2020-21 Annual Report

Guiding our province to a greener future.

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Message from the Chair

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present the Annual Report for the 2020-21 fiscal period. The report was prepared in accordance with the **Transparency and Accountability Act** as a category one entity. This report evaluates MMSB's performance from April 1, 2020 to March 31, 2021 during the first year of its 2020-23 strategic plan.

Like the rest of the world, we spent much of the year navigating the unpredictable impacts of COVID-19 in waste management. It has been challenging, but also rewarding to see how the team at MMSB has banded together with its partners to adapt while ensuring services continued safely. Despite some setbacks and detours, MMSB continued to work with its partners to advance sustainable waste management provincially and nationally. Through the development of our waste diversion programs and public education, we have continued to make a difference in shifting the narrative and are confident that any setbacks during this fiscal year are temporary.

MMSB approaches its diversion and public education mandate with energy and innovation, and this work is paying off. We continue to witness supportive attitudes and practices in households, businesses and the community. However, as you read the annual report, you will also see how MMSB is investing in the research required to identify opportunities to further influence behaviours that will help advance the Provincial Waste Management Strategy.

I'd like to thank our Board of Directors and the dedicated team at MMSB for their commitment to moving the waste management agenda forward in our province.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the actual results reported within the 2020-21 Annual Report.

Sincerely,

Dermot Flynn, Chair

Overview

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

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

Governance

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

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

Operations and Finance

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

MMSB's operating revenue in 2020-21 was approximately $29.9 million. Operating expenditures were approximately $27.3 million, with $400,000 allocated to the Waste Management Trust Fund, which supports the implementation of the Provincial Solid Waste Management Strategy.

Total committed assets in the Trust Fund as of March 31, 2021 is $764,859.

2020-21 Highlights and Partnerships

Used Beverage Container Recycling Program

- MMSB provided leadership to Green Depots in navigating the impacts of COVID-19 on services. This included providing a pandemic response plan, supporting public communication and marketing Xpress drop-off service. Additionally, a Financial Relief Fund was implemented for Green Depot Operators of up to $6,000 per month to assist with offsetting the financial impact of COVID-19.
- Green Depots utilized Xpress service to continue operating safely during COVID-19 Alert Levels 4 and 5. To support customers in using the service, MMSB ran an education campaign to promote Xpress. As a result of service changes and promotions, Xpress registrations had the largest growth in the seven-year history of the service, growing 54 per cent in 2020-21 to reach a total of 60,787 active accounts.

Used Tire Management Program

- Approximately 491,000 used tires were collected and diverted from landfills.
- The used tire recovery rate increased to just over 80 per cent, the highest recovery rate since the inception of the program in 2002.

Extended Producer Responsibility (EPR) Programs

- MMSB's Board of Directors and the Minister of ECC approved an expansion of the list of accepted electronics that can be recycled in Newfoundland and Labrador. Effective August 1, 2021, external storage drives and modems, electronic readers, video game devices, navigation systems and counter-top microwave ovens will be accepted by the Electronic Products Recycling Association (EPRA).

Research

- A new two-year partnership was established with the Harris Centre for $250,000. The funding will continue to support the Applied Research Fund and was also used to hire a new waste management research intern. This position will conduct research on waste management priorities identified by the MMSB-Harris Centre Waste Management Advisory Board.
- Completed benchmark research to help advise marketing and education plans for diversion programs, as well as inform opportunities and challenges within regional programs such as household hazardous waste, blue bag, backyard composting, EPR and tires and beverage recycling. This research provides valuable information around behaviors and attitudes surrounding waste management and recycling in the province. Benchmark data will be collected again at the completion of the strategic plan.

Waste Management Trust Fund

- Enhancements in distribution plans and public education for the Backyard Composting Bin Distribution Program resulted in 2,400 backyard compost bins and tumblers being distributed to 37 communities.
- Provided $160,265 in funding to 16 communities and businesses through the Community Waste Diversion Fund (CWDF) and Solid Waste Management Innovation Fund (SWMIF).

Public Education

- MMSB revitalized its public education campaign to promote its partnership with Crime Stoppers to prevent illegal dumping. The educational campaign also resulted in 57 anonymous tips to Crime Stoppers, a 19 per cent increase from the previous fiscal year.
- Conducted 12 Composting Made Easy digital workshops to the general public and co-hosted five sessions with communities throughout the province. In total, over 400 people attended the sessions.
- Created a campaign to educate residents on the introduction of a provincial retail plastic bag ban, which came into effect October 1, 2020.

Policy

- MMSB participated on the project team for the development of the single-use and disposable plastics roadmap, an action from Phase 1 of Canada's Zero Plastic Waste Action Plan.

Report on Performance

The 2020-21 fiscal year marks the first year of MMSB's 2020-23 strategic plan. In consideration of government's strategic directions and MMSB's mandate and financial resources, the following areas have been identified as key strategic priorities for MMSB over the next three years:

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

The goals identified for each strategic priority reflect the results expected in the three-year timeframe. Annual objectives have been identified to help achieve the identified goals. The following section reports on the objectives and indicators for the 2020-21 fiscal year, as well as identifying the objectives and indicators for the next fiscal year.

Priority 1: Sustainable Waste Management

MMSB manages, administers and oversees provincial waste diversion programs and services in accordance with government direction as prescribed in the **Waste Management Regulations**. Waste diversion programs provided by MMSB include the Used Beverage Container Recycling Program and the Used Tire Management Program. MMSB also oversees and assists EPR waste diversion programs to ensure approved timelines, operational requirements and outlined diversion targets are being met. Provincial industry led waste diversion programs are now available for left over paint, electronic waste and used oil and glycol. MMSB supports and reinforces all waste diversion programs, ensuring continuous improvement and operational efficiencies while expanding public engagement and program communications to recover all designated materials at their end of life.

