



Recycle NB



ANNUAL REPORT | 2017

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Tires collected:
1,078,000
Recovery Rate: 75.1%
Depots: 715



Paint collected:
334,728 L
Recycled: 245,682 L
Recovery Rate: 72.3%
Depots: 60



Oil collected:
3,728,890 L
Recycled: 9,449,867
(includes 5,720,977 L - Energy recovery)
Recovery Rate: 90.8%
Depots: 177



Electronics collected:
799 metric tonnes
Depots: 64

TRANSMITTAL LETTER

Honourable Serge Rousselle, Q.C.
Minister of Environment and Local Government
Legislative Assembly of New Brunswick
Fredericton, New Brunswick

Dear Minister:

On behalf of the Board and staff, I am pleased to present the annual report of Recycle NB for the calendar year 2017. The report is presented in accordance with Section 11 of the *Designated Materials Regulation* (New Brunswick Regulation 2008-54 enacted under the *Clean Environment Act*.)



Rod Borden
Chair, Recycle NB

MOVING BEYOND WASTE

VISION

All waste materials in New Brunswick are managed in a sustainable and environmentally responsible way

MISSION

To manage waste reduction programs for designated materials and provide environmental stewardship for New Brunswick.

ROLE

To ensure that materials designated by the Minister of the Environment are managed in a manner that assures a clean and healthy environment.

STRATEGIC DIRECTIONS

FACILITATE WASTE MINIMIZATION

Recycle NB will ensure that its programs provide an ever-present and accessible recycling solution for all designated materials and will continue to work towards the overall goal of a waste-free New Brunswick.

INCREASE PUBLIC EDUCATION AND AWARENESS

Recycle NB will focus on dialoguing with New Brunswickers about the environment by promoting an understanding of waste as a valuable resource, while emphasizing that recycling presents a viable option for disposal.

TO ADD VALUE

Recycle NB strives to add value to all waste materials and develop long-term stability in the process through technological innovation and emerging markets for recycled products.

TO REMAIN TRANSPARENT AND ACCOUNTABLE

Recycle NB is committed to maintaining accountability and transparency in its processes and will continue to seek ways to improve its performance in these areas.

TO BE FINANCIALLY SUSTAINABLE

Recycle NB strives to earn public confidence through financial sustainability despite challenging economic times.

**“Our vision is all about a long-term plan
to make our province waste-free.”**

MESSAGE FROM THE CHAIR

If we are going to leave our children and grandchildren a clean, safe environment, we all have to do our best to reduce our consumption, reuse the things we have and recycle as much as possible. It's a simple mantra but its impact is large. That is why in 2017 the Board of Recycle NB was so pleased to approve a stewardship plan for a new designated material and to renew the plan for another.

The Board approved the Stewardship Management Plan for electronic products and welcomed EPRA (Electronic Products Recycling Association) as our industry partner for the program. The program launched on March 30 and in its first year the program collected 799 metric tonnes of used electronics.

The used oil and glycol program began in 2014. Based on its success and performance over the last three years, we were pleased to approve the new Stewardship Plan on December 8th, 2017. UOMA has been an excellent partner for this program and we look forward to continuing our relationship and to the continued recycling of used oil products by the residents of New Brunswick.

The implementation of a third EPR (Extended Producer Responsibility) program in New Brunswick shows the way we manage waste in New Brunswick is changing. EPR is an environmental policy that creates a partnership among governments, industry and consumers for the benefit of the environment. It is an effective and efficient approach to environmental protection.

Recycling programs depend on New Brunswickers' support and commitment. Every year they recycle millions of tires, millions of litres of oil, hundreds of thousands of litres of paint and hundreds of tonnes of electronics. We acknowledge their efforts. A majority of New Brunswickers have indicated that they want Recycle NB to communicate and provide them information on recycling so we will continue our efforts to inform them about the importance of recycling and the designated materials programs.



A handwritten signature in black ink that reads "Rod A Borden". The signature is written in a cursive, slightly slanted style.

Rod Borden, Chair, Recycle NB

PARTNERSHIPS

Recycle NB manages New Brunswick's designated materials programs through partnerships with industry, governments, local authorities and the community. The paint, electronics and oil and glycol programs are EPR (Extended Producer Responsibility) programs, which means the producers of the products operate and fund the programs.

The industry brand owners select an agent to manage the program on their behalf. Recycle NB works closely with each program agent to ensure the program meets the legislative requirements and the needs of New Brunswick residents.

In addition, Recycle NB works closely with the province's twelve Regional Service Commissions and their Solid Waste Divisions as they are major stakeholders in the waste management system.

Recycle NB has also formed a partnership with Habitat for Humanity to provide affordable, safe housing for low income families while at the same time providing a new lease on life for recycled products made from waste paint and tires. Habitat for Humanity uses composite roofing shingles and recycled paint in its housing construction projects throughout the province.



Tires



Our partner for the Tire Program is TRACC (Tire Recycling Atlantic Canada) in Minto. This locally owned company collects the tires from garages across the province, shreds them and turns them into a variety of new rubber products such as cattle mattresses, playground cover, garden mulch and construction cone bases. The company employs over 60 people in its operations.

Paint



Product Care Association operates the paint recycling program in New Brunswick. The Association sets up the collection and transportation system for leftover paint. The not-for-profit organization operates its ReGeneration Paint Program in eight Canadian provinces.

Oil and Glycol



UOMA Atlantic, which represents oil industry brand owners, has over 150 members in New Brunswick. It is managed by a Board of Directors and is responsible for the collection, transportation and recycling of used oil and glycol products. UOMA Atlantic has more than 170 oil and glycol collection facilities in New Brunswick.

Electronics



The Electronic Products Recycling Association is an industry-led, not-for-profit organization that operates regulated recycling programs across Canada. It ensures that end-of-life electronics are handled in a safe, secure and environmentally-sound manner. Products collected through the electronics program are sent to audited and approved specialized recyclers for processing.

Regional Service Commissions

The Regional Service Commissions provide solid waste disposal services to the Municipalities, Rural Communities and Local Service Districts within their respective regions. This includes the operation of the landfills and transfer stations, as well the coordination of various recycling programs, the handling of hazardous waste and the promotion of composting.

Habitat for Humanity



Habitat for Humanity Canada is a national, non-profit, faith-based organization working for a world where everyone has a safe and decent place to live.

CHALLENGES AND OPPORTUNITIES

EPR (Extended Producer Responsibility)

How do we involve industry in the end-of life waste management of their products? Are there ways to relieve local governments and taxpayers of recycling costs while better protecting the environment? The answer lies in the way we fund and manage waste diversion programs.

Extended Producer Responsibility (EPR) is an environmental policy that gives industry the opportunity to accept their obligation to provide for the end-of-life management of the products they produce. Under the policy, industry is responsible for designing and funding diversion programs for their products and packaging.

Industry may operate programs or partner with local waste management authorities to recycle their materials. In either case, funding for the programs belongs to industry instead of taxpayers.

The Canadian Council of Ministers of the Environment (CCME) adopted Extended Producer Responsibility (EPR) as a policy approach. Therefore, many provinces are looking for ways to apply and promote the policy. The approach is to phase in EPR programs for priority products and materials.

However, in a complex competitive national and global business market, Canada, as a small market, may not be strong enough to influence new environmentally conscious

product designs or supply chain management. The environmental objectives of EPR may need additional measures such as eco-labelling; restrictions on harmful substances; recycled content standards and regulations;

green procurement policies; environmental performance/voluntary agreements and a variety of other potential standards, bans, guidelines and educational tools.

Packaging and Printed Paper (PPP)

In 2005, the Canadian Council of Ministers of the Environment (CCME) established an Extended Producer Responsibility (EPR) Task Group and gave it a mandate to provide guidance on the development and implementation of Extended Producer Responsibility (EPR) programs in Canada.

Five Canadian Provinces have PPP (Packaging and Printed Paper Stewardship Plans) for household waste including British Columbia, Saskatchewan, Manitoba, Ontario and Quebec.

An EPR program for PPP would divert approximately 65% of residential household waste that goes into New Brunswick's landfills annually.

Recycle NB is continuing its dialogue regarding a PPP program with the other Atlantic Provinces, Regional Service Commissions, other key stakeholders and industry.

