



guiding our province
to a greener future

Annual Report 2022-23



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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 2022-23 fiscal period. This report evaluates MMSB's performance from April 1, 2022 to March 31, 2023, as well as progress towards goals identified in the Strategic Plan for 2020-23. The report was prepared in accordance with the **Transparency and Accountability Act** as a Category One entity.

The beginning of this strategic plan period was a time of great uncertainty as the world coped with the uncertainty of the pandemic. Like many organizations, MMSB was met with many challenges, including lower diversion rates, increased disposable items, staffing challenges and increased health and safety precautions. However, MMSB's resiliency in coping with the challenges posed by the pandemic was evident from day one. We are happy to report that we not only maintained a level of service that is crucial to the environmental well-being of the province, but we also grew recovery rates and strengthened operations and partnerships that support a greener future. As you review this report, you will see considerable progress that goes above and beyond our three year strategic goals.

I want to congratulate the team at MMSB for the incredible work they do in the fight against climate change. I also want to thank our valued partners such as the regional waste management authorities, communities and organizations that play an integral role in the work we do. We continue to see a shift in how residents think about their waste and together we are confident that we can advance sustainable waste management. Finally, thanks to all of the residents of this province for their efforts in recycling, reducing and reusing. Together, we can divert more waste and protect this beautiful province we are lucky to call home.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2022-23 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Dermot Flynn'.

Dermot Flynn, Chair

Overview

Established in 1996, the Multi-Materials Stewardship Board (MMSB) supports and promotes sustainable waste management through the development and implementation of waste diversion programs and public education. A Crown Corporation of the Government of Newfoundland and Labrador, MMSB reports to the Minister of Environment and Climate Change. More information can be found at mmsb.nl.ca.

Governance and Operations

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).

Management and staff carry out the day-to-day work of MMSB under the direction of the Chief Executive Officer. MMSB's current corporate structure consists of a head office located in St. John's with 17 employees and a field office located in Mount Pearl with two employees. Of the 19 employees that work at MMSB, 12 are female and seven are male.

Finance

As a self-financed Crown Corporation, 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 2022-23 was approximately \$33.9 million. Operating expenditures were approximately \$32.4 million, with \$440,000 allocated to the Waste Management Trust Fund, which supports the implementation of the Provincial Solid Waste Management Strategy.

Mandate

MMSB derives its mandate from the **Environmental Protection Act** and accompanying **Waste Management Regulations**. MMSB is mandated through these legislative and policy instruments and guided by the **Provincial Waste Management Strategy** to advance sustainable waste management in Newfoundland and Labrador through waste diversion programs and public education.

The delivery of this mandate is achieved through collaboration with the Departments of Environment and Climate Change, Digital Government and Service NL, Municipal and Provincial Affairs and contracted service providers such as Green Depot operators, as well as with stakeholders such as regional waste management authorities and municipalities.

Vision

A sustainable waste management system that promotes a clean and healthy environment in Newfoundland and Labrador.

Lines of Business

In delivering its mandate, MMSB is responsible for two lines of business:

1. Waste Diversion Programs

MMSB develops, manages, oversees and administers provincial waste diversion programs in accordance with the Waste Management Regulations, as authorized through policy directives issued by the Minister.

MMSB manages and administers two provincial waste diversion programs:

- A province-wide Used Beverage Container Recycling Program administered as a deposit-refund system and financed through deposits applied on the sale of ready-to-serve beverage containers.
- A province-wide Used Tire Management Program administered under specific parameters and financed through an environmental levy applied on the sale of highway tires.

MMSB works with the Department of Environment and Climate Change to research and develop regulations for industry-led diversion programs that are guided by the principles of extended producer responsibility. Industry-led programs are implemented and managed by producers such as manufacturers, importers and distributors. MMSB ensures industry complies with approved timelines, operational requirements and diversion targets as established in program plans. There are currently industry-led waste diversion programs for waste paint, electronic waste and used oil/glycol.

MMSB collects, analyzes and reports on provincial waste generation and diversion data to further inform and advance waste diversion programs and practices. MMSB is also responsible for offering funding opportunities that help support sustainable communities, business innovation and research.

2. Public Education

MMSB focuses on reducing, reusing and recycling messaging in the delivery of province-wide public education initiatives supporting a fundamental shift in attitudes and behaviours toward managing waste.

MMSB staff provide ongoing research, analytics and planning processes to evaluate public education activities and to assess attitudes and behaviours related to waste reduction, recycling and other waste diversion activities.

2022-23 Highlights & Partnerships

New Record 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 219 million beverage containers – a new record. Residents in the province recycled over 3.6 million more containers this fiscal year than the previous.

New Record for Used Tire Recovery

MMSB's used tire recovery rate reached 86.6 per cent. While used tires collected did increase in volume this fiscal year, new tire sales reverted back to 2007 levels, a direct result of the pandemic and the lack of new vehicles available for sale. As such, the high recovery rate is attributable to a reduction in new tire sales.

Progress Made Towards an Industry-Led Program for Packaging and Paper Products

MMSB lead a consultation process to gather stakeholder perspectives on the development of an extended producer responsibility (EPR) framework for a regulated packaging and paper products (PPP) program for Newfoundland and Labrador. PPP makes up a large part of residential waste and generally refers to the materials that can be collected through curbside blue bag programs. Currently, participating municipalities and regional service boards in

Newfoundland and Labrador cover the costs of collecting and recycling PPP. Through an EPR program, producers of packaging and paper cover all or a large portion of those costs. The draft framework for the program will be advanced to the Provincial Government in 2023-24 for approval.

Tire Processing – Improved Sustainability

MMSB was successful in securing an in-province solution for recycling tires thanks to a new partnership with Coastal Tire Recycling. With the introduction of a new used tire processing facility in the province, long term sustainability of the program has increased and exporting used tires is no longer required.

New Campaign Leverages Partnerships to Increase Participation in Curbside Recycling

The new Recycle @ Home Campaign aims to increase participation and proper use of curbside recycling programs in Newfoundland and Labrador. Through the campaign, MMSB is partnering with communities throughout the province to encourage residents to 'join the curbside revolution' to help reduce waste and protect the environment. As part of the campaign, a new video featuring local actors Mary Walsh and Rory Lampert was launched to generate transparency in the recycling continuum and inspire residents to recycle more.

Report on Performance

The 2022-23 fiscal year marks the third and final year of MMSB’s 2020-23 strategic plan. This section will outline the progress made towards MMSB’s three-year goals identified in its strategic plan, as well as its objectives for the 2022-23 fiscal year.

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

Priority 1: Sustainable Waste Management

MMSB manages, administers and oversees provincial waste diversion programs and services in accordance with direction provided by the Provincial Government 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, electronics and used oil and used glycol. This includes oversight of timelines, operational requirements and diversion targets. 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.

