

MOVING BEYOND WASTE



ANNUAL REPORT | 2022



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2022

**Keeping New Brunswick Clean and Green
for Generations to come**



1,508,013 TIRES COLLECTED



275,107 LITRES OF PAINT COLLECTED



3,490,723 LITRES OF OIL COLLECTED



983 METRIC TONNES OF ELECTRONICS COLLECTED



**STEWARDSHIP PLAN FOR PACKAGING AND PAPER
PRODUCTS IN DEVELOPMENT**



**STEWARDSHIP PLAN FOR PHARMACEUTICAL
PRODUCTS AND MEDICAL SHARPS IN DEVELOPMENT**

TRANSMITTAL LETTER

Hon. Gary Crossman
Minister of Environment and Climate Change
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 2022. The report is presented in accordance with Section 11 of the *Designated Materials Regulation 2008-54* enacted under the *Clean Environment Act*.



Erik Matchett
Chair, Recycle NB

RECYCLE NB AT A GLANCE

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 Environment and Climate Change are managed in a manner that assures a clean and healthy environment.

MOVING BEYOND WASTE

Recycle NB is a unique, province-wide organization that works with industry partners to make it easy for you to recycle their products. We want to reduce waste and toxic by-products, and ensure that useful materials are reused. We focus on a healthy and sustainable environment for you, your children and grandchildren. Together with our partners, and every New Brunswicker who recycles, we are Moving Beyond Waste.

OUR JOURNEY FORWARD

The year 2022 was one of progress and change for Recycle New Brunswick. As the new Chair of the Board of Directors, I am proud to highlight a number of our achievements which will advance our efforts to improve waste management services in New Brunswick.

Last October, the Government of New Brunswick amended the *Designated Materials Regulation* under the *Clean Environment Act* to include pharmaceutical products and medical sharps. It will be our fifth Extended Producer Responsibility program, which means that brand owners who sell, manufacture or distribute pharmaceutical products and medical sharps in New Brunswick will be responsible for their collection and management at the waste stage. Having safe and accessible disposal sites for these products will ensure they do not end up in landfills where they pose a threat to our ecosystems.

We also made progress in the development of a stewardship plan for packaging and paper products in 2022. Recycle NB has been working with Circular Materials, a Producer Responsibility Organization, to design a stewardship plan that will best serve the needs of all New Brunswickers, as well as ensure that thousands of tonnes of paper, metals, plastics and glass are diverted from our landfills. We are pleased to say that the program will launch in the fall of 2023.

As Chair, I am honoured to play a role in the launching of these two programs, as well as help facilitate ongoing improvements to our existing stewardship plans for tires, paint, oil/glycol and electronics. These are the steps that mark our journey forward as we work to meet waste diversion targets for New Brunswick.

Acknowledgements

On behalf of the Recycle NB Board of Directors, I would like to acknowledge Past Chair Gildard Chiasson, who finished his term in 2022. During his tenure, Recycle NB added the packaging and paper products program to its mandate, which will be the largest and one of the most impactful recycling programs to date. I would also like to welcome our newest director, Anne Bard-Lavigne, from Beresford. Anne joined the board in September of 2022 and her background with the Department of Natural Resources adds a depth of knowledge that will be invaluable to our work. We are thrilled to have her on board.

I would like to thank all of the Board Members and staff at Recycle NB for their unwavering support and commitment. Your individual perspectives and varied expertise are vital in our efforts to improve recycling programs for designated materials in New Brunswick. Together, we continue to position New Brunswick as a leader in waste management.



Erik Matchett, Chair, Recycle NB

“These are the steps that mark our journey forward as we work to meet waste diversion targets for New Brunswick.”



Progress was made in the development of a stewardship plan for packaging and paper products in 2022. Above, materials are sorted and processed at EC0360 in Moncton in preparation for recycling markets. Photo by Denis Duquette

CHALLENGES AND OPPORTUNITIES

A packaging and paper program that works for everyone...

The year 2022 brought with it significant challenges for Recycle NB. The *Designated Materials Regulation* under the *Clean Environment Act* was amended in October 2021 to include Packaging and Paper Products (PPP), which is the largest Extended Producer Responsibility program to date. PPP makes up a significant portion of our waste, including cardboard, plastics, metals, paper and glass. The intent of the Regulation is to divert these materials from our landfills as part of ongoing efforts to reduce greenhouse gas emissions for the province.

In 2022, RNB began working with Circular Materials, the Producer Responsibility Organization representing brand owners, to develop a stewardship plan for packaging and paper products. This involved extensive research of existing services, as well as numerous consultations with municipalities, Regional Service Commissions and other stakeholders to address any feedback and concerns.

Currently, waste management services in New Brunswick vary from region to region. Some municipalities have curbside pickup for recycling, while others do not. The types of materials that are collected for recycling also vary. Recycle NB's role is to work with brand owners to develop a stewardship plan that will streamline services across the province, increase recovery and participation rates for recycling, and ultimately ensure that the packaging and paper products recycling needs of all New Brunswickers are met.

In addition to the PPP program, Recycle NB also welcomed a fifth EPR program in 2022 with the establishment of pharmaceutical products and medical sharps as Designated Materials. Under the Regulation, brand owners will be tasked with creating a stewardship plan that will ensure unused prescription drugs, over the counter drugs and natural health products, as well as used medical sharps are disposed of safely and responsibly.



