capital	20,470	383,291	53.4
Cariboo	1,831	60,459	30.3
Central Coast	66	3,197	20.8
Central Kootenay	748	41,693	17.9
Central Okanagan	11,419	194,882	58.6
Columbia-Shuswap	2,471	51,330	48.1
Comox Valley	2,787	66,527	41.9
Cowichan Valley	5,375	82,092	65.5
East Kootenay	773	44,718	17.3
Fraser Valley	8,955	295,318	30.3
Fraser-Fort George	1,962	85,365	23.0
Kitimat-Stikine	670	34,358	19.5
Kootenay Boundary	833	31,390	26.5
Metro Vancouver	110,486	2,462,550	44.9
Mount Waddington	363	10,909	33.3
Nanaimo	8,339	151,310	55.1
North Okanagan	3,934	84,354	46.6
Northern Rockies	28	5,112	5.5
Okanagan-Similkameen	4,576	82,986	55.1
Peace River	183	62,014	3.0
Powell River	640	19,623	32.6
Skeena-Queen Charlotte	511	13,123	38.9
Squamish-Lillooet	1,878	42,507	44.2
Stikine	-	-	-
Strathcona	1,689	42,093	40.1
Sunshine Coast	1,216	29,649	41.0
Thompson-Nicola	3,959	119,022	33.3
Gross	197,949*	4,566,371	43.3
Less tonnes collected on behalf of other stewardship programs	(23,008)	-	-
Net	174,942	4,566,371	38.3

*Gross tonnes collected by Recycle BC

Program Performance

Year-Over-Year Performance

	2017	2016	YOY VARIANCE %
Gross Collected Tonnes	197,949	n/a	--
Recycled Tonnes	181,514	170,711	6%
Collected Tonnes*	174,942	185,477	(6%)
Recovery Rate*	75%	78%	(4%)
Provincial Recovery Target	75%	75%	0%
Population serviced by PPP Program	4,566,371	4,560,457	0
Recovered KG per Capita *	38.3	40.7	(6%)
Number of Households Serviced (Single-Family & Multi-Family)	1,390,000	1,271,000	9%
Percent of Households with Access to Depots	98%	98%	0%
Number of Stewards	1,142	1,114	3%
Consumer Awareness of Recycle BC Program	38%	16%	138%

*Figures reflect 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	2017 RESULTS	STRATEGIES FOR IMPROVEMENT
1. Annually maintain, at a minimum, the overall provincial collection rate of 208,700 tonnes as assessed during preparation of the report titled Current System for Managing Residential Packaging and Printed Paper (March 2012).	Recycle BC collected 174,942 tonnes of material in 2017, which represents 75% of the tonnes supplied into the residential marketplace by our member-stewards.	Recycle BC continues to add more communities to the program and use promotion and education efforts to improve recycling performance by residents.
2. Recovery/Collection Reporting	<ul style="list-style-type: none"> • Tonnes of packaging and paper collected within each Regional District and kilograms per capita of packaging and paper collected within each Regional District: See summary table "Material Collected by Regional District" at page 22 • Tonnes of packaging and paper recycled and collected: page 23 • Kilograms per capita of packaging and paper recycled and recovered for the province: page 23 • Recovery rate expressed as a percentage for the province: 75% 	Recycle BC continues to add more communities to the program.

PLAN TARGET	2017 RESULTS	STRATEGIES FOR IMPROVEMENT
3a. Annually maintain, at a minimum, single-family and multi-family household service levels, where these households currently receive packaging and paper collection.	968,310 single-family households and 421,646 multi-family households received curbside and multi-family collection services from Recycle BC. The adjusted targets (less local governments that did not participate) are 967,000 single-family households and 420,000 multi-family households.	Household service levels are expected to continue growing with population growth and as more communities and stewards join the program.
3b. Annually provide curbside collection of packaging and paper to the approximately 102,000 households currently receiving garbage collection service.	Recycle BC provided curbside collection of packaging and paper to 38,000 households previously only receiving curbside garbage collection service through both RFPs and service via local governments/First Nations.	Local governments representing the remaining households either: 1. Did not respond by the deadline; 2. Indicated they prefer depot collection; or 3. The bid price received by Recycle BC was higher than Recycle BC's offer.
3c. Annually maintain depot collection of packaging and paper for the approximately 165,000 single-family households and the approximately 91,000 multi-family households without collection services.	Recycle BC added 7 new depot sites and closed 5 sites in 2017, for a net increase of 2 sites. Collectively, the 201 depots serve in total close to 456,192* households to which Recycle BC does not provide single-family or multi-family curbside collection services.	Recycle BC will add more depots as more stewards join the program.
3d. Annually provide depot collection of packaging and paper for the approximately 17,000 multi-family households currently without depot collection service.	Recycle BC added 7 new depot sites and closed 5 sites in 2017, for a net increase of 2 depot sites. Collectively, the 201 depots serve in total close to 456,192* households to which Recycle BC does not provide single-family or multi-family curbside collection services.	Recycle BC plans to add additional depots in 2018.
3e. Implement streetscape collection services.	Recycle BC undertook a streetscape pilot in the City of Vancouver for nine months between 2016 and 2017 to better understand residents' streetscape recycling behaviour.	Nine-month pilot project launched in 2016 with composition audits in 2016 and 2017. Insights received on resident behavior and how the bins performed. Study results can be found here .
4. Single-family and multi-family households receiving household collection services, and number and location of depots accepting packaging and paper.	968,310 single-family households and 421,646 multi-family households received curbside or multi-family collection services from Recycle BC. 201 depots accepted packaging and paper.	