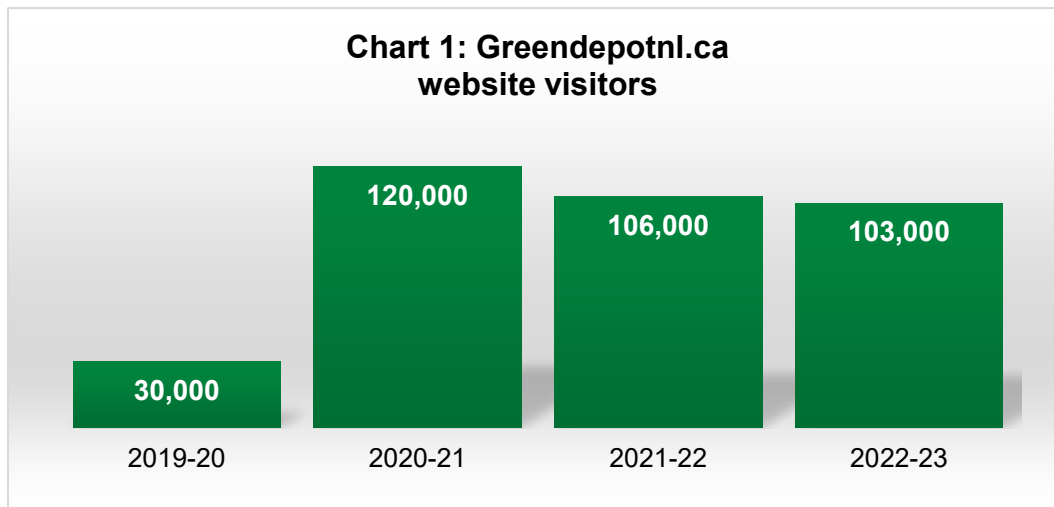
2022-23 Objective

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.

2020-23 Goal: Indicators and Performance

Indicator 1: Promoted public awareness and engagement in waste diversion programs.

- Held professional development sessions annually for Green Depot operators. These sessions provide an opportunity for depot operators to share common concerns and challenges which lead to improved operations. Operators were also provided with professional development around a variety of topics including human resources, cyber security, modern banking and marketing and communication.
- MMSB created a pandemic response plan to provide Green Depots with guidance for the safe delivery of services. Through this plan, Xpress service was used to continue operations safely during times of high alert. As a result of service changes and promotions, Xpress registrations grew exponentially to over 80,000 active accounts.
- Created several new public education resources and assets to promote Green Depot services, including:
 - 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.
 - 'Make It Count 2.0' campaign featuring a number of video, digital and social media assets that promote the benefits of recycling.
 - Email marketing campaigns to Xpress users to promote operational information related to COVID-19, proper preparation of materials, what's accepted and what becomes of materials.
 - New television, radio and social media content for a holiday campaign to promote recycling and encourage customers to recycle their eggnog containers at the Green Depot.
 - Highlighted Green Depots that have adopted a social enterprise model through a video in an effort to increase awareness about the important role these organizations play in employing vulnerable populations throughout the province.
 - New animation videos were created to promote what materials are accepted and how to prepare your containers to avoid contamination.
 - Social media content was created to reduce contamination, discourage littering of beverage containers and promote recycling at the Green Depot.

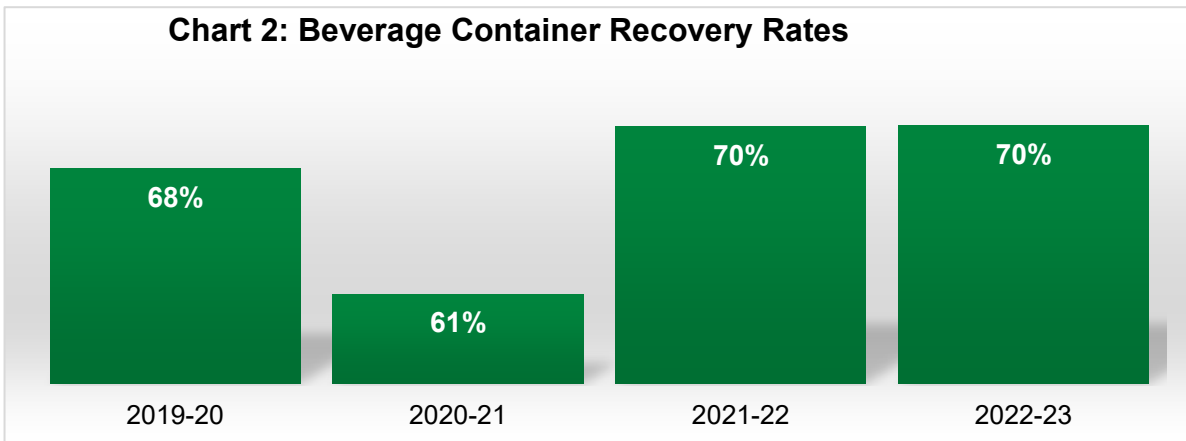


- The Greendepotnl.ca website continued to be an important tool in educating customers, especially during service changes related to the pandemic and the promotion of Xpress registrations. MMSB was able to maintain steady traffic to the website through public education campaigns in year two and three of the strategic plan, as can be seen in Chart 1 above.
- A webpage on rethinkwastenl.ca dedicated to the tire program was introduced to provide clear and concise information about the program, which has experienced an average of 19,000 page views annually. Additionally, tires were one of the highest searched items by users of the rethinkwastenl.ca website.
- Facebook and Instagram pages specific to Green Depots were launched in 2020. The accounts have resulted in significant engagement with residents of Newfoundland and Labrador, consistently reaching over 200,000 users annually.
- Consistently provided education to residents of the province regarding tire recycling over the three-year period through campaigns during tire change over season. These campaigns included digital, social media, radio and television advertising to promote the proper disposal of used tires. New radio and video content was also created to better promote tire recycling and build transparency in the program. Campaigns received significant engagement and received over 2 million impressions annually.

Indicator 2: Enhanced infrastructure at designated material collection facilities to continuously strengthen operations.

