



2021-22 Annual Report

**25 Years of Guiding our
Province to a Greener Future**

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Message from the Chair



On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present the Annual Report for the 2021-22 fiscal period. The report was prepared in accordance with the **Transparency and Accountability Act** as a Category One entity. This report evaluates MMSB's performance from April 1, 2021 to March 31, 2022, during the second year of its 2020-23 strategic plan.

This fiscal year is extra special for MMSB, as we celebrate 25 years of guiding the province to a greener future. Over the last 25 years, we have worked hard as an organization to advance sustainable waste management in this province – but we have not done it alone. We are fortunate to be surrounded by many dedicated stakeholders who understand how important it is to reduce our footprint and protect our environment. I want to thank all of our partners - from communities to regional waste management authorities to local businesses and organizations - for their hard work and vision.

This year was about celebrating where we came from, but also creating a vision for where we are going. Like so many other organizations, MMSB was greatly impacted by the pandemic the past two years. Together with our partners we faced many challenges – lower diversion rates, increased use of disposable items and staffing challenges to name a few. Last fiscal year we spent time processing changes, building resiliency in our team and programs and setting the path forward, and as you review this annual report you will see that our planning helped us make real progress towards our strategic goals. I am so proud of how our team at MMSB and the residents of this province managed to pivot and find our way in this new normal.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2021-22 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Dermot Flynn", written over a horizontal line.

Dermot Flynn, Chair

Overview

The Multi-Materials Stewardship Board (MMSB) is a Crown agency of the Government of Newfoundland and Labrador that reports to the Minister of Environment and Climate Change (ECC). Established in 1996, MMSB supports and promotes sustainable waste management on a province-wide basis through the development and implementation of waste diversion programs and public education, in accordance with provincial legislation.

The delivery of this mandate is achieved through collaboration with ECC, Digital Government and Service NL, third-party contracted service providers such as Green Depot operators, as well as with stakeholders such as regional waste management authorities, municipalities and environmental industry associations. Information on MMSB's mandate, vision and lines of business can be found online at www.mmsb.nl.ca.

Governance

MMSB is governed by a Board of Directors appointed by the Lieutenant Governor in Council. The Board is comprised of representatives from stakeholder groups, as well as members at-large (Appendix A).

The day-to-day work of MMSB is carried out by management and staff employed by the Board under the direction of a Chief Executive Officer (CEO). MMSB's current corporate structure consists of a head office located in St. John's with 17 professional and administrative employees and a field office located in Mount Pearl with two employees.

Operations and Finance

As a self-financed Crown Agency, MMSB does not receive funding from the Government of Newfoundland and Labrador. In accordance with provincial legislation, its revenues are derived from deposits applied on the sale of ready-to-serve beverage containers, environmental fees applied on the sale of new highway tires and from the sale of recyclable materials collected through diversion programs.

MMSB's operating revenue in 2021-22 was approximately \$32.3 million. Operating expenditures were approximately \$30.7 million, with \$480,000 allocated to the Waste Management Trust Fund, which supports the implementation of the Provincial Solid Waste Management Strategy.

Total committed assets in the Trust Fund as of March 31, 2022 are \$1,099,893.

2021-22 Highlights and Partnerships

New Record High Recovery Rate for Beverage Container Recycling

The Green Depot Network and residents of the province supported MMSB in hitting one of its most significant milestones ever – recycling over 215 million beverage containers – a new record. Residents in the province recycled over 30 million more containers this fiscal year than the previous.

Celebrating 25 Years of Guiding the Province to a Greener Future

MMSB celebrated its 25th Anniversary by launching a full year of activities and initiatives. One notable initiative was the development of a historical timeline to highlight the many partnerships and initiatives that have supported MMSB in fulfilling its mandate. MMSB also introduced a new social media campaign to highlight champions throughout the province that are helping establish a greener future.

Helping Cleanup Communities for Come Home 2022

MMSB supported Come Home 2022 with a new Community Cleanup Project to support the cleanup of litter and improperly disposed of bulk items throughout the province. Over \$530,000 in funding was awarded to 261 projects led by municipalities, local service

districts, Indigenous Governments and non-profit/community organizations.

New Spotlight Series Introduced as Educational Opportunity

MMSB hosted its first ever Spotlight Series event in March 2022, a new initiative in which partners and other stakeholders are engaged to raise awareness and provide education on key topics regarding sustainable waste management. The first Spotlight Series focused on the recycling continuum in Newfoundland and Labrador and featured presentations from end markets and/or service providers Scotia Recycling, Hebert's Recycling, Novelis and Evergreen Recycling. The event was well received, with approximately 100 participants attending.

MMSB Hosts Province's First Litter Summit

On January 20, 2022, MMSB held its first Litter Summit. The event brought over 80 communities, Government representatives and non-profit organizations together to learn about the results of MMSB's Roadside Litter Audit and discuss the action areas identified in the report. The session also featured a variety of speakers that discussed prevention, reduction and management of litter.

Report on Performance

The 2021-22 fiscal year marks the second year of MMSB’s 2020-23 strategic plan. In consideration of Government’s strategic directions and MMSB’s mandate and financial resources, the following areas have been identified as key strategic priorities for MMSB over these three years:

- 1. Sustainable Waste Management
- 2. Shared Responsibility and Partnerships
- 3. Knowledge and Information

The goals identified for each strategic priority reflect the results expected in the three-year timeframe. Annual objectives have been identified to help achieve the identified goals. The following section reports on the objectives and indicators for the 2021-22 fiscal year, as well as identifying the objectives and indicators for the next fiscal year.

Priority 1: Sustainable Waste Management

MMSB manages, administers and oversees provincial waste diversion programs and services in accordance with Government direction as prescribed in the **Waste Management Regulations**. Waste diversion programs provided by MMSB include the Used Beverage Container Recycling Program and the Used Tire Management Program. MMSB also oversees extended producer responsibility (EPR) waste diversion programs for paint, electronic waste and used oil and glycol to ensure approved timelines, operational requirements and outlined diversion targets are met. MMSB is committed to supporting the continuous improvement of all waste diversion programs, while expanding public engagement and program communications to recover all designated materials at their end-of-life.