2020-23 Goal

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

2020-21 Objective

By March 31, 2021, MMSB will have identified, monitored, and commenced implementation of initiatives to improve program performance for material types designated under the **Waste Management Regulations**.

2020-21 Indicators and Performance

Indicator 1: Reviewed operational and public education plans and administrative processes.

- Completed an independent third-party IT security review of MMSB's customer relationship management and financial management hosted platform configuration. The review confirmed many good security practices are in place. MMSB continues to work with its service provider on addressing other minor recommendations.
- Initiated a project to support automation of electronic workflows for expense claims and accounts payable approvals to improve financial controls, streamline processes and reduce paper.
- Commenced development of an online portal to capture collection and transportation data for the tire program. Once completed, requirements for the manual completion of collection forms by service providers, as well as paper invoicing will be eliminated.
- Completed an operational plan outlining initiatives and projects to support public education, communications and marketing for diversion programs for the three-year strategic planning period.
- Updated MMSB's Business Continuity Plan to prepare for potential diversion program service interruptions, as well as to reflect pandemic related scenarios.
- Commenced development of an online customer portal for Green Depot Xpress customers. The portal will allow customers to review their transactions and balances and will launch during the 2021-22 fiscal year.
- Used Beverage Container Recycling Program reduced the number of material sorts from 17 to 14. The reduction was achieved by allowing alcoholic and non-alcoholic glass to be combined by color. The change has resulted in improved efficiency when counting containers at the Green Depot and has further aided inventory management.
- A series of fraud reduction techniques to enhance MMSB's Management Information System were investigated. Enhancements will ensure a greater sense of accuracy and security surrounding Xpress accounts ensuring customer satisfaction and confidence.
- Continued to modernize IT environments for diversion programs with an increased focus on leveraging cloud services and enhancing business applications.

Indicator 2: Identified waste diversion opportunities and action items.

- Completed research at MMSB's quality assurance (QA) facility for the weighing of glass using average unit weights. It was concluded that the volume of glass cannot be determined by weight for QA purposes and must continue to be counted.
- MMSB's two QA staff audited 4.14 per cent of all bulk containers from Green Depots for count accuracy, contamination, mis-sorts and rejects. The variance compared to the depot count results in a 1.03 per cent average overage. There were only nine instances where the depots' count was above the 2 per cent allowable tolerance.
- The four Atlantic provinces and Product Care Recycling contracted a consultant and commenced a consumer research project on the volume of waste paint available to be collected and recycled in each of the provinces.
- Completed benchmark research around attitudes and behaviours towards waste management which will help identify opportunities and areas requiring action for public education and marketing that will support diversion programs.
- Researched potential contingency markets for exporting whole tires, shipping two loads to an alternative market.
- 52 Green Depot inspections were carried out in 2020-21, ensuring compliance to Green Depot Standards. Compliance to standards has resulted in a 30 per cent improvement over the previous year.
- Experienced another market interruption for tires during the onset of COVID-19 in Spring 2020, leading to another tire derived aggregate (TDA) mobile processing contract. All tires were processed into TDA and further await a construction project.
- MMSB did not advance a pilot project in 2020 for the utilization of the TDA. The tender results for the use of TDA in partnership with Central Newfoundland Waste Management did not warrant proceeding with the project due to a 30 per cent increase in forecast amounts. Planning for the use of this material will be reviewed in 2021-22.
- MMSB's Board of Directors and the Minister of ECC approved an expansion of the list of accepted electronics that can be recycled in the province as per **Waste Management Regulations**. Effective August 1, 2021, external storage drives and modems, electronic readers, video game devices, navigation systems and counter-top microwave ovens will be accepted by EPRA.
- Due to the approved expansion of accepted electronics, the Board of Directors of MMSB and the Minister of Environment and Climate Change approved an amended Electronic Waste Stewardship Plan from EPRA.

Indicator 3: Enhanced communications and resources.

- A Financial Relief Fund was implemented for Green Depot Operators of up to $6,000 per month. The fund was crucial in ensuring operations were maintained.
- A handling fee increase of 0.010 cents per unit was provided to all Green Depots on April 1, 2020, providing increased compensation to offset increased costs.
- Installed 10 additional self-serve Xpress kiosks at Green Depot locations. Currently, 30 of the 55 locations have a self-serve kiosk, which frees up staff resources for other activities.
- Xpress utilization increased from 25 to 45 per cent from the previous year. The number of customers registered for Xpress increased from 42 to 60 per cent.
- Provided leadership to Green Depots in navigating the impact COVID-19 had on services. This included hosting virtual town halls with operators, preparing a pandemic response plan, supporting public communication, marketing Xpress drop-off service and fielding inquiries.
- A communications plan was created to address the return of contaminated materials to Green Depots.
- MMSB provided a $15,000 infrastructure loan, enabling a Green Depot to complete building upgrades required for compliance to program standards.

Indicator 4: Promoted public awareness and engagement.

