



MMSM
Multi-Material
Stewardship Manitoba
INDUSTRY FUNDING RECYCLING

2019

ANNUAL REPORT

2019


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MULTI-MATERIAL STEWARDSHIP MANITOBA INC.

Founded in 2010, Multi-Material Stewardship Manitoba Inc. (MMSM) is the not-for-profit, industry-funded organization that funds and provides support for the province's residential recycling programs for packaging and printed paper.

MMSM works on behalf of the manufacturers, retailers and other organizations that supply packaging and printed paper to Manitobans. These businesses pay fees on the materials to MMSM, which are used to reimburse municipalities for up to 80% of the net cost of their residential recycling system.

Bringing together the businesses helping to finance recycling services, the consumers that diligently recycle their used items and municipal partners that collect and process recyclables, MMSM is helping to ensure that as much recyclable material as possible is captured efficiently and does not end up in landfill.

MMSM continues to work toward its goal of promoting the reduction, reuse and recycling of the materials managed in its program.

Governed by a board of directors of seven industry and two unrelated independent directors, the board provides valuable input and governance to the organization and consists of representatives from the following sectors:

- Grocers
- Consumer products
- Beverages
- Alcohol beverages
- Retailers
- Printed paper
- Restaurants

The industry directors are not compensated by MMSM, as the costs associated with their participation on the board are covered by their organizations. Travel expenses, however, are covered by MMSM.



MESSAGE FROM THE CHAIR OF THE BOARD



It gives me great pleasure as the Chair of the Multi-Material Stewardship Manitoba Board to present this report on our activities for 2019.

Throughout 2019, MMSM continued important work on harmonization efforts with other packaging and printed paper (PPP) programs in Canada. Improved processes for steward reporting, material lists, rules and policies continue to be enhanced to lessen the load for stewards across the country. A new resource was added to the Canadian Stewardship Services Alliance (CSSA) prospecting team for the purpose of accelerating the identification and registration of free-riders. This continued prospecting is required, as many new businesses are not aware of stewardship fees and their obligation.

MMSM has also been working with CSSA and other residential recycling programs in Canada on a material cost differentiation project. The goal of this project is to more accurately reflect cost drivers in the annual fee setting calculations. Although fees are ultimately set and paid in kilograms, weight is only one of many cost drivers. Others include volume, density, abrasiveness and maintenance, for example.

In the past two years, markets for recyclable materials, especially plastics, cardboard and paper, have come under increasing pressure as a result of new, stringent quality requirements. We are pleased to report that MMSM works closely with municipalities to achieve high-quality material standards and lower contamination rates.

Steward fees increased in 2019, partially as a result of a decline in supplied and managed tonnes, but also due to a decline in commodity revenue rates. The challenges are not unique to MMSM and are being experienced by many PPP programs across all markets. Moving forward, we will continue to work closely with our municipalities to help ensure

programs are efficient and cost-effective and producing high-quality materials.

The MMSM Board continues to have a strong governance structure with a mix of trade association representatives along with two independent directors. In 2019, we said goodbye to a long-serving member, Francis St. Hilaire. Francis served on the board as an Independent Director from 2011 to 2019 and most recently chaired the MMSM Audit Committee. Following Francis' departure, the board appointed Gary Goodwin as a new Independent Director after an extensive recruitment process. We are extremely fortunate to have a board that is as highly engaged, experienced and diverse as this current MMSM Board.

Looking forward, MMSM will continue to work closely with all stakeholders involved in the MMSM program to look for opportunities of improvement and growth. I thank the staff at MMSM and CSSA for their work and dedication to the program. I would also like to thank the MMSM Board for its guidance and strategic direction in this challenging environment.

A handwritten signature in blue ink, which appears to read 'Neil Antymis'. The signature is fluid and cursive, written on a white background.

Neil Antymis
Board Chair, MMSM



MESSAGE FROM THE EXECUTIVE DIRECTOR



MMSM celebrated another successful year of operations in 2019 and continues to provide municipalities across Manitoba with the funding and support required to run effective residential recycling programs.

This report highlights some of the efforts, hard work and programs that MMSM was able to accomplish along with its many valued partners.

The residential recovery rate of our members' materials increased from the previous year to 85.7%. There was a slight decrease in the total amount of recycling collected over the course of 2019. The increase of our recovery rate is because there was a corresponding decrease in the steward supplied materials distributed into the local market. Another contributing factor is what is known as the "evolving tonne," where lighter and thinner material is being used as packaging.

In 2019, we welcomed seven communities to the MMSM program. Staff worked closely with these communities to help establish and support their recycling programs. Efforts were also focused on developing new resources and tools for use by our community partners. New communication resources included updates to the Simply Recycle website, posters, recycling guides and a Municipal Communications Toolkit to assist in the promotion of seasonal recycling tips.

A pilot project to amend the list of mandatory materials for remote First Nations communities was developed in 2019. The goal of the project was to see if a reduced list would help increase participation in communities that are only accessible by winter roads, ice roads or rail and do not have a baler. Communities interested in the pilot program are required to fill out a new service agreement and would be required to ship materials out within the first two years.

The Government of Manitoba noted its intent to consult with the private sector on the elimination of single-use plastic bags in its 100-day plan. MMSM participated in the consultation where we provided the results on our many reduction, educational and recycling programs for plastic bags throughout the province. We will continue our important work of encouraging Manitobans to reduce, reuse and recycle their plastic bags in 2020.

In November 2019, MMSM staff, along with board members, toured the new GFL Environmental Material Recovery Facility (MRF). This MRF is equipped with state-of-the-art technology and will help with sorting and processing material for the City of Winnipeg and surrounding area.

I would like to thank our valued partners for their dedication and support over the past year as well as the MMSM board and staff and the CSSA team as we continue to divert waste from landfills and improve residential recycling across Manitoba. I encourage everyone to continue to do their part to educate themselves on what is accepted for recycling in their community. Join us, put on your blue cape and become a recycling superhero!

Karen Melnychuk
Executive Director, MMSM

2019 EXECUTIVE SUMMARY

PROGRAM PERFORMANCE

85.7% recovery rate

95% of Manitoba's population has access to a residential recycling program

MMSM paid **\$17,182,579** in funding to municipalities

MUNICIPAL PERFORMANCE

82,308,670 kg of packaging and printed paper collected and recycled

Manitobans recycled **68.1 kg** per person

148 municipal and other partners received municipal recycling services payments

7 new residential collection programs

STEWARDS

796 registered stewards

ELIGIBLE MATERIALS

- Aluminum Food & Beverage Containers
- Boxboard • Cartons • Corrugated Cardboard
- Glass Food & Beverage Containers
- Paper • Plastic Food & Beverage Containers
- Steel Food & Beverage Containers
- Telephone Directories

PROMOTION & EDUCATION

45% brand awareness

93% of residents participate in their residential recycling program

100,416 visits to the website

632,794 social media impressions



MUNICIPAL SERVICES

WORKING TOGETHER WITH MANITOBA MUNICIPALITIES



MMSM's Municipal Services Program was introduced on April 1, 2010. The overall objectives of the Municipal Services Program are to:

- Promote the reduction, reuse and recycling of designated packaging and printed paper in Manitoba.
- Provide stable, long-term funding for municipal recycling programs.
- Ensure that the cost of handling designated materials is reflected in the steward fees.
- Provide research and development to help reduce the inherent uncertainty in recycling markets.