2020-23 Goal

By March 31, 2023, MMSB will have improved program performance of designated material types determined by the Minister, ensuring they are managed at their end of life in a manner that ensures a clean and healthy environment.

2021-22 Objective

By March 31, 2022, MMSB will have advanced implementation of initiatives to improve program performance for material types designated under the **Waste Management Regulations**.

2021-22 Indicators and Performance

Indicator 1: Improved operational and administrative processes.

- Completed an electronic workflow project that automates and streamlines accounts payable and expense claim processes, effectively eliminating historical paper flows.
- Initiated a project to replace outdated server infrastructure for the Used Beverage Recycling Program Container with modern hardware and cloud hosted services.
- Completed an independent third-party verification of the authenticity and quality of information technology (IT) source materials ensuring continued updates to the Green Depot Management Information System software are being deposited in Escrow.
- Initiated a review to align Information Management best practices with the use of information technology.
- Continued to monitor and improve IT security by leveraging assessments that provide an overview of operational resilience and cyber security posture against comparative results of other peer entities and through the evaluation and acquisition of a unified endpoint management solution for corporate desktop and mobile IT assets.
- Implemented a new online tire portal that allows service providers to capture tire collection and transportation data providing more timely information and the elimination of paper collection forms and invoices.
- Adopted an automated tool to compute annual handling fee payments owing to regional authorities for deposit bearing beverage containers and fluid milk packaging contained in blue bag recycling, as a result of a third-party statistical review.
- Purchased new computer equipment upgrades for Green Depots totalling \$20,000. These upgrades allow for faster shipping and reduced downtime.
- Enhanced the Green Depot Information Management System to improve security and management capabilities to support the stewardship of customer material and accounts. These enhancements flag potential irregularities and points of interest through a series of reports and automated emails sent directly to a depot's management team.
- Oversaw the development and delivery of training for MMSB's audit committee to support its oversight responsibilities. Topics included the role of an audit committee in a Crown agency, an effective challenge function, best practices in assessing committee performance, and the committee's role in risk management.
- Engaged a LEAN consultant to review financial processes for efficiencies, perform a gap analysis and controls assessment, and identify opportunities for

improvement and an implementation roadmap.

Indicator 2: Advanced diversion action items and opportunities.

- Issued a Request for Proposals for Used Tire Management Services. A new contract to provide a long-term solution will be secured early in 2022-23 and will eliminate the need to export tires.
- Created new social media and video assets for Green Depots to educate customers on properly preparing containers and what's accepted.
- Continued work with the four Atlantic provinces and Product Care Recycling towards completion of a consumer research project on volumes of waste paint available to be collected and recycled in each of the provinces. The completed report is expected in early 2022-23 which will identify action areas for improvement in diversion rates of this material type.
- Performed annual inspections at the 54 Green Depots across the province for compliance to over 75 requirements outlined under the licensing standards. Infractions can result from a number of factors such as staff turnover, communication practices or aging infrastructure. During 2021-22, 81 infractions were discovered, an improvement from the 88 found during the previous fiscal year. Infractions centred primarily around updating signage, managing voicemail, and filling of

bulk containers. Of the 81 infractions identified, all but seven have been resolved.

- Xpress and drop-off service reached a combined total of 57 per cent of all materials being returned to Green Depots. Over 12,000 new Xpress accounts were also created, resulting in additional customers experiencing the convenience of drop and go.
- Transported over 192,000 bulk containers holding an average of 1,075 units from Green Depots to the Used Beverage Container Recycling Program processing facility. Approximately 6,500 of these bulk containers were inspected by quality assurance staff for count accuracy, contamination, mis-sorts, and rejects, which can result in financial penalties to Green Depots. There were only seven instances where the depot's count was above the two percent allowable tolerance, an improvement from nine the previous year.

Indicator 3: Strengthened engagement and public education for diversion programs.

- Held an in-person Green Depot Professional Development Session in November 2021, attended by 21 operators representing 28 depots and 10 sub depots. The session provided education on valuable topics such as human resources and modern banking practices, and was an opportunity for depot operators to share common concerns and

challenges which lead to improved operations.

- Created a new video in partnership with Hebert's Recycling, the service provider for transportation and processing for the Used Beverage Containers Recycling Program, to create transparency around the recycling process and what becomes of containers. The video has received over 30,000 views and was also placed on the Green Depot website.
- Highlighted Green Depots that have adopted a social enterprise model through a new video in an effort to increase awareness about the important role these organizations play in employing vulnerable populations throughout the province.
- Continued to use Green Depot Facebook and Instagram pages as tools for promoting recycling and customer related information. Advertisements over these channels received over 3.1 million user impressions and reached approximately 189,000 users.
- Continued to see high traffic on the Green Depot website with over 106,000 visitors this fiscal year. This represents approximately a 33 per cent reduction in traffic from last year, which was expected as COVID-related announcements being posted to the website have decreased.
- Connected with over 60,000 Xpress Green Depot customers through email marketing. Additionally, utilized email marketing to share region specific customer information.

- Enhanced Green Depot Holiday Campaign to include new television and radio commercials promoting recycling and encouraging customers to recycle their eggnog containers at the Green Depot.
- Further built on public education content for the Used Tire Management Program with the addition of new radio and television assets to compliment digital marketing plans. Digital campaign materials resulted in significant engagement, with the social media ads reaching over 141,500 users; Google Display ads receiving over 2.7 million impressions; and the tire page received 18,345 pageviews. Tires also ranked as the top searched item on Rethinkwastenl.ca.

Indicator 4: Continued to support program recovery.

- The recovery rate for the Used Beverage Container Recycling Program was 71.12 per cent, a 9.7 point increase from the previous year. Over 215 million beverage containers were collected in total:
 - Over 207 million collected by Green Depots, a 16.5 per cent increase from 2020-21.
 - Over 8.6 million were managed by regional authorities through curbside programs, an increase of 24 per cent from 2020-21, amounting to over \$400,000 in handling fee payments.
- Continued to offer the Get Matched! School Recycling Program, however, participation remained low due to

recycling efforts being discontinued due to COVID-19. The school program collected approximately 2.6 million units, resulting in \$135,000 in matched funds being contributed to schools.