- Provided COVID-19 financial support to Green Depots for lost revenue associated with interrupted operations in the amount of approximately \$216,000.
- Reduced glass sorts from six to three, eliminating the separation of alcoholic and non-alcoholic containers to create individual sorts for coloured glass and brown glass. The change has resulted in improved efficiency, reduced handling when counting containers at the Green Depot and further aided inventory management.
- Secured an in-province solution for processing used tires. Tires are now received at a new facility in Conception Bay South, where they are recycled into tire derived aggregate (TDA) which can be used in a broad range of civil engineering applications. Eliminating the export of tires will result in environmental benefits and the reduction of greenhouse gas (GHG) emissions. The new facility also provides economic benefits, resulting in new jobs and market opportunities for TDA.
- Implemented an online tire portal to capture used tire collection and transportation data.
- Entered into a new contract for the collection and transportation of used tires. With the addition of compactor trucks, an increase in the tonnages attainable during collections equates to fewer truck loads on the road which reduces GHG emissions.
- Provided \$55,000 in infrastructure loans to four Green Depot operators to complete building upgrades.
- Improved technology and infrastructure to support the operation of Green Depots through the introduction of:
 - 10 additional self-serve Xpress kiosks;
 - replacement of outdated server infrastructure with modern hardware and cloud hosted services;
 - new computer equipment and upgrades allowing for faster shipping protocols and reduced downtime during shipping procedures; and
 - upgrades to the information management system to improve security and management capabilities.
- Increased handling fee to Green Depot operators from 4.35 to 4.45 cents/unit effective April 1, 2020. Also introduced a new Xpress handling fee of 0.2 cents/unit in April 2022.

Indicator 3: Reduced the disposal volume of designated material types being sent to landfill.



- Over the past three years, the Used Beverage Container Recycling Program has diverted close to 619 million containers from the landfill. After seeing a significant reduction in recovery in the first year of the strategic plan due to operational challenges created by COVID-19, recovery not only rebounded but surpassed previous rates as can be seen in Chart 2 above.
- During the 2020-2023 period, the Used Tire Recycling Program diverted almost 1.4 million used tires from landfill. Although there was some fluctuation in recovery during the three year period, 2022-23 ended in an all time high of 86.6 per cent. This was largely due to a slump in new vehicle sales. Now that a new processing facility is operational in the province, these tires will not only be diverted from landfill, but also will be available for use in civil engineering applications throughout the province.
- Expanded the list of accepted electronics that can be recycled under the Waste Management Regulations, to include external drives and modems, electronic readers, video game devices, navigation systems and countertop microwave ovens.
- Over the past three years, industry led programs have diverted the following volumes from landfill:
 - Waste Paint: Approximately 415,000 litres
 - Electronic Products: Approximately 2,000 tonnes
 - Used Oil and Used Glycol: Approximately 5.5 million litres
 - Used Oil and Used Glycol Containers and Filters: Approximately 572,000 kgs

2022-23 Objective: Indicators and Performance

Indicator 1: Continued to enhance operational and administrative processes and initiatives.

- Completed a project to replace outdated server infrastructure for the Used Beverage Recycling Container Program - with a modern cloud hosted service.
- Completed an independent third-party analysis of the information technology (IT) operating model by completing a current state and strength, weaknesses, opportunities and threat analyses.
- Reviewed compliance audit practices to ensure completeness of procedures and strengthened risk-based audit planning.
- Enhanced the Green Depot Information Management System to improve security and management capabilities through the deployment of modern wireless and security device platforms to support the stewardship of customer material and accounts.
- Implemented recommendations from LEAN review to improve efficiencies in financial processes and reporting, with an increased focus on revenues.
- Purchased new computer equipment upgrades for Green Depots totalling \$35,000. These upgrades allow for faster shipping and reduced downtime.
- Initiated a change project to the online tire portal that allows service providers to capture tire collection and transportation data for the entire province. This change incorporates data from Labrador which was still being entered through a manual paper invoicing process.
- Streamlined both processing and collection and transportation invoices for the Used Tire Management Program to monthly, providing efficiencies in administrative duties and approvals.
- Carried out observational research at Green Depots to determine the level of contamination present in Xpress customer orders. Information will be used to form an action plan to decrease contamination.
- Approved two infrastructure loans totalling \$25,000 to complete upgrades in compliance with program standards.
- Developed a Transport Request Protocol for Green Depots to facilitate better communication between Green Depots and the Transportation Contractor to enhance services.

Indicator 2: Developed diversion action items and identified new opportunities.

- Awarded a new long-term contract for the processing of used tires in Newfoundland and Labrador. The new contractor receives all used tires generated in the province, processing them into tire derived aggregate (TDA) to be used in civil engineering projects. The new processor has made a significant investment in this operation located in Conception Bay South, creating four new full-time positions.
- Awarded a new long-term contract for the collection and transportation of all used tires generated in Newfoundland and Labrador. In some areas of the province, tires are now collected utilizing compactor trucks, resulting in more tires being collected at each location, while reducing the number of loads being transported to the new CBS location. Additionally, approximately 60 per cent of all tires collected in the province are now shipped directly to the processor, eliminating the requirement for double handling during transfer to 53' trailers for long haul transport.
- Xpress and drop-off service reached a combined total of 59 per cent of all materials being returned to Green Depots. Over 8,800 new Xpress accounts were also created, resulting in additional customers experiencing the convenience of drop and go.
- Implemented an Xpress Handling Fee which resulted in over \$180,000 in additional funds being paid to Green Depots for efforts surrounding Xpress drop off.
- Performed annual inspections at the 53 Green Depots across the province for compliance to requirements outlined under the licensing standards. During 2022-23, 70 infractions were discovered, an improvement from the 81 found during the previous fiscal year. Infractions centred primarily around updating signage, managing voicemail, and filling of bulk containers. Of the 70 infractions identified, all but 12 have been resolved.
- Transported over 190,000 bulk containers 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, same as in 2021-22.
- Following the unsuccessful search for a new operator in the Labrador Straits, implemented a new arrangement with a part-time contractor for the acceptance of used beverage containers on a bi-weekly arrangement, which are then loaded and shipped to Happy Valley-Goose Bay Green Depot for sorting and counting.

Indicator 3: Continued to build public education resources and strengthen engagement in diversion programs.

- Held an in-person Green Depot Professional Development Session in November 2022, attended by 18 operators representing 26 depots and nine sub depots. The session provided education on valuable topics such as human resource challenges and cybersecurity. Depot operators were also provided an opportunity to share common concerns and challenges which lead to improved operations.
- Launched a new 'Make It Count 2.0' campaign in January 2023 to promote the benefits of recycling at the Green Depot. The campaign features a number of video, digital and social media assets. The campaign has resulted in over 379,000 views on YouTube, 3 million impressions on google display and reached over 54,000 unique users on social media.
- Continued to see high traffic on the Green Depot website with over 103,000 visitors this fiscal year, consistent with the previous fiscal year.
- Carried out a training session with Green Depot Operators regarding container types that are excluded from the program. The focus of the session was on less common beverage container types.
- Used the Green Depot Facebook and Instagram pages as tools for promoting recycling and customer related information. Advertisements over these channels received over 258,000 users.
- Promoted the recycling of used tires through a multi-media campaign including radio, video, digital and social media assets. Digital campaign materials resulted in significant engagement, with the social media content reaching over 46,600 users; Google Display ads receiving over 2.1 million impressions; and the tire webpage receiving over 19,000 pageviews. Tires also ranked as the second most searched item on rethinkwaste.nl.ca.