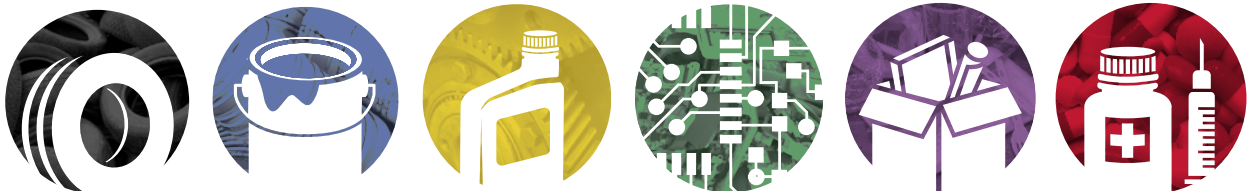
EC0360 in Moncton diverts thousands of tonnes of recyclable materials annually from its landfill. Photo by Denis Duquette

Looking to the future...

Recycle NB continues to look to the future as we expand our role as environmental stewards. We are expecting to add Extended Producer Responsibility programs for beverage containers, as well as batteries and lightbulbs. We celebrate these new programs as opportunities because ultimately, they mean an increasing amount of waste materials will be diverted from our landfills, benefitting our forests, waterways, farmlands and wildlife.

Waste management is a key factor in efforts to lower greenhouse gas emissions and reduce the impact of climate

change. According to the Department of Environment and Local Government's Climate Change Action Plan, released in December of 2022, waste management is responsible for 5% of the province's greenhouse gas emissions. The plan outlines a number of strategies to achieve its greenhouse gas reduction target for 2030. This includes reducing the landfilling of organics and other recyclables. Recycle NB will play a role by continuing to oversee provincial recycling programs and making it easy for New Brunswickers to recycle designated materials.



TIRE STEWARDSHIP PROGRAM

Historical Perspective

Recycle NB was established in 2008 under the *Designated Materials Regulation - Clean Environment Act* to oversee and manage the province's Tire Stewardship Program. Through the program, consumers can return their used tires to any tire retailer in New Brunswick.

The tires are collected and processed at the Tire Recycling Atlantic Canada Corporation (TRACC) in Minto. TRACC turns 98% of the tires into new rubber products such as garden mulch, playground cover, and livestock mats.

Program Highlights

TRACC is now nicely settled into its new home at 99 Industrial Park Road in Minto where it employs nearly 50 team members. With a newly expanded recycling line, a completely retrofitted building and new spaces for staff, the company is proud of the work its team has done to make the transition to its new home such a success.

TRACC has been working diligently throughout the COVID-19 pandemic to ensure that tires are collected and recycled. Like all businesses, working through the challenges faced by the COVID-19 pandemic was not easy. TRACC spent the last year focused on finalizing the new tracking system for collections management. Dispatches are tracked and monitored much more efficiently with the new system. TRACC continues to work on research and development projects in an effort to expand their product lines.

Tire Sales in 2022

The Tire Stewardship Program is self-supporting in New Brunswick. Consumers pay a recycling fee on each new tire purchased, as well as on used tires when a vehicle is imported into the province. Retailers remit the fees to Recycle NB, which then directs the funds to cover the cost of tire collection, transportation and recycling operations. There are approximately 700 tire retailers in New Brunswick.

Tires Sold (Passenger Tire Equivalent):
1,464,988 PTEs 2022
(1,383,113 PTEs in 2021)



Tire Collections in 2022

Recycle NB carefully monitors tire collections in New Brunswick in an effort to achieve a 100% recovery rate.

Tires Collected (Passenger Tire Equivalent): 1,508,013 PTEs in 2022 (1,512,950 PTEs in 2021)
Tire recovery rate: 102.9% (109.4% in 2021)



YEAR	2018	2019	2020	2021	2022
Tires Sold *	1,487,366	1,353,788	1,334,389	1,383,113	1,464,988
Tires Collected *	1,221,754	1,248,461	1,185,521	1,512,950	1,508,013
Recovery Rate	82.1%	92.2%	88.8%	109.4%	102.9%

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



Used tires are recycled into new products at TRACC in Minto, NB. Photos by Denis Duquette

Tire Processing System

Under the tipping fee-based system developed between TRACC and the Province of New Brunswick, the processing costs for scrap tires are paid once the collected scrap tires enter TRACC's inventory. The advantages of this system include a reduction in administrative costs and an end to frequent inventory audits.



Quality Assurance

Recycle NB is responsible for ensuring that the Tire Stewardship Program meets the needs of both retailers and consumers. In 2022, we completed 28 audits on randomly selected retailers. Three were found owing and are working with Recycle NB to come back into compliance. Through its membership in the Canadian Association of Tire Recycling Agencies (CATRA), Recycle NB is able to collaborate with other provinces on best practices to ensure our Tire Stewardship Program is as effective as possible.



PAINT STEWARDSHIP PROGRAM

Historical Perspective

The *Designated Materials Regulation-Clean Environment Act* came into effect on May 1, 2008, establishing paint as the first Extended Producer Responsibility program in New Brunswick. Recycle NB was tasked with overseeing the program on behalf of New Brunswickers.

In June 2008, Product Care Recycling was established as the agent to act on behalf of brand owners registered under the program. Product Care Recycling developed a stewardship plan for paint and paint products in compliance with the *Designated Materials Regulation*. The program launched in 2009.



Achievements in 2022

Public awareness about the paint recycling program in New Brunswick remains high. In the fall of 2022, Product Care commissioned an online survey which found that 82% of residents who purchased paint are aware it can be recycled in the province.