- Collected and diverted approximately 432,000 used tires from landfills. Collections were down from the previous fiscal, however, the four-year rolling average for tire collections has met the goal of 75 per cent recovery rate. The four-year average is used as unit sales and recovery do not correlate in a given year, as the end of the useful life for tires is extended due to seasonal changeovers.
- Provided COVID-19 financial support to Green Depots in the amount of \$35,708, assisting with interrupted operations during another year of the pandemic.
- Continued to provide oversight of existing EPR programs for waste paint, electronic waste and used oil/glycol to ensure compliance. The following are results for the 2021 calendar year, as reported in each programs' annual reports:
 - Product Care Recycling: Recovered 143,986 litres of waste paint, a four per cent increase from the previous year. Waste paint was collected at 53 drop-off locations/events and according to industry is still being impacted by the pandemic.
 - Electronic Products Recycling Association: Collected 707 metric tonnes of electronics, an 11 per cent increase from the previous year. Electronics were collected from 71 drop-off locations and collection events.
 - Canadian Wireless Telecommunications Association: Collected 4,156 cellular phones from 115 drop off locations, a 43 per cent increase from the previous year.
 - Bell Aliant: 45,641 set-top boxes were collected through the lease/return program, an increase of nine per cent from the previous year.
 - Used Oil Management Association (UOMA): As outlined in the **Used Oil and Used Glycol Control Regulations**, during the second year of operations, the legislated objectives strive for collection rates of 50 percent of used oil and 25 percent of both used oil filters and oil containers. UOMA has exceeded those targets with collections of 80 percent of available used oil, 56.5 percent of used oil filters, and 39.5 percent of oil containers.
- Approved one infrastructure loan in 2021-22 in the amount of \$15,000 to complete upgrades in compliance with program standards.

Discussion of Results

MMSB is pleased with the progress made towards the three-year goal and its 2021-22 objective. MMSB continued to improve processes and communication that support the modernization and advancement of diversion programs. Despite setbacks from the pandemic, diversion programs are stabilizing and gaining new ground. In fact, the Used Beverage Container Recycling Program not only rebounded, but also exceeded its recovery goals as residents in the province recycled a record number of beverage containers.

2022-23 Objective

By March 31, 2023, MMSB will have further advanced implementation of initiatives to improve program performance for material types designated under the **Waste Management Regulations**.

Indicators for this objective include:

1. Continued to enhance operational and administrative processes and initiatives.
2. Developed diversion action items and identified new opportunities.
3. Continued to build public education resources and strengthen engagement in diversion programs.
4. Supported growth and maintenance of recovery within diversion programs.

Priority 2: Shared Responsibility and Partnerships

Residents, communities, schools, industries, regional waste management authorities and Government all share responsibilities in advancing sustainable waste management practices in Newfoundland and Labrador. Accordingly, MMSB works collaboratively with these stakeholders to effectively manage solid waste and ensure a cleaner and healthier environment. This work involves proactive and harmonized communications with stakeholders: advancing of industry led programs for end-of-life materials; waste diversion policy legislation and program development; providing strategic counsel and support to help with the implementation of community support, regional, provincial, and national goals; and ensuring stakeholders work together to make decisions that deliver enhanced and sustainable solid waste management services and programs for Newfoundlanders and Labradorians.

2020-23 Goal

By March 31, 2023, MMSB will have advanced sustainable waste management through sound stakeholder engagement.

2021-22 Objective

By March 31, 2022, MMSB will have advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management practices.

2021-22 Indicators and Performance

Indicator 1: Implemented opportunities for new sustainable waste management practices to increase stakeholder participation.

- Continued engagement activities with the Harris Centre under a two-year partnership agreement, initiated in 2020-21, for \$250,000. As part of the partnership, a report was completed on Organic Waste Management in Newfoundland and Labrador.
- Expanded the Recycle at School Program to 45 new schools in the Western region to help them navigate the Western Regional Waste Management's mandatory recycling program. MMSB also partnered with the Newfoundland and Labrador English School District to provide educational resources to participating schools, including colour-coded recycling bins, signage, posters and instructional video. With this latest expansion, 89 schools in the province are now using the program.
- Consulted with more than 15 businesses, municipalities, and organizations to provide information and advice about sustainable waste management practices.
- Provided \$76,940 to 11 communities through its Community Waste Diversion Fund (CWDF), which supports initiatives that identify new

or enhance existing opportunities to divert waste from landfills.

- Provided \$98,919 in funding to seven organizations through its Solid Waste Management Innovation Fund (SWMIF), which supports businesses and organizations in the development of new or improved technologies, products, services or processes that advance solid waste management.
- Committed \$156,200 in funding to Econext for a two-year pilot project to secure a Business Development Officer who will be dedicated to identifying and facilitating the development of collaborative projects between business, academia, government, and community that can result in creating value from waste.

Indicator 2: Worked with provincial and jurisdictional partners to advance and support waste management policy.

- Worked with Western Regional Waste Management on the development of a Waste Hauler Training Pilot Program. The program will include a one-hour training session to educate waste haulers about the actions they can take to improve the quality of curbside collection. The training will equip waste haulers with information on proper processes, contamination awareness, customer service and the

environmental importance of recycling.

- Partnered with 16 communities to distribute 1,000 backyard compost tumblers to residents at a reduced cost. MMSB also provided education and support for participating communities to support the education of residents in backyard composting best practices.
- Held virtual regional waste management forums in May 2021 and March 2022. Representatives from nine waste management regions, as well as Government departments and agencies attended. The forums provided attendees an opportunity to share key insights and best practices in advancing modern waste management.
- Continued with participation in meetings with the Atlantic Harmonization Group to discuss Atlantic Canada priorities for waste and the development, oversight and harmonization of related regulations.
- Represented Newfoundland and Labrador on the Canadian Council of Ministers of the Environment's (CCME) Waste Resource and Recovery Committee. The committee has prepared a Guidance Document to Facilitate Consistent Extended Producer Responsibility Policies and Programs for Plastics which has been sent to the Environmental Planning and Protection Committee (EPPC) for approval to publish.
- Continued participation on the project team for the development of the single-use and disposable plastics (SUDP) roadmap, an action

from Phase 1 of Canada's Zero Plastic Waste Action Plan. The roadmap has neared completion and captures jurisdictional instruments in place for managing priority SUDP items and will be submitted for EPPC approval in Spring 2022.