The Municipal Services Program allows participating municipalities and local governments, including First Nations, to design their recycling program to meet the specific needs of their community. Recycling programs can be delivered by municipal employees or contracted to private suppliers. Each municipality is responsible for establishing, promoting and maintaining their own recycling services.

The Municipal Services Program provides municipal participants with:

- Funding for recycling programs through municipal recycling services payments.
- Tools and assistance for promoting local recycling programs.
- Opportunities for information sharing.
- Other programs designed to improve recycling and waste reduction activities.
- Technical assistance for improving local recycling programs.

MMSM's Municipal Services Program is a voluntary, incentive-driven program that requires municipalities to share the cost of providing recycling services to their communities. Municipal recycling services payments are paid for each metric tonne of eligible material recovered from the residential waste stream. The payment rate is set each year to offset up to 80% of the median net cost of an effective and efficient collection and processing recycling program. Materials recovered are transported to recycling facilities where they are sorted and sold to end users.

Individual municipal recycling program costs will vary depending on services offered and program efficiencies. Costs above the established payment level are the sole responsibility of the municipality. Payment rates are based on a three-year rolling average of the net costs of participating municipalities within specific population categories.

82,308,670 KG
OF PACKAGING AND PRINTED PAPER COLLECTED IN 2019



2019 MMSM POPULATION CATEGORY	PAYMENT RATE/TONNE
0 – 5,000	\$318.11
5,001 – 20,000	\$261.27
City of Brandon	\$300.43
City of Winnipeg	\$183.86

95%
OF MANITOBA'S
POPULATION
HAS ACCESS TO
A RESIDENTIAL
RECYCLING
PROGRAM



**MMSM PAID
\$17,182,579
IN FUNDING TO
MUNICIPALITIES
IN 2019**



The following table illustrates the total tonnes recycled by participating municipalities within described regions.

REGION	POPULATION IN PARTICIPATING MUNICIPALITIES	TOTAL KG RECYCLED	AVERAGE KG RECYCLED PER CAPITA
Central West	25,231	1,060,514	42.0
East	93,393	5,084,120	54.4
Interlake	64,612	3,737,507	57.8
North	32,520	2,053,785	63.2
North West	32,218	1,815,996	56.4
South Central	95,634	5,331,032	55.7
South West	94,534	5,972,594	63.2
Winnipeg and Area	770,465	56,639,515	73.5
SUBTOTAL	1,208,607	81,695,063	67.6
Post-Secondary Education Institutions		613,607	
TOTAL	1,208,607	82,308,670	68.1

TABLE NOTES

1. Recovery numbers reported by MMSM include only those materials that are recycled through registered local recycling programs in participating municipalities and are also reported by municipalities. Manitoba has several charity-based organizations and individuals who collect recyclable materials for sale directly to brokers. MMSM has reason to be aware that some beverage containers are taken to Saskatchewan for a deposit refund even though no deposit has been paid on these containers. This is a practice MMSM does not support.
2. Materials recovered from Post-Secondary Education Institutions (PSEIs) are based on the 2018/2019 school year and/or calendar year. PSEIs are required to submit an annual report to MMSM to receive funding.
3. Population numbers are provided from the 2016 Census.

MUNICIPAL & OTHER PARTNERS

MUNICIPAL & OTHER PARTNERS	Region	Population	2018 Total KG Reported	2018 KG Per Capita	2019 Total KG Reported	2019 KG Per Capita	Percent Change Total Reported
Alexander, R.M.	East	3,333	197,930	59.4	191,730	57.5	-3%
Altona, Town	South Central	4,212	363,293	86.3	367,734	87.3	1%
Arborg, Town	Interlake	1,232	54,783	44.5	60,069	48.8	10%
Argyle, R.M.	South Central	1,025	22,240	21.7	30,745	30.0	38%
Armstrong, R.M.	Interlake	1,792	47,500	26.5	61,340	34.2	29%
Beausejour, Town	East	3,219	373,500	116.0	375,190	116.6	0%
Bifrost-Riverton, Municipality	Interlake	3,378	187,907	55.6	206,432	61.1	10%
Bloodvein First Nation	North	687	0	0.0	5,300	7.7	0%
Boissevain-Morton, Municipality	South West	2,353	164,505	69.9	212,464	90.3	29%
Brandon, City	South West	48,859	3,812,510	78.0	3,635,890	74.4	-5%
Brenda-Waskada, Municipality	South West	674	19,120	28.4	19,640	29.1	3%
Brokenhead, R.M.	East	5,122	277,140	54.1	229,740	44.9	-17%
Buffalo Point First Nation	East	162	11,842	73.1	13,527	83.5	14%
Canupawakpa Dakota Nation	South West	305	2,161	7.1	7,713	25.3	257%
Carberry, Town	South West	1,738	154,035	88.6	143,015	82.3	-7%
Carman, Town	South Central	3,164	370,341	117.0	366,489	115.8	-1%
Cartier, R.M.	Winnipeg	3,368	181,290	53.8	213,120	63.3	18%
Cartwright-Roblin, Municipality	South Central	1,308	34,200	26.1	35,730	27.3	4%
Clanwilliam-Erickson, Municipality	South West	870	11,052	12.7	10,184	11.7	-8%
Coldwell, R.M.	Interlake	1,254	93,151	74.3	71,067	56.7	-24%
Cornwallis, R.M.	South West	4,520	181,634	40.2	165,960	36.7	-9%
Crane River, Community	North West	137	0	0.0	3,938	28.7	0%
Dauphin, City	North West	8,457	625,320	73.9	721,670	85.3	15%
Dauphin, R.M.	North West	2,388	92,812	38.9	99,770	41.8	7%
De Salaberry, R.M.	East	3,580	151,811	42.4	127,164	35.5	-16%
Deloraine-Winchester, R.M.	South West	1,489	65,574	44.0	82,390	55.3	26%
Duck Mountain Provincial Park	North West	100	3,280	32.8	-	0.0	-100%
Dufferin, R.M.	South Central	2,435	18,505	7.6	40,721	16.7	120%
Dunnottar, Village	Interlake	763	74,430	97.5	66,710	87.4	-10%
East St. Paul, R.M.	Winnipeg	9,372	823,120	87.8	700,910	74.8	-15%
Ellice-Archie, R.M.	Central West	887	26,308	29.7	27,090	30.5	3%
Elton, R.M.	South West	1,273	53,190	41.8	50,570	39.7	-5%
Emerson-Franklin, Municipality	East	2,537	113,508	44.7	96,256	37.9	-15%
Ethelbert, Municipality	North West	607	43,925	72.4	43,790	72.1	0%
Falcon Lake/Westhawk (WPP)	East	272	143,600	527.9	135,510	498.2	-6%
Fisher, R.M.	Interlake	1,708	64,211	37.6	56,050	32.8	-13%
Flin Flon, City	North	4,982	466,864	93.7	360,591	72.4	-23%
Gilbert Plains, Municipality	North West	1,470	81,030	55.1	83,030	56.5	2%
Gimli, R.M.	Interlake	6,181	519,630	84.1	508,300	82.2	-2%
Glenboro-South Cypress, Municipality	South West	1,565	104,878	67.0	94,124	60.1	-10%
Glenella-Lansdowne, Municipality	Central West	1,181	10,494	8.9	12,189	10.3	16%
Grahamdale, R.M.	Interlake	1,359	27,656	20.4	32,814	24.1	19%
Grand Beach-Sustainable Development	East	60	26,320	438.7	32,590	543.2	24%
Grandview, Municipality	North West	1,482	105,723	71.3	102,016	68.8	-4%
Grassland, Municipality	South West	1,561	65,463	41.9	63,390	40.6	-3%
Grey, R.M.	South Central	2,648	164,085	62.0	175,575	66.3	7%