A comprehensive marketing campaign was executed in 2022 to continue efforts to raise consumer awareness about the paint recycling program. The campaign included television ads, which resulted in more than four million impressions, as well as digital ads which achieved more than 6.6 million impressions and more than 30,000 clicks to the New Brunswick section of Product Care's website. An estimated 587,000 users accessed Product Care's website during the 2022 calendar year, of which approximately 23,000 were from New Brunswick.



Paint Sales

Brand owners reported the sale of an estimated 4,941,453 litres of designated paint products in 2022. Sales during the 2021 reporting period were 5,341,222 litres, which represents a 7.4% decrease compared to 2022.

ESTIMATED LIQUID VOLUME SOLD (LITRES)	
2022	4,941,453
2021	5,341,222
2020	5,410,127
2019	4,660,038
2018	4,533,254



Leftover paint is prepared for processing into recycled products at Laurentide Re/Sources in Richibucto, NB. Photos by Denis Duquette

Paint Collections

As of December 31, 2022, there were 62 sites throughout New Brunswick that accept leftover paint, paint containers, stains, varnishes and aerosols for recycling. Collection depots include retailers, Regional Service Commissions and redemption centres (bottle return depots).

A total of 275,107 litres of paint products were collected in 2022, compared to 321,021 litres in 2021. The volume of leftover paint processed during the year and the method of disposal follows in the charts below:



Percentage of Leftover Paint by Disposal Method 2022

METHOD	VOLUME (LITRES)	PERCENTAGE
Reuse (through paint exchange program)	845	0.3%
Recycle	193,774	74.5%
Energy Recovery	4,328	1.7%
Landfill	61,090	23.5%
Incineration	0	0%
Total	260,037	100%

Metal and Plastic Containers Collected

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

CONTAINERS COLLECTED AND RECYCLED (TONNES)				
Year	Metal	Plastic pails (HDPE 2)	Plastic paint cans (polypropylene)	Total (tonnes)
2022	81.0	5.3*	32.8*	119.10
2021	67.4	5.5	28.8*	101.7
2020	53.3	4.7	12.8	70.8
2019	45.2	4.8	18.8	68.8
2018	62.7	4.3	16.1	83.1

* Placed in temporary storage as Product Care continues to work with the primary recycler to find a management solution.

OIL AND GLYCOL STEWARDSHIP PROGRAM

Historical Perspective

An Extended Producer Responsibility program for used oil and glycol (antifreeze) was launched in New Brunswick in 2014. In accordance with the *Designated Materials Regulation* under the *Clean Environment Act*, used oil, oil filters, oil containers, glycol and glycol containers were identified as products to be collected and recycled in New Brunswick.

The Used Oil Management Association (UOMA) Atlantic is the Producer Responsibility Organization representing brand owners in New Brunswick. It is responsible for implementing a stewardship plan for the recovery and management of all regulated products under the oil and glycol program and to educate producers and the general public about the program.

Achievements in 2022

In 2022, UOMA continued its efforts to raise awareness of the used oil and glycol recycling program and the products that can be recycled in New Brunswick.

A key initiative was the development and launch of a new advertising and awareness campaign for the fall season and a new, easy-to-remember RecycleMyOil.ca webpage. The new advertising campaign, using a combination of online and television advertising, was successful in reaching two key audiences – the do-it-yourself mechanic and the larger generators of used oil and glycol products.

In addition to a new advertising and awareness campaign in 2022, to further broaden and improve community awareness, UOMA representatives took part in consumer/trade shows, met with Regional Service Commissions, and conducted outreach to collection depots.

SALES AND COLLECTIONS

Oil Sales

In 2022, UOMA Atlantic reported a total of 15,829,471 litres of oil sold in New Brunswick.

Oil Collections

There are 190 collection depots for used oil and glycol across the province. In 2022, 10,953,994 litres of used oil were available for recovery.



Approximately 55%, or 5,964,450 litres, was burned in approved used-oil furnaces, and 3,490,723 litres of used oil were collected and taken to recycling facilities. This represents a recovery rate of 86.3% for 2022, which exceeds the program target of 75%.

YEAR	OIL COLLECTED (LITRES)
2022	3,490,723
2021	3,345,918
2020	2,651,177
2019	3,057,400
2018	3,612,077

Oil Filter Sales and Collection

The number of oil filters sold in New Brunswick in 2022 was 1,305,336 units or 379,318 kgs. UOMA Atlantic collected 915,036 units, or 265,901 kgs, which represents a recovery rate of 70.1%. This is below the program target of 75%.

YEAR	OIL FILTERS COLLECTED (KILOGRAMS)
2022	265,901
2021	293,362
2020	278,104
2019	295,537
2018	339,699

Oil Containers Collected

In 2022, 430,451 kgs of oil containers were sold in New Brunswick. Of that total, 408,929 kgs were available for recovery*. UOMA Atlantic collected 301,740 kgs of containers, which represents a recovery rate of 73.8%. This is below the program target of 75%.

YEAR	OIL CONTAINERS COLLECTED (KILOGRAMS)
2022	301,740
2021	233,245
2020	244,502
2019	240,374
2018	258,354

*Oil containers: A 2008 study conducted by Recyc-Quebec and SOGHU (UOMA Atlantic) determined that 5% of oil containers are reused and are therefore not available for collection.

Glycol (Antifreeze) Sales and Collections

Sales of glycol in New Brunswick totaled 2,666,392 litres in 2022. Of the amount sold, 1,145,215 litres were available for recovery. UOMA Atlantic collected 95,043 litres of glycol, and an additional 260,749 litres were managed by other approved methods, which amounts to a 31.1% recovery rate. This is below the 75% goal for the program.