- Continued with participation in meetings with the Atlantic Harmonization Group to discuss Atlantic Canada priorities for waste and the development, oversight and harmonization of related regulations.

Indicator 3: Continued research and consultations for the introduction of an industry led program for packaging and paper products (PPP).

- Received approval from the Government of Newfoundland and Labrador to begin the consultation process for an extended producer responsibility program for PPP. The first stage of consultation began in January 2022 with one-on-one meetings with impacted stakeholders in the province. Planning was also initiated for a one-day stakeholder consultation session early in the new fiscal year.
- Completed a third party consultant review of municipal blue bag collection costs for each of the three regional service boards which will inform stakeholder consultations during the preparation of the framework on an industry led program for PPP.

Indicator 4: Worked with stakeholders to advance public education plans.

- Held a workshop with municipalities and regional service boards to introduce a partnership opportunity and gather information on educational challenges and priorities during the development of a blue bag curbside recycling campaign. Building off this meeting, MMSB created a regional committee to advise on the new blue bag campaign assets to ensure they are relevant and meaningful to residents throughout the province.
- Revamped the marketing strategy for SWMIF and CWDF to stimulate submissions for funding and increase page visits. Utilizing Twitter ads as a new tool for promotion was successful, resulting in over 14,500 impressions. The combined social media campaign, which included Twitter, Instagram, Facebook and LinkedIn resulted in 1,924 page visits, compared to 1,500 the previous year.
- Introduced a new video to highlight SWMIF recipient Avalon Mall as a means to recognize the innovations introduced at the facility to better manage waste, promote applications to the fund and to inspire other businesses to make more sustainable choices.
- Updated an anti-litter video completed in partnership with the Royal Newfoundland Constabulary for television use.
- Supported the deployment of over 40 Joracan NE104 composting tumblers. To provide support to recipients, facilitated an information sharing session in partnership with the manufacturer to promote best practices and answer questions.

Discussion of Results

MMSB continued to make progress towards its second priority goal through the achievement of its 2021-22 objective. MMSB understands and respects the important role its stakeholders play in progressing the Provincial Waste Management Strategy. This fiscal year, MMSB looked at new opportunities to engage stakeholders locally and nationally and continued to nourish partnerships through its funding programs that will help advance sustainable waste management in this province. This fiscal year marked the beginning of an exciting opportunity for MMSB to engage stakeholders further with the start of the consultation process for an industry led program for PPP.

2022-23 Objective

By March 31, 2023, MMSB will have further advanced implementation of initiatives to enhance stakeholder participation in sustainable waste management practices.

Indicators for this objective include:

1. Supported stakeholder plans and initiatives to improve sustainable waste management practices.
2. Continued work with provincial and jurisdictional partners to support waste management policies and practices.
3. Engaged stakeholders in consultation process to inform upon a new framework for an industry led program for PPP.
4. Fostered opportunities with stakeholders to advance public education and communication initiatives.

Priority 3: Knowledge and Information

Strong awareness and support are critical to program achievements. MMSB continuously strives to advance sustainable waste management practices with a focus on increasing waste reduction and diversion. In order to advise on the development and enhancement of programs, services and resources, MMSB must have a robust understanding of waste generation, composition, reduction, disposal and diversion data. Newfoundlanders and Labradorians also need to be knowledgeable about sustainable waste management practices. Accessible information is key to influencing public attitude and behaviour and achieving modern waste management goals.

2020-23 Goal

By March 31, 2023, MMSB will have increased knowledge and awareness of sustainable waste management practices and programs.

2021-22 Objective

By March 31, 2022, MMSB will have advanced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.

2021-22 Indicators and Performance

Indicator 1: Continued research and data collection on provincial and regional programs.

- Conducted a province-wide litter audit between June 17 and July 21, 2021, to assess the abundance and composition of litter in Newfoundland and Labrador. MMSB has committed to completing a roadside litter audit every five years to allow the benchmarking of results and to monitor potential progress. During the audit, 231 sites were assessed; 20 sites each within 11 communities and 11 sites located along the Trans Canada Highway. With the data collected, MMSB created a report that highlighted key findings, observations and recommendations which was mobilized to key stakeholders prior to hosting a Litter Summit in January 2022.
- Completed a study on non-deposit bearing glass. The objective of this study was to profile this waste stream specific to residential generation. The study also qualifies the diversion opportunity inherent in the non-deposit bearing glass stream.
- Completed two residential curbside waste audits encompassing 200 households. Audit results were used to evaluate the effectiveness of mandatory curbside programs in the Western Regional Waste Management and Eastern Regional Service Board serviced areas.
- Conducted follow up waste audits at the Avalon Mall and Newfoundland Power. The objective of these studies was to profile the waste streams generated and identify potential waste reduction and diversion opportunities. Using previous audit data, MMSB is also able to report on improvements or challenges being experienced by the organizations.
- Conducted a waste audit at the Government of Newfoundland and Labrador's Motor Registration Division building in Mount Pearl. The objective of the study was to profile the waste stream generated at the building to inform future waste reduction and diversion programs.
- Completed an audit of existing educational content and materials on RethinkWasteNL.ca and identified revisions and areas that require additional attention in the 2022-23 fiscal year.
- Completed a third-party review by Giroux Environmental Consulting of the Used Tire Management Program to explore options on a new go forward strategy. The review observed no differences in benefits between industry and Government led programs other than flexibility to adapt to external conditions.

Indicator 2: Implemented new province wide Rethink Waste public education resources and initiatives.