In addition to learning from the dialogue, a jurisdictional review and report outlining a proposed framework and implementation plan provide governments with the tools to examine the future of recycling waste packaging and paper in Atlantic Canada. The document is available on the Recycle NB website, www.recyclenb.com.



China's foreign waste policy

Starting January 2018, China is applying tougher standards on the materials it accepts for recycling.

The new standards apply to plastic, textiles and mixed paper. Contamination levels for these products cannot exceed 0.5 per cent. Heavily soiled materials such as papers and plastics mixed with glass or covered in food particles will not meet the standard.

Making sure that materials meet the new standard represents a challenge for waste management authorities, industry and citizens. They will have to produce cleaner materials so that contamination levels are below the 0.5 per cent level. Failure to do so will mean recyclable materials will sell for lower prices, require reprocessing through sorting plants, or in the worst-case scenario, end up in landfills.

Changes in collection and sorting of recyclables will reduce contamination and improve the value of materials. When programs require citizens to separate their

paper from glass, plastics, and metals the materials sold for recycling are cleaner and more valuable.

Other parts of the solution lie in finding new markets for materials, expanding domestic markets for recycled materials, and increasing short-term storage capacity for the materials. Higher standards and regulations for recycling including landfill bans will contribute to ameliorating the situation.

Just as important is the implementation of good industry stewardship programs for the affected materials.

Allowing producers of products to manage their products at the end of life shifts the recycling costs from taxpayers and creates partnerships with industry. Charged with the end-of-life management of their products, industry will find ways to redesign their products and reduce packaging. Stewardship programs create a framework for continuous program development and improvement in addition to better use of resources.

Circular Economy

Looking at the bigger picture, a circular economy provides opportunities to reduce waste and make more effective and efficient use of many materials, not just those affected by the China policy.



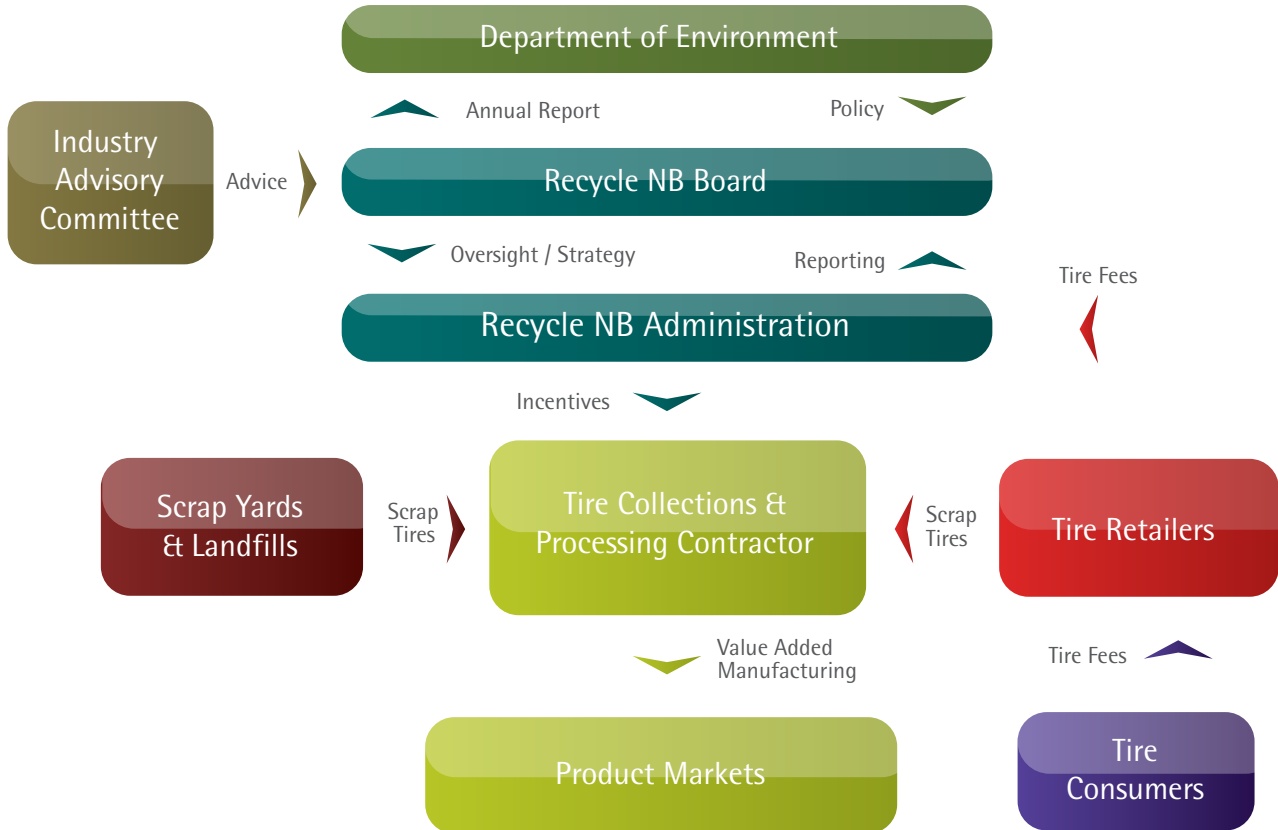
WRAP (Waste and Resource Action Program) in the United Kingdom defines a circular economy as “an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life.”



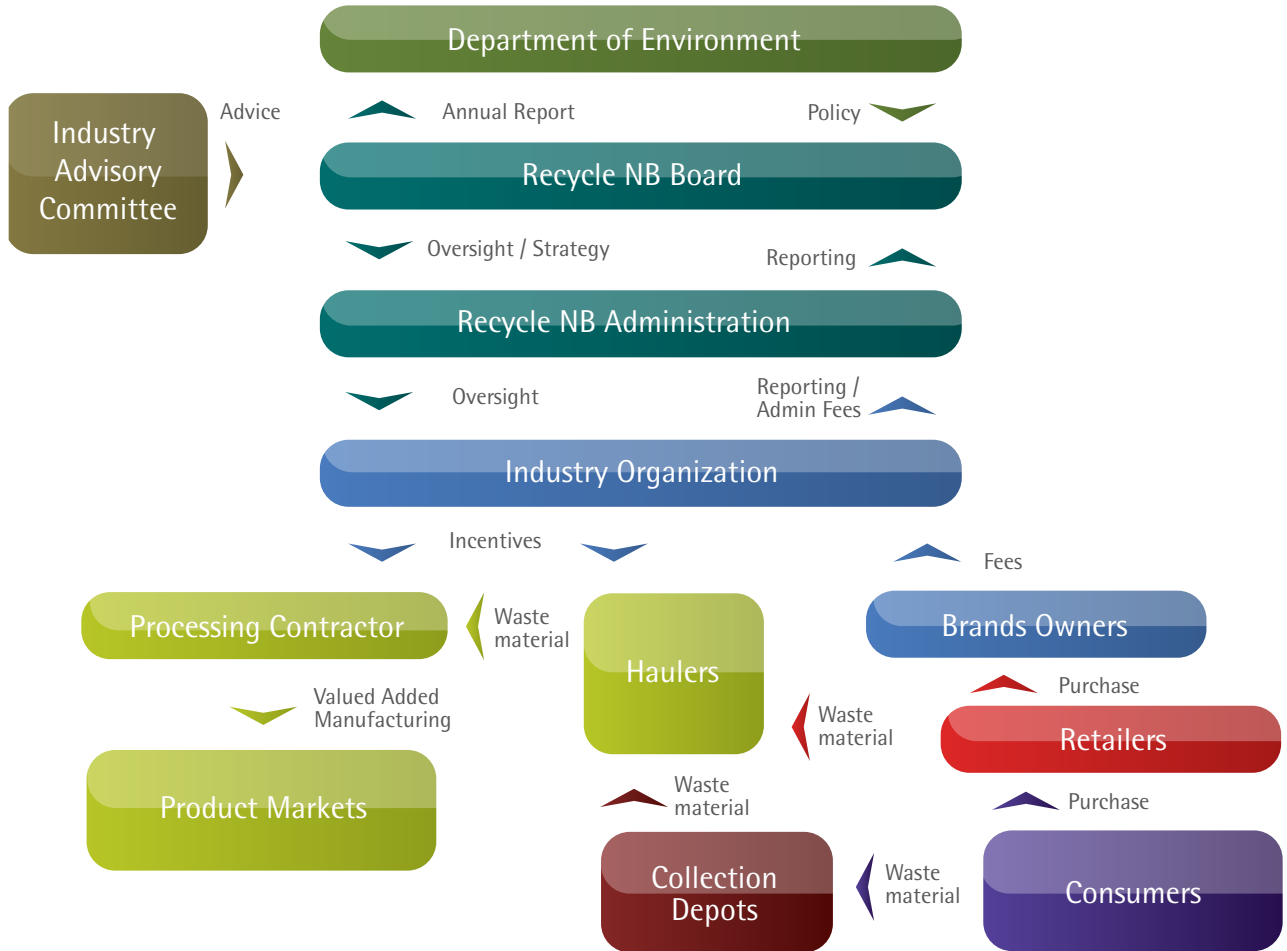
WASTE MINIMIZATION

Recycle NB will ensure that its programs provide an ever-present and accessible recycling solution for all designated materials and will continue to work towards the overall goal of a waste-free New Brunswick.