Indicator 4: Supported growth and maintenance of recovery within diversion programs.

- Over 219 million beverage containers were collected during 2022-23, which is close to 3.5 million units more than the previous year and a new record for the program. Of the containers collected:
 - Over 209.8 million came from Green Depots, an increase of almost 3 million units from 2021-22.
 - Over 9.2 million units were managed by regional authorities through curbside programs, an increase of .7 million units from 2021-22, amounting to over \$450,000 in handling fee payments.
- The recovery rate for the Used Beverage Container Recycling Program was 70.40 per cent, consistent with the previous year due to an increase in the sale of beverage containers.
- Participation in the Get Matched! School Recycling Program increased after experiencing reduced recycling efforts due to COVID-19. The school program collected approximately 4.2 million units compared to 2.6 units last fiscal year. This resulted in \$191,616 in matched funds being contributed to schools.
- Collected and diverted approximately 474,000 used tires, an increase of 42,000 tires over 2021-22 which resulted in an increase in the recovery rate of 12 per cent.
- Continued to provide oversight of existing EPR programs for waste paint, electronics and used oil and used glycol to ensure compliance. The following are results for the 2022 calendar year, as reported in each programs' annual reports:
 - Product Care Recycling: Recovered 132,898 litres of waste paint, an eight per cent decrease from the previous year.
 - Electronic Products Recycling Association: Collected 649 metric tonnes of electronics, an eight per cent decrease from the previous year.
 - Canadian Wireless Telecommunications Association: Collected 3,395 cellular phones from 115 drop off locations. The CWTA ceased operations in 2022 and their members are now represented by EPRA.
 - Bell Aliant: 180,276 set-top boxes were collected through the lease/return program which equates to an estimated 217 tonnes, an increase of 75 per cent from the previous year as a result of deactivations in the program.
 - Used Oil Management Association (UOMA): Collected over 2.1 million litres of used oil and used glycol, 120,408 kgs of containers and 99,360 kgs of oil filters, exceeding regulatory targets.

Discussion of Results

MMSB has achieved its three-year goal of improving performance of both the beverage container and used tire programs as well as the 2022-23 objective. Through continued improvements in administrative and operational processes, new initiatives and continued support and education, MMSB has experienced increased recovery rates in both the beverage and used tire programs during a time of unprecedented cutbacks and increased expenses. In fact, both the Used Beverage Container Recycling Program and the Used Tire Management Program have reached their highest recovery rates since the inception of both Programs. Although both the paint and electronics programs have seen some decreases over this period, improvements are anticipated during the upcoming stewardship plan renewal period, while the used oil and used glycol program continue to exceed regulated targets.

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.

2022-23 Objective

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

2020-23 Goal: Indicators and Performance

Indicator 1: Enhanced support of community and regional waste diversion plans and initiatives.

- Contributed nearly \$300,000 to the Memorial University Harris Centre which supported projects on Organic Waste Management in Newfoundland and Labrador, the Feasibility of Recycling Nylon Fishing Nets, Efficient and Economic Storage of Salmon Processing Waste and Engineered Soils from Local Waste Materials.
- From 2020-23, MMSB contributed nearly \$220,000 to 28 community projects to support waste diversion initiatives through the CWDF.
- From 2020-23, MMSB funded over \$300,000 under the SWMIF to 24 projects supporting the development of new or improved processes for the continued advancement of solid waste practices in businesses and organizations.
- Funded and distributed 5,000 backyard compost bins and tumblers during 2020-23 through MMSB's backyard composting program.
- MMSB hosted annual regional waste management forums bringing together stakeholders to share modern waste management best practices and initiatives.
- Renewed a three-year partnership with Crime Stoppers NL through a \$45,000 commitment from the Waste Management Trust Fund. With the goals to increase public awareness and deter potential offenders, the program provides the public with a safe and anonymous way to report instances of illegal dumping and littering in Newfoundland and Labrador.
- Supported education initiatives with regional waste management authorities and municipalities to strengthen curbside recycling program through waste hauler training initiatives and a new marketing campaign.

Indicator 2: Advanced new industry-led waste diversion initiatives.

- Completed two phases of consultations to inform a new industry-led program for PPP. The first phase provided stakeholders with an educational foundation regarding EPR programs for PPP. This included individual meetings and a large event that was attended by over 60 stakeholders. The second phase included targeted stakeholder meetings and the acceptance of written feedback. What We Heard documents were created for both phases. Based on feedback received MMSB will develop a draft framework in 2023-24 to be advanced to the Provincial Government for consideration.

- Completed work with the four Atlantic provinces and Product Care Recycling on a consumer research project on volumes of waste paint available to be collected and

recycled in each of the provinces. The completed report estimated the quantities of waste paint being stored or disposed and identified action areas for improvement in the capture rate of this material type.

Indicator 3: Expanded MMSB funding programs.

- Supported Come Home Year 2022 with a new Community Cleanup Project to support the cleanup of litter and improperly disposed of bulk items. Over \$530,000 in funding was awarded to 261 projects led by municipalities, local service districts, Indigenous community governments and community organizations.
- Provided over \$85,000 in funding to The Town of Happy Valley-Goose Bay to support the cleanup of waste

material on illegal encampments set up by transiently homeless persons.

- Provided over \$30,000 in funding to Clean Harbours Initiative to support the cleanup of debris in the ocean from Hurricane Fiona.
- Provided over \$150,000 in funding to Econext to support the hiring of an individual dedicated to supporting collaborative projects between business, academia, government, and community, that result in creating value from waste.

2022-23 Objective: Indicators and Performance

Indicator 1: Supported stakeholder plans and initiatives to improve sustainable waste management practices.

- Committed over \$75,000 in funding to nine communities through the Community Waste Diversion Fund (CWDF), which supports initiatives that identify new or enhance existing opportunities to divert waste.
- Committed \$113,527 in funding to nine organizations through the 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.

- Continued engagement activities with the Harris Centre under a two-year funding partnership agreement for \$250,000. As part of the partnership, the Regional Analytics Laboratory of Memorial University conducted research to develop a working model to estimate organic waste generation in the province.
- Partnered with the Harris Centre to host an Organics Waste-to-Value Forum to explore opportunities for industrial organic waste streams in the province.