- Added a new EPR webpage to Rethink Waste NL to further expand accessibility to information and resources for electronics, waste paint and used oil and glycol products.
- Created new composting resources to encourage residents to backyard compost. Four videos were created providing tips and how to guides on various topics related to backyard composting.
- Updated the winter composting guide to align with Rethink Waste NL brand and refresh messaging.
- Created a new Holiday campaign which included a new holiday themed webpage, social media and digital advertising. The campaign promoted a number of tips for a more sustainable holiday season and reached 69.9K people on Instagram and Twitter.
- Updated a business resource guide for sustainable waste management to support local bed and breakfasts in the province.
- Celebrated International Compost Awareness Week from May 2 to 8, 2021, with a campaign to promote backyard composting and raise awareness about the impact of organic waste. The campaign included media promotion, a video with the Minister of ECC and social media engagement, including a bin giveaway contest.
- Celebrated Waste Reduction Week from October 18 to 24, 2021, with a

public education campaign that included a news release, proclamation signing with the Minister of ECC and social media promoting a contest, champions and sustainable waste management practices. The campaign was well received, reaching 87,800 people through social media platforms.

Indicator 3: Increased public awareness and engagement through digital communications platforms.

- Launched a new Champions for a Greener Future campaign as part of MMSB's 25th Anniversary celebrations. Through the campaign, 16 champions were recognized as environmental leaders on social media platforms, tapping into various provincial networks to increase engagement and help inspire sustainable waste management practices. The campaign supported a boost in MMSB followers on all social media accounts and a 97 per cent increase in post reactions (liked, comments, shares) from the previous year.
- Continued to generate strong awareness and engagement through digital advertising platforms, which resulted in approximately 14 million impressions and 48,000 clicks across Google display, search, and pre-roll video. These metrics were either on par or exceeded advocacy industry benchmarks.
- Piloted the use of Direct TV advertising, which engages users of streaming services. The pilot

successfully secured over 150,000 impressions for Rethink Waste NL content, such as tire recycling, household hazardous waste, and illegal dumping prevention.

- Reached over 315,000 users on Facebook and Twitter, through Rethink Waste NL marketing efforts, a six per cent increase from the previous year. Facebook and Instagram accounts for MMSB also received 10 million impressions, representing a 12 per cent increase from the previous year.
- The Rethink Waste NL website had a total of 79,234 visitors this fiscal, a

24 per cent increase from the previous year.

- Continued to build public awareness and engagement with schools, businesses and community organization through the offering of eight presentations. Sessions covered composting, recycling and/or an overview of MMSB.
- Conducted 10 Composting Made Easy digital workshops to the public and co-hosted five sessions with communities throughout the province. In total, over 320 people attended sessions.

Discussion of Results

MMSB is well on its way to meeting its 2020-23 priority three goal, as is noted in its progress towards this fiscal year's objective. Research continues to help identify opportunities for program development and public education. This fiscal year, a new litter audit was completed which has helped identify future opportunities for litter prevention education. Rethink Waste NL continues to be a premium resource for sustainable waste management education, which is steadily developed to ensure continuous engagement of businesses, communities and residents from across Newfoundland and Labrador.

Objective 2022-2023

By March 31, 2023, MMSB will have further advanced implementation of research and data collection initiatives as well as province-wide public education initiatives.

Indicators for this objective include:

1. Mobilized research and data to support the development of public education and waste management initiatives and programs.
2. Strengthened and expanded public education resources and initiatives.
3. Continued to raise interest and engagement in sustainable waste diversion practices.

Challenges and Opportunities

MMSB is mindful of increased expenses and reduced revenues which have become a common challenge among manufacturing industries worldwide. These challenges trickle down and have led to expenses for diversion programs reaching an all-time high. Increased expenses, coupled with levy/deposit structures that have not been adjusted in over 20 years, could have a significant impact on MMSB's finances in the future.

While expenses continue to rise, the sale of aluminum and PET captured in the Used Beverage Container Recycling Program accounted for approximately nine per cent of total revenues during 2021-22, up from six per cent from the previous year. The market price for these commodities is unpredictable, with prices averaging \$1.04 per pound for aluminum and 24 cents per pound for PET in 2021-22, compared to 62 cents per pound for aluminum and 10 cents per pound for PET in 2020-21.

Succession planning continues to be a priority for MMSB for the Green Depot network. Many operators have been in the business for over 20 years and are approaching retirement. As such, it is important that MMSB supports operators in identifying successors, especially in remote areas, to ensure continued access to services throughout the province. This fiscal year, MMSB did see the changeover of management in the Baie Verte Green Depot due to retirement. The operator, who had 20 years of service invested, helped identify and secure new management for the location.

Ensuring quality infrastructure remains in place at Green Depots can also be a challenge, as operators cope with aging buildings, increased maintenance costs and new legislative requirements. MMSB continues to support Green Depots through infrastructure loans when required and has evolved Licensing Standards and Best Practices to ensure accessibility requirements are met for new locations and buildings.

The Canadian Food Inspection Agency (CFIA) increased its requirements for MMSB oversight and inspections of used tires leaving the province during 2021-22 due to soil contaminated tires being received in Quebec. In order to meet federal requirements, used tires are required to meet "freedom from plant pests and soil" conditions. This requirement is an onerous task upon tire collectors, a cause for frustration and increased costs at the retail level, and a constant concern for MMSB. MMSB engaged in a request for proposals process during 2021-22 and is working towards an in-province solution for its Used Tire Management Program, which would eliminate these challenges with exporting.

MMSB will continue to monitor challenges and opportunities impacting its programs and mandate, identifying solutions and strategies that will ensure the continued growth of diversion activities in the province.

Appendix A - Board of Directors 2021-22

Established in 1996, the Multi-Materials Stewardship Board (MMSB) is a Crown Agency that operates arms-length from Government with an independent Board of Directors appointed by the Lieutenant Governor in Council. The Board composition as of March 31, 2022 was

- Derm Flynn, Chairperson, Appleton
- Valerie Snow, Deputy Minister, Environment and Climate Change
- Tony Chubbs, Member-at-Large, Happy Valley-Goose Bay
- Maisie Clark, Consumer Representative, Campbellton
- Dale Colbourne, Municipalities Newfoundland & Labrador Representative, St. Lunaire Griquet
- John Patten, Distributor Representative, President, Browning Harvey, St. John's
- Michele Peach, Member-at-Large, Bay Roberts
- Sheldon Peddle, Member-at-Large, Corner Brook
- Wayne Power, Member-at-Large, Freshwater

Remuneration of Board Members has been set by the Lieutenant Governor in Council at \$145/full day meeting and \$70/half-day meeting, plus travel expenses, consistent with MMSB's designation as a Level 1 Board/Commission/Agency.