TSP Stakeholder Model



Stakeholder Model for EPR



TIRE STEWARDSHIP PROGRAM (TSP)

Historic perspective

The *Designated Materials Regulation* (New Brunswick Regulation 2008-54) under the Clean Environment Act came into effect on May 1, 2008. The Regulation created Recycle NB and transferred the rights and obligations of the existing New Brunswick Tire Stewardship Board to the new corporate body.

Through the Tire Stewardship Program, Recycle NB provides a system through which all tire retailers in New Brunswick comply with the *Designated Materials Regulation*. The regulation applies to anyone selling new tires within the province.

Since the inception of the New Brunswick tire recycling program in 1996, the equivalent of more than 20 million scrap tires have been recycled into new value-added products through the program.

A vital component of the continued success of the program is the ability of the Tire Recycling Atlantic Canada Corporation (TRACC) to find and develop new key markets for recycled products, thus requiring additional quantities of rubber to satisfy increasing customer demand. As TRACC uses more rubber for markets each year, there may come a time when rubber from scrap tires in New Brunswick will not be sufficient to meet its needs.



The expansion of the Moderne Slate roofing shingles market by TRACC provides a good example. TRACC produces millions of shingles per year. An agreement signed with a major home product distributor continues to give TRACC unprecedented access to one of the most fully integrated supply networks in North America. This development alone could significantly increase orders for the TRACC shingle products. A direct result of this will be a need to increase both manufacturing capacity and the labor required to run the newly installed equipment. The major challenge may well be to find the additional materials to be recycled. The Tire Stewardship Program is working for New Brunswickers both to reduce waste and to generate meaningful long-term environmental and economic benefits in the province.

Achievements

This year we made improvements to our auditing database and auditing efficiency to enhance tracking and monitoring. Further, we analysed and mapped the auditing process to provide an easy and clear reference document for staff and the registrants being audited.



Tire Sales in 2017

There are more than 700 registered tire retailers in New Brunswick. Each retailer is responsible for collecting tire recycling fees at the point-of-sale for each new tire sold. Retailers remit the fees to Recycle NB, which in turn funds the scrap tire collection, transportation and recycling operations. The program is self-supporting, receiving its funding from new tire sales in New Brunswick.

Tires Sold (Passenger Tire Equivalent):
1,434,000 PTEs (1,347,000 PTEs in 2016)

Tire Collections in 2017

Every scrap tire collected by any tire retail location throughout New Brunswick must be collected and sent to the TRACC recycling plant in Minto. Recycle NB carefully monitors the collection rates to ensure a level playing field for all tire retailers across the province.

Tires collected (Passenger Tire Equivalent):
1,078,000 PTEs (1,140,000 in 2016)

Tire recovery rate: 75.1% (84.7% in 2016)

Tire Processing in 2017

Under the tipping fee-based system developed between TRACC and the Province of New Brunswick, the processing costs for the tires are paid once the collected scrap tires enter the TRACC inventory. The advantages of this system include a reduction in administrative costs and the elimination of the need to maintain frequent inventory audits. In addition, the agreement is a positive first step towards establishing an Extended Producer Responsibility (EPR) program for the Tire Stewardship Program.

Year	2013	2014	2015	2016	2017
Tires Sold *	1,099,000	1,266,000	1,336,000	1,347,000	1,434,000
Tires Collected *	1,026,000	1,093,000	1,097,000	1,140,000	1,078,000
Recovery Rate	93.4%	86.3%	82.1%	84.7%	75.1%

** Refers to passenger tire equivalents *(PTEs) where one PTE is equal to approximately 10 KGs*

Quality Assurance

Recycle NB ensures that the quality of services provided by the program is at a level, which meets the needs of New Brunswickers.

Recycle NB uses the following processes to implement quality assurance for the TSP:

- Analyzing feedback and taking action to improve programs.
- Analyzing the management plan to improve program delivery.
- Analyzing trends and patterns.
- Benchmarking with similar programs in other jurisdictions.



Recycle NB continues to focus its efforts and resources more effectively by collaborating with other provinces on the delivery of tire retailer audits through its membership in the Canadian Association of Tire Recycling Agencies (CATRA).

During the year, Recycle NB randomly selected 20 retailers to audit. Two were removed from the list as the businesses had ceased operation. Of the 18 businesses audited, 3 are completing self-assessments and 1 is yet to be completed. All others have remitted any fees owing and are in good standing.

PAINT STEWARDSHIP PROGRAM (PSP)

Historical Perspective

The *Designated Materials Regulation* (New Brunswick Regulation 2008-54 under the Clean Environment Act) came into effect on May 1, 2008. The Regulation created Recycle NB and gave it responsibility for the Paint Stewardship Program, the first Extended Producer Responsibility (EPR) program in New Brunswick.

In June 2008, Recycle NB accepted Product Care Association as the paint agent for brand owners registered under the program. Product Care Association developed the New Brunswick Paint Recycling Program Plan on behalf of the paint industry in response to the New Brunswick *Designated Materials Regulation*. Recycle NB approved the first program plan April 1, 2009 for a three-year period.

The paint stewardship plan provides industry stakeholders the framework necessary to operate a recycling system that is both accountable and transparent to all stakeholders.

Based on the Extended Producer Responsibility (EPR) model, any expenses incurred by the Paint Stewardship Program for oversight, communications, auditing, general administration or any other cost related to the program are reimbursed on a cost-recovery basis by Product Care.



Eco-Logo Certification

Building green is more than just using recycled products in the construction process; it is about using certified recycled products. Certification helps consumers identify the safest, most environmentally preferable products. There are several internationally recognized marks of environmental quality. However, in North America, there are only two major certifications: Eco-Logo and Green Seal. Industry considers both labels to be marks of environmental leadership.

Recycled paint products such as Boomerang and Rona Eco paint are made from unused portions of recovered domestic paint and stain. These products have a very low level of Volatile Organic Compounds (VOCs), which makes it possible for them to be Eco-Logo certified. Everything about the products is environmentally friendly. The containers are made from recyclable plastic and the labels are printed on Forest Stewardship Council certified paper.

Achievements

There are 60 paint collection depots in New Brunswick. This year almost half (27) of those depots had a paint reuse program. The program offered the better-quality paint returned to the public for use at no cost. An estimated 1,131 litres of paint were given away to consumers



through the Paint Reuse Program. Compared to 2016 this was an increase of more than 100% of paint offered to the public



Paint Sales

While purchasers use most paint they buy, there are times when they must dispose of leftover product. To fund the recycling activities of the Paint Stewardship Program, the price of each container of paint includes an environmental handling fee. As of December 31, 2017, there were 60 brand owners registered with the Paint Stewardship Program. The brand owners remit the funds collected for recycling to Product Care based on their product sales volumes. Product Care manages the ongoing operations according to the approved business plan.

Program members reported the sale of an estimated liquid volume of 4,799,118 litres of program product. The corresponding sales in the 2016 reporting period were 4,654,046 litres.

Paint Sales

Year	Estimated Liquid Volume (Litres)
2017	4,799,118
2016	4,654,046
2015	4,674,947
2014	4,593,235
2013	5,491,670

Paint Collections

The Paint Stewardship Program allows homeowners and businesses to bring their leftover paint and many types of stains, varnishes, and aerosols to the many collection depots across the province. At the launch of the paint recycling program on April 1, 2009, there were 46 paint collection depots. As of December 31, 2017 there were 60 collection depots. The collection sites include retailers, Solid Waste Commissions (including events) and Redemption Centres (bottle return depots).