*Based on estimated households covered using depot-based accessibility standards less curbside and multi-family households under contract.

PLAN TARGET	2017 RESULTS	STRATEGIES FOR IMPROVEMENT
5. Establish a resident awareness benchmark.	Recycle BC carried out consumer research in June 2017 to continue to inform promotion and education strategies, and resident awareness of the program.	Launch of new Recycle BC brand allows Recycle BC to better connect with residents on correct recycling behaviours. Brand awareness research indicated an increase of brand awareness from 16% in 2016 to 38% in 2017.
6. Consumer awareness reporting.	<p>Percentage of residents aware of packaging and paper stewardship program:</p> <ul style="list-style-type: none"> In 2017, 99% of people were aware of the availability of packaging and printed paper recycling and claim to recycle. <p>Percentage of residents reporting use of available collection services:</p> <ul style="list-style-type: none"> 74% make an effort to recycle, and 25% recycle only if it is convenient. <p>Visits to the 'resident' section of the Recycle BC website:</p> <ul style="list-style-type: none"> In 2017, 347,162 residents visited the website, resulting in 781,235 total page views. 	Recycle BC re-brand is increasing consumer engagement with the organization given the dramatic increase in website visits and total page views between 2016 and 2017.
7a. Target packaging and paper for which recycling end-markets exist for collection.	Recycle BC uses promotion and education materials to highlight for residents those packaging and paper materials for which sustainable and/or commercially viable recycling end-markets exist. In 2017, Recycle BC undertook the work necessary to pilot a new material collection category in 2018 - other flexible plastic packaging - shifting this current unrecyclable material up from disposal to recovery through an R&D recycling project.	Recycle BC will continue to provide promotion and education materials to educate residents on the materials accepted in its program.
7b. Direct 85% to 90% of collected packaging and paper to recycling commodity markets.	In 2017, 181,514 tonnes of Recycle BC's material were shipped to recycling end markets while 197,949 gross tonnes were collected (92%).	
8. Pollution Prevention Hierarchy Reporting.	<ul style="list-style-type: none"> Tonnes of material managed by recycling: 181,514 Tonnes of material managed by recovery (alternative fuel: an engineered material manufactured to specifications): 4,647 Tonnes of material managed by disposal: 11,568 Examples of environmental impact measures to characterize actions intended to reduce the environmental impacts of packaging and paper by producers, members of Recycle BC, and by Recycle BC 	
9. Conduct research and develop a data tracking and modeling system for greenhouse gas emissions (GHG).	Recycle BC is responsible for completing its research and development of a data tracking and modeling system for greenhouse gas emissions by the end of 2016.	Recycle BC undertook research on greenhouse gas emission reporting in 2016. Full data tracking system functional by 2019.
10. Other reporting metric: program cost.	<ul style="list-style-type: none"> Total program cost (net) per tonne recovered: \$414.00 Total program cost per household (single-family and multi-family only): \$39.00 	

**Additional Information and
Third Party Assurance**

Operational Effectiveness Indicators:

KG per capita of material recycled for the province:..... 39.8

Operational Efficiency Indicators:

Total program cost (net) per tonne recovered\$414.00

Total program cost per household \$39.00



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 are comprised of the following disclosures within Recycle BC's Annual Report to the Ministry of the Environment for the year ended December 31, 2017:

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

RESPONSIBILITIES

In Appendix A MMBC has provided an assertion about the preparation and fair presentation of the Recycling Program in accordance with the evaluation criteria in Appendix B. Management is also responsible for such internal control as management determines necessary to enable the preparation of the Recycling Program such that it is free from material misstatement. Furthermore, management is responsible for preparation of suitable evaluation criteria in accordance with the Guide to Third Party Assurance for Non-Financial Information in Annual Reports - 2017 Reporting Year, dated October 2017 ("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, 2017 presents fairly, in accordance with the evaluation criteria presented in Appendix B, in all material respects:

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

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

Chartered Professional Accountants

Toronto, Ontario
June 29, 2018

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 the Environment for the year ended December 31, 2017:

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

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

- (a) the description fairly represents the Recycling Program in accordance with the evaluation criteria in Appendix B.
- (b) we are responsible for implementing internal controls necessary to enable the preparation of the Recycling Program such that it is free from material misstatement.
- (c) We are responsible for preparation of suitable evaluation criteria in accordance with the Guide to Third Party Assurance for Non-Financial Information in Annual Reports - 2016 Reporting Year, dated March 2017 ("Assurance Requirements") as specified under Section 8(2)(h) of the Recycling Regulation of the Province of British Columbia.



Kathleen Kennedy, Chief Financial Officer
Canadian Stewardship Services Alliance Inc.
June 29, 2018



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 331 collection facilities comprised of 201 depots, 80 curbside and 50 multi-family location facilities.	Pages 13 through 17

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: 181,514 Tonnes of material managed by recovery (alternative fuel: an engineered material manufactured to specifications): 4,647 Tonnes of material managed by disposal: 11,568 Percentage of collected tonnes managed by recycling: 92%	Page 21

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, alternative fuel, 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>2017 Operating Year (Reflecting 12 months):</u> Amount of product sold (supplied by MMBC stewards)(te): 234,847 Amount of product collected (not inc. tonnes collected by Recycle BC on behalf of other stewardship programs (te): 174,942 Recovery rate: 75%.	Page 21

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
<p>Performance Against Stewardship Plan Targets, Plan Target 1:</p> <p>Annually maintain, at a minimum, the overall provincial collection rate of 208,700 tonnes as assessed during preparation of the report titled Current System for Managing Residential Packaging and Printed Paper (March 2012).</p>	<p>Recycle BC collected 174,942 tonnes of material in 2017, which represents 75% of the tonnes supplied into the residential marketplace by our member-stewards.</p>	<p>Page 23</p>
<p>Performance Against Stewardship Plan Targets, Plan Target 3a:</p> <p>Annually maintain, at a minimum, single-family and multi-family household service levels, where these households currently receive PPP collection.</p>	<p>968,310 single-family households and 421,646 multi-family households received curbside and multi-family collection services from Recycle BC. The adjusted targets (less local governments that did not participate) are 967,000 single-family households and 420,000 multi-family households.</p>	<p>Page 24</p>
<p>Performance Against Stewardship Plan Targets, Plan Target 3b:</p> <p>Annually provide curbside collection of PPP to the approximately 102,000 households currently only receiving garbage collection service.</p>	<p>Recycle BC provided curbside collection of PPP to 38,000 households previously only receiving curbside garbage collection service through both RFPs and service via local governments/First Nations.</p>	<p>Page 24</p>
<p>Performance Against Stewardship Plan Targets, Plan Target 3c:</p> <p>Annually maintain depot collection of PPP for the approximately 165,000 single-family households and the approximately 91,000 multi-family households without collection services.</p>	<p>Recycle BC added 7 new depot sites and closed 5 sites in 2017, for a net addition of 2 sites. Collectively, the 201 depots serve in total 456,192 households to which Recycle BC does not provide single-family or multi-family curbside collection services.</p>	<p>Page 24</p>
<p>Performance Against Stewardship Plan Targets, Plan Target 3d:</p> <p>Annually provide depot collection of PPP for the approximately 17,000 multi-family households currently without depot collection services.</p>	<p>Recycle BC added 7 new depot sites and closed 5 sites in 2017, for a net addition of 2 sites. Collectively, the 201 depots serve in total 456,192 households to which Recycle BC does not provide single-family or multi-family curbside collection services.</p>	<p>Page 24</p>

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; and
- The performance of the targets are supportable by independent evidence.



Financial Performance

In 2017, Recycle BC incurred \$72.5 million in net operating expenses to manage 174,942 tonnes of packaging and paper material. Material management, which includes the cost to collect and process materials, net of commodity revenues, accounted for 85% of annual expenses. The remainder of Recycle BC's operating expenses were used to support program management and the delivery of promotion and education materials.

The total cost per tonne to deliver services increased slightly in 2017 to \$414.00 due primarily to a small increase in households being served by Recycle BC.

Recycle BC maintained a strong financial position in 2017, supporting growth with onboarding more interested communities. While the impact of dynamic end-markets and reduced commodity prices began to be seen later in the year, operating reserves are in place to meet Recycle BC's cash flow requirements and ensure sufficient funds are always available to pay the hundreds of local governments, small businesses and other private operators who rely on us for regular and prompt payment for their services.