YEAR	GLYCOL COLLECTED (LITRES)
2022	95,043
2021	142,362
2020	121,299
2019	116,217
2018	114,682



Glycol (Antifreeze) Containers Collected

In 2022, 63,159 kgs of glycol containers were sold in New Brunswick. Of those containers, UOMA Atlantic recovered 15,749 kgs. This is a recovery rate of 24.9%, which is below the 75% program target.

YEAR	GLYCOL CONTAINERS COLLECTED (KILOGRAMS)
2022	15,749
2021	13,149
2020	14,760
2019	14,561
2018	15,099

Program Management

Recycle NB continues to encourage UOMA Atlantic to strategize and implement plans that will support them in meeting their regulated targets. Recycle NB will also continue to monitor progress and performance of this program and is committed to ensuring that these products are managed in a manner that assures a clean and healthy environment.



ELECTRONIC PRODUCTS STEWARDSHIP PROGRAM

Historical Perspective

The provincial government amended the *Designated Materials Regulation - Clean Environment Act* to include electronic products in 2017. The Electronic Products Recycling Association (EPRA) manages and operates the electronics recycling program in New Brunswick.

As part of its stewardship plan, EPRA has established 77 collection depots throughout New Brunswick. Products accepted for recycling include televisions, computers, computer accessories, cell phones, laptops, tablets, VCRs, CD players and more.

Achievements in 2022

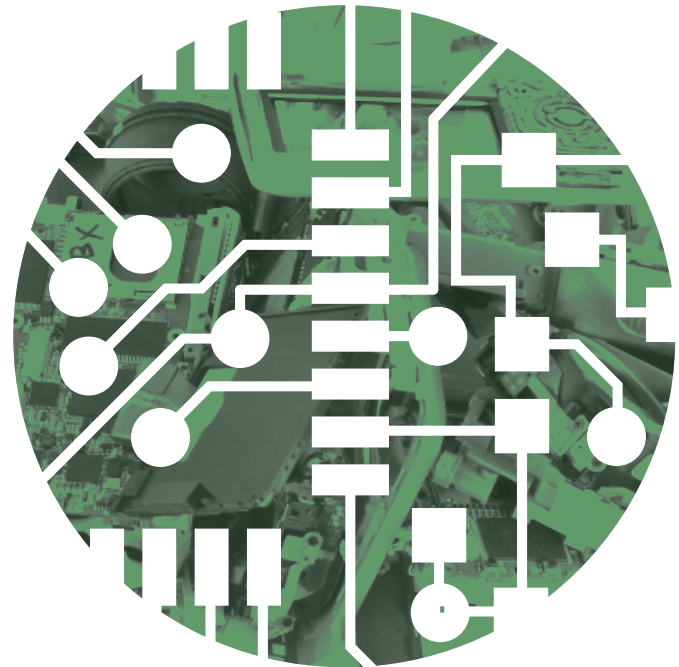
The electronics recycling program continued to gain momentum in 2022, according to the results of an annual residential survey commissioned by EPRA. Overall program awareness was 76%, with 56% of respondents choosing to take their end-of-life electronics to an approved recycling depot.

EPRA was able to complete on-site inspections of all collection depots in 2022, ensuring that signage was visible, staff was educated about the program, pallets were safely packed, and access was safe for residents. EPRA also continued to expand its pick-up services for local businesses, having national contracts with the federal government and Cineplex. In addition, it continued to do pick-ups at several provincial government agencies, universities, colleges, hotel chains and some small businesses.

Materials Collected

EPRA collected a total of 983 metric tonnes of electronic products in New Brunswick in 2022.

YEAR	METRIC TONNES
2022	983
2021	1,026
2020	971
2019	1,094
2018	875



Materials Management by Method

The program guarantees safe and secure recycling of all materials collected and encourages reuse of electronics where possible. The total weight of end-of-life electronics (EOL) processed in 2022 was 977 metric tonnes. All electronics collected in New Brunswick are processed at Carrefour Environnement Saguenay in Edmundston. The following describes the management of products in 2022:

Material Recovery	93.93%
Energy Recovery	1.53%
Other Disposal	4.54%
Total	100%



Materials Processed

A number of valuable materials are recovered as part of the recycling process for electronic products. As part of its management plan, EPRA endeavours to recover and reuse as many materials as possible.

Material/Component	% of Material Stream	Process
Leaded Glass	15.20%	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.
Glass	2.12%	Uncontaminated glass is mechanically processed into cullet for use in glass production.
Plastic	17.72%	Plastics are manually and/or mechanically separated. Identifiable plastics are cleaned, sorted and pelletized for reuse; used as a fuel substitute in the process of metal smelting, or managed through an energy-from-waste recovery process.
Ferrous Metals	17.42%	Metals are manually and/or mechanically separated and smelted for reclaim.
Mixed Metals	24.23%	Metals are manually and/or mechanically separated and smelted for reclaim.
Wood	3.92%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled.
Circuit Boards	4.13%	Boards are manually and/or mechanically separated and smelted for reclaim of metals, while the plastics are used as a fuel substitute in the smelting process.
Wires/Cables	4.30%	Manually and/or mechanically separated and smelted for metal recovery, while the plastics are used as a fuel substitute in the smelting process.
Copper	2.01%	Metals are manually and/or mechanically separated and smelted for reclaim.
Aluminum	1.95%	Metals are manually and/or mechanically separated and smelted for reclaim.
Copper Yokes	0.08%	Metals are manually and/or mechanically separated and smelted for reclaim.
Other	4.54%	Materials are manually separated and managed through an energy-from-waste recovery process or landfilled. (Speaker carpeting, foams, magnetic tapes, shredder fluff, CD's, shrink wrap, paper & cardboard, floor sweepings and other small volume miscellaneous materials).
Batteries	0.79%	Mechanically separated for recovery of metals.
Ink/Toner Cartridges	1.53%	Cartridges are cleaned and reconditioned for reuse or processed through an energy-from-waste recovery process.
Dusts	0.02%	Mechanically separated and smelted for reclaim.
Mercury Lamps	0.02%	Lamps are mechanically processed and separated into glass, metal and phosphor powder material streams. Phosphor powder is further distilled for mercury recovery. Metal and glass are also reclaimed for further use.
Ethylene Glycol	0.02%	The glycol is manually drained from the light tubes and refined for further use.