The program supplies collection sites standard reusable collection bins and other containers such as drums. A hauler contracted to the program collects the filled bins from the collection sites and replaces them with empty bins. The hauler consolidates the filled bins at the warehouse and ships full loads to processors for recycling.

New Brunswick collection depots and program participants can take pride in maintaining one

of the lowest rates of non-program material for any paint recycling program in Canada. Non-program materials, which typically consist of Household Hazardous Waste (HHW) products, can add significant operational costs that industry passes on to paint consumers.

The program collected **334,728** litres of paint during the year. The volume of leftover paint processed during the year and the method of disposal follows:

Percentage of Leftover Paint by Disposal Method

Method	Volume (litres)	Percentage
Reuse (through paint exchange program)	1,131	0.3%
Recycle	245,682	72.3%
Energy Recovery	30,093	8.9%
Landfill	62,935	18.5%
Total	339,841	100%

*Total volume includes only paint materials processed during the year.

Metal and plastic containers collected

The following table shows the amount of metal and plastic containers Product Care recycled during the year.

Containers Collected and Recycled (tonnes)			
Year	Metal	Plastic pails (HDPE 2)	Plastic paint cans (polypropylene)
2017	67.5	4.7	19.5
2016	72.3	4.2	13.6

The recycling of these containers demonstrates the continued effectiveness of the program and positive progress toward meeting program goals.

In addition to providing exceptional value and environmental benefits, the value-added aspect of recycled paint plays a growing role in the developing "green economy."

OIL AND GLYCOL STEWARDSHIP PROGRAM

Historical perspective

Used oil and glycol are major sources of liquid waste in New Brunswick.

One litre of oil could pollute one million litres of drinking water. However, when recycled, these products become a resource. By properly recycling and reusing these products, we help protect our environment.

The provincial government introduced a recycling program for used oil and glycol on October 24, 2012. REGULATION 2012-92 under the Clean Environment Act designates oil, oil filters, oil containers, glycol and glycol containers as materials to be managed.

The Recycle NB Board approved the New Brunswick Oil and Glycol Product Stewardship Plan for 2014-2017 on November 6, 2013. An industry led and financed oil and glycol-recycling program began on January 1, 2014.

Like the Paint Program, the Oil and Glycol Program is an Extended Producer Responsibility (EPR) program. Therefore, producers manage and pay directly for the end-of-life waste management of their products.

Instead of every brand owner setting up a recycling program, industry formed UOMA (Atlantic Used Oil Management Association). UOMA operates one oil and glycol program for the province on behalf of its members who are brand owners and first importers of the designated oil and glycol materials.

Having one program and agent has many benefits. It delivers cost savings, ensures a level playing field for industry, and provides province-wide access to recycling depots for consumers.

Achievements

New Management Plan

Based on the performance of the program over the last three years, the Board of Recycle NB was pleased to approve UOMA's (Atlantic Used Oil Management Association) new Oil and Glycol Stewardship Plan. The plan, which the Board approved on December 8, 2017, covers the period 2018-2022.



Sales and Collections

The Atlantic Used Oil Management Association in accordance with the Designated Materials Regulation under the Clean Environment Act provides the oil and glycol sales and recovery summary for the calendar year.

Oil Sales

UOMA has 171 members who sell their products in New Brunswick.

In 2017, UOMA reported total sales of oil products of 14,859,680 litres. However, some of it is burned in use. Based on studies, Recycle NB and UOMA agreed the collectible rate for oil in New Brunswick is 70% of product sold. Therefore, a total of 10,401,776 litres of oil were available for recovery in 2017. Of that amount, 5,720,977 litres (55%) is burned in small, approved furnaces in New Brunswick leaving 4,680,799 litres available for collection. UOMA collected and recycled 3,728,890 (35.8%) of the available litres.

Oil Collections

UOMA has 186 oil and glycol collection facilities across the Province and seven companies collect the used oil products in the province. In 2017, they collected 3,728,890 litres of oil. Combined with the 5,720,977 burnt, this results in a collection and recycling rate of 90.8%. The goal set for the program is a 50% recovery rate.

YEAR	OIL COLLECTED (LITRES)*
2017	3,728,890
2016	3,690,751
2015	3,309,612
2014	3,319,285

*55% of the used oil available for collection in New Brunswick is burned in small, approved furnaces.

This results in a collection and recycling rate of 90.8% for 2017.

Oil Filter Sales and Collection

The number of units of oil filters sold in New Brunswick in 2017 was 1,435,612 units. UOMA collected a total of 965,880 units, the equivalent of 317,694 kilograms. The recuperation rate of 62.7 % exceeds the goal of 25% recuperation.

YEAR	OIL FILTERS COLLECTED (KILOGRAMS)
2017	317,694
2016	296,820
2015	285,839
2014	272,138

Oil Containers Collected

In 2017 461,102 kilograms of oil containers were sold in New Brunswick. Of that total 438,047 kilograms were available for recovery. UOMA collected 261,149 kilograms of containers, which produced a recovery rate of 59.6 % which surpassed the 25% goal.

YEAR	OIL CONTAINERS COLLECTED (KILOGRAMS)
2017	261,149
2016	244,722
2015	246,419
2014	131,646

Glycol (antifreeze) Sales and Collections

Sales of glycol in the Province amounted to 2,054,397 litres in 2017. Of the amount sold, 924,479 litres were recoverable. Recovery of this product at 107,482 litres amounts to 11.6% of product, short of the 50% goal for recovery. Collection of glycol is low across the country. Therefore, to try and understand why this is, UOMA is conducting a national study on the recycling of glycol and expects to complete it by the end of 2018.

YEAR	GLYCOL COLLECTED (LITRES)
2017	107,482
2016	120,860
2015	120,063
2014	96,165

Glycol (antifreeze) Containers Collected

There were 43,213 kilograms of recoverable containers sold in 2017. Of those containers, UOMA collected 11,770 kilograms (27.2%) of the goal of 50% recovery.

YEAR	GLYCOL CONTAINERS COLLECTED (KILOGRAMS)
2017	11,770
2016	7,729
2015	8,010
2014	4,691



ELECTRONIC PRODUCTS STEWARDSHIP PROGRAM

Every year thousands of tonnes of electronic devices end up in landfills. Things like televisions, computers, digital cameras, audio visual systems contain hazardous materials like cadmium that we need to keep out of our landfills. They also contain materials like gold and copper that can be recycled and used to make new products.

The provincial government established the electronics waste management program under the *Clean Environment Act*). REGULATION 2015-247 amends the Designated Materials Regulation and sets out the requirements for the program.

The program began operation on March 30, 2017.

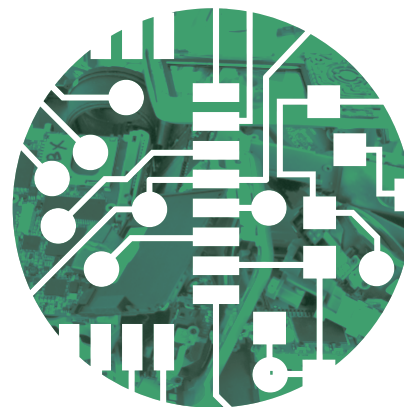
EPRA manages and operates the electronics recycling program in New Brunswick.

EPRA is an industry-led, not-for-profit organization that operates recycling programs in nine provinces across Canada. EPRA works on behalf of brand owners to operate recycling programs for end-of-life electronics that are designated under provincial EPR legislation.

Like the paint and oil and glycol programs, the electronics program is an extended producer responsibility program, which means that industry brand owners cover the costs associated with the recycling program.

Achievements

The Board of Recycle NB approved the Electronic Products Stewardship Plan submitted by EPRA (Electronic Products Recycling



Association) on January 12, 2017. Following that approval, EPRA appointed a program director for New Brunswick and worked diligently to ensure residents across the province have access to the electronics recycling program. There are 64 recycling centres across the province. To make it convenient for consumers, EPRA contracted with many of New Brunswick's bottle redemption centres to act as collectors for the program. In addition, EPRA worked with New Brunswick companies for the safe transportation of the collected materials to its processors. Carrefour Environnement Saguenay - Chicoutimi in Edmundston is one of EPRA's partners for the processing of some of the electronic devices and equipment.