MUNICIPAL & OTHER PARTNERS	Region	Population	2018 Total KG Reported	2018 KG Per Capita	2019 Total KG Reported	2019 KG Per Capita	Percent Change Total Reported
Hamiota, Municipality	Central West	1,225	98,591	80.5	76,130	62.1	-23%
Hanover, R.M.	East	15,733	689,982	43.9	750,428	47.7	9%
Harrison Park, Municipality	Central West	1,622	36,162	22.3	30,004	18.5	-17%
Headingley, R.M.	Winnipeg	3,579	248,700	69.5	252,230	70.5	1%
Hecla Grindstone Provincial Park	Interlake	156	56,340	361.2	58,367	374.2	4%
Killarney-Turtle Mountain, Municipality	South West	3,429	209,298	61.0	199,930	58.3	-4%
La Broquerie, R.M.	East	6,076	175,946	29.0	188,394	31.0	7%
Lac du Bonnet, R.M.	East	3,121	191,917	61.5	198,229	63.5	3%
Lac du Bonnet, Town	East	1,089	105,522	96.9	121,145	111.2	15%
Lakeshore, R.M.	North West	1,363	65,020	47.7	67,602	49.6	4%
Leaf Rapids, Town	North	582	2,314	4.0	2,100	3.6	-9%
Lorne, Municipality	South Central	3,041	146,426	48.2	150,950	49.6	3%
Louise, Municipality	South Central	1,918	165,480	86.3	143,680	74.9	-13%
Macdonald, R.M.	Winnipeg	7,162	479,460	66.9	473,260	66.1	-1%
Mallard, Community	North West	78	0	0.0	3,022	38.7	0%
Matheson Island, Community	North	101	5,730	56.7	5,940	58.8	4%
McCreary, Municipality	Central West	892	80,120	89.8	72,732	81.5	-9%
Meadow Portage, Community	North West	92	0	0.0	2,563	27.9	0%
Melita, Town	South West	1,042	55,662	53.4	60,300	57.9	8%
Minitonas-Bowsman, Municipality	North West	1,653	45,687	27.6	46,575	28.2	2%
Minnedosa, Town	Central West	2,449	211,024	86.2	202,800	82.8	-4%
Montcalm, R.M.	South Central	1,260	63,646	50.5	56,517	44.9	-11%
Morden, City	South Central	8,668	596,100	68.8	629,622	72.6	6%
Morris, R.M.	South Central	3,047	138,543	45.5	135,618	44.5	-2%
Morris, Town	South Central	1,885	137,390	72.9	139,360	73.9	1%
Mossey River, R.M.	North West	1,145	52,065	45.5	48,680	42.5	-7%
Mountain, R.M.	North West	978	21,350	21.8	28,180	28.8	32%
Neepawa, Town	Central West	4,609	273,252	59.3	253,850	55.1	-7%
Niverville, Town	East	4,610	282,650	61.3	317,659	68.9	12%
Norfolk Treherne, Municipality	South Central	1,751	108,350	61.9	119,320	68.1	10%
North Cypress-Langford, Municipality	South West	2,745	149,065	54.3	117,435	42.8	-21%
North Norfolk, Municipality	South Central	3,853	170,068	44.1	162,613	42.2	-4%
Oakland-Wawanesa, Municipality	South West	1,690	70,711	41.8	66,939	39.6	-5%
Oakview, R.M.	Central West	1,626	50,785	31.2	53,660	33.0	6%
Paint Lake-Sustainable Development	North	275	16,474	59.9	18,787	68.3	14%
Peguis First Nation	Interlake	2,704	34,980	12.9	101,470	37.5	190%
Pembina, Municipality	South West	2,347	144,370	61.5	159,990	68.2	11%
Pinawa, L.G.D.	East	1,504	121,631	80.9	125,366	83.4	3%
Pine Dock, Town	North	47	3,430	73.0	1,400	29.8	-59%
Piney, R.M.	East	1,726	87,218	50.5	102,282	59.3	17%
Pipestone, R.M.	South West	1,458	50,144	34.4	46,414	31.8	-7%
Portage la Prairie, City	South Central	13,304	829,412	62.3	812,422	61.1	-2%
Portage la Prairie, R.M.	South Central	6,975	237,936	34.1	229,777	32.9	-3%
Powerview-Pine Falls, Town	East	1,316	48,118	36.6	45,702	34.7	-5%
Prairie Lakes, R.M.	South West	1,453	28,000	19.3	29,083	20.0	4%
Prairie View, Municipality	Central West	2,088	90,567	43.4	81,230	38.9	-10%
Rhineland, Municipality	South West	5,945	172,041	28.9	155,617	26.2	-10%
Riding Mountain National Park	Central West	300	5,526	18.4	5,092	17.0	-8%
Riding Mountain West, R.M.	Central West	1,420	0	0.0	12,926	9.1	0%
Ritchot, R.M.	Winnipeg	6,679	469,510	70.3	476,720	71.4	2%
Riverdale, Municipality	South West	2,133	109,365	51.3	110,820	52.0	1%