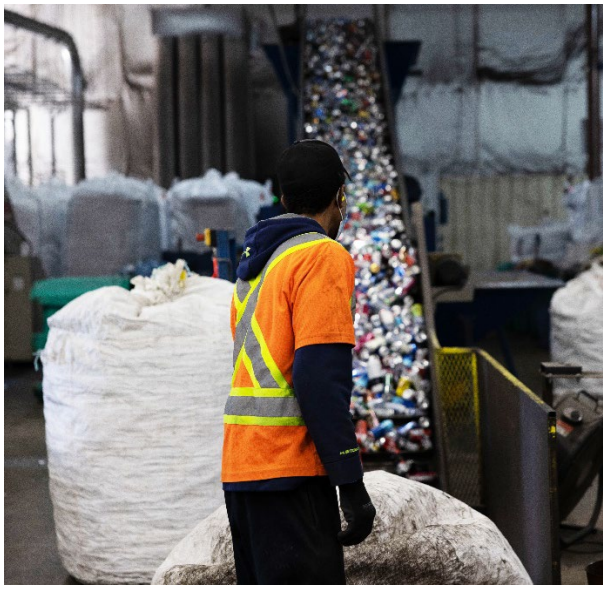
- Green Depots utilized Xpress service to continue operations safely during COVID-19 Alert Levels 4 and 5. To support customers in using the service, MMSB ran an education campaign to promote Xpress. As a result of service changes and promotions, Xpress registrations had the largest growth in the seven-year history of the service, growing 54 per cent in 2020-21 to reach a total of 60,787 active accounts.
- Due to ongoing marketing campaigns and the sharing of COVID-19 related information, the Green Depot website received over 120,000 visitors, an increase of over 210 per cent from the previous year.
- Held a virtual Green Depot professional development session. Three individual sessions were held over a two-day period with 29 depot operators participating. These sessions provided depot operators opportunity to share common concerns and challenges, while also providing MMSB the opportunity to share information and to compile action items for improvements.
- A new video was created for the tire program which outlines the process and how to properly prepare tires for recycling. The video was added to the website and will be actively promoted during 2021-22.

- Enhanced the digital marketing campaign for tire recycling, which ran from October 27 to November 17. Animated ads were promoted through social media, on VOCM's website and through Google Display Network. In addition, a webpage on rethinkwastenl.ca dedicated to the tire program was launched. The campaign materials resulted in significant engagement: the social media ad received 316,092 video plays; VOCM ads received 438,286 impressions; Google Display ads received 3,369,523 impressions; and the tire page received 19,557 pageviews.
- Facebook and Instagram pages specific to Green Depots were launched in December 2020 to provide channels focused on beverage program related promotions and news. This also provided a social media face to the well established Green Depot NL brand. Since launching, the accounts have received nearly 2 million user impressions.
- Due to the significant growth in Xpress customers for Green Depots during 2020-21, MMSB was able to connect with over 60,000 customers through email marketing. Nine campaigns were shared, with an average open rate of 45 per cent.
- A holiday social media campaign was created for Green Depots which included posts promoting recycling and encouraging customers to recycle their eggnog containers at the Green Depot.

Indicator 5: Supported program recovery.

- The recovery rate for the Used Beverage Container Recycling Program was 61.3 per cent, a 7-point decrease from the previous year. More than 184 million beverage containers were collected in total:
    - Over 177.5 million collected by Green Depots, a 3.5 per cent decrease from 2019-20.
    - Over 6.5 million were managed by regional authorities through curbside programs, a decrease of almost 40 per cent from 2019-20, amounting to over $300,000 in handling fee payments.

The reduction in the recovery rate is related to public health measures and closures due to COVID-19 that impacted returns through Green Depots and curbside programs.



- During spring 2020, Green Depots closed for seven weeks due to COVID-19 resulting in operators having to manage a large backlog of material. While Green Depots did remain open during the winter 2021 shutdown, customer traffic was greatly reduced.
- Due to COVID-19, recycling was suspended within schools, including recycling blitzes on school property. MMSB continued to offer the Get Matched! School Recycling Program, however, a focus was put on households donating their materials directly to a school at the Green Depot. Due to the changes facing the program this fiscal, the school program only collected approximately 2.9 million units, a 59 per cent decrease from the previous year.
- Approximately 491,000 used tires were collected and diverted from landfills. Despite the year of a pandemic, collections remained steady compared to the previous fiscal resulting in an 80.5 per cent recovery rate.
- Provided oversight of existing EPR programs for waste paint, electronic waste and used oil/glycol to ensure compliance. The global pandemic had a significant impact on the outcomes of some of the industry-led programs due to interruptions in collection site availability.

The following are results for the 2020 calendar year, as reported in each programs' annual reports:

  - Product Care Recycling: 3.5 per cent recovery rate with 137,748 litres of waste paint collected, a 31 per cent decrease from the previous year. Waste paint was collected from more than 60 drop-off locations/events.
  - Electronic Products Recycling Association: The Recycle My Electronics program collected 632 metric tonnes of electronics, an 18 per cent decrease from the previous year. Electronics were collected from 60 drop-off locations and collection events.
  - Canadian Wireless Telecommunications Association: Recycle my Cell collected 2,375 cellular phones from 122 collection points, a 62 per cent decrease from the previous year.
  - Bell Aliant: 41,676 set-top boxes collected through the lease/return program, an increase of 5 per cent from the previous year.

- During the first full year of the new used oil and glycol EPR program, the Used Oil Management Association exceeded its recovery targets. Over 3.6 million liters of used oil and glycol, as well as 132,000 kilograms of filters and containers, was diverted from landfills.

Discussion of Results

The first year of the strategic plan was met with a variety of challenges and successes. MMSB did great work towards setting the stage to meet its three-year goal, including establishing plans, evolving administrative processes and developing public education and marketing. COVID-19 did impact the recovery rate for beverage containers, as well as results for EPR programs; however, MMSB is optimistic that activity will rebound in the next fiscal year. MMSB is also proud of the work completed this fiscal to enhance quality assurance processes and functionality for diversion programs, which is essential to the growth and efficiency of diversion programs.