Materials collected

The total weight of end-of-life electronics collected between March 31, 2017 and December 31, 2017 was 799 metric tonnes.

Year	Metric Tonnes
2017	799



Materials management by method

The program encourages reuse of electronics but provides for the safe and secure recycling of all materials at the end-of-life.

Electronic Waste Management	Percentage of Total
Reuse	0.69
Recycled	90.65
Recovery (energy)	0.37
Disposed	8.29
Total	100

Materials Processed

Electronic devices and equipment contain many valuable materials that can be reused and EPRA ensures that as much material as possible is recovered and sent for use in new manufacturing processes.



Material / Component	% of Material Stream	Process
Leaded Glass	33.75%	Tubes are manually and mechanically separated and either cleaned and processed into cullet for use in glass production, or smelted for reclaim of lead from the glass.
Plastic	19.31%	Plastics are manually and/or mechanically separated. Identifiable plastics are cleaned, sorted and pelletized for reuse; and unidentifiable plastics are landfilled, used as a fuel substitute in the process of metal smelting, or managed through an energy-from-waste recovery process.
Ferrous Metals	25.63%	Metals are manually and/or mechanically separated and smelted for reclaim.
Mixed Metals	1.60%	Metals are manually and/or mechanically separated and smelted for reclaim.
Wood	0.40%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled.
Circuit Boards	6.77%	Boards are manually and/or mechanically separated and smelted for reclaim of precious metals, while the plastics are used as a fuel substitute in the smelting process.
Wires/Cables	0.53%	Manually and/or mechanically separated and smelted for metal recovery, while the plastics are either used as a fuel substitute in the smelting process, or mechanically separated and landfilled.

PUBLIC EDUCATION & AWARENESS

Strategic Direction

Recycle NB will focus on educating New Brunswickers about the environment by promoting an understanding of waste as a valuable resource, while emphasizing that recycling presents a viable option for disposal.



Achievements

In response to New Brunswickers expressed wish to receive information on recycling from Recycle NB, we continued our efforts to communicate through local publications, broadcast media, newspapers, online publications and the Recycle NB Website, Facebook Page and information line.

This year Recycle NB was awarded a Gold MARCOM Award for its 2016 Annual Report. MARCOM Awards recognize outstanding creative achievement by marketing and communication professionals. There were over 6,500 entries from throughout the United States, Canada and other countries in the 2017 competition. Winners are selected from over 300 categories in several forms of media and communications.



Electronics Program Launch

In March, Recycle NB collaborated with EPRA to organize a kickoff event for the new electronics recycling program at Best Metals in Fredericton. Students from the George Street Middle School's Environmental Club joined the celebration and dropped off their used electronic devices for recycling.



Packaging and Printed Paper (PPP)

This year with the support of the Environmental Trust Fund Recycle NB continued the dialogue with New Brunswick stakeholders about the challenges and opportunities of establishing a PPP program.



In an effort to learn from Saskatchewan, which just implemented its PPP program in 2016, a working group of key stakeholders visited with representatives of the Saskatchewan government, local governments, waste management authorities and environmental advocacy groups.

Community Outreach

During the year the CEO continued Recycle NB's dialogue with the public and made presentations to 21 organizations about Recycle NB, the existing designated materials programs and the future of recycling in New Brunswick.

Trade shows provide an opportunity to talk face-to-face with residents about recycling, to answer their questions and provide them with Information on the province's designated materials Programs.

This year Recycle NB and its industry partners attended ten events across the province and carried the message about the importance of recycling to approximately 4,500 booth visitors.

Social Media

Recycle NB increased its online presence this year with the launch of its Facebook Page.



Website

As New Brunswick residents search for information on recycling programs, the number of residents using the Website has grown. This year there were over 35,000 visits to the site.



Advertising

To increase awareness about the new electronics recycling program Recycle NB ran an online bilingual digital campaign and added a commercial focused on electronics to its multi-media campaign.

One of our target audiences is males between 30 and 54 and this year, in addition to securing a spot in the NFL Super Bowl, we were able to add commercials in the regular NHL season and the Stanley Cup playoffs.



VALUE-ADDED RECYCLING

Recycle NB strives to add value to all waste materials and develop long-term stability in the process through technological innovation and emerging markets for recycled products.

Recycle NB is intent on getting the full value out of recycled resources.

The Tire Stewardship Program has a reputation nationally and internationally for its success in doing this. Countries from around the world contact Recycle NB in an effort to adapt this success to their own situation.

How is it that a tire recycling program from a small Canadian province is able to attract such widespread interest? The reason is very simple, value-added recycling.

A manufacturer of goods needs raw materials in order to make its products. The manufacturer transforms those raw materials into finished goods. Those goods have a market demand. They are sold to industrial, commercial or residential consumers.

Value-added recycling reverses that process. Innovation, collaboration, and creative solutions transform end-of-life materials into new products. For example, in New Brunswick, the process moves tires, paint, oil and glycol beyond our landfills to recognize the true value of these waste resources.



Market development is a crucial pillar to the long-term success of Recycle NB's programs.

Another pillar is the engagement and actions of individual New Brunswickers. Their daily sorting of recyclables has direct effects on the bottom-line of the programs. There has been a shift in the level of interest in the proper preparation and sorting of recyclable materials. Residents understand there is a growing correlation between the prices of the goods they buy and their recycling efforts. The growing number of Extended Producer Responsibility (EPR) programs across Canada strengthens this connection.

Value-added recycling is a system in which nature and commerce fruitfully co-exist. The Extended Producer Responsibility (EPR) approach to program design calls for the change of industry through ecologically intelligent design. When done right, it creates a synergy that encourages industries to be more sustainable while remaining prosperous. The products that TRACC makes, at least partially from scrap tires, are tangible results of this approach. Similarly, Société Laurentide continually pioneers innovative recycled paint products.



An approach, which has worked for New Brunswick programs, is the concept of developing markets to “pull” for recycled products. This means that product ideas are produced in response to market forces such as a demand from consumers, or a manufacturer’s desire to increase its market share.

Modern-day recycled products are gaining recognition as better options than products made from new materials. Government can encourage markets through policies such as green procurement. Recycle NB sees this as a key area for future development.

Today’s consumers weigh many factors before buying products. Environmental concerns play an important part in their choices. From rubberized playground surfaces in schoolyards and parks, to low-maintenance landscape mulch that uses water more efficiently, or low Volatile Organic Compound (VOC) recycled paint, responsible consumers are leaning more towards recycled goods. Recycling an end-of-life product provides a way to protect the environment for future generations.



When the oil and glycol program launched in New Brunswick, RPM Environmental established an operation in Moncton to collect and process the plastic containers contaminated with hydrocarbons and give them a second life. This ensured the reuse of the containers and created jobs in the Moncton area.

The encouraging results from the paint, tire, and oil and glycol programs show that New Brunswickers support the value-added approach to recycling.



TRANSPARENT & ACCOUNTABLE

Recycle NB is committed to maintaining accountability and transparency in its processes and will continue to seek ways to improve its performance in these areas.

BOARD GOVERNANCE

Board Membership and Structure

The Minister of Environment and Local Government appoints the members of the Board of Directors of Recycle NB in accordance with Section 4 of the Designated Materials Regulation (New Brunswick Regulation 2008-54) under the Clean Environment Act. The directors are representative of all regions of the province and of both official linguistic communities. The varied backgrounds and experiences of the

directors enable them to bring their individual perspective to addressing environmental issues confronting New Brunswick.

The powers of the Board are set out in Section 5 of the Designated Materials Regulation. The Board is responsible for determining the strategy and policies of the organization, setting objectives for management, approving budgets as well as discharging its fiduciary obligations in areas where the provincial

government has assigned it stewardship responsibility. The Board exercises its oversight role of the operations of Recycle NB through regular Board and sub-committee meetings. The Board has established two sub-committees: Executive Committee and Finance and Audit Committee. Stakeholders are involved in the operation of Recycle NB through Industry Advisory Committees established by the Board.



Front Row: Suzane Arsenaault, Borden P. DeLong, Anne Lévesque. Back Row: Beth McDermott, Bill Sargent, Rod Borden, Erica Barnett, Grant Mitton

MEMBERS OF THE BOARD AND TERMS OF OFFICE AS OF DECEMBER 31, 2017



Rod Borden, Chair, Saint John, NB
Mr. Borden is a retired educator and an active volunteer in the Saint John community.