Appendix B – Audited Financial Statements

Consolidated Financial Statements of

MULTI-MATERIALS STEWARDSHIP BOARD

And Independent Auditors' Report thereon

Year ended March 31, 2022



KPMG LLP
TD Place
140 Water Street, Suite 1001
St. John's Newfoundland A1C 6H6
Canada
Tel (709) 733-5000
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INDEPENDENT AUDITORS' REPORT

To the Directors of Multi-Materials Stewardship Board

Opinion

We have audited the consolidated financial statements of Multi-Materials Stewardship Board (the Board), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2022 and its consolidated results of operations, its consolidated changes in accumulated surplus, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 the financial statements in accordance with Canadian public sector accounting standards, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 17, 2022

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash and cash equivalents (note 3)	\$ 22,179,613	\$ 15,115,442
Accounts receivable net of allowance for doubtful accounts of \$58,922 (2021 - \$79,173)	3,604,418	3,269,469
HST receivable	347,299	244,187
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next three years, utilizing an interest rate of prime plus 1%	30,500	22,849
Inventory for resale	152,606	59,320
Investments (note 4)	401,752	4,398,524
	<u>26,716,188</u>	<u>23,109,791</u>
Liabilities:		
Accounts payable	564,262	431,754
Other payables and accrued liabilities (note 5)	2,166,220	1,392,911
Grants payable	1,281,124	859,187
Unearned revenue (note 6)	2,797,359	2,254,314
Performance bonds payable	404,906	401,678
	<u>7,213,871</u>	<u>5,339,844</u>
Net financial assets	19,502,317	17,769,947
Non financial assets:		
Tangible capital assets (Schedule 4)	1,358,258	1,484,577
Prepaid expenses	72,473	83,487
	<u>1,430,731</u>	<u>1,568,064</u>
Commitments (note 10)		
Accumulated surplus	\$ 20,933,048	\$ 19,338,011

See accompanying notes to consolidated financial statements.

On behalf of the Board:


Chairperson


Michele Peck, C.A. Director

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022 Actual	2022 Budget	2021 Actual
Revenues:			
Used beverage container program deposits	\$ 24,790,566	\$ 23,260,013	\$ 24,517,112
Used beverage container by-product revenue	4,137,871	2,054,778	1,908,381
Used tire program deposits	2,937,925	3,010,268	3,018,464
Milk packaging program	212,630	197,500	213,083
Miscellaneous income	119,729	-	49,604
Interest income	103,049	22,500	84,586
Handling fees	27,887	31,000	54,956
Provincial Solid Waste Management Strategy	-	-	67,316
	32,329,657	28,576,059	29,913,502
Expenses:			
Used beverage container program (Schedule 3)	24,657,689	22,839,550	21,281,445
Used tire program (Schedule 3)	2,501,583	2,963,037	2,870,214
Grant disbursements	840,937	480,000	413,909
Program operations (Schedule 3)	105,964	189,000	143,423
Provincial Solid Waste Management Strategy	-	-	67,316
Administrative expenses (Schedule 1)	2,108,031	2,648,236	2,031,610
Public education expenses (Schedule 2)	520,416	535,000	508,543
	30,734,620	29,654,823	27,316,460
Annual surplus	\$ 1,595,037	\$ (1,078,764)	\$ 2,597,042

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2022, with comparative information for 2021

	Actual 2022	Budget 2022	Actual 2021
Accumulated surplus, beginning of year	\$ 19,338,011	\$ 19,338,011	\$ 16,740,969
Annual surplus	1,595,037	(1,078,764)	2,597,042
Accumulated surplus, end of year	\$ 20,933,048	\$ 18,259,247	\$ 19,338,011

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2022, with comparative information for 2021

	Actual 2022	Budget 2022	Actual 2021
Annual surplus	\$ 1,595,037	\$ (1,078,764)	\$ 2,597,042
Acquisition of tangible capital assets	(65,894)	(85,000)	(107,309)
Amortization of tangible capital assets	192,213	212,122	200,306
Loss on disposal of tangible capital assets	-	-	1,350
Decrease in prepaid expenses	11,014	-	4,492
Increase in net financial assets	1,732,370	(951,642)	2,695,881
Net financial assets, beginning of year	17,769,947	17,769,947	15,074,066
Net financial assets, end of year	\$ 19,502,317	\$ 16,818,305	\$ 17,769,947

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,595,037	\$ 2,597,042
Items not involving cash:		
Amortization	192,213	200,306
Loss on disposal of tangible capital assets	-	1,350
	<u>1,787,250</u>	<u>2,798,698</u>
Changes in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(334,949)	80,672
(Increase) decrease in HST receivable	(103,112)	260,528
Increase in notes receivable	(7,651)	(6,231)
Decrease in prepaid expenses	11,014	4,492
Increase in inventory for resale	(93,286)	(28,559)
Increase in accounts payable	132,508	150,390
Increase (decrease) in other payables and accrued liabilities	773,309	(236,193)
Increase in grants payable	421,937	289,220
Increase (decrease) in unearned revenue	543,045	(309,725)
Increase (decrease) in performance bonds payable	3,228	(139)
	<u>3,133,293</u>	<u>3,003,153</u>
Capital:		
Acquisition of tangible capital asset	(65,894)	(107,309)
Investing:		
Purchase of investments	-	(4,059,189)
Redemption of investments	3,996,772	46,281
	<u>3,996,772</u>	<u>(4,012,908)</u>
Increase (decrease) in cash and cash equivalents	7,064,171	(1,117,064)
Cash and cash equivalents, beginning of year	15,115,442	16,232,506
Cash and cash equivalents, end of year	<u>\$ 22,179,613</u>	<u>\$ 15,115,442</u>

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements

Year ended March 31, 2022

Multi-Materials Stewardship Board (the "Board") is a statutory corporation established pursuant to The Environmental Protection Act. The Board manages the Used Beverage Container Recycling Program, the Used Tire Management Program and the Newfoundland and Labrador Waste Management Trust Fund in the Province of Newfoundland and Labrador and is mandated to support and promote the protection, enhancement and wise use of the environment through waste management programs. The Board is a government organization and reports to the Minister of Environment and Climate Change. The Board is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

1. Financial statements:

These consolidated financial statements include the accounts of the Multi-Materials Stewardship Board and the Newfoundland and Labrador Waste Management Trust Fund.