2021-22 Objective

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

Indicators for this objective include:

1. Improved operational and administrative processes.
2. Advanced diversion action items and opportunities.
3. Strengthened engagement and public education for diversion programs.
4. Continued to support program recovery.

Priority 2: Shared Responsibility and Partnerships

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

2020-23 Goal

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

2020-21 Objective

By March 31, 2021, MMSB will have developed and commenced implementation of initiatives to enhance stakeholder participation in sustainable waste management practices.

2020-21 Indicators and Performance

Indicator 1: Assessed & identified opportunities to establish new initiatives and to enhance stakeholder participation in sustainable waste management.

- MMSB's Board of Directors and the Minister of Environment and Climate Change approved a new two-year partnership with the Harris Centre for $250,000. The funding will continue to support the Applied Research Fund, and was also used to hire a waste management research intern.
- The MMSB-Harris Centre Applied Research Fund supported three projects, totaling $44,375 for Memorial University researchers:
  - Feasibility of Recycling Nylon Fishing Nets.
  - Efficient and Economic Storage of Salmon Processing Waste.
  - Engineered Soils from Local Waste Materials.
- MMSB continued to fund an education and outreach officer for Western Regional Waste Management. This position delivered public education initiatives to support the extension of WRWM's mandatory recycling program to include businesses and institutions.
- MMSB consulted with more than 50 businesses, municipalities, and organizations to provide information and advice about sustainable waste management practices.
- MMSB provided $66,648 to eight communities through the Community Waste Diversion Fund (CWDF), which supports initiatives that identify new or enhance existing opportunities to divert waste from landfills.
- MMSB provided $93,617 in funding to eight organizations through the Solid Waste Management Innovation Fund (SWMIF), which supports businesses and organizations in the development of new or improved technologies, products, services or processes that advance solid waste management.
- Identified opportunities to highlight SWMIF and CWDF recipients to stimulate submissions for funding. This included a series of posts and a video, which reached approximately 80,000 social media users and resulted in over 1,500 webpage visits.
- MMSB revitalized its public education campaign to promote its partnership with Crime Stoppers to combat illegal dumping. The partnership is supported by a $45,000 commitment from the Waste Management Trust Fund. The campaign received significant engagement, including a 213 per cent increase in web page views compared to the previous year. Additionally, videos on social media were played over 1.7 million times. The educational campaign also resulted in 57 anonymous tips to Crime Stoppers, a 19 per cent increase from the previous fiscal year.

- Completed logistical planning and procurement of recycling infrastructure for 45 schools in the western region through the Recycle @ School Program. The program will help the schools navigate Western Regional Waste Management's mandatory recycling program.

Indicator 2: Continued work with provincial and territorial jurisdictions to advance sustainable waste management policy in Newfoundland and Labrador consistent with national direction.

- Participated in meetings with the Atlantic Harmonization Group to discuss Atlantic Canada priorities for waste and the development, oversight and harmonization of related regulations.
- Developed and implemented an action plan for the improvement of the Backyard Compost Bin Distribution program, which allows MMSB to partner with communities to offer bins to residents at a reduced cost. Enhancements in distribution plans and public education resulted in 2,400 backyard compost bins and tumblers being distributed to 37 communities during 2020-21, a 122 per cent increase from the previous year. MMSB also provided train-the-trainer workshops and support for participating communities and increased online workshop offerings to residents.
- Represented Newfoundland and Labrador on the Canadian Council of Ministers of the Environment's (CCME) Waste Resource and Recovery Committee. The committee's largest goal is to advance the development of Canada's Zero Plastic Waste Phase 1 and Phase 2 Action Plans. CCME's Phase 1 Action Plan on Zero Plastic Waste was approved by Ministers in 2019 and Phase 2 in 2020.
- MMSB participated on the project team for the development of the single-use and disposable plastics roadmap, an action from Phase 1 of Canada's Zero Plastic Waste Action Plan. It is anticipated that the roadmap will be completed in 2022.
- Developed and implemented an action plan for the improvement of the Backyard Compost Bin Distribution program, which allows MMSB to partner with communities to offer bins to residents at a reduced cost. The action plan was developed based on findings from research conducted with partnering communities. Enhancements in distribution plans and public education resulted in 2,400 backyard compost bins and tumblers being distributed to 37 communities during 2020-21, a 122 per cent increase from the previous year. MMSB also provided train-the-trainer workshops and support for participating communities and increased online workshop offerings to residents.

Indicator 3: Pursued new research and discussions for the introduction of an industry led program for packaging and printed paper (PPP).

- Held meetings with other jurisdictions in Canada regarding provincial PPP programs. MMSB also worked with the Department of Finance to understand the number of businesses that will be obligated under a regulated program for PPP in Newfoundland and Labrador.
- Consulted with stakeholders in New Brunswick on the development and implementation of an EPR program for PPP.
- Engaged a consultant for a financial review of the three regional materials recovery facilities and municipal curbside collection costs to ensure fairness and consistency of material handling payments. The review will also provide informed learnings on blue bag collection and processing expenses to facilitate future initiatives on an industry led program for PPP. The consultant's report is expected in 2021-22.

Indicator 4: Developed and provided resources to regional waste management authorities, supporting the development and implementation of public education plans.

- Provided signage to 10 participants of the Indiscriminate Dumping Surveillance Program to support messaging for areas of limited enforcement capability.
- Provided reports to Central Newfoundland Waste Management, Western Regional Waste Management and the City of St. John's based on audit data collected to evaluate the effectiveness of programs. Reports also included recommendations to support and direct future public education campaigns.
- MMSB developed a report for regional authorities and other partners disclosing waste related findings from its benchmark research study. The report was developed from responses provided to an online questionnaire completed by approximately 1,000 residents. The research provides valuable information around behaviors and attitudes surrounding waste management and recycling.
- As part of plans for a blue bag curbside recycling campaign, MMSB began development on resources for regional authorities, as well as plans for a workshop to formulate a partnership to increase participation.