Term of office:

July 12, 2015 - July 11, 2018



Borden P. DeLong, Brown's Flat, NB
Mr. DeLong is Owner / Proprietor of Bor-Mar-Gar Printing and active in various community services.

Term of office:

*September 22, 2014 -
September 21, 2017*



Erica Barnett, Minto, NB
Ms. Barnett is a Registered Respiratory Therapist in Fredericton. She is an active community volunteer in Minto and has served on the ALS board of New Brunswick and Nova Scotia.

Term of office:

June 17, 2015 - June 16, 2018



Elizabeth McDermott, vice-chair, Fredericton, NB
Ms. McDermott is a retired civil servant. She is Managing Director of Beth Mc Solutions and an active community volunteer.

Term of office:

October 28, 2015 - October 27, 2018



Grant Mitton, B.Sc., P. Eng, Retired Moncton, NB
Mr. Mitton is a retired Occupational Health and Safety advisor and an avid outdoorsman.

Term of office:

October 28, 2015 - October 27, 2018



Anne Lévesque, MBA, Lac Baker, NB
Ms. Lévesque is experienced in initiating, leading and supporting small and medium-sized organizations. She is Executive Director of the Canadian Rivers Institute.

Term of office:

October 12, 2016 - October 11, 2019



William (Bill) Sargent, Miramichi, NB
Mr. Sargent is a former President of the NB Redemption Center Association. In addition, he held a NB license to handle scrap metals.

Term of office:

October 12, 2016 - October 11, 2019



Suzane Arsenault, Shippagan, NB
For 13 years, Suzane has been Director of Avenir jeunesse in the Acadian Peninsula. She works in partnership to develop long-term actions for youth development in the Acadian Peninsula and their integration in the labor market.

Term of office:

October 12, 2016 - October 11, 2019

BOARD MEETINGS

The Board of directors met 7 times during 2017.

Meetings were held on the following dates:

Date	Place
January 12	Conference call
January 27	Fredericton
May 5	Tracadie
June 2	Moncton
September 21, Regular and AGM	Miramichi
December 8	Fredericton

COMMITTEES

Executive Committee

The committee is comprised of four Board members (Board chair, Board vice-chair, and two other Board members). The Board appoints the committee by resolution. The chief executive officer is an ex-officio member of the committee.

The terms of reference of the committee are:

- To deal with issues that emerge between regular Board meetings.
- To provide broad strategic direction and advice to the Board.
- To provide advice to the Board Chair and/or Chief Executive Officer.
- To set performance evaluation criteria for the Chief Executive Officer.
- To assess the performance of the Chief Executive Officer.
- To recommend to the Board compensation and benefits levels for staff.
- To coordinate and oversee the evaluation of the Board performance.
- To ensure proper orientation of new Board members.

BOARD ATTENDANCE

The level of attendance of directors at Board meetings was 91%

Director	Meetings
Erica Barnett	5/7
Bill Sargent	7/7
Borden DeLong	6/6
Elizabeth McDermott	6/7
Grant Mitton	6/7
Anne Lévesque,	6/7
Rod Borden	7/7
Suzane Arsenault	7/7

Members

- Rod Borden
- Beth McDermott
- Grant Mitton
- Suzane Arsenault

Finance and Audit Committee

The committee is comprised of four Board members appointed by Board resolution and the chief financial officer is ex-officio.

The terms of reference for the finance function of the committee are:

- Be the “eyes” of the Board in meeting its fiduciary responsibilities.
- Provide broadly based advice to management on the annual budget.
- Review the quarterly financial statements.
- Review the effectiveness of the company’s internal control systems.
- Monitor compliance with appropriate laws and regulations.
- Recommend investment policy guidelines, whenever required.
- Review the completeness and accuracy of public financial reports.
- Consider any financial issues reasonably within the Board’s jurisdiction.

The terms of reference for the audit function of the committee are:

- Review and determine the structure and scope of the internal audit function.
- Review the external auditor’s audit scope and approach.
- Review the performance of the external auditor and recommend appointment or discharge.
- Consider any audit issues reasonably within the Committee’s jurisdiction.

Members

- Erica Barnett
- Rod Borden
- Grant Mitton
- Bill Sargent

Industry Advisory Committees

We encourage industry stakeholders to participate in the management of recycling programs through the tire, paint, electronics, oil and glycol Industry Advisory Committees (IACs) chaired by a Recycle NB Board member. This system of governance allows the Board the opportunity to benefit from the expertise and advice of stakeholders on various program issues and initiatives in an efficient and equitable manner. Members of the IAC committees meet on a regular basis to assist the Board on programs that Recycle NB oversees. These committees offer the Board a unique opportunity to communicate bilaterally and directly with the respective industries and their stakeholders. The meetings provide a venue where comments, concerns and suggestions are discussed openly and innovative solutions are developed. This cooperative partnership with stakeholders ensures that a variety of perspectives are heard regularly, evaluated and used by the Board and staff of Recycle NB.



Tire Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Grant Mitton, *Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*,
- **Tire Dealers**, Atlantic Tire Dealers Association, Frank Connor, *Executive Director*,
- **Auto Dealers**, New Brunswick Automobile Dealers Association, Jane Young, *Executive Director*,
- **Regional Service Commissions**, Restigouche Regional Service Commission, Ian Comeau, *Executive Director*,
- **Transportation Provider / Processor**, Tire Recycling Atlantic Canada Corporation, Stephen Richardson, *Plant Manager*.



Oil and Glycol Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Beth McDermott, *Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*,
- **Brand Owners**, Ashland, Valvoline, Bruce Trethewey, *Atlantic District Manager*,
- **Oil and Glycol Agent**, UOMA, Jean Duchesneau, *General Manager*, Albert Girard, *Consultant*,
- **Regional Service Commissions**, Acadian Peninsula Regional Service Commission, Gary Leblanc, *Director Solid Waste Management Division*,
- **Retailers, Atlantic Canada**, Retail Council of Canada, Jim Cormier, *Director*; David Bois, Home Hardware Stores Limited,
- **Processor**, Atlantic Industrial Services, Glen Anderson, *Business Development Manager*, Envirosystems, Stan Rich, *Account Representative*,
- **Transportation Provider**, Terrapure Environmental, Adam Hayes, *Branch Manager*; RPM Environmental Systems Inc.; Bianca Cormier, *Branch Coordinator Maritime*.



Paint Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Erica Barnett, *Chair*,
- **Recycle NB**, Pat McCarthy, *Chief Executive Officer*,
- **Brand Owners**, Home Hardware Stores Limited, Tim Dietrich (Steven Morneau), *Manager Dealer Operations*,
- **Paint Agent**, Product Care Association,* Mark Kurschner, *President*, Don Shea, *Product Care Coordinator(NB)*,
- **Regional Service Commissions**, Commission de services régionaux Nord-Ouest, Paul Albert, *Operations Manager*,
- **Paint Retailers**, Atlantic Canada, Retail Council of Canada, Jim Cormier, *Director*,
- **Processor**, Société Laurentide, Recycling Division, Mario Clermont, *General Manager*, Brian Tanner, *Operations Manager*,
- **Transportation Provider**, Hebert's Recycling Inc,** Kevin Sargent, *President*.

* Mannie Cheung assigned as alternate

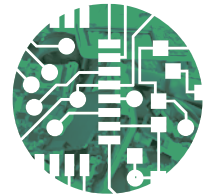
** Fred Hamilton assigned as alternate



Electronic Products Stewardship Program

Industry Advisory Committee Members

- **Recycle NB**, Anne Lévesque, *Co-Chair*, Bill Sargent, *Co-Chair*,
- **Recycle NB**, Jamie Seamans, *Program Manager*
- **Brand Owners**, Ricoh Canada Inc. Angie Tinto-Hamood, *Manager, Environment & Sustainability*,
- **Brand Owners' Service Provider**, EPRA, Cliff Hacking, *President*; Gerard MacLellan, *Executive Director*; Karen Ulmanis, *Program Director / New Brunswick*,
- **Retailers Atlantic Canada**, Retail Council of Canada, Jim Cormier, *Director*,
- **Regional Service Commissions**, Kent Regional Service Commission, Eric Dermers, *Solid Waste Director*
- **New Brunswick Stakeholder**, RESNET, Julie Lavoie, *Executive Director*,
- **Transportation Provider**, GM Rioux, Mélanie Desjardins, *Vice-President, Operations and Administration*
- **Reuse Agent**, Computers for Schools, Roy Crawford, *Coordinator*.