The Multi-Materials Stewardship Board Newfoundland and Labrador Waste Management Trust Fund is a restricted fund, managed by the Board, and its accounts have been grouped in these consolidated financial statements for consolidation purposes.

2. Significant accounting policies:

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the CPA, Canadian Public Sector Accounting Board (PSAB) and reflect the following significant accounting policies.

(a) Use of estimates:

In preparing the Board's consolidated financial statements in conformity with the Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of estimates include the accrual for deposits outstanding at year end, useful life of tangible capital assets, rates of amortization and impairment of long-lived assets, accrued stockpile costs and unearned revenue based on estimated recovery rate and days outstanding.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Significant accounting policies (continued):

(b) Foreign currency translation:

Transactions denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction dates. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at the year end date. Exchange gains and losses arising on the translation of monetary assets and liabilities are included in the determination of income.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Cash and cash equivalents also include a balance \$133,658 (2021 - \$133,212) in restricted cash related to the Provincial Waste Management Strategy.

(d) Inventories for sale:

Inventories, which are comprised of aluminium beverage containers, are valued at the lower of cost and net realizable value, with net realizable value being current market prices.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Used beverage equipment	Declining-balance	30%
Office furniture and equipment	Declining-balance	20%
Computer hardware	Declining-balance	30%
Computer software	Declining-balance	30%
CRM software and development	Declining-balance	10%
MIS software and development	Declining-balance	30%
Bags and tubs	Declining-balance	30%
Infrastructure assets	Straight-line	20 years
Tire yard equipment	Straight-line	10 years

(g) Impairment of long-lived assets:

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

(h) Unearned revenue:

Unearned revenue consists of deposits on containers yet to be returned for redemption and recycling. The amount recorded by the Board as unearned revenue consists of sixty days of deposits received from distributors, adjusted by an estimated recovery rate of 70% (2021 - 59%).

Unearned revenue also includes funds received in relation to the Provincial Waste Management Strategy related to expenditures for strategic communications development, and restricted grant contributions. The funding is recognized as revenue as the expenditures are incurred and repayable if not fully spent on the projects.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Significant accounting policies (continued):

(i) Revenue recognition:

Deposit revenue (both beverage and tire) is recognized when remittances are collected plus an estimated accrual based on subsequent receipts, as well as historical data.

By-product revenue is recognized upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

Other income is recognized as earned.

(j) Expenses:

The Board recognizes expenses on an accrual basis. The cost of all goods consumed and services received during the period is expensed. Grant disbursements to third parties are accounted for as government transfers. Grant disbursements that are financing arrangements are recorded as expenses when they are approved by the Minister. Grant disbursements that are reimbursement arrangements are recorded as expenses when the expenditures have been incurred by the recipient and the eligibility criteria have been met.

(k) Financial instruments:

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments: cash and cash equivalents, receivables, notes receivable, investments, payables and accruals, grants payable and performance bonds payable.

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in annual surplus.

Financial assets measured at fair value include cash and cash equivalents and investments; financial assets measured at cost include receivables; and financial assets measured at amortized cost include notes receivable and GIC investments.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

2. Significant accounting policies (continued):

(k) Financial instruments (continued):

Financial liabilities measured at cost include payables and accruals, grants payable and performance bonds payable.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

3. Cash and cash equivalents:

	2022	2021
Cash and cash equivalents	\$ 22,045,955	\$ 14,982,230
Restricted cash deposits	133,658	133,212
	<u>\$ 22,179,613</u>	<u>\$ 15,115,442</u>

4. Investments:

In 2021, the Board invested \$4,000,000 in a GIC that matured this year in January 2022. The rate of return on this investment was 0.45% per annum. The remaining balance of \$401,752 (2020 - \$398,524) of these investments is invested in GIC's for purposes of satisfying performance security requirements with respect to contracts the Board has entered into. These investments are restricted to repay performance bonds at the end of the contracts if all conditions are met by the parties involved. These investments are due to mature at varying dates ranging from 2022 to 2025 at rates of return ranging from 0.15% to 2.2% per annum.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

5. Other payables and accrued liabilities:

	2022	2021
Accrued liabilities	\$ 1,673,611	\$ 899,400
Tire stockpile accrual	258,000	258,000
Wages and benefits	234,609	207,623
MIS deferred handling fee	-	27,888
	\$ 2,166,220	\$ 1,392,911

6. Unearned revenue:

	2022	2021
Provincial Solid Waste Management Strategy	\$ 133,715	\$ 133,259
Used beverage container deposits	2,643,270	2,100,681
Grant contributions	20,374	20,374
	\$ 2,797,359	\$ 2,254,314

7. Related party transactions:

The Board is related to the Newfoundland and Labrador Liquor Corporation (NLC) as both organizations are Government Reporting Entities established by the Provincial Government of Newfoundland and Labrador.

The NLC collects and remits Used Beverage Program deposits to the Board. Included in Used Beverage Program deposits for 2022 is \$3,229,448 (2021 - \$3,222,842) from the NLC. The organizations enter into transactions in the normal course of business and on normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Starting on April 1, 2019 the Board operates in a building owned by the Provincial Government of Newfoundland and Labrador, as such does not incur rental expense.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

8. Stockpile costs:

In the 2017 fiscal year, the Board implemented a new contingency plan for the management of used tires. A decision was made to store a portion of collected tires in an efforts to undertake a Tire Derived Aggregate (TDA) Demonstration Project. As at March 31, 2022, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were \$258,000 (2021 - \$258,000).

9. Employee future benefits:

The Board participates in the Government Money Purchase Pension Plan which is a defined contribution pension plan. The plan is mandatory for all employees, with the exception of the CEO, from date of employment. Employees contribute 5% of regular earnings and the Board matches these contributions. Contributions made prior to January 1, 1997 are fully vested and locked-in after the completion of 10 years of continuous service and the employee has attained the age of 45 or after the completion of 5 years of plan participation. Contributions made on or after January 1, 1997 are fully vested and locked-in after the completion of 2 years of plan participation. Contributions paid and expensed by the Board during the year totaled \$61,445 (2021 - \$58,739)

10. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next three years as follows: 2023 - \$86,635; 2024 - \$16,283; and 2025 - \$2,766.