Discussion of Results

MMSB made significant progress towards its second priority goal through the achievement of its 2020-21 objective. Maintaining and building strong partnerships on a national, provincial and community level is essential to progressing the Provincial Waste Management Strategy. As such, results were achieved through increased stakeholder engagement, strengthening resources and supporting initiatives that help advance sustainable waste management. Looking forward, MMSB will leverage its partnerships to advance community and regional waste diversion plans. One area that extensive work will be completed is the development of an industry led program for PPP, and the roots were planted this year for this initiative to grow.

2021-22 Objective

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

Indicators for this objective include:

1. Implemented opportunities for new sustainable waste management practices to increase stakeholder participation.
2. Worked with provincial and jurisdictional partners to advance and support waste management policy.
3. Continued research and consultations for the introduction of an industry led program for packaging and printed paper (PPP).
4. Worked with stakeholders to advance public education plans.

Priority 3: Knowledge and Information

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

2020-23 Goal

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

2020-21 Objective

By March 31, 2021, MMSB will have developed and commenced implementation of new research and data collection initiatives as well as new province-wide public education initiatives.

2020-21 Indicators and Performance

Indicator 1: Conducted research and collected data on provincial and regional programs, as well as collected and analyzed waste generation, disposal, and diversion data for the purpose of providing strategic counsel to stakeholders.

- MMSB secured a third-party assessment of the Used Tire Management Program. This study will report on government led versus industry led tire programs across the country.
- MMSB completed residual waste audits at three material recovery facilities (MRF) in the province to measure how well the operator is delivering its contractual obligations with respect to recyclable material recovery. The results identified materials that were not being captured by operations and opportunities for process improvement to increase the capture of materials.
- MMSB completed three residential curbside waste audits encompassing 300 households. Audit results were used to:
  - evaluate the effectiveness of mandatory curbside programs in the Western and Central regions; and
  - to assess the performance of the automated garbage collection program in the City of St. John's.
- MMSB completed a report on the findings from life cycle assessments of waste streams carried out in 2019. The assessments were completed from a greenhouse gas emissions perspective on various waste management options in regions on the island that are not identified as final disposal sites. The options included transporting waste to a host region with recycling access, maintaining unlined landfills without recycling access or constructing new lined landfills with gas recovery systems. MMSB has engaged a consultant to review the report focusing on validation of the selected methodology. The consultant's report is expected in 2021-22.

- Contracted a statistical review of audit methodology and payment structure for the payment of handling fees to the regional authorities for deposit bearing beverage containers and fluid milk packaging included in blue bag recycling.
- Conducted an audit at a local shopping centre to determine the number of customers using reusable bags over single use alternatives such as paper. Information from the audit will be used to promote the use of reusable bags in the upcoming fiscal year.
- Completed benchmark research around attitudes and behaviours towards waste management and recycling to help advise marketing and education plans for diversion programs, as well as inform opportunities and challenges for diversion programs and initiatives. Benchmark data will be used at the completion of the strategic plan as one means to measure the success of programs and initiatives.

Indicator 2: Conducted research on municipal special and hazardous waste (MSHW) to support the introduction of an industry led program.

- Carried out preliminary research to scope and quantify the types and amounts of municipal, special and hazardous waste generated in Newfoundland and Labrador.

Indicator 3: Developed province-wide public education initiatives which continue to build upon the Rethink Waste platform.

- MMSB updated business resources for Rethink Waste NL, providing detailed information on how organizations can become more green.
- Created a two-minute garbage bag dissection video, as well as a 30 second cut focused on organic waste. The video was played over 1.4 million times through social media channels (Facebook, Instagram and YouTube), and also helped secure 3,578 visits to the food waste webpage on rethinkwastenl.ca (a 597 per cent increase in visits to this page compared to the previous year).
- Developed a new mercury clean up guide to complement household hazardous waste messaging on the rethinkwastenl.ca website.
- Developed an International Compost Awareness Week campaign to promote backyard composting and raise awareness about the impact of organic waste. The campaign included a news release, six workshops and social media promotions.
- Launched a new campaign to encourage mindfulness around food waste, called For the Love of Leftovers. This campaign shared recipes that utilized leftovers as the main ingredients. A total of 12 posts were shared via Facebook and Instagram.

- Created a campaign to educate residents on the introduction of a provincial retail plastic bag ban, which came into effect October 1, 2020. The plan included a designated webpage on rethinkwastenl.ca, digital ads on VOCM and a social media campaign. Tactics were carried out between September 14 to October 14. The webpage received 1,651 pageviews, VOCM digital ads received 1,089 clicks and social media posts reached 49,024 users.
- Utilized Waste Reduction Week as an opportunity to highlight partnerships via a social media campaign. This campaign reached 87,424 social media users.
- Created a new video to promote the recycling of fluid milk packaging through curbside recycling programs. The video was promoted on Facebook and Instagram, which reached over 48,000 users.
- Began an audit of existing educational content and materials to identify any revisions required and areas that require additional attention.

Indicator 4: Increased public awareness and engagement.