- Consulted with more than 50 businesses, municipalities, and organizations to provide information and advice about sustainable waste management practices.
- Continued engagement activities with econext under a two-year project that secured a Business Development Officer who is dedicated to identifying and facilitating the development of collaborative projects between business, academia, government and community that can result in creating value from waste.
- Partnered with 23 communities to distribute 1,600 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.
- Provided funding to projects that seek to keep the province clean and healthy. Over \$85,000 in funding was provided to The Town of Happy Valley-Goose Bay to support the cleanup of waste material on illegal encampments set up by transiently homeless persons. Over \$30,000 was also provided to Clean Harbours Initiative to support ocean cleanup activities required due to debris from Hurricane Fiona.
- Renewed a three-year partnership with Crime Stoppers NL through a \$45,000 commitment from the Waste Management Trust Fund. With the goals to increase public awareness and deter potential offenders, the program provides the public with a safe and anonymous way to report instances of illegal dumping and littering in Newfoundland and Labrador.

Indicator 2: Continued work with provincial and jurisdictional partners to support waste management policies and practices.

- 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.
- Held a regional waste management forum in March 2023. Representatives from seven waste management regions, as well as the provincial government attended the event. The forum provided attendees an opportunity to share key insights and best practices in advancing modern waste management.
- Participated in meetings with the Atlantic Harmonization Group to discuss Atlantic Canada priorities for waste and the development, oversight and harmonization of related regulations.

- Participated in the reinstatement of the Newfoundland and Labrador Solid Waste Management Committee – a senior-management level, interdepartmental standing committee with the purpose of facilitating a concerted approach to advancing the Solid Waste Management Strategy. Committee members include representatives from MMSB, Environment and Climate Change, Digital Government and Service NL and Municipal and Provincial Affairs.
- Represented Newfoundland and Labrador on the Canadian Council of Ministers of the Environment’s (CCME) Waste Resource and Recovery Committee. The committee has been actively advancing the Strategy and Action Plans for Zero Plastic Waste. Included in the ongoing projects is an action from Phase 2 of CCME’s Zero Plastic Waste Action Plan being led by Newfoundland and Labrador on policy options and best practices for the management of end-of-life fishing and aquaculture gear which is expected to be completed by the end of 2023.
- As a member of the Beverage Container Recycling Network of Canada, MMSB participated in leadership and marketing and communications meetings to discuss key priorities and strategies to enhance beverage container recycling.
- Participated 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. [A Roadmap to Strengthen the Management of Single-Use and Disposable Plastics](#) was completed and published in 2022 and is intended to support jurisdictions in identifying problematic SUDP items, prioritizing items for action and identifying instruments available for managing priority items.
- As a member of the Canadian Association of Tire Recycling Agencies (CATRA), partnered with six other provinces on the completion of a Life Cycle Assessment project on used tire collections, transportation and processing, as well as participated in annual members meetings. MMSB also sits on the CATRA Data and Reporting Committee, with other members across the country, developing and continuously improving capabilities for collecting and analyzing member data for the generation of scrap tire performance and benchmarking purposes.

Indicator 3: Engaged stakeholders in consultation process to inform upon a new framework for an industry led program for PPP.

- Completed phase one and two of consultations to inform an EPR program for PPP. The first stage of consultation began in the previous fiscal year with one-on-one meetings with impacted stakeholders in the province. This phase was completed in June 2022 with a one-day in-person and virtual education session, with 64 participants registering to attend from various industry, government and non-government organizations. A [What We Heard document](#) was created following the session and distributed to stakeholders.

The second phase of consultations commenced in November 2022 and concluded in February 2023 to explore potential content for a framework for an EPR program for PPP. MMSB held three in-person sessions with specific stakeholder groups including industry, waste management authorities, municipalities and other identified associations and organizations. An opportunity for written feedback was also provided to stakeholders which garnered 10 submissions. A second [What We Heard](#) document was distributed in March 2023.

Indicator 4: Fostered opportunities with stakeholders to advance public education and communication initiatives.

- Using advice and guidance from a committee of regional waste management authorities and communities, MMSB launched a new campaign to increase participation and proper use of curbside recycling programs in Newfoundland and Labrador. Through the campaign, communities can partner with MMSB to share resources with their residents that promotes curbside recycling.

- MMSB continued to build upon its 'Champions for a Greener Future' campaign, which recognizes organizations and individuals that are environmental leaders. This fiscal year, 11 champions were recognized on social media platforms, tapping into various provincial networks to increase engagement and help inspire sustainable waste management practices. The Champions campaign was also used to highlight past funding recipients and to promote the SWMIF and CWD

Discussion of Results

MMSB has achieved both its Issue 2 planned goal for 2020-23 and its objective for 2022-23. MMSB understands and respects the important role its stakeholders play in progressing the Provincial Waste Management Strategy (Strategy) and continues its work with municipal, provincial, jurisdictional, and federal stakeholders on an ongoing basis. During 2020-23, many investments were made in waste diversion initiatives in support of community and industry goals, the framework for a provincial industry led PPP program was initiated, and the reinstatement of the Newfoundland and Labrador Solid Waste Management Committee all serve as positive steps in advancing sustainable waste management practices with our partners in achieving success towards the Strategy.

Priority 3: Knowledge and Information

MMSB continuously strives to advance sustainable waste management practices through waste diversion programs and public education. 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. Mobilizing information and knowledge allows MMSB to raise awareness about the proper disposal of waste and sustainable behaviours. 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.

2022-23 Objective

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

2020-23 Goal: Indicators and Performance

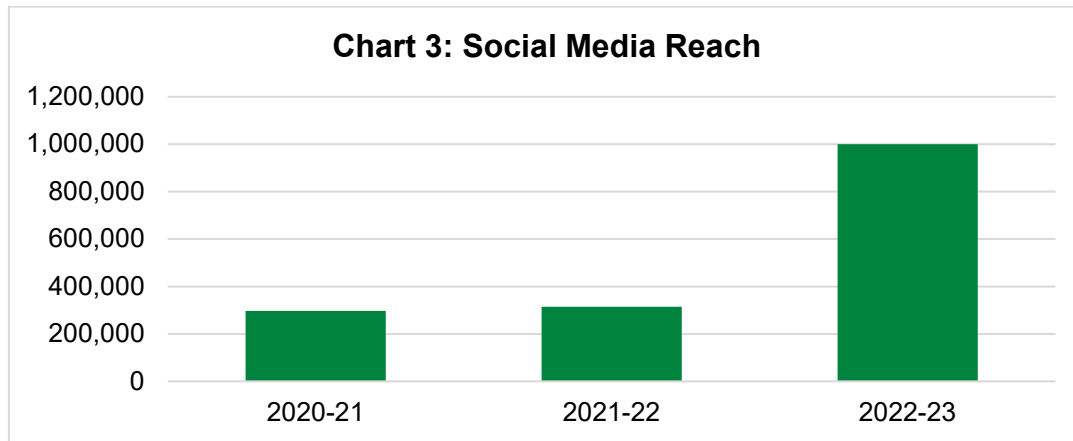
Indicator 1: Strengthened data collection, research and analysis on waste generation and disposal.