PUBLIC EDUCATION & AWARENESS

Recycle NB focuses on strengthening its connections with New Brunswickers and encouraging them to protect the environment for future generations by recycling designated materials. Each year, we implement an integrated communications and marketing strategy, which, along with the promotional efforts of our industry partners, is contributing to change in recycling behaviour.

To build our understanding of our audiences and their recycling preferences, specifically with respect to the recycling of packaging and paper products, we commissioned a research study with Narrative Research in 2022, which involved a random survey of 400 New Brunswick residents. Overall, the results indicated a strong inclination across the province to recycle, although it was evident that access to curbside recycling elevates recycling behaviour. The following are key highlights:

- A large majority of NB residents recycle each of cardboard, plastics and paper always or most of the time. Residents were much less likely to report that they recycle glass, suggesting an impact of more limited availability of glass recycling.
- One-quarter of NB residents, including those living in multi-unit dwellings, do not have access to curbside recycling programs. Those without curbside recycling most frequently put their recyclables out with the trash, albeit one in four do put it in recycling community bins.
- Nine out of 10 residents without current access to curbside recycling said they would definitely or probably recycle each of cardboard, paper, plastic and glass if they had access. Indeed, notable proportions of those without curbside recycling already do recycle, albeit it is not as widespread as among those with access. Indeed, the primary barrier to recycling identified among those without curbside recycling is that very fact.

In 2022, Recycle NB's marketing campaign included a mix of television, print and digital advertisements designed to appeal to a range of target audiences. The focus of the campaign was to encourage New Brunswickers to visit our website to learn about our recycling programs and find collection depots. Over the past year, more than 45,000 users visited recyclenb.com, compared to 40,000 in 2021.

Community Outreach

Trade shows allow Recycle NB to interact directly with the public and provide information and printed materials about the recycling of designated materials. Recycle NB participated in four shows in 2022, including the Saint John Home Show, Fredericton Home Show, Atlantic Heavy Equipment Show and the Atlantic Transportation and Logistics Show.

Building partnerships

Recycle NB was pleased to expand its partnership with Laurentide Re/Sources and Habitat for Humanity in 2022. Previously, paint was provided to homes constructed by Habitat for Humanity Fredericton Area only. Last year, Laurentide Re/Sources generously agreed to donate paint to Habitat homes constructed in the Saint John and Moncton regions as well.



Volunteers for Habitat for Humanity Fredericton Area lend a hand to paint two duplexes on Devon Avenue and Titus Street. The recycled paint for both homes was generously donated by Laurentide Re/Sources.

BOARD GOVERNANCE

Board Membership and Structure

The Minister of Environment and Climate Change appoints the members of the Board of Directors of Recycle NB in accordance with Section 4 of the *Designated Materials Regulation - Clean Environment Act*. The directors represent all regions of the province as well as both official linguistic communities. The varied backgrounds and experiences of the directors enable them to bring their individual perspectives to address environmental issues in New Brunswick.

The powers of the Board are as laid out in Section 5 of the *Designated Materials Regulation*. The Board is responsible for determining the strategy and policies of Recycle NB, 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 is also responsible for approving program stewardship plans.



Back row: Richard Gaudet, Shane Steeves, Erik Matchett, Emil Olsen
Front row: Anne Bard-Lavigne, Jacqueline Carrier, Christelle Léger

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: the Executive

Committee and the Finance and Audit Committee. Stakeholders are involved in the operation of Recycle NB through Industry Advisory Committees established by the Board.

Welcoming a new Board Chair



In 2022, Recycle NB welcomed Erik Matchett as Board Chair. He is in his second term with the Board, having joined in 2019. With over 15 years in the utility industry, Mr. Matchett has established himself as both a continuous improvement enthusiast with a Lean Six Sigma Master Black Belt certification, and an avid proponent for organizational strategy as a Certified Change Management Professional.

Mr. Matchett has more than 20 years' experience in Board Governance, having served in various capacities including advisory, elected, and executive roles. He has a strong community focus and is involved with a number of local and international charities. Mr. Matchett resides in Charters Settlement with his wife and two children and presently works as a Senior Consultant with 1898 & Co., a division of Burns and McDonnell.