- Continued to generate awareness and engagement through Rethink Waste NL videos focusing on household hazardous waste. These videos were promoted through social media channels, resulting in over 500,000 views this fiscal.
- Through Rethink Waste NL marketing efforts, MMSB reached 297,231 users through social media and served 8.9 million impressions. Social and digital advertising contributed to over 64.6 per cent of traffic to the Rethink Waste NL website. The website had a total of 64,104 visitors this fiscal, a 51.25 per cent increase from the previous year.
- In December 2020, MMSB released findings from its Coastline Litter Audits to the media and public to increase awareness about the environmental impact of litter. Several media outlets picked up the news, with MMSB providing interviews to complement the information.
- Conducted 12 Composting Made Easy digital workshops to the public and co-hosted five sessions with communities throughout the province. In total, over 400 people attended sessions.
- Presented virtually to eight schools, businesses and community organizations. Sessions covered composting, recycling and/or an overview of MMSB.

Discussion of Results

MMSB was successful in meeting its third priority objective for 2020-21. As is notable in the results, research has become a cornerstone for the work completed by MMSB, helping identify opportunities for program development and public education. MMSB was pleased to complete benchmark research this fiscal year that will help with reporting for the completion of the 2020-23 strategic plan, as well as the development of future strategies. Rethink Waste NL experienced major growth over the last fiscal year due to public education and marketing activities, with plans in place to ensure continuous engagement of businesses, communities and residents from across Newfoundland and Labrador. MMSB is well on its way to meeting its overall goal for this priority area and looks forward to the continued development of research and public education activities that will help shape sustainable waste management in this province.

Objective 2021-2022

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

Indicators for this objective include:

1. Continued research and data collection on provincial and regional programs.
2. Implemented new province wide Rethink Waste public education resources and initiatives.
3. Increased public awareness and engagement through digital communications platforms.

Challenges and Opportunities

The following factors and trends have been identified as opportunities and challenges in the advancement of MMSB's mandate.

COVID-19

While vaccination rates are increasing, COVID-19 remains an unpredictable challenge for MMSB. The pandemic has caused a number of setbacks for diversion programs, resulting in decreased recovery and recycling rates for the Used Beverage Recycling Program, as well as EPR programs. The pandemic has also resulted in financial hardship for recycling partners, including Green Depots. During the next fiscal year, MMSB will need to work closely with its partners to stabilize programs and rebound recovery rates. Stable programs are also essential to navigating end markets for recyclables, which are impacted by market fluctuations due to COVID-19. To overcome this significant challenge, it is important for MMSB to identify how COVID-19 has changed behaviours and attitudes towards recycling. Through careful research and well targeted public education campaigns, there is an opportunity to not only help recoup losses, but also grow diversion from pre-pandemic levels.

Operations

MMSB continues to seek out new markets for used tires. The cost of operating the tire program continues to be a challenge and MMSB is investigating industry options and fee structure changes to ensure the sustainability of this program.

Behaviours and Attitudes

Based on benchmark research completed this fiscal, education and knowledge around some diversion programs remains strong; however, there is a noticeable generational gap in attitudes towards recycling. For example, respondents under the age of 35 were less likely to participate in a number of programs. This knowledge will help MMSB better target this audience for public education campaigns. MMSB also identified opportunities through its research to work with partners to improve participation and knowledge for curbside blue bag programs and the management of household hazardous waste.

Appendix A - Board of Directors 2020-21

(l-r) Sheldon Peddle; Sean Dutton; Michele Peach; Tony Chubbs; Derm Flynn; Dale Colbourn; Maisie Clark; and Wayne Power (missing from photo: John Patten).

Established in 1996, the Multi-Materials Stewardship Board (MMSB) is a Crown Agency that operates arms-length from government with an independent Board of Directors appointed by the Lieutenant Governor in Council. The Board composition as of March 31, 2021 was:

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

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

Appendix B – Audited Financial Statements

Consolidated Financial Statements of

MULTI-MATERIALS STEWARDSHIP BOARD

And Independent Auditors' Report thereon

Year ended March 31, 2021

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

To the Directors of Multi-Materials Stewardship Board

Opinion

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

- the consolidated statement of financial position as at March 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2021 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.
KPMG Canada provides services to KPMG LLP.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

St. John's, Canada

June 18, 2021

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash and cash equivalents (note 3)	$ 15,115,442	$ 16,232,506
Accounts receivable net of allowance for doubtful accounts of $79,173 (2020 - $93,600)	3,269,469	3,350,141
HST receivable	244,187	504,715
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next three years, utilizing an interest rate of prime plus 1%	22,849	16,618
Inventory for resale	59,320	30,761
Investments (note 4)	4,398,524	385,616
	23,109,791	20,520,357
Liabilities:		
Accounts payable	431,754	281,364
Other payables and accrued liabilities (note 5)	1,392,911	1,629,104
Grants payable	859,187	569,967
Unearned revenue (note 6)	2,254,314	2,564,039
Performance bonds payable	401,678	401,817
	5,339,844	5,446,291
Net financial assets	17,769,947	15,074,066
Non financial assets:		
Tangible capital assets (schedule 3)	1,484,577	1,578,924
Prepaid expenses	83,487	87,979
	1,568,064	1,666,903
Commitments (note 10)		
Accumulated surplus	$ 19,338,011	$ 16,740,969