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers up to June, 2024;
- (ii) collection of used tires in Labrador West area to January, 2023;
- (iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2023;
- (iv) collection of used tires in Happy Valley-Goose Bay area to February, 2023; and
- (v) advertising contract with Stingray and NBC to September 2022 and March 2023 respectively

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

11. Financial risks:

(a) Market risk:

Market risk is the risk that the fair value of marketable securities or investments will change as a result of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk. The Board is mainly exposed to currency risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investments are not subject to interest rate risk as they are at fixed interest rates risk.

The Board is exposed to other price risk through its sale of by-products.

(b) Credit risk:

Credit risk is the risk of loss if a customer or counterparty cannot meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure. The Board's credit risk is attributable to receivables and cash. The accounts receivable represent a large number of small balances owed by its customers, and no one customer or group of customers represents a significant risk. Management reviews receivables on a case by case basis to determine if an allowance is necessary to reflect impairment in collectability.

(c) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables and accruals. The Board reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Board is low.

There is minimal liquidity risk associated with the bonds payable as they are held in guaranteed investment certificates with a stated interest rate.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2022

11. Financial risks: (continued):

(d) Other risks:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in the Canadian and Provincial governments enacting emergency measures to combat the spread of the virus.

The impact of COVID-19 is expected to impact the Board for a duration that cannot be reasonably predicted. The further overall operational and financial impact is highly dependent on the duration of COVID-19, including the potential occurrence of additional waves of the pandemic, and could be affected by other factors that are currently not known at this time. Management is actively monitoring the effect of the pandemic on its financial condition, liquidity, operations, suppliers, and workforce. Given the daily evolution of the pandemic and the global responses to curb its spread, the Board is not able to fully estimate the effects of the pandemic on its results of operations, financial condition, or liquidity at this time.

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 1 - Consolidated Administrative Expenses

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Wages and benefits	\$ 1,699,276	\$ 1,651,159
Software support	128,975	95,365
Professional fees	60,193	105,034
Amortization	37,398	37,906
Board member expenses	34,722	18,505
Staff travel	33,477	9,354
Office supplies	18,504	15,809
Telecommunications	16,854	18,082
Rent	16,800	16,800
Vehicle	15,422	13,079
Subscriptions, memberships and conferences	13,610	20,122
Training	11,727	10,615
Bank charges	10,373	7,495
Insurance	8,390	8,387
Equipment lease and support	2,542	3,621
Miscellaneous	112	-
Postage and courier	(344)	277
	\$ 2,108,031	\$ 2,031,610

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Campaigns:		
Used beverage container program	\$ 68,853	\$ 180,803
Indiscriminate dumping	-	51,286
Used tire program	4,963	40,020
HHW	-	24,932
Total campaigns	73,816	297,041
Corporate:		
Owned Media	254,416	20,184
Media monitoring	2,848	1,838
Sponsorship	50	-
Total corporate	257,314	22,022
Public Education Programs	189,286	189,480
Total public education	\$ 520,416	\$ 508,543

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 3 - Consolidated Program Costs

Year ended March 31, 2022, with comparative information for 2021

	Used Beverage Container Recycling Program	Used Tire Recycling Program	Program Operations	2022 Actual	2022 Budget	2021 Actual
Deposits refunded	\$ 10,769,078	\$ -	\$ -	\$ 10,769,078	\$ 9,672,000	\$ 9,275,660
Handling fees	10,067,604	-	-	10,067,604	9,191,483	8,891,788
Transportation	2,112,686	2,404,202	-	4,516,888	4,490,834	4,082,954
Processing	1,198,139	21,620	-	1,219,759	1,448,110	1,336,863
Depot fees	286,858	17,510	-	304,368	294,167	269,868
Quality assurance	5,059	-	-	5,059	31,798	17,464
Green school program	121,701	-	-	121,701	500,000	114,663
Depreciation	96,564	58,251	-	154,815	174,195	162,400
Waste Diversion	-	-	72,718	72,718	114,000	91,045
Professional Services	-	-	33,246	33,246	75,000	52,378
	\$ 24,657,689	\$ 2,501,583	\$ 105,964	\$ 27,265,236	\$ 25,991,587	\$ 24,295,083

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 4 - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2022, with comparative information for 2021

	Used beverage equipment	Office furniture and equipment	Computer hardware	Computer software	CRM software and development	MIS and development	Bags and tubs	Tire yard equipment	Infrastructure assets	2022	2021
Cost											
Cost beginning of year	\$ 275,778	\$ 168,266	\$ 191,564	\$ 313,399	\$ 514,425	\$ 995,592	\$ 324,515	\$ 78,699	\$ 1,007,624	\$ 3,869,862	\$ 3,763,903
Additions during the year	-	-	11,391	5,250	9,156	40,096	-	-	-	65,894	107,309
Disposals during the year	-	-	-	-	-	-	-	-	-	-	1,350
Cost, end of year	\$ 275,778	\$ 168,266	\$ 202,956	\$ 318,649	\$ 523,581	\$ 1,035,688	\$ 324,515	\$ 78,699	\$ 1,007,624	\$ 3,935,756	\$ 3,869,862
Accumulated amortization											
Accumulated amortization, beginning of year	\$ 213,259	\$ 148,612	\$ 166,903	\$ 305,730	\$ 279,210	\$ 718,141	\$ 323,372	\$ 20,331	\$ 209,728	\$ 2,385,286	\$ 2,184,978
Amortization	16,749	3,646	7,778	2,448	23,526	79,509	306	7,870	50,381	192,213	200,306
Accumulated amortization, end of year	230,008	152,258	174,681	308,178	302,736	797,650	323,678	28,201	260,109	2,577,499	2,385,285
Net book value of tangible capital assets											
	\$ 45,770	\$ 16,008	\$ 28,275	\$ 10,471	\$ 220,845	\$ 238,038	\$ 837	\$ 50,498	\$ 747,515	\$ 1,358,258	\$ 1,484,577