MUNICIPAL & OTHER PARTNERS	Region	Population	2018 Total KG Reported	2018 KG Per Capita	2019 Total KG Reported	2019 KG Per Capita	Percent Change Total Reported
Roblin, Municipality	North West	3,214	153,706	47.8	125,433	39.0	-18%
Rock Ridge, Community	North West	73	0	0.0	2,440	33.4	0%
Rockwood, R.M.	Interlake	7,823	232,530	29.7	243,240	31.1	5%
Roland, R.M.	South Central	1,129	33,043	29.3	35,634	31.6	8%
Rosedale, R.M.	Central West	1,672	27,919	16.7	19,117	11.4	-32%
Rosburn, Municipality	South West	976	79,930	81.9	77,350	79.3	-3%
Rosser, R.M.	Winnipeg	1,372	42,280	30.8	45,840	33.4	8%
Russell-Binscarth, Municipality	Central West	2,442	134,212	55.0	134,016	54.9	0%
Selkirk, City	Interlake	10,278	873,080	84.9	808,470	78.7	-7%
Sifton, R.M.	South West	1,256	29,483	23.5	33,440	26.6	13%
Snow Lake, Town	North	899	16,241	18.1	15,817	17.6	-3%
Souris-Glenwood, Municipality	South West	2,562	152,325	59.5	172,695	67.4	13%
Spence Lake, Community	North West	53	0	0.0	3,559	67.1	0%
Springfield, R.M.	Winnipeg	15,342	734,390	47.9	724,340	47.2	-1%
St. Andrews, R.M.	Interlake	11,913	698,000	58.6	733,510	61.6	5%
St. Clements, R.M.	East	10,876	446,030	41.0	520,870	47.9	17%
St. François-Xavier, R.M.	Winnipeg	1,411	60,360	42.8	69,600	49.3	15%
St. Laurent, R.M.	Interlake	1,338	100,320	75.0	52,922	39.6	-47%
St. Pierre-Jolys, Village	East	1,170	54,239	46.4	49,950	42.7	-8%
Stanley, R.M.	South Central	9,038	20,214	2.2	20,280	2.2	0%
Ste. Anne, R.M.	East	5,003	114,612	22.9	113,529	22.7	-1%
Ste. Anne, Town	East	2,114	136,380	64.5	110,270	52.2	-19%
Ste. Rose, Municipality	North West	1,712	94,522	55.2	103,046	60.2	9%
Steinbach, City	East	15,829	927,930	58.6	920,076	58.1	-1%
Stonewall, Town	Interlake	4,809	351,750	73.1	349,320	72.6	-1%
Stuartburn, R.M.	East	1,648	52,181	31.7	50,355	30.6	-3%
Swan Lake First Nation	South Central	347	6,590	19.0	5,660	16.3	-14%
Swan River, Town	North West	4,014	299,676	74.7	272,102	67.8	-9%
Swan Valley West, Municipality	North West	2,829	57,901	20.5	55,496	19.6	-4%
Tache, R.M.	Winnipeg	11,568	619,500	53.6	600,580	51.9	-3%
Teulon, Town	Interlake	1,201	96,690	80.5	96,810	80.6	0%
The Pas, Town (Group)*	North	10,827	735,366	67.9	669,360	61.8	-9%
Thompson, City	North	13,678	1,070,631	78.3	973,246	71.2	-9%
Thompson, R.M.	South Central	1,422	43,760	30.8	59,535	41.9	36%
Two Borders, Municipality	South West	1,175	15,690	13.4	17,600	15.0	12%
Victoria Beach, R.M.	East	398	58,306	146.5	75,595	189.9	30%
Victoria, R.M.	South Central	1,514	81,630	53.9	84,720	56.0	4%
Virden, Town	South West	3,322	240,971	72.5	247,985	74.6	3%
Wabowden-Setting Lake	North	442	1,472	3.3	1,238	2.8	-16%
Wallace-Woodworth, R.M.	South West	2,948	86,779	29.4	91,255	31.0	5%
Waterhen, Community	North West	373	0	0.0	3,101	8.3	0%
West Interlake, R.M.	Interlake	2,162	101,710	47.0	91,882	42.5	-10%
West St. Paul, R.M.	Winnipeg	5,368	434,080	80.9	433,220	80.7	0%
WestLake-Gladstone, Municipality	South West	3,154	78,915	25.0	96,430	30.6	22%
Whitehead, R.M.	South West	1,661	53,175	32.0	66,190	39.8	24%
Whitmouth, R.M. (Group)*	East	2,895	228,695	79.0	192,554	66.5	-16%
Winkler, City	South Central	12,591	1,198,144	95.2	1,276,260	101.4	7%
Winnipeg Beach, Town	Interlake	1,145	68,160	59.5	66,070	57.7	-3%
Winnipeg, City	Winnipeg	705,244	54,048,309	76.6	52,649,683	74.7	-3%
Woodlands, R.M.	Interlake	3,416	64,030	18.7	72,670	21.3	13%
Yellowhead, R.M.	Central West	1,948	95,264	48.9	69,495	35.7	-27%

* The listed municipal partner works together with surrounding communities on their recycling programs. Their numbers are reported together collectively.

CONTINUOUS IMPROVEMENTS PROGRAM



MMSM is committed to working with municipalities and community groups on waste management opportunities, identifying their requirements and providing appropriate solutions to increase their effectiveness and efficiency. MMSM staff provided technical assistance on recycling to government and non-government agencies across Manitoba. This included working one on one with municipalities and processors to identify opportunities to increase consumer participation as well as reduce costs and contamination.

MUNICIPAL COMMUNICATIONS SUPPORT

MMSM continued to assist municipalities by offering educational materials for their residents, including recycling guides and posters. The guide provided examples of materials that are and are not accepted in municipalities' residential recycling programs along with helpful hints and tips on how to recycle effectively and efficiently. In 2019, over 20 municipalities took advantage of this resource by placing them in their utility bills, websites and distributing at open houses.

After speaking with municipalities, a recycling poster was created to fill the need of larger signage to educate residents about recycling. The poster is also customizable, similar to the recycling guide. In 2019, municipalities took advantage of this resource by posting them at their recycling depots and community centres.

MUNICIPAL COMMUNICATIONS TOOLKIT

The Municipal Communications Toolkit is a new resource that municipalities can use to educate their residents. MMSM found that many municipalities wanted to educate their residents about recycling but didn't have the time or resources. The Municipal Communications Toolkit runs on a full calendar year and includes a few recycling tips and social media posts for each month.

An email newsletter was sent out to municipalities to promote the toolkit. Municipal Services staff also promoted the toolkit at trade shows they attended throughout the year.

EVENTS AND TRADE SHOWS

Each year, MMSM attends various trade shows and events. Staff attended the Association of Manitoba Municipalities (AMM) Municipal Trade Show and presented at the Manitoba Municipal Administrators Association Conference and AGM.

In October, MMSM also attended the Manitoba Association of Regional Recyclers (MARR) Manitoba Community Recycling and Waste Reduction Forum where they sat on a panel discussion and participated in a presentation session.



MUNICIPAL SUCCESS STORIES

The Pas Group

The Pas, Opaskwayak Cree Nation (OCN) and the R.M. of Kelsey worked collaboratively throughout the year to collect recyclables from their residents. MMSM sent 700 recycling bins to the communities in late October and November 2019 to help encourage recycling in the community.