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Chairperson

Michelle Peach, C.A. Director

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021 Actual	2021 Budget	2020 Actual
Revenues:			
Used beverage program deposits	$ 24,517,112	$ 23,895,647	$ 23,058,009
Used beverage container by-product revenue	1,908,381	2,464,340	2,823,409
Used tire program deposits	3,018,464	3,009,731	3,045,023
Interest income	84,586	175,000	272,575
Milk packaging program	213,083	67,500	142,183
Miscellaneous income	49,604	70,000	110,273
Handling fees	54,956	31,000	70,123
Provincial Solid Waste Management Strategy	67,316	-	19,000
	29,913,502	29,713,218	29,540,595
Expenses:			
Used beverage container program	21,281,445	23,027,100	22,553,373
Used tire program	2,870,214	2,918,812	2,556,734
Grant disbursements	413,909	440,000	114,206
Program operations	143,423	117,500	30,173
Provincial Solid Waste Management Strategy	67,316	-	19,000
Administrative expenses (Schedule 1)	2,031,610	2,242,057	1,830,486
Public education expenses (Schedule 2)	508,543	550,000	457,924
	27,316,460	29,295,469	27,561,896
Annual surplus	$ 2,597,042	$ 417,749	$ 1,978,699

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Accumulated Surplus

Year ended March 31, 2021, with comparative information for 2020

	Actual 2021	Budget 2021	Actual 2020
Accumulated surplus, beginning of year	$ 16,740,969	$ 16,740,969	$ 14,762,270
Annual surplus	2,597,042	417,749	1,978,699
Accumulated surplus, end of year	$ 19,338,011	$ 17,158,718	$ 16,740,969

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Changes in Net Financial Assets

Year ended March 31, 2021, with comparative information for 2020

	Actual 2021	Budget 2021	Actual 2020
Annual surplus	$ 2,597,042	$ 417,749	$ 1,978,699
Acquisition of tangible capital assets	(107,309)	(164,000)	(194,771)
Amortization of tangible capital assets	200,306	213,775	203,827
Loss on disposal of tangible capital assets	1,350	-	-
Decrease in prepaid expenses	4,492	-	12,625
Increase in net assets	2,695,881	467,524	2,000,380
Net financial assets, beginning of year	15,074,066	15,074,066	13,073,686
Net financial assets, end of year	$ 17,769,947	$ 15,541,590	$ 15,074,066

See accompanying notes to consolidated financial statements.

MULTI-MATERIALS STEWARDSHIP BOARD

Consolidated Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Annual surplus	$ 2,597,042	$ 1,978,699
Items not involving cash:		
Amortization	200,306	203,827
Loss on disposal of tangible capital assets	1,350	-
	2,798,698	2,182,526
Changes in non-cash operating working capital:		
Decrease (increase) in accounts receivable	80,672	(397,863)
(Increase) decrease in HST receivable	260,528	(263,332)
(Increase) decrease in notes receivable	(6,231)	1,462
Decrease in prepaid expenses	4,492	12,625
Decrease (increase) in inventory for resale	(28,559)	121,832
Increase (decrease) in accounts payable	150,390	(161,943)
(Decrease) increase in other payables and accrued liabilities	(236,193)	5,747
Increase (decrease) in grants payable	289,220	(201,940)
(Decrease) increase in unearned revenue	(309,725)	203,053
(Decrease) increase in performance bonds payable	(139)	5,020
	3,003,153	1,507,187
Capital:		
Acquisition of tangible capital asset	(107,309)	(194,771)
Investing:		
Purchase of investments	(4,059,189)	(57,592)
Redemption of investments	46,281	2,099,919
	(4,012,908)	2,042,327
(Decrease) increase in cash and cash equivalents	(1,117,064)	3,354,743
Cash and cash equivalents, beginning of year	16,232,506	12,877,763
Cash and cash equivalents, end of year	$ 15,115,442	$ 16,232,506

See accompanying notes to consolidated financial statements.

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

1. Financial statements:

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

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

2. Significant accounting policies:

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

(a) Use of estimates:

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

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

2. Significant accounting policies (continued):

(b) Foreign currency translation:

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

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Cash and cash equivalents also include a balance $133,212 (2020 - $245,896) in restricted cash related to the Provincial Waste Management Strategy.

(d) Inventories for sale:

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

(e) Non-financial assets:

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

2. Significant accounting policies (continued):

(f) Tangible capital assets:

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

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

(g) Impairment of long-lived assets:

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

(h) Unearned revenue:

Unearned revenue consists of deposits on containers yet to be returned for redemption and recycling. The amount recorded by the Board as unearned revenue consists of sixty days of deposits received from distributors, adjusted by an estimated recovery rate of 59% (2020 - 68%).

Unearned revenue also includes funds received in relation to the Provincial Waste Management Strategy related to expenditures for strategic communications development, the Green Depot Management Information System (MIS) related to customization, installation, training, licences and support for the system, and restricted grant contributions. The funding is recognized as revenue as the expenditures are incurred and repayable if not fully spent on the projects.

2. Significant accounting policies (continued):

(i) Revenue recognition:

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

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

Other income is recognized as earned.

(j) Expenses:

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

(k) Financial instruments:

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

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

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

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

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

2. Significant accounting policies (continued):

(k) Financial instruments (continued):

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

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

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

3. Cash and cash equivalents:

	2021	2020
Cash and cash equivalents	$ 14,982,230	$ 15,986,610
Restricted cash deposits	133,212	245,896
	$ 15,115,442	$ 16,232,506

4. Investments:

At March 31, 2021, the investments balance is $4,000,000 (2020 - $nil) invested by the board in a GIC maturing January 2022. The rate of return on this investment is 0.45% per annum. The remaining balance of $398,524 (2020 - $385,616) of these investments is invested in GIC's for purposes of satisfying performance security requirements with respect to contracts the Board has entered into. These investments are restricted to repay performance bonds at the end of the contracts if all conditions are met by the parties involved. These investments are due to mature at varying dates ranging from 2022 to 2025 at rates of return ranging from 0.15% to 2.2% per annum.