- To monitor progress made on the Provincial Waste Management Strategy, MMSB completed a Waste Report Card using data obtained from landfill facilities and diversion programs. The report card provides insight into total waste generated, disposed and diverted.
- Completed research to support regional waste management authorities and municipalities in measuring effectiveness and utilization of curbside programs. This research included seven curbside waste audits, residual waste audits at three material recovery facilities (MRF) in the province and a set-out rate study.
- Completed a province-wide litter audit to assess the abundance and composition of litter in Newfoundland and Labrador. 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 report on the findings from life cycle assessments of waste streams. The assessments were completed from a greenhouse gas emissions perspective on various waste management options in regions on the island that are not identified as final disposal sites.
- Completed a statistical review of audit methodology and payment structure for the payment of handling fees to the regional authorities for deposit bearing beverage containers and fluid milk packaging.
- Conducted waste audits for four businesses representing various sectors to profile the waste streams generated and identify potential waste reduction and diversion opportunities.
- Completed benchmark research in 2020-21 and 2022-23 to measure public attitudes and behaviours towards waste management and recycling in an effort to monitor progress, opportunities and challenges that can guide public education strategies. The latest benchmark research was used to create target market segmentations to help identify strategic audiences for initiatives.
- Completed a third-party assessment of the Used Tire Management Program. The review observed no differences in benefits between industry and government led programs other than flexibility to adapt to external conditions. Based on findings, MMSB decided to maintain management of the program and to explore options to strengthen the program into the future.

Indicator 2: Enhanced access to information about sustainable waste management practices and programs.

- Updated the Rethink Waste NL website with new pages and resources for a number of core areas including household hazardous waste, composting, tire recycling, the single-use plastic bag ban, greening your business, food waste, EPR and curbside recycling.
- Created a number of new multi-media campaigns to support public education initiatives and diversion programs, including:
 - New Champions for a Greener Future campaign highlighting organizations, individuals and groups that are environmental leaders;
 - New campaign to discourage illegal dumping;
 - A garbage bag dissection video;
 - Social media campaign to promote the recycling of fluid milk packaging;
 - A sustainable holidays digital campaign;
 - A series of videos to support backyard composting; and a
 - Curbside recycling campaign including TV, social media, radio, digital ads and video.
- Each year, public education assets were created to support important days, weeks and months including Global Recycling Day, Earth Hour, Earth Day, World Environment Day, World Ocean's Day, International Compost Awareness Week, Canadian Environment Week, Waste Reduction Week and Circular Economy month.

Indictor 3: Increased engagement in public education initiatives.



- Saw continuous upward growth in the reach of social media education through MMSB’s channels, as is seen in Chart 3 above.
- Grew visitors to the Rethink Waste NL website and maintained an average of 79,000 visitors for years two and three of the strategic plan. The website houses resources and information for the proper disposal of waste.
- Continued to build public awareness and engagement with the public, schools, businesses and community organizations through delivery of over 50 presentations and education sessions. Sessions covered composting, recycling and/or an overview of MMSB. In total, over 1,500 people were reached through the sessions.

2022-23 Objective: Indicators and Performance

Indicator 1: Mobilized research and data to support the development of public education and waste management initiatives and programs.

- Completed target market segmentation research using benchmark data that measures residents’ attitudes and behaviours towards waste management and recycling.

The data is formatted into segmentation profiles that informs MMSB of opportunities and challenges that can be used to strategically target education and marketing initiatives.

- Partnered with the Town of Paradise to conduct a Recycling Participation and Set-Out Rate study in which 792 households (nine per cent of households in the town) were monitored over an eight-week period to assess the extent to which the Town’s curbside programs was being used by its residents. This was the largest of this type of study ever to be undertaken in the province. The study found that on average, only 53 per cent of households are participating and 33 per cent set out recycling.
- Conducted a follow up waste audit at the Fort Williams building. The objective of this study 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 organization.

Indicator 2: Strengthened and expanded public education resources and initiatives.

- Celebrated International Compost Awareness Week from May 1 to 7, 2022, with a campaign to promote backyard composting and raise awareness about the impact of organic waste. The campaign included a launch event with the Minister of ECC and O’Donnell High School, social media promotion of tips and tricks and a bin giveaway contest which generated significant interest among residents with over 800 entries.
- Celebrated the newly formed Circular Economy Month during October 2022, as well as Waste Reduction Week from October 17-23, with a public education campaign that included a news release, proclamation signing with MMSB’s Board of Directors and social media promoting champions and sustainable waste management practices.
- Added a new section to Rethink Waste NL to house the stories of environmental champions and promote the recognition of organizations that share MMSB’s commitment to advancing sustainable waste management.
- MMSB launched a Recycle @ Home Campaign to increase participation and proper use of curbside recycling programs in Newfoundland and Labrador. Through the campaign, MMSB is partnering with communities throughout the province to encourage residents to ‘join the curbside revolution’. The campaign offers a number of resources to help residents understand what materials are accepted through programs, as well as to provide insight into what becomes of recyclables once they are placed at the curb. As of March 31, 2023, the campaign videos have resulted in over 220,000 views through pre-rolls ads.

Indicator 3: Continued to raise interest and engagement in sustainable waste diversion practices.

- Continued to generate strong awareness and engagement in sustainable waste management through Google digital advertising platforms, which resulted in approximately 8.6 million impressions and over 38,000 clicks on Rethink Waste NL links. These metrics were either on par or exceeded advocacy industry benchmarks.
- Used Connected TV advertising, which engages users of streaming services, which resulted in over 154,000 impressions for Rethink Waste NL content.
- The Rethink Waste NL website had a total of 79,285 visitors this fiscal year, which was consistent to the previous year.
- Experienced a significant increase in social media engagement, reaching over 1 million users this fiscal year through Rethink Waste NL campaigns. Much of this success is connected to the launch of the new Blue Bag Campaign.
- Continued to build public awareness and engagement with the public, schools, businesses and community organization through the offering of 25 presentations and education sessions. Sessions covered composting, recycling and/or an overview of MMSB. In total, over 700 people were reached.

Discussion of Results

MMSB feels it has met its Issue Three goal and the 2022-23 objective. This three-year period saw the introduction and mobilization of various research projects that helped identify opportunities for program development and public education. Having access to research allowed for the development of various informed public education initiatives and campaigns. Based on the insights shared, it is evident that public education initiatives saw strong results, demonstrating an increased level of awareness and engagement. 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.

Challenges and Opportunities

Succession planning for Green Depot operators is a significant challenge for MMSB. Sustaining a profitable business opportunity when faced with rising costs and struggles in finding and retaining employees poses a major challenge in attracting new operators. MMSB continues to consider strategies to attract and retain operators. Implementing alternative arrangements such as drop-off events and mobile collection can provide temporary solutions while we search for long-term operators. By embracing these opportunities, we can ensure continued service provision to residents in affected areas.