R.M. of Hanover

The R.M. of Hanover saw an increase of recovered material moving from curbside blue box collection to automated carts. In 2019, the community collected an additional 60,000 kilograms over the previous year.

R.M. of St. Andrews

The R.M. of St. Andrews contacted MMSM and requested a customized recycling poster. The posters were made into outdoor signage that were posted at their depots at the beginning of 2019. Since this change, the community has increased their collection by 5%.

“The R.M. of St. Andrews is appreciative for the promotional materials that have been provided by MMSM as we use them both at our recycling drop off locations as well as on our website to educate the public on what is and what isn’t recyclable.”

Ron Hahlweg

Manager of Public Works, R.M. of St. Andrews

R.M. of Thompson

The R.M. of Thompson changed their collection method from curbside blue boxes and bags to automated carts in July 2018. Since switching collection methods, the R.M. of Thompson has increased their collection by 36%.

“MMSM was of great assistance in the research and implementation of a curbside cart recycling program in the R.M. of Thompson. The program has been extremely well received by our residents, and we have experienced a significant increase in recycling numbers since the implementation. MMSM is a great resource for educational and promotional materials.”

Nicole Enns, CMMA

Chief Administrative Officer, R.M. of Thompson

Municipality of Westlake-Gladstone

With recommendations from MMSM, the Municipality of Westlake-Gladstone started to ship their recyclables comingled in August 2019. The community saw a large increase of collected recyclables during that month and a 22% increase for the year.



MMSM at the GFL MRF in Winnipeg

PROMOTION & EDUCATION

Promotion and education is critical to improving recycling habits and behaviours. Every year, MMSM invests in various initiatives to raise consumer awareness and encourage the recycling of blue box materials across the province.



AD RECALL
76%



2019 efforts were focused on year two of the Recycling Superhero campaign, which encouraged participation, increased knowledge of what is accepted and promoted the reduction of contamination. New creative was developed and various media channels were used, including digital, out of home, print, radio and television. A special feature called Ask an Expert was developed in partnership with CTV. The segments aired on the CTV Live Morning Show throughout the year and focused on different areas of residential recycling.

RADIO CONTESTS

To help drive brand awareness and recycling education, MMSM partnered with two local radio stations on different contests. Those included the What's In Your Fridge contest with QX 104.1 and the How You Bin contest with 103.1 Virgin Radio. There were educational components to both contests and an element of creativity.

Winner of the What's In Your Fridge contest with QX 104.1



SIGNATURE ADVERTISING AWARDS

The Recycling Superhero campaign was nominated in five categories for the 2019 Signature Awards, including Campaign of the Year, Best Digital Advertisement, Best Outdoor Single or Series, Best Production under \$20,000 and Best Print Single or Series. MMSM took home the 1st place award for Best Production under \$20,000 for the second year in a row and came in as the runner up in the Best Digital Advertisement and Best Outdoor Single or Series.

2019 Signature Awards





DIGITAL MEDIA

MMSM is now seeing a more even distribution of age groups as a younger demographic consistently started visiting the website in 2019. Year over year, web traffic significantly surpassed 2018 with an increase in both new and returning users. The increase in direct traffic indicates an increase in brand awareness, as users are familiar with the website URL, which can be correlated to advertising efforts. Advertising on the Google Ad Network was a big driver of traffic and brought significantly more users to the website, and the percentage of users visiting the website from a mobile device continued to increase as well.

Throughout the year, new information was added to the site, including blog posts, updated recycling information and school program content. As in past years, the What Can I Recycle page continues to be the most viewed page on the website.



SOCIAL MEDIA

Social media is used to support MMSM's promotion and education efforts, raise awareness about recycling and connect with Manitoba residents. The platforms allow us to provide detailed information, respond to questions and increase engagement with contesting and interactive elements.

MMSM's social media following increased greatly over the course of 2019. By building our following on social media, it has helped with brand awareness and allowed MMSM to connect with a larger audience.

In 2019, MMSM experimented with various types of social media posts, including Facebook live, posts with video and lifestyle posts featuring staff. These posts allowed our audience to see a different side of the organization. The About MMSM video campaign educated Manitobans about who MMSM is and what the organization does. This campaign ran across Facebook and Instagram and was well received by Manitobans. MMSM also developed the Recycling Superhero influencer campaign with short informative videos using local media personalities.



RESEARCH

In 2019, MMSM contracted Léger (formerly NRG Research Group) to examine the recycling habits of residents in Winnipeg, Brandon and the R.M. of St. Clements. The survey, administered during the month of October, was a telephone and online survey that reached 1,600 homes. The information obtained from the survey was also used to measure campaign performance, to find areas of opportunity in education and provide direction for future advertising campaigns.

KEY HIGHLIGHTS INCLUDE:

- Brand awareness rose to 45%.
- 93% indicated that they participate weekly in a household recycling program.
- About 76% of study participants who were aware of MMSM recalled seeing advertising sponsored by MMSM.
- Overall, 95% of respondents thought it was important for organizations like MMSM to advertise about recycling.

2019 MMSM
Eco Fashion Fest



EDUCATION

SCHOOL PROGRAMS & SPONSORSHIPS

MMSM continues to grow its educational programming through sponsorships and partnerships, increasing its network within the schools in the province.

PARTNERSHIPS, SPONSORSHIPS AND EVENTS INCLUDED:

- Earth Rangers – R.A.W.R. Mission (Respect Animals While Recycling)
- Manitoba School Science Symposium (MSSS)
- MMSM Eco Fashion Fest
- Take Pride Winnipeg! Team Up to Clean Up
- Target Zero Eco Tours at The Forks

2019 MSSS



MMSM's new partnership with Earth Rangers launched in 2019. The R.A.W.R. Mission brings attention to some of the misconceptions around waste disposal and recycling, encouraging children to take extra steps before disposing of their waste in order to protect animals. The Mission brief includes local information on how to best dispose of recycling in Manitoba and encourages children to make their recycling safe for wildlife.

In partnership with the Carton Council of Canada, two curriculum-based lesson plans were developed that focus on carton recycling for Grades 1-3 and 5-6. The lesson plans use math, science and language arts to help students learn how they can have a positive impact on the environment. The campaign reinforced that cartons are accepted in the blue box.

POST-SECONDARY EDUCATION INSTITUTIONS

MMSM provides funding and support to PSEIs throughout the province. The funding is used to assist institutions with their recycling programs. Funding can be used to conduct waste audits, offset labour costs, promote the facility's recycling program and purchase recycling bins.