5. Other payables and accrued liabilities:

	2021	2020
Accrued liabilities	$ 899,400	$ 1,048,059
Tire stockpile accrual	258,000	343,000
Wages and benefits	207,623	155,202
MIS deferred handling fee	27,888	82,843
	$ 1,392,911	$ 1,629,104

6. Unearned revenue:

	2021	2020
Provincial Solid Waste Management Strategy	$ 133,259	$ 199,759
Used beverage container deposits	2,100,681	2,343,906
Grant contributions	20,374	20,374
	$ 2,254,314	$ 2,564,039

7. Related party transactions:

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

The NLC collects and remits Used Beverage Program deposits to the Board. Included in Used Beverage Program deposits for 2021 is $3,222,842 (2020 - $2,721,815) from the NLC. The organizations enter into transactions in the normal course of business and on normal trade terms. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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

8. Stockpile costs:

In the 2017 fiscal year, the Board implemented a new contingency plan for the management of used tires. A decision was made to store a portion of collected tires in an efforts to undertake a Tire Derived Aggregate (TDA) Demonstration Project. As at March 31, 2021, total expected costs relating to the tires stored for purposes of undertaking the TDA Demonstration Project were $258,000 (2020 - $343,000).

9. Employee future benefits:

The Board participates in the Government Money Purchase Pension Plan which is a defined contribution pension plan. The plan is mandatory for all employees, with the exception of the CEO, from date of employment. Employees contribute 5% of regular earnings and the Board matches these contributions. Contributions made prior to January 1, 1997 are fully vested and locked-in after the completion of 10 years of continuous service and the employee has attained the age of 45 or after the completion of 5 years of plan participation. Contributions made on or after January 1, 1997 are fully vested and locked-in after the completion of 2 years of plan participation. Contributions paid and expensed by the Board during the year totaled $58,739 (2020 - $53,415)

10. Commitments:

The Board is committed to minimum annual lease payments for property, equipment and service agreements for the next three years as follows: 2022 - $42,231; 2023 - $39,431; and 2024 - $9,389.

The Board has entered into the following agreements:

(i) processing and transportation of beverage containers up to June, 2024;

(ii) collection of used tires in Labrador West area to January, 2023;

(iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2023;

(iv) collection of used tires in Happy Valley-Goose Bay area to February, 2023; and

(v) transportation of used tires collected in Labrador to October, 2022.

11. Financial risks:

(a) Market risk:

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

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

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

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

(b) Credit risk:

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

(c) Liquidity risk:

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

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

11. Financial risks: (continued):

(d) Other risks:

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

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

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 1 - Consolidated Administrative Expenses

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Wages and benefits	$ 1,651,159	$ 1,383,985
Professional fees	105,034	97,235
Software support	95,365	93,096
Amortization	37,906	44,247
Subscriptions, memberships and conferences	20,122	7,814
Board member expenses	18,505	34,742
Telecommunications	18,082	15,961
Rent	16,800	16,825
Office supplies	15,809	18,328
Vehicle expenses	13,079	21,114
Training	10,615	5,099
Staff travel	9,354	68,831
Insurance	8,387	7,994
Bank charges	7,495	7,713
Equipment lease and support	3,621	4,089
Postage and courier	277	2,086
Miscellaneous	-	1,327
	$ 2,031,610	$ 1,830,486

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 2 - Consolidated Public Education Expenses

Year ended March 31, 2021, with comparative information for 2020

		2021		2020
Campaigns:				
Used beverage container program	$	180,803	$	86,401
Indiscriminate dumping		51,286		50,824
Used tire program		40,020		10,726
HHW		24,932		51,664
Other		-		13,384
Total campaigns		297,041		212,999
Corporate:				
Owned Media		20,184		13,096
Media monitoring		1,838		7,114
Total corporate		22,022		20,210
Public Education Programs		189,480		224,715
Total public education	$	508,543	$	457,924

MULTI-MATERIALS STEWARDSHIP BOARD

Schedule 3 - Consolidated Schedule of Tangible Capital Assets

Year ended March 31, 2021, with comparative information for 2020

	Used beverage equipment	Office furniture and equipment	Computer hardware	Computer software	CRM software and development	MIS and development	Bags and tubs	Tire yard equipment	Infrastructure assets	2021	2020
Cost											
Cost beginning of year	$ 275,778	$ 168,266	$ 187,684	$ 313,399	$ 489,026	$ 918,912	$ 324,515	$ 78,699	$ 1,007,624	$ 3,763,903	$ 3,569,131
Additions during the year	-	-	3,880	-	25,399	78,030	-	-	-	107,309	194,771
Disposals during the year	-	-	-	-	-	1,350	-	-	-	1,350	-
Cost, end of year	$ 275,778	$ 168,266	$ 191,564	$ 313,399	$ 514,425	$ 995,592	$ 324,515	$ 78,699	$ 1,007,624	$ 3,869,862	$ 3,763,902
Accumulated amortization											
Accumulated amortization, beginning of year	$ 191,064	$ 144,220	$ 159,154	$ 303,007	$ 256,166	$ 636,593	$ 322,966	$ 12,461	$ 159,347	$ 2,184,978	$ 1,981,151
Amortization	22,195	4,392	7,748	2,723	23,044	81,548	406	7,870	50,381	200,307	203,827
Accumulated amortization, end of year	213,259	148,612	166,902	305,730	279,210	718,141	323,372	20,331	209,728	2,385,285	2,184,978
Net book value of tangible capital assets	$ 62,519	$ 19,654	$ 24,662	$ 7,669	$ 235,215	$ 277,451	$ 1,143	$ 58,368	$ 797,896	$ 1,484,577	$ 1,578,924