MMSB faces operational challenges as well due to global increases in expenses and revenue reductions, compounded by the expiration of long-term contracts and the necessity of public bidding processes during uncertain times. These challenges also present opportunities to reassess financial strategies and explore innovative approaches to reduce costs and increase revenues. By identifying efficiencies and seeking new partnerships, MMSB continuously strives to overcome financial obstacles to ensure the sustainability of our programs. The fee structure for the Used Beverage Container and Used Tire Management Programs has remained unchanged for over 20 years, while expenses continue to rise. While this poses a challenge, it also presents an opportunity to review and potentially adjust the fee structures to reflect current market conditions and cost pressures.

The establishment of the new used tire processing facility in the province presents an opportunity to leverage tire derived aggregate (TDA) as a valuable civil engineering material. TDA offers numerous beneficial properties, making it suitable for various applications such as lightweight fill, leachate collection, a frost inhibitor, and vibration damping. With the installation of demonstration projects and showcasing the effectiveness and durability of TDA, the material can gradually become a sought-after product in the local construction industry, fostering innovation and opening doors to new applications and collaborations in civil engineering projects.

It is critical that MMSB supports the development and creation of new and innovative technology, processes and practices to provide quality, modern and sustainable diversion programs and public education. As labour markets, cyber security issues and technology continue to evolve at an accelerated rate, MMSB will make it a priority to enhance its information technology (IT) and human resource management strategies to ensure the safe delivery of modern programs and initiatives to its stakeholders.

As we acknowledge these challenges, MMSB also embraces the opportunities they present. Together with our partners, we can drive innovation, improve operational efficiency, and enhance the delivery of programs. With a proactive and adaptive approach, we remain confident in our ability to overcome these challenges, leverage opportunities, and continue serving the communities and residents of Newfoundland and Labrador effectively.

Appendix A - Board of Directors 2022-23

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, 2023 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 Auditor's Report thereon

Year ended March 31, 2023



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 AUDITOR'S 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, 2023
- 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, 2023 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.



Page 3

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 16, 2023

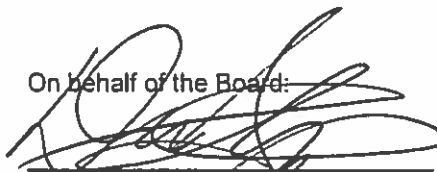
MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Financial Position
 March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and cash equivalents (note 3)	\$ 11,279,804	\$ 22,179,613
Accounts receivable net of allowance for doubtful accounts of \$58,922 (2022 - \$58,922)	3,166,037	3,604,418
HST receivable	547,181	347,299
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next three years, utilizing an interest rate of prime plus 1%	44,135	30,500
Inventory for resale	90,629	152,606
Investments (note 4)	13,024,384	401,752
	<u>28,152,170</u>	<u>26,716,188</u>
Liabilities:		
Accounts payable	878,398	564,262
Other payables and accrued liabilities (note 5)	1,646,724	2,166,220
Grants payable	890,858	1,281,124
Unearned revenue (note 6)	2,710,988	2,797,359
Performance bonds payable	899,244	404,906
	<u>7,026,212</u>	<u>7,213,871</u>
Net financial assets	21,125,958	19,502,317
Non financial assets:		
Tangible capital assets (Schedule 4)	1,222,931	1,358,258
Prepaid expenses	95,742	72,473
	<u>1,318,673</u>	<u>1,430,731</u>
Commitments (note 10)		
Accumulated surplus	<u>\$ 22,444,631</u>	<u>\$ 20,933,048</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

 Chairperson

 Director

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023 Actual	2023 Budget	2022 Actual
Revenues:			
Used beverage container program deposits	\$ 24,784,442	\$ 23,732,096	\$ 24,790,566
Used beverage container by-product revenue	4,680,912	2,832,693	4,137,871
Used tire program deposits	3,220,888	2,851,292	2,937,925
Milk packaging program	272,445	260,000	212,630
Miscellaneous income	262,580	-	119,729
Interest income	693,872	20,000	103,049
Handling fees	-	-	27,887
Provincial Solid Waste Management Strategy	35,910	50,000	-
	<u>33,951,049</u>	<u>29,746,081</u>	<u>32,329,657</u>
Expenses:			
Used beverage container program (Schedule 3)	25,607,794	22,836,117	24,657,689
Used tire program (Schedule 3)	3,614,681	3,115,229	2,501,583
Grant disbursements	260,769	440,000	840,937
Program operations (Schedule 3)	116,022	274,000	105,964
Provincial Solid Waste Management Strategy	35,910	50,000	-
Administrative expenses (Schedule 1)	2,149,856	2,495,777	2,108,031
Public education expenses (Schedule 2)	654,435	535,000	520,416
	<u>32,439,467</u>	<u>29,746,123</u>	<u>30,734,620</u>
Annual surplus	\$ 1,511,582	\$ (42)	\$ 1,595,037

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2023, with comparative information for 2022

	Actual 2023	Budget 2023	Actual 2022
Accumulated surplus, beginning of year	\$ 20,933,048	\$ 20,933,048	\$ 19,338,011
Annual surplus	1,511,582	(42)	1,595,037
Accumulated surplus, end of year	\$ 22,444,630	\$ 20,933,006	\$ 20,933,048

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Actual 2023	Budget 2023	Actual 2022
Annual surplus	\$ 1,511,582	\$ (42)	\$ 1,595,037
Acquisition of tangible capital assets	(39,418)	(85,000)	(65,894)
Amortization of tangible capital assets	174,744	212,122	192,213
Decrease in prepaid expenses	(23,269)	-	11,014
Increase in net financial assets	1,623,639	127,080	1,732,370
Net financial assets, beginning of year	19,502,317	16,818,305	17,769,947
Net financial assets, end of year	\$ 21,125,956	\$ 16,945,385	\$ 19,502,317

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 1,511,582	\$ 1,595,037
Item not involving cash:		
Amortization	174,743	192,213
	<u>1,686,325</u>	<u>1,787,250</u>
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	438,381	(334,949)
Increase in HST receivable	(199,882)	(103,112)
Increase in notes receivable	(13,635)	(7,651)
(Increase) decrease in prepaid expenses	(23,269)	11,014
Increase (decrease) in inventory for resale	61,977	(93,286)
Increase in accounts payable	314,138	132,508
(Decrease) increase in other payables and accrued liabilities	(519,496)	773,309
(Decrease) increase in grants payable	(390,266)	421,937
(Decrease) increase in unearned revenue	(86,371)	543,045
Increase in performance bonds payable	494,338	3,228
	<u>1,762,240</u>	<u>3,133,293</u>
Capital:		
Acquisition of tangible capital asset	(39,417)	(65,894)
Investing:		
Purchase of investments	(12,622,632)	-
Redemption of investments	-	3,996,772
	<u>(12,622,632)</u>	<u>3,996,772</u>
(Decrease) increase in cash and cash equivalents	(10,899,809)	7,064,171
Cash and cash equivalents, beginning of year	22,179,613	15,115,442
Cash and cash equivalents, end of year	<u>\$ 11,279,804</u>	<u>\$ 22,179,613</u>

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements

Year ended March 31, 2023

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) 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 \$100,688 (2022 - \$133,658) in restricted cash related to the Provincial Waste Management Strategy.