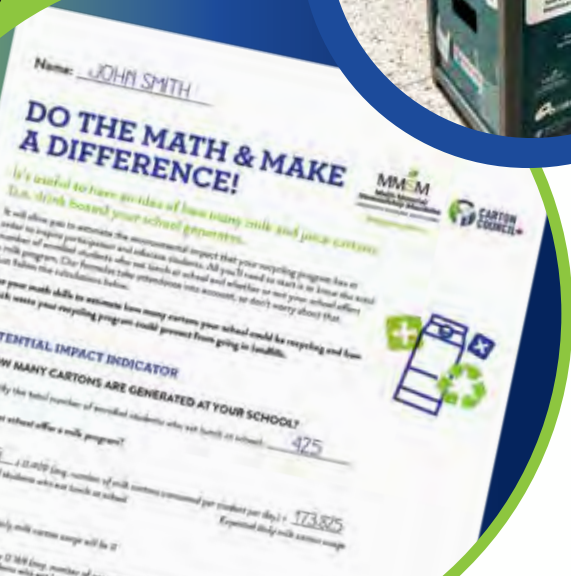
Manitoba's PSEIs continued to work on improving their campus recycling programs in 2019. The Université de Saint-Boniface added more recycling bins across campus and created signage with detailed instructions on how to recycle to improve recycling habits. Red River College has a strong recycling program on campus and also participated in MMSM's Bag it Forward program.

The University of Manitoba's waste collection and diversion system saw great results in diverting recyclables with their comingled program. Staff are working with the Office of Sustainability to create a more targeted education and awareness plan and determine if further infrastructure changes are required.

University College of the North continued its recycling initiatives by providing personal bins to students living on campus, staff at their workstations and in common areas. During student orientation, students and staff were given information regarding what can and cannot be recycled as well as the effects of contamination.

The University of Winnipeg now has close to 100 multi-stream bins and has recycled 5,000 kilograms more in 2019 than the previous year. In early 2019, a student conducted a mapping project to determine the location of all bins and to identify parts of campus that needed better access. Poor bin infrastructure on campus was flagged in the past and sustainability staff continue to make improvements on this front. This data was used to determine if any new bins were required. Now, almost all hallways and public spaces on campus contain bins that combine recycling, compost and landfill streams along with clear labeling.

Materials recovered for the 2018/2019 school and/or calendar year total approximately 613,607 kilograms.



Carton Recycling Lesson Plan

2018/2019 YEAR	KG
University of Manitoba (2 campuses)	319,162
University of Winnipeg	89,300
Red River College (2 campuses)	92,769
Université de Saint Boniface	33,280
Assiniboine Community College	37,750
Brandon University*	37,470
University College of the North	3,876
TOTAL	613,607

*estimated

FIRST NATIONS & REMOTE COMMUNITIES

Bunibonibee First Nation (BCN) Project

MMSM along with the Canadian Beverage Container Recycling Association (CBCRA) worked with consultants and community members from BCN to implement a recycling program in their community. As of December, a site has been designated to start construction of a recycling depot for residents, along with a complete landfill upgrade. A brochure and Facebook page were also created to provide updates and educate residents on recycling in their community.

Presentations and Events

MMSM staff attended various events throughout the year to assist First Nations and remote communities with their recycling programs.

In February, the second annual Northern Workshop was hosted in Thompson, Manitoba. The purpose of this workshop was to bring together northern communities, consultants, Producer Responsibility Organizations (PROs) and all levels of government to discuss waste reduction strategies. MMSM provided attendees with information, contacts and support framework to help their communities in creating a long-term waste management program.

In May, staff participated in the Solid Waste Association of North America (SWANA) Northern Lights Chapter. The topic of the panel was “How to Keep Recycling Working.” Later in the month, staff presented to the Seventh Generation Waste Warriors at a workshop organized by the Centre for Indigenous Environmental Resources (CIER). The workshop focused on waste diversion and how to develop and implement green initiatives in their communities.

Northern & First Nations Community Clean-Up

For the ninth consecutive year, MMSM and CBCRA worked together to implement the Northern & First Nations Community Clean-up. This program was created to increase awareness about recycling and as a way to reduce litter after Manitoba’s long winters. Community members and students came together to clean-up their neighbourhoods of garbage and recycling.

MMSM staff also traveled to Bloodvein First Nation to install the signs won in last year’s clean-up. The eight signs were posted on collection bins around the community and help residents know what items are accepted in the recycling bins.



Winter Road Pilot Project

MMSM worked with other PROs on a pilot project to divert steward products and materials from landfill from five northern and rural communities that have winter road access. The communities included Wasagamack, Garden Hill First Nation, Bunibonabee Cree Nation, God's Lake Narrows First Nation and St. Theresa Point First Nation.

The program specified roles and responsibilities of each community, provided technical and ongoing support for organizing and unloading each type of material and assisted with efficient and cost-effective transportation to haul materials out of the community. Wasagamack and Bunibonabee Cree Nation were also given tote bags to assist them in getting material out of the community.



NEW COMMUNITIES

The following First Nations communities successfully registered with MMSM in 2019. Since registering, the communities have collectively reported 2,000 kilograms of material.

- Community of Crane River
- Community of Mallard
- Community of Meadow Portage
- Community of Rock Ridge
- Community of Spence Lake
- Community of Waterhen



Sign installation in Bloodvein First Nation

PLASTIC BAG REDUCTION PROGRAM

The Manitoba Premier released a 100-day plan following the election in September 2019 that included consulting with the private sector and developing a plan to eliminate the use of single-use plastic bags in Manitoba. MMSM participated in stakeholder engagement meetings and had discussions on the potential impact of a ban on residents and businesses.

Even with the potential of a plastic bag ban, MMSM continued to focus on one of its key program objectives: promoting the reduction, reuse and recycling of plastic bags in Manitoba.



91%
**OF CONSUMERS
ARE REUSING
PLASTIC BAGS
AT HOME**

RESEARCH

The results of MMSM's consumer research survey showed that 64% of respondents are using plastic bags, which is 7% lower than 2018. Instances of consumers reusing plastic bags at home increased to 91%. Overall, survey results improved in 2019 with less consumers using plastic bags and more finding alternative ways to reuse, recycle and donate them.



Downtown Winnipeg Farmers' Market



CTV Morning Live
Ask an Expert segment



PUBLIC RELATIONS & ADVERTISING

MMSM looked for new opportunities to educate and engage citizens about responsible use and disposal of plastic bags in 2019. Media campaigns encouraged consumers to find a responsible way to dispose of their plastic bags or to skip the bag altogether. Activities included earned and paid media, partnerships, school programs, sponsorships, social media marketing and information on the MMSM website.

MMSM continued to see a significant amount of traffic on the plastic bag recycling pages and a lot of interest online in the various programs we promote. Other promotions included an Ask An Expert segment with the CTV Morning Live Winnipeg, promoting the 3R's for plastic bags and the MMSM Bag Up Manitoba Challenge and participating in the Downtown Winnipeg Farmers' Market, giving away reusable bags and recycling guides to residents.