MEMBERS OF THE BOARD AND TERMS OF OFFICE AS OF DECEMBER 31, 2022

Board Member	Term of Office
Erik Matchett, Chair, Fredericton, NB	October 12, 2022 - October 11, 2025
Emil Olsen, Vice-Chair, Quispamsis, NB	October 12, 2022 - October 11, 2025
Christelle Léger, Dieppe, NB	June 18, 2021 - June 17, 2024
Shane Steeves, Shediac Cape, NB	June 18, 2021 - June 17, 2024
Richard Gaudet, Dieppe, NB	June 18, 2021 - June 17, 2024
Jacqueline Carrier, Edmundston, NB	October 22, 2021 - October 21, 2024
Anne Bard-Lavigne, Beresford, NB	June 3, 2022 - June 2, 2025

BOARD MEETINGS

The Board of Directors met five times in 2022.

Date	Place
January 28	Virtual meeting (Public Health Protocol)
April 22	Saint John
June 17	Miramichi
September 16	Edmundston
December 2	Fredericton



BOARD ATTENDANCE

In 2022, board attendance was 97%.

Director	Meetings
Erik Matchett	5/5
Emil Olsen	5/5
Christelle Léger	4/5
Shane Steeves	5/5
Richard Gaudet	5/5
Jacqueline Carrier	5/5
Anne Bard-Lavigne	2/2



COMMITTEES

Executive Committee

The Executive Committee is comprised of four Board members (Board chair, vice-chair and two directors). 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.

Members

- Gildard Chiasson, Chair
- Erik Matchett, Vice-Chair
- Emil Olsen
- Christelle Léger

Finance and Audit Committee

The Finance and Audit Committee is comprised of four Board members appointed by Board resolution. The Chief Executive Officer is an ex-officio member of the committee.

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

- Ensure the Board meets 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 within the Board's jurisdiction.

Members

- Emil Olsen, Chair
- Shane Steeves
- Richard Gaudet
- Gildard Chiasson

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 within the Committee's jurisdiction.



Industry Advisory Committees

We encourage stakeholders in the tire, paint, oil/glycol and electronics industries to take part in the management of recycling programs through Industry Advisory Committees (IACs), which are chaired by a Recycle NB Board member. Through this system of governance, the Board benefits from

the expertise and advice of stakeholders in an efficient and equitable manner. Members of the IAC committees meet regularly to comment on issues, discuss concerns and consider suggestions, as well as to develop innovative solutions. This cooperative partnership 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, Emil Olsen, *Board member*
- Recycle NB, Frank LeBlanc, *CEO*
- Recycle NB, Jamie Seamans, *Program Director*
- TRACC, Stephen Richardson, *President*
- Atlantic Tire Dealers Association, Frank Connor, *Executive Director*
- NB Automobile Dealers Association, Darcy LeBlanc, *Executive Director*
- EC0360 (Southeast Regional Service Commission), Roland LeBlanc, *Director Solid Waste Division*



Paint Stewardship Program

Industry Advisory Committee Members

- Recycle NB, Gildard Chiasson, *Chair*
- Recycle NB, Frank LeBlanc, *CEO*
- Recycle NB, Neda Tomic, *Program and Compliance Manager*
- Recycle NB, Jamie Seamans, *Program Director*
- Product Care Recycling, Mark Kurshner, *President*
- Product Care Recycling, Mannie Cheung, *Vice-President*
- Product Care Recycling, Don Shea, *NB Coordinator*
- Home Hardware Stores Limited, Tim Dietrich, *Manager Dealer Operation*
- Home Hardware Stores Limited, Steven Morneault, *Regional Paint and Home Products Consultant*
- Retail Council of Canada – Atlantic Canada, Jim Cormier, *Director Government Relations*
- Eastern Recyclers Association, Bruce Rogers, *Executive Director*
- Laurentide Re/Sources, Bernie Hébert, *Director of Manufacturing Operations*
- Hebert's Recycling Inc., Carole Sargent, *Office Manager*
- Northwest Regional Service Commission, Richard Lebel, *Representative*



Oil and Glycol Stewardship Program

Industry Advisory Committee Members

Recycle NB, Shane Steeves, *Chair*

Recycle NB, Frank LeBlanc, *CEO*

Recycle NB, Neda Tomic, *Program and Compliance Manager*

Recycle NB, Jamie Seamans, *Program Director*

Parkland, Mike Jennex, *Senior Key Account Manager*

Retail Council of Canada, Jim Cormier, *Director Government Relations*

Retail Council of Canada, David Bois, *Representative*

Greater Miramichi Regional Service Commission, Mélanie Rousselle,
General Manager of Solid Waste Services

RPM Eco, Pierre Gendron, *Vice-President*

RPM Eco, Nick Nachiu, *Operations Manager*

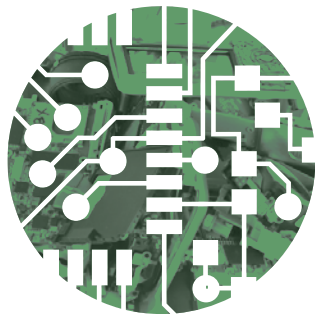
GFL Environmental Inc., Adam Hayes, *District Manager*

GFL Environmental Inc., Jonathan Whitlock, *Regional Operations Manager*

UOMA Atlantic, Jean Duchesneau, *General Manager*

UOMA Atlantic, Jean-François Richard, *Controller*

UOMA Atlantic, Luc Gagnon, *Operations Program Manager*



Electronic Products Stewardship Program

Industry Advisory Committee Members

• Recycle NB, Erik Matchett, *Chair*

• Recycle NB, Frank LeBlanc, *CEO*

• Recycle NB, Jamie Seamans, *Program Director*

• Recycle NB, Neda Tomic, *Program and Compliance Manager*

• Electronic Products Recycling Association, Cliff Hacking, *President*

• Electronic Products Recycling Association, Gerard MacLellan, *Executive Director*