(b) 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.

(c) 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, 2023

2. Significant accounting policies (continued):

(d) 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

(e) 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.

(f) Asset retirement obligations:

On April 1, 2022, the Board adopted Public Sector Accounting Standard PS 3280 – Asset Retirement Obligations. This new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption.

The implementation of this standard did not require the Board to reflect any adjustments in these financial statements as the Board does not have any significant legal obligations with respect to the retirement of its tangible capital assets.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(g) 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 69% (2022 - 70%).

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.

(h) 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.

(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.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

2. Significant accounting policies (continued):

(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) 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.

(l) 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, 2023

2. Significant accounting policies (continued):

(l) 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:

	2023	2022
Cash and cash equivalents	\$ 11,179,116	\$ 22,045,955
Restricted cash deposits	100,688	133,658
	<u>\$ 11,279,804</u>	<u>\$ 22,179,613</u>

4. Investments:

The Board's investment in GIC at the year end date totals to \$13,024,384 (2022 - 401,752). These investments are due to mature at varying dates ranging from 2023 to 2028 at rates of return ranging from 0.65% to 5.2% per annum. A portion of this balance that is in the amount of \$899,244 (2022 - \$404,905) 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.

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

5. Other payables and accrued liabilities:

	2023	2022
Accrued liabilities	\$ 938,372	\$ 1,673,611
Tire stockpile accrual	258,000	258,000
Wages and benefits	251,440	234,609
Tire processing liability	198,912	-
	\$ 1,646,724	\$ 2,166,220

6. Unearned revenue:

	2023	2022
Provincial Solid Waste Management Strategy	\$ 101,164	\$ 133,715
Used beverage container deposits	2,589,450	2,643,270
Grant contributions	20,374	20,374
	\$ 2,710,988	\$ 2,797,359

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 2023 is \$2,347,601 (2022 - \$3,229,448) 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.

In April 2019 the Board started operating 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, 2023

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, 2023, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were \$258,000 (2022 - \$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 \$60,879 (2022 - \$61,445)

10. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next couple of years as follows: 2024 - \$54,831 and 2025 - \$2,766.

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers up to June, 2024;
- (ii) Operating lease for a vehicle to September, 2024; and
- (iii) advertising contract with Stingray and NBC to September 2023 and March 2024 respectively

MULTI-MATERIALS STEWARDSHIP BOARD

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2023

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, 2023

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, 2023, with comparative information for 2022

	2023	2022
Wages and benefits	\$ 1,678,554	\$ 1,699,276
Software support	144,051	128,975
Board member expenses	64,213	34,722
Professional fees	75,097	60,193
Staff travel	42,354	33,477
Amortization	35,033	37,398
Office supplies	25,455	18,504
Rent	19,400	16,800
Subscriptions, memberships and conferences	16,664	13,610
Telecommunications	14,105	16,854
Vehicle	11,048	15,422
Bank charges	8,483	10,373
Insurance	8,174	8,390
Training	6,945	11,727
Miscellaneous	231	112
Postage and courier	49	(344)
Equipment lease and support	-	2,542
	<u>\$ 2,149,856</u>	<u>\$ 2,108,031</u>

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Campaigns:		
Used beverage container program	\$ 76,473	\$ 68,853
Used tire program	4,228	4,963
Total campaigns	80,701	73,816
Corporate:		
Owned Media	305,243	254,416
Media monitoring	4,133	2,848
Sponsorship	-	50
Total corporate	309,376	257,314
Public Education Programs	264,358	189,286
Total public education	\$ 654,435	\$ 520,416

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 3 - Consolidated Program Costs

Year ended March 31, 2023, with comparative information for 2022

	Used Beverage Container Recycling Program	Used Tire Recycling Program	Program Operations	2023 Actual	2023 Budget	2022 Actual
Deposits refunded	\$ 10,869,899	\$ -	\$ -	\$ 10,869,899	\$ 9,531,063	\$ 10,769,078
Handling fees	10,437,550	-	-	10,437,550	9,262,277	10,067,604
Transportation	2,500,721	2,937,261	-	5,437,982	4,785,962	4,516,888
Processing	1,177,127	611,856	-	1,788,983	1,432,763	1,219,759
Depot fees	345,280	-	-	345,280	332,178	304,368
Quality assurance	4,142	7,313	-	11,455	31,600	5,059
Green school program	191,616	-	-	191,616	350,000	121,701
Amortization	81,459	58,251	-	139,710	148,003	154,815
Waste diversion	-	-	111,465	111,465	276,500	72,718
Professional services	-	-	4,557	4,557	75,000	33,246
	\$ 25,607,794	\$ 3,614,681	\$ 116,022	\$ 29,338,497	\$ 26,225,346	\$ 27,265,236

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 4 - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2023, with comparative information for 2022

	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	2023	2022
Cost											
Cost beginning 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
Additions during the year	-	-	-	5,513	-	33,904	-	-	-	39,417	65,894
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-
Cost, end of year	\$ 275,778	\$ 168,266	\$ 202,956	\$ 324,162	\$ 523,581	\$ 1,069,592	\$ 324,515	\$ 78,699	\$ 1,007,624	\$ 3,975,173	\$ 3,935,756
Accumulated amortization											
Accumulated amortization, beginning of year	\$ 230,008	\$ 152,258	\$ 174,681	\$ 308,178	\$ 302,736	\$ 797,650	\$ 323,678	\$ 28,200	\$ 260,109	\$ 2,577,498	\$ 2,385,285
Amortization	12,262	2,969	7,575	3,219	21,270	68,973	224	7,871	50,381	174,744	192,213
Accumulated amortization, end of year	242,270	155,227	182,256	311,397	324,006	866,623	323,902	36,071	310,490	2,752,242	2,577,498
Net book value of tangible capital assets	\$ 33,508	\$ 13,039	\$ 20,700	\$ 12,765	\$ 199,575	\$ 202,969	\$ 613	\$ 42,628	\$ 697,134	\$ 1,222,931	\$ 1,358,258