PARTNERSHIPS

Bag it Forward – Plastic Bag Recycling Program

The Bag it Forward program was created in 2015 in response to Winnipeg Harvest's need for plastic bags. MMSM was looking to find alternative ways to recycle or reuse plastic bags, so it was a perfect fit. The program encourages consumers across Manitoba to drop off gently used plastic bags at a local food bank, where they are reused to create emergency food kits. MMSM provided 350 plastic bag recycling bins to Winnipeg Harvest and its partners.

It has been over four years since the program launched, and since then, there has been a tremendous amount of support from the public. In March, MMSM participated in a media conference put on by the University of Winnipeg PACE (Professional, Applied, and Continuing Education) Media Relations class. The conference celebrated the fourth anniversary of our Bag it Forward program. Throughout the semester, the students collected close to 5,000 bags for the program. The event was livestreamed on Facebook and garnered attention from the media.



Bag it Forward fourth anniversary event at The University of Winnipeg

Welcome Wagon

MMSM has continued its partnership with Welcome Wagon as part of the organization's continued educational efforts. Over 4,000 reusable bags and recycling education pamphlets were delivered to Manitoba homes in 2019.

The Honourable Brian Pallister having fun with MMSM's recycling superhero photobooth

Winnipeg Goldeyes Baseball Game Sponsorship

MMSM's sponsorship of the Winnipeg Goldeyes baseball game on Wednesday, July 17, promoted the Bag it Forward program with fans donating their gently used plastic bags. During the pre-game activities, MMSM set up a booth at the ballpark, collected bags from fans and answered recycling questions. A new addition to the booth this year was a recycling superhero cutout, which fans of all ages enjoyed.

The game was a superhero theme game, tying into MMSM's annual campaign theme. Fans came dressed up and all Goldeyes staff wore blue superhero capes with a Mobius loop and the MMSM logo. Two recycling themed promotions took place during the game, including a recycling superhero cam and a recycling toss game. MMSM also supplied a custom recycling insert into each Goldeyes program.



SCHOOL PROGRAMS

Bag Up Manitoba – Plastic Bag Roundup Challenge

MMSM collaborated with Take Pride Winnipeg! for the tenth year to offer the MMSM Bag Up Manitoba Challenge. Participation and collection were both up in 2019 with 166 schools participating across Manitoba and over 1,268,566 plastic bags collected and recycled.

Every school that participated in the program received Frisbees made from recycled plastic bags. Six lucky schools also won a school bench that was awarded by a random draw. The bags from the program were baled and shipped to ReGen Composites in Winnipeg where they were recycled into benches for the program. The benches were made out of recycled plastic bags, other plastic materials and wood chips.



Students from Rosser School

Bench presentation at Ecole J.B. Mitchell School



1,268,566
PLASTIC BAGS
COLLECTED AND
RECYCLED THROUGH
THE BAG UP MANITOBA
CHALLENGE

MMSM STEWARDS

The businesses that supply packaging and printed paper into the residential marketplace, also known as stewards, are obligated under Packaging and Printed Paper Stewardship Regulation 195/2008 of the Waste Reduction and Prevention (WRAP) Act to do a number of things:

- Provide a waste reduction and prevention program to manage the designated wastes within a province-wide, convenient collection system.
- Cover up to 80% of the net costs of an effective and efficient municipal recycling program.
- Establish promotion and education programs to raise awareness of recycling services available to Manitoba residents.

MMSM's program for recycling packaging and printed paper includes the following designated product packaging: plastic, glass, paper, metal and printed paper.

In 2019, there were:

- 796 registered stewards.
- 686 steward reports received.
- 246 voluntary steward agreements.



85.7%
**RECOVERY
RATE**

MATERIAL RECOVERY RATES 2018

The 2018 material recovery rates are presented in the table that follows. These recovery rates are calculated using sales data reported by stewards and municipal recycling reports for the same period.

In addition to providing stakeholders with information about MMSM's recycling performance, recovery rates impact steward fees. As is typical when introducing change in the program that will impact stewards, MMSM chose, for the purposes of fee setting only, to introduce the change to the recovery rate calculation slowly over a three-year period.

RECOVERY RATE

CATEGORY	MATERIAL	Quantity Supplied (tonnes)	Quantity Recovered (tonnes)	2018 Recovery Rate (%)	2017 Recovery Rate (%)
PRINTED PAPER					
	Newsprint	15,881	19,888	98.0%	98.0%
	Magazines and Catalogues	1,338	2,980	98.0%	98.0%
	Telephone Books	112	470	98.0%	98.0%
	Other Printed Paper	3,131	2,393	76.4%	87.4%
PRINTED PAPER TOTAL		20,462	25,731	98.0%	98.0%
PACKAGING					
Paper Based Packaging	Corrugated Cardboard	10,650	12,817	98.0%	98.0%
	Boxboard	11,597	9,387	80.9%	72.0%
	Gable Top Cartons	915	943	98.0%	98.0%
	Paper Laminates	2,206	993	45.0%	42.4%
	Aseptic Containers	734	395	53.8%	56.1%
Paper Packaging Total		26,102	24,535	94.0%	85.2%
Plastic Packaging	PET Containers & Bottles	6,724	3,773	56.1%	59.9%
	HDPE Containers & Bottles	3,246	2,618	80.7%	86.6%
	Plastic Film	3,767	183	4.9%	2.3%
	Plastic Laminates	2,549	499	19.6%	26.4%
	Polystyrene	1,074	2,778	98.0%	43.8%
	Other Plastics	4,759	577	12.1%	50.4%
Plastics Total		22,119	10,428	47.1%	46.4%
Steel Packaging	Steel Food & Beverage Cans	3,299	2,107	63.9%	72.1%
	Steel Aerosols	274	105	38.2%	46.6%
	Other Steel Containers	4	4	98.0%	98.0%
Steel Total		3,577	2,216	61.9%	71.9%
Aluminum Packaging	Aluminum Food & Beverage Cans	2,391	1,267	53.0%	66.7%
	Other Aluminum Packaging	234	153	65.4%	50.6%
Aluminum Total		2,625	1,420	54.1%	64.7%
Glass Packaging	Clear Glass	8,733	7,025	80.4%	97.6%
	Coloured Glass	4,912	4,545	92.5%	87.5%
Glass Total		13,645	11,570	84.8%	93.8%
PACKAGING TOTAL		68,068	50,169	73.7%	72.4%
TOTALS		88,530	75,900	85.7%	84.2%

TABLE NOTES

1. The supplied tonnes are the tonnes reported by the MMSM stewards in their 2018 and 2019 Steward Reports containing 2017 and 2018 data.
2. Recovered tonnes are based on datasets that consist of both actual reported data from the Municipal Online Reporting System (MORS) and curbside studies done in 2016, 2017 and 2018 in the province.
3. Effective July 1, 2018, the Minister of Sustainable Development approved the renewed program plan that was submitted on March 20, 2017 allowing MMSM to calculate the recovery rates based on the steward supplied tonnes. These recovery rates are different than the recovery rates used in the fee-setting. In order to mitigate the change, MMSM has been using the three-year rolling average of the recovery rates for the fee-setting.
4. When a material recovered quantity exceeds the material's supplied quantity, the recovery rate is capped at 98%. Categories capped for Recovery Rate include: Newsprint, Magazines & Catalogues, Telephone Books, Corrugated Cardboard, Gable Top Cartons, Polystyrene, and Other Steel Containers.
5. Non-obligated materials in the Aluminum food & beverage cans materials are excluded.