COMPLIANCE AND ENFORCEMENT

This year Recycle NB increased its efforts to assist obligated entities in ensuring they are in compliance with the Designated Materials Regulation.

With the addition of a Compliance Officer, Recycle NB is able to help obligated entities better understand their regulatory requirements, and provide the necessary information and guidance to achieve compliance.

Compliance and enforcement efforts during 2017 focused on two key areas: the proper display of an Environmental Handling Fee on new designated materials sold to end users, and registration of obligated Brand Owners with Recycle NB.



TO BE FINANCIALLY SUSTAINABLE

Recycle NB strives to earn public confidence through financial sustainability despite challenging economic times.

INDEPENDENT AUDITORS' REPORT



KPMG LLP
Chartered Accountants

Frederick Square, TD Tower 77
Westmorland Street, Suite 700
Fredericton New Brunswick E3B 6Z3
Canada
T: (506) 452-8000
F: (506) 450-0072
Website: www.kpmg.ca

To the Board of Directors of Recycle New Brunswick

We have audited the accompanying financial statements of Recycle New Brunswick, which comprise the statement of financial position as at December 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The entity derives a portion of its revenue from the collection of tire recycling fees pursuant to the provisions of the Clean Environment Act, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these fee and levy revenues was limited to the amount recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to revenues and excess of revenues over expenses reported in the statement of operations, excess of revenues over expenses reported in the statement of cash flows and assets, liabilities and unrestricted net assets reported in the statement of financial position.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Recycle New Brunswick as at December 31, 2017 and its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

The image shows the handwritten signature "KPMG LLP" in black ink. Below the signature is a horizontal line that starts under the "K" and extends to the right, ending under the "P" of "LLP".

Chartered Professional Accountants
June 18th, 2018
Fredericton, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

RECYCLE NEW BRUNSWICK

Statement of Financial Position


December 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 2,661,720	\$ 1,618,736
Accounts receivable (note 2)	942,667	910,371
EPR recoverable (note 3)	115,968	311,201
	3,720,355	2,840,308
Investments (note 4)	660,828	655,217
Capital assets (note 5)	7,111	7,712
	\$ 4,388,294	\$ 3,503,237
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 573,753	\$ 530,475
Employee future benefits (note 6)	60,837	52,868
	634,590	583,343
Net assets:		
Invested in capital assets	7,111	7,712
Unrestricted	3,746,593	2,912,182
	3,753,704	2,919,894
Contractual obligations (note 8)		
Contingencies (note 9)		
	\$ 4,388,294	\$ 3,503,237

See accompanying notes to financial statements.

On behalf of the Board:


Director


Director

RECYCLE NEW BRUNSWICK

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues:		
Tire Program	\$ 5,514,515	\$ 5,698,297
Oil Program	173,888	165,202
Paint Program	68,705	60,949
E-waste Program	369,348	288,422
Other	171,556	42,736
	6,298,012	6,255,606
Expenses:		
Tire Program (schedule 1)	4,739,774	4,975,472
Oil Program (schedule 2)	173,888	165,202
Paint Program (schedule 3)	68,705	60,949
E-waste Program (schedule 4)	369,348	288,422
Other	138,843	19,866
	5,490,558	5,509,911
Excess of revenues over expenses before the undernoted item	807,454	745,695
Investment income	26,356	24,472
Excess of revenues over expenses	\$ 833,810	\$ 770,167

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	Invested in capital assets	Unrestricted	Total 2017	Total 2016
Balance, beginning of year	\$ 7,712	\$ 2,912,182	\$ 2,919,894	\$ 2,149,727
Excess (deficiency) of revenues over expenses	(5,596)	839,406	833,810	770,167
Net change in investment in capital assets	4,995	(4,995)	-	-
Balance, end of year	\$ 7,111	\$ 3,746,593	\$ 3,753,704	\$ 2,919,894

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	\$ 833,810	\$ 770,167
Items not involving cash:		
Amortization of capital assets	5,596	13,819
Employee future benefits	7,969	11,920
	847,375	795,906
Change in non-cash operating working capital:		
Increase in accounts receivable	(32,296)	(134,355)
Decrease (increase) in EPR recoverable	195,233	(294,573)
Increase (decrease) in accounts payable and accrued liabilities	43,278	(74,938)
	1,053,590	292,040
Investing activities:		
Net change in investments	(5,611)	(9,545)
Capital activities:		
Purchase of capital assets	(4,995)	(9,566)
Increase in cash	1,042,984	272,929
Cash, beginning of year	1,618,736	1,345,807
Cash, end of year	\$ 2,661,720	\$ 1,618,736

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements
Year ended December 31, 2017

Recycle New Brunswick (the "Company") is an agent of the crown, incorporated under *New Brunswick Regulation 2008-54 under the Clean Environment Act* ("Act"). The principal business activities are overseeing the collection and recycling of used tires, architectural paint, used oil and glycol, and E-waste ("designated materials") on behalf of the Minister of Environment for the Province of New Brunswick. Under the Act, any fees collected by the Company, in each of its designated material programs, are to be used solely to meet its purposes, as established under the Act, in its oversight responsibilities.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The Company has elected to apply the Section 4200 series for government not-for-profit organizations and the deferred method of accounting for contributions.

Significant accounting policies are as follows:

(a) Financial assets and liabilities:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has not elected to carry any such financial instruments at fair value.

All financial instruments measured at amortized costs, including investments, approximate fair value.

(b) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method at the following annual rates:

Asset	Rate
Building - leasehold improvements	5 years
Furniture and fixtures	5 years
Computer equipment	3 years
Operational equipment	3 years

(c) Employee future benefits:

Employees of the Company are entitled to sick pay benefits which accumulate to a maximum of 240 days, but do not vest. The Company recognizes the liability in the period in which the employee renders the service.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

1. Significant accounting policies (continued):

(d) Revenue recognition:

Revenues from the Tire Program, which includes fees and levies for scrap tires, are recognized in revenues when cash is received or receivable from the tire retailers. The Company uses a closing date of January 31 of the following year to recognize fee transfers from tire retailers related to the current year as a receivable.

Revenues from the Oil, Paint, and E-Waste programs are recognized in revenues as services are performed and collection is reasonably assured.

Unrestricted contributions are recognized as revenues when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions externally restricted for specific purposes are deferred on the Statement of Financial Position and recognized as revenues in the period in which the related expenses are incurred.

Investment income is recognized in the year it is earned.

(e) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amount of revenues and expenses during the reporting periods. Significant estimates include the allowance for doubtful accounts, amortization of capital assets, accrued liabilities, employee future benefits and the allocation of expenses by program. Actual results could differ from those estimates.

2. Accounts receivable:

	2017	2016
Tire fees	\$ 564,028	\$ 554,471
Sales taxes	299,976	355,900
Environmental Trust Fund	78,663	
	\$ 942,667	\$ 910,371

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

3. EPR receivable/payable:

The Oil, Paint, and E-Waste programs are Extended Producer Responsibility (EPR) programs which are operated on a cost recovery basis. Each producer is assessed a fee which will be used to cover the educational and administrative costs of the program.

Under the terms of the EPR agreement, costs incurred by the Company while administering the Oil, Paint, and E-Waste programs will be charged to the producers annually. Any excess of monies received from the producer over costs incurred have been recorded as a liability at year end, as the excess amount will be credited toward future producer payments in the next fiscal year. Any excess costs over monies received have been recorded as a recoverable at year end.

EPR recoverable (payable)	2017	2016
Oil Program	\$ (92,367)	\$ (46,255)
Paint Program	(90,229)	1,066
E-Waste Program	298,564	356,390
	\$ 115,968	\$ 311,201

4. Investments:

	2017	2016
Cash held in broker's account	\$ 6	\$ 6
Renaissance High Interest Savings Account	126,464	125,447
Manulife Bank Investment Savings Account	108,819	107,947
RBC Investment Savings Account Series A	107,589	106,880
BNS Investment Savings Account	317,950	314,937
	\$ 660,828	\$ 655,217

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

5. Capital assets:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Building - leasehold improvements	\$ 70,935	\$ 70,935	\$ -	\$ -
Furniture and fixtures	73,031	72,821	210	246
Computer equipment	133,940	127,175	6,765	7,168
Operational equipment	1,147	1,011	136	298
	\$ 279,053	\$ 271,942	\$ 7,111	\$ 7,712

Amortization expense for the year is \$5,596 (2016 - \$13,819).