• Electronic Products Recycling Association, Karen Ulmanis, *Program Director*

• Retail Council of Canada, Jim Cormier, *Director Government Relations*

• Kent Regional Service Commission, Isabelle Godin, *Assistant Executive Director*

• Carrefour Environnement Saguenay, Réjean Pilote, *Business Manager*

• GM Rioux, Mélanie Desjardins, *Vice-President Operations and Administration*

• Eastern Recyclers Association, Bruce Rogers, *Executive Director*

Financial Statements of

**RECYCLE NEW
BRUNSWICK**

Year ended December 31, 2022

RECYCLE NEW BRUNSWICK

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Recycle New Brunswick

Qualified Opinion

We have audited the financial statements of Recycle New Brunswick (the Company), which comprise:

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

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

In our opinion, except for the possible effects of the matter described in the "***Basis for Qualified Opinion***" paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Company 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 Company and we were not able to determine whether any adjustments might be necessary to

- the current assets reported in the statements of financial position as at December 31, 2022 and 2021.
- the Tire Program revenues and deficiency of revenues over expenses reported in the statements of operations for the years ended 2022 and 2021
- net assets, at beginning and end of the year, reported in the statements of changes in net assets for the years ended 2022 and 2021
- the deficiency of revenues over expenses reported in the statements of cash flows for the years ended 2022 and 2021

Our opinion on the financial statements for the year ended December 31, 2021 was qualified accordingly because of the possible effect of this limitation in scope.



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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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company'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.



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- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Fredericton, Canada

June 20, 2023

RECYCLE NEW BRUNSWICK

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 2,376,388	\$ 2,834,606
Accounts receivable (note 2)	1,075,266	1,479,182
EPR recoverable (note 5)	140,298	-
	<u>3,591,952</u>	<u>4,313,788</u>
Investments (note 3)	695,490	686,080
Capital assets (note 4)	30,872	31,898
	<u>\$ 4,318,314</u>	<u>\$ 5,031,766</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 619,371	\$ 712,722
EPR payable (note 5)	-	72,144
Employee future benefits (note 6)	115,238	102,265
	<u>734,609</u>	<u>887,131</u>
Net assets:		
Invested in capital assets	30,872	31,898
Unrestricted	3,552,833	4,112,737
	<u>3,583,705</u>	<u>4,144,635</u>
Contractual obligations (note 8)		
Contingencies (note 9)		
	<u>\$ 4,318,314</u>	<u>\$ 5,031,766</u>

See accompanying notes to financial statements.

On behalf of the Board:



Directors



Directors

RECYCLE NEW BRUNSWICK

Statement of Operations

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

	2022	2021
Revenues:		
Tire Program	\$ 5,699,953	\$ 5,352,453
Oil Program	183,673	210,365
Paint Program	55,685	69,164
E-Waste Program	110,971	368,534
Packaging and Paper Program	554,957	-
Pharmaceutical Products Program	10,257	-
	<u>6,615,496</u>	<u>6,000,516</u>
Expenses:		
Tire Program (schedule 1)	6,260,521	6,462,039
Oil Program (schedule 2)	183,673	210,365
Paint Program (schedule 3)	55,685	69,164
E-Waste Program (schedule 4)	110,971	368,534
Packaging and Paper Program (schedule 5)	554,957	-
Pharmaceutical Products Program (schedule 6)	10,257	-
Other	56,988	345
	<u>7,233,052</u>	<u>7,110,447</u>
Deficiency of revenues over expenses before the undernoted item	(617,556)	(1,109,931)
Investment income	56,626	20,427
Deficiency of revenues over expenses	<u>\$ (560,930)</u>	<u>\$ (1,089,504)</u>

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Changes In Net Assets

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

	Invested in capital assets	Unrestricted	Total 2022	Total 2021
Balance, beginning of year	\$ 31,898	\$ 4,112,737	\$ 4,144,635	\$ 5,234,139
Deficiency of revenues over expenses	(23,826)	(537,104)	(560,930)	(1,089,504)
Net change in investment in capital assets	22,800	(22,800)	-	-
Balance, end of year	\$ 30,872	\$ 3,552,833	\$ 3,583,705	\$ 4,144,635

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Statement of Cash Flows

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

	2022	2021
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (560,930)	\$ (1,089,504)
Items not involving cash:		
Amortization of capital assets	23,826	25,730
Employee future benefits	12,973	10,304
	<u>(524,131)</u>	<u>(1,053,470)</u>
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	403,916	(368,197)
Increase in EPR recoverable	(140,298)	-
Increase (decrease) in accounts payable and accrued liabilities	(93,351)	18,653
Increase (decrease) in EPR payable	<u>(72,144)</u>	<u>32,637</u>
	<u>(426,008)</u>	<u>(1,370,377)</u>
Investing activity:		
Net change in investments	(9,410)	(1,559)
Capital activity:		
Purchase of capital assets	<u>(22,800)</u>	<u>(24,363)</u>
Decrease in cash	(458,218)	(1,396,299)
Cash, beginning of year	2,834,606	4,230,905
Cash, end of year	<u>\$ 2,376,388</u>	<u>\$ 2,834,606</u>

See accompanying notes to financial statements.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements

Year ended December 31, 2022

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, e-waste, packaging and paper, and pharmaceutical products ("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 are measured at amortized costs, including investments, which 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, 2022

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, E-Waste, Packaging and Paper, and Pharmaceutical Products 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:

	2022	2021
Tire fees	\$ 416,729	\$ 497,807
Sales taxes	658,537	981,375
	<hr/> \$ 1,075,266	<hr/> \$ 1,479,182

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2022

3. Investments:

	2022		2021	
Cash held in broker's account	\$	6	\$	6
Renaissance High Interest Savings Account		133,058		131,272
Manulife Bank Investment Savings Account		114,026		112,569
RBC Investment Savings Account Series A		112,714		111,179
BNS Investment Savings Account		335,686		331,054
	\$	695,490	\$	686,080

4. Capital assets:

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Building - leasehold improvements	\$ 70,935	\$ 70,935	\$ -	\$ -
Furniture and fixtures	82,076	79,129	2,947	4,530
Computer equipment	237,107	209,772	27,335	27,368
Operational equipment	3,965	3,375	590	-
	\$ 394,083	\$ 363,211	\$ 30,872	\$ 31,898

Amortization expense for the year is \$23,826 (2021 - \$25,730).

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2022

5. EPR recoverable/payable:

The Oil, Paint, E-Waste, Packaging and Paper, and Pharmaceutical Products 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 agreements, costs incurred by the Company while administering these programs will be charged to the producers annually. Any excess of monies received from the producer over costs incurred is 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 is recorded as a recoverable at year-end.

EPR recoverable (payable)	2022	2021
Oil Program	\$ (40,191)	\$ (17,064)
Paint Program	(55,999)	(28,984)
E-Waste Program	(328,725)	(26,096)
Packaging and Paper Program	554,957	-
Pharmaceutical Products Program	10,256	-
	\$ 140,298	\$ (72,144)

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:

	2022	2021
Accrued sick pay obligation, beginning of year	\$ 102,265	\$ 91,961
Current service cost	18,562	17,166
Benefit payments	(5,589)	(6,862)
Accrued sick pay obligation, end of year	\$ 115,238	\$ 102,265

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2022

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	
	2022	2021	2022	2021
Tire Program	18.2 %	38.6 %	\$ 201,838	\$ 406,201
Oil Program	16.5 %	19.9 %	182,985	209,415
Paint Program	5.0 %	6.5 %	55,450	68,402
E-Waste Program	9.9 %	35.0 %	109,791	368,317
Packaging and Paper Program	49.6 %	- %	550,063	-
Pharmaceutical Products Program	0.8 %	- %	8,872	-
			\$ 1,108,999	\$ 1,052,335

8. Contractual obligations:

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

2023	\$ 38,047
2024	38,047
2025	38,047
	\$ 114,141

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2022

9. Contingencies:

The Company has signed a contract, which terminates in February 2025, 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 \$846,746 (2021 - \$882,702), which was collected through Service New Brunswick.

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.

RECYCLE NEW BRUNSWICK

Notes to Financial Statements (continued)

Year ended December 31, 2022

11. Financial risks (continued):

(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, 2022 is the carrying value of these assets.

(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, 2022, with comparative information for 2021

	2022	2021
Revenues	\$ 5,699,953	\$ 5,352,453
Expenses:		
Scrap tire processing	6,016,806	6,036,233
Salaries and employee benefits	104,809	206,051
Communication and translation	54,206	110,989
General and administrative	80,363	98,833
Amortization of capital assets	4,337	9,933
	6,260,521	6,462,039
	\$ (560,568)	\$ (1,109,586)

RECYCLE NEW BRUNSWICK

Schedule 2 - Oil Program

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

	2022	2021
Revenues	\$ 183,673	\$ 210,365
Expenses:		
Salaries and employee benefits	95,019	106,229
Communication and translation	49,142	57,410
General and administrative	35,581	41,606
Amortization of capital assets	3,931	5,120
	183,673	210,365
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 3 - Paint Program

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

	2022		2021	
Revenues	\$	55,685	\$	69,164
Expenses:				
Salaries and employee benefits		28,794		34,698
Communication and translation		14,892		19,276
General and administrative		10,808		13,518
Amortization of capital assets		1,191		1,672
		<u>55,685</u>		<u>69,164</u>
	\$	-	\$	-

RECYCLE NEW BRUNSWICK

Schedule 4 - E-Waste Program

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

	2022	2021
Revenues	\$ 110,971	\$ 368,534
Expenses:		
Salaries and employee benefits	57,011	186,834
Communication and translation	30,440	100,160
General and administrative	21,161	72,535
Amortization of capital assets	2,359	9,005
	110,971	368,534
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 5 - Packaging and Paper Program

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

	2022	2021
Revenues	\$ 554,957	\$ -
Expenses:		
Salaries and employee benefits	285,633	-
Communication and translation	152,196	-
General and administrative	105,311	-
Amortization of capital assets	11,817	-
	554,957	-
	\$ -	\$ -

RECYCLE NEW BRUNSWICK

Schedule 6 - Pharmaceutical Products Program

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

	2022	2021
Revenues	\$ 10,257	\$ -
Expenses:		
Salaries and employee benefits	4,607	-
Communication and translation	3,767	-
General and administrative	1,692	-
Amortization of capital assets	191	-
	10,257	-
	\$ -	\$ -



Recycle NB

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Telephone: 1-506-454-8473 • 1-888-322-8473 (Toll Free)

Fax: 1-506-454-8471

Email: info@recyclenb.com

Mailing Address: P.O. Box 308, Station A, Fredericton, New Brunswick E3B 4Y9

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Facebook: www.facebook.com/RecycleNB