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Independent Auditor's Report

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

We have audited the accompanying financial statements of MMBC Recycling Inc. (O/A Recycle BC), which comprise the balance sheet as at December 31, 2017, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of MMBC Recycling Inc. (O/A Recycle BC) as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

March 28, 2018
Toronto, Ontario

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

December 31 **2017** **2016**

Assets

Current

Cash	\$ 69,616,259	\$ 57,938,814
Accounts and other receivables (Note 2)	7,015,437	6,416,416
Due from related party (Note 3)	10,334	-
Prepaid expenses	76,065	80,785

76,718,095 **64,436,015**

Capital assets (Note 4)

26,666 **26,306**

\$ 76,744,761 **\$ 64,462,321**

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 11,570,907	\$ 7,097,688
Deferred revenue (Note 5)	1,304,000	5,000,000
Due to related party (Note 6)	578,603	725,097

13,453,510 **12,822,785**

Net Assets

Invested in capital assets	26,666	26,306
Unrestricted	18,264,585	11,613,230
Internally restricted (Note 7)	45,000,000	40,000,000

63,291,251 **51,639,536**

\$ 76,744,761 **\$ 64,462,321**

On behalf of the Board:



Director



Director

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

For the year ended December 31, 2017

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

For the year ended December 31, 2016

	Invested in Capital Assets	Unrestricted	Internally Restricted	Total
Balance, beginning of year	\$ 26,270	\$ 1,398,316	\$ 40,000,000	\$ 41,424,586
Excess (deficiency) of revenue over expenses for the year	(9,542)	10,224,492	-	10,214,950
Investment in capital assets	9,578	(9,578)	-	-
Balance, end of year	\$ 26,306	\$ 11,613,230	\$ 40,000,000	\$ 51,639,536

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	2017	2016
Revenue		
Fee revenue	\$ 83,398,409	\$ 83,648,174
Investment income	766,465	398,503
	84,164,874	84,046,677
Expenses		
Material management costs (Note 5 and 8)	61,346,863	63,012,718
Program management (Note 6)	9,173,000	9,137,457
Promotion and education	1,824,395	1,467,374
Research and program development	168,901	214,178
	72,513,159	73,831,727
Excess of revenue over expenses for the year	\$ 11,651,715	\$ 10,214,950

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

For the year ended December 31	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 11,651,715	\$ 10,214,950
Adjustments to reconcile excess of revenue over expenses for the year to cash provided by operating activities		
Amortization of capital assets	12,524	9,542
Changes in non-cash working capital balances:		
Accounts and other receivables	(599,021)	(1,488,097)
Prepaid expenses	4,720	(8,951)
Accounts payable and accrued liabilities	4,473,219	451,048
Deferred revenue	(3,696,000)	5,000,000
Due to / from related parties	(156,828)	57,944
	11,690,329	14,236,436
Investing activities		
Purchase of capital assets	(12,884)	(9,578)
Increase in cash during the year	11,677,445	14,226,858
Cash, beginning of year	57,938,814	43,711,956
Cash, end of year	\$ 69,616,259	\$ 57,938,814

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

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

December 31, 2017

1. Significant Accounting Policies

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

(a) Business Organization and Operations

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

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

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

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

(b) Basis of Accounting

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

(c) Revenue Recognition

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

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

(d) Financial Instruments

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

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

December 31, 2017

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

	2017	2016
Fee revenue	\$ 4,317,935	\$ 1,432,159
Outstanding credits for indexed value of commodities processed, net	1,340,288	3,139,182
Other	1,506,606	1,900,419
Allowance for doubtful accounts	(149,392)	(55,344)
	\$ 7,015,437	\$ 6,416,416

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

December 31, 2017

3. Due from Related Party

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

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

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 16,726	\$ 4,456	\$ 9,578	\$ 786
Furniture and fixtures	49,519	35,123	43,784	26,270
	66,245	39,579	53,362	27,056
		\$ 26,666		\$ 26,306

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. In 2017, \$3,696,000 of these funds were taken into income and offset against the costs of collecting and processing newspaper print in the material management costs expense.

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

December 31, 2017

6. Due to Related Party

Effective June 2013, the Organization entered into a 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 \$6,373,160 (2016 - \$6,373,160) were paid to CSSA pursuant to this contract, which includes reimbursement of costs paid by CSSA on behalf of the Organization, and \$204,980 (2016 - \$nil) was paid to CSSA for shared management costs. These costs are included in program management expenses.

The Organization's board of directors consists of 50% (2016 - 67%) 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 an additional \$5,000,000 (2016 - \$nil) 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:

2018	\$ 48,100
2019	<u>8,000</u>
	<u>\$ 56,100</u>





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