6. Employee future benefits:

The Company employees receive sick leave that accumulates. Unused hours can be carried forward for future paid leave. An estimate for this future liability has been completed and forms the basis for the estimated liability reported in these financial statements.

The liability, at December 31 is as follows:

	2017	2016
Accrued sick pay obligation, beginning of year	\$ 52,868	\$ 40,948
Current service cost	15,467	13,821
Benefit payments	(7,498)	(1,901)
Accrued sick pay obligation, end of year	\$ 60,837	\$ 52,868

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

7. Allocation of expenses:

All expenses which can be directly attributed to one of the Company's designated materials programs have been allocated based on the expected revenues generated by the programs. General expenses relating to human resources, finance, communications, office and facilities expenditures have been allocated as follows:

	PERCENTAGE		ALLOCATION	
	2017	2016	2017	2016
Tire Program	39%	41%	\$ 375,488	\$ 351,886
Oil Program	18%	19%	171,024	163,069
Paint Program	7%	7%	67,836	60,078
E-Waste Program	36%	33%	341,092	283,226
			\$ 955,440	\$ 858,259

8. Contractual obligation:

The Company has entered into a lease for their office premises, expiring in 2025. Annual repayments are as follows:

2018	34,809
2019	34,809
2020	34,809
2021	34,809
2022	34,809
Thereafter	121,420
	\$ 295,465

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

9. Contingencies:

The Company has signed a contract, which terminates in February 2021, with Tire Recycling Atlantic Canada Corporation (TRACC), where payments are made based on a weight-based tipping fee model. Payments are made monthly for \$360 per ton for scrap tires received at their processing facility. Annually, a comparison between the weight of scrap tires calculated using weigh scale confirmation slips versus collection receipt slips is completed. If the difference is less than 4.5%, no adjustments to TRACC payments are made. If the difference exceeds 4.5% an additional payment is made or refund received from TRACC. The Company administers remuneration for this contract on behalf of the Province of New Brunswick and will pay or receive any adjustments accordingly.

10. Related party transactions:

The Company is an agent of the Province of New Brunswick. During the year, the Company received tire fees and levies from scrap tires, in the approximate amount of \$852,926 (2016 - \$778,420), which was collected through Service New Brunswick.

The Company has recognized \$170,591 (2016 - \$41,778) in funding from the Environmental Trust Fund for specific projects. The Company has recorded the funding in other revenues. At December 31, 2017, accounts receivable includes \$78,663 related to such funding.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Financial risks:

The Company has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk.

The Board of Directors has identified its major risks and concerns, and has approved investment policy guidelines. Management monitors the risk and adherence to the policy guidelines.

(a) Credit risk:

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the Company consisting of cash, accounts receivable and investments.

The Company manages its credit risk surrounding its cash and investments by investing in well established financial institutions and governments. Management has assessed credit risk as low with respect to accounts receivable given the demonstrated collection after year end.

The maximum exposure to credit risk of the Company at December 31, 2017 is the carrying value of these assets.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2017

(b) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings in the financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

(c) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

RECYCLE NEW BRUNSWICK

Schedule 1 - Tire Program

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues	\$ 5,514,515	\$ 5,698,297
Expenses:		
Scrap tire processing	4,314,422	4,564,628
Salaries and employee benefits	185,565	174,759
General and administrative	114,949	113,513
Communication and translation	122,638	116,906
Amortization of capital assets	2,200	5,666
	4,739,774	4,975,472
	\$ 774,741	\$ 722,825

RECYCLE NEW BRUNSWICK

Schedule 2 - Oil Program

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues	\$ 173,888	\$ 165,202
Expenses:		
Salaries and employee benefits	84,520	80,986
General and administrative	43,608	39,872
Communication and translation	44,759	41,718
Amortization of capital assets	1,001	2,626
	173,888	165,202
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 3 - Paint Program

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues	\$ 68,705	\$ 60,949
Expenses:		
Salaries and employee benefits	33,525	29,837
General and administrative	16,977	14,353
Communication and translation	17,806	15,792
Amortization of capital assets	397	967
	68,705	60,949
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 4 - E-Waste Program

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenues	\$ 369,348	\$ 288,422
Expenses:		
Salaries and employee benefits	168,567	140,660
General and administrative	94,233	70,100
Communication and translation	104,550	73,102
Amortization of capital assets	1,998	4,560
	369,348	288,422
	\$ -	\$ -

ACRONYMS AND GLOSSARY

The following list of acronyms and the glossary are designed to facilitate the understanding of the annual report of Recycle NB

ACRONYMS

ATDA - Atlantic Tire Dealers Association

CATRA - Canadian Association of Tire Recycling Agencies

CCME - Canadian Council of Ministers of the Environment

EPR - Extended Producer Responsibility

FSC - Forest Stewardship Council

GAAP - Generally Accepted Accounting Principles

HHW - Household Hazardous Waste

IAC - Industry Advisory Committee

KPI - Key Performance Indicator

LEED - Leadership in Energy & Environmental Design

MBW - Moving Beyond Waste (Recycle NB Education Campaign)

NBADA - New Brunswick Auto Dealers Association

OTR - Off-the-road tires

PSP - Paint Stewardship Program

PTE - Passenger Tire Equivalent (IPTE =10kg)

TRACC - Tire Recycling Atlantic Canada Corporation

TSP - Tire Stewardship Program

VOC - Volatile Organic Compounds



GLOSSARY

Designated Materials are waste streams identified by the New Brunswick government under the provisions of the Clean Environment Act. The management of a waste stream is entrusted to a Stewardship Board by the government. A Board may be responsible for one or more Designated Materials. The Stewardship Board for tires, paint, electronics, oil and glycol in New Brunswick is Recycle NB.

Extended Producer Responsibility (EPR) is a strategy designed to promote the integration of environmental costs associated with goods throughout their life cycles into the market price of the products. EPR encourages manufacturers to design environmentally-friendly products by holding producers liable for the costs of managing their products at end of life. This approach persuades manufacturers to internalize the cost of recycling within the product price. The rationale of EPR is that producers (usually brand owners) have the greatest control over product design and marketing and therefore have the greatest ability and responsibility to reduce toxicity and waste.

Household Hazardous Waste (HHW) is the term for common household chemicals and substances for which the owner no longer has a use. These substances exhibit many of the same dangerous characteristics as fully-regulated hazardous wastes due to their potential for reactivity, ignitability, corrosivity, toxicity, and persistence. Paints, pesticides, propane tanks, batteries, syringes, used motor oil and many cleaning products are just some examples of household hazardous wastes, that are used daily by residents. These items should be used and disposed of responsibly.

Moving Beyond Waste is an approach in managing hazardous and solid waste that has a clear and simple goal: reducing wastes and toxic by-products whenever possible while using the remaining materials as a resource, thus contributing to economic, social, and environmental health.

OTR (Off-the-Road) tires are generally used by the agriculture, forestry, construction and mining sectors. These tires are difficult to manage due to their size, weight and durability.

PTE (Passenger Tire Equivalent) is an industry accepted method for allowing comparison between tires which are sold and tires which are collected under the program. By transforming tire counts into weights, the program can efficiently track KPI statistics over time. PTE=10Kg.

Product Stewardship is a concept whereby environmental protection centers around the product itself, and everyone involved in the lifespan of the product is called upon to take responsibility to reduce its environmental impact. For manufacturers, this includes planning for and, if necessary, paying for the recycling or disposal of the product at the end of its useful life. This may be achieved, in part, by redesigning products to use fewer harmful substances, to be more durable, reuseable and recyclable, and to make products from recycled materials. For retailers and consumers, this means taking an active role in ensuring the proper disposal or recycling of an end-of-life product

Volatile Organic Compounds (VOCs) refer to organic chemical compounds which are emitted as gases from certain solids or liquids. VOCs include a variety of chemicals, some of which may have short or long-term effects on the the environment and human health.

THANK YOU NEW BRUNSWICK

Our programs are a success because people like you across the province make an effort to recycle.



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