STEWARD COMPLIANCE

The MMSM program is funded entirely by stewards who pay fees based on the volume of packaging and printed paper they supply to residents.

Stewards are responsible under the Packaging and Printed Paper Stewardship Regulation to assume responsibility and declare that the designated packaging and printed paper material they supply for consumption in Manitoba complies with the legal requirements of the WRAP Act. If a steward of the designated material does not comply with the regulation, they are prohibited from supplying the designated material for consumption in Manitoba.

MMSM is dedicated to ensuring a level playing field for stewards. To that end, MMSM works to expand the number of stewards participating in the program, bringing non-compliant businesses into compliance.

MMSM has developed a set of rules to make participation in the program fair for all stewards and ensure that the program is always striving to achieve the best results in terms of both diverting and recycling waste. These rules include:

- Designation of stewards.
- Definition of designated materials.
- Fees for obligated packaging and printed materials.
- Reporting and payment requirements of stewards.
- Penalties for late reporting and late payment.
- Dispute resolution process for stewards.
- Allowance for a company to pay fees on behalf of an otherwise obligated steward.

A copy of the rules can be found on MMSM's website at StewardshipManitoba.org

REPORTING AND PAYING FEES

Stewards measure and report annually to MMSM the total quantity of designated packaging and printed paper supplied for use in the province. MMSM reviews the data reporting requirements annually in accordance with the rules.

Stewards who are in good standing with MMSM will be deemed to be in compliance with the WRAP Act. The MMSM compliance process starts with the identification of stewards who are not in compliance, followed by initiation of actions necessary to ensure compliance.

MMSM actively ensures that all stewards remain in compliance with the Packaging and Printed Paper Stewardship Regulation and actively seeks out non-compliant businesses to bring them into the program. MMSM also has the authority to audit steward data. Stewards must maintain records for a period of at least five years in support of all data submitted to MMSM.

MMSM has implemented a non-compliance notification process, including written notification when fees are due. If stewards and products are identified that have not registered or reported under the Packaging and Printed Paper (PPP) Program, a notification is sent. If the steward's registration and data submission process is not complete at the end of 120 days, MMSM may request the Manitoba Government to take enforcement action as stipulated under the WRAP Act.

2019 FINANCIAL STATEMENTS

DECEMBER 31, 2019




**Multi-Material
Stewardship Manitoba**
INDUSTRY FUNDING RECYCLING

INDEPENDENT AUDITOR'S REPORT

To the Members of
Multi-Material Stewardship Manitoba Inc.

Opinion

We have audited the financial statements of **Multi-Material Stewardship Manitoba Inc.** [the “Organization”] which comprise the balance sheet as at December 31, 2019 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **Auditor's responsibilities for the audit of the financial statements** section of our report. We are independent of the Organization 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.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 accounting standards for not-for-profit organizations, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 these 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 Organization'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 Organization'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 Organization 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.

We 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.

Winnipeg, Canada
May 28, 2020

Ernst & Young LLP
Chartered Professional Accountants

Multi-Material Stewardship Manitoba Inc.

Incorporated under the laws of Manitoba

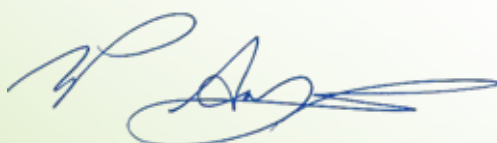
BALANCE SHEET

As at December 31

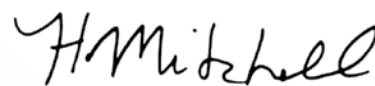
	2019 \$	2018 \$
ASSETS		
CURRENT		
Cash and cash equivalents	13,374,521	10,323,458
Accounts receivable	1,592,772	599,435
Prepaid expenses and deposits	22,499	11,289
TOTAL CURRENT ASSETS	14,989,792	10,934,182
Capital assets, net [note 3]	4,985	4,303
	14,994,777	10,938,485
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	10,298,423	5,306,297
TOTAL CURRENT LIABILITIES	10,298,423	5,306,297
Commitments [note 4]		
NET ASSETS		
Unrestricted	4,696,354	5,632,188
	14,994,777	10,938,485

See accompanying notes.

On behalf of the Board:



Neil Antymis
Director



Heather Mitchell
Director

STATEMENT OF OPERATIONS

Year ended December 31

	2019 \$	2018 \$
REVENUE		
Steward fees	19,134,280	21,328,708
Other revenue	402,325	301,062
	19,536,605	21,629,770
EXPENSES		
Municipal programs		
Municipal support payments	17,182,579	17,234,105
Program delivery/stewards services	1,514,789	1,455,394
School funding	186,962	197,090
Promotion and education	367,029	377,219
Continuous improvement process	173,555	125,625
Administrative and corporate	916,954	954,272
	3,159,289	3,109,600
Enhanced programs		
Beverage recovery	1,819	5,244
Aluminum	25,482	12,430
Plastic bags	103,270	116,321
	130,571	133,995
	20,472,439	20,477,700
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	(935,834)	1,152,070

See accompanying notes.

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	2019 \$	2018 \$
NET ASSETS, BEGINNING OF YEAR	5,632,188	4,480,118
Excess (deficiency) of revenue over expenses for the year	(935,834)	1,152,070
NET ASSETS, END OF YEAR	4,696,354	5,632,188

See accompanying notes.

STATEMENT OF CASH FLOWS

Year ended December 31

	2019 \$	2018 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	(935,834)	1,152,070
Add item not involving cash		
Amortization of capital assets	1,042	1,185
	(934,792)	1,153,255
Changes in non-cash working capital balances related to operations		
Accounts receivable	(993,337)	681,208
Prepaid expenses and deposits	(11,210)	18,506
Accounts payable and accrued liabilities	4,992,126	(1,676,955)
CASH PROVIDED BY OPERATING ACTIVITIES	3,052,787	176,014
INVESTING ACTIVITIES		
Purchase of capital assets	(1,724)	(2,912)
CASH USED IN INVESTING ACTIVITIES	(1,724)	(2,912)
NET INCREASE IN CASH DURING THE YEAR	3,051,063	173,102
Cash and cash equivalents, beginning of year	10,323,458	10,150,356
CASH AND CASH EQUIVALENTS, END OF YEAR	13,374,521	10,323,458

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. Business organization and operations

Multi-Material Stewardship Manitoba Inc. ["MMSM"] is a not-for-profit industry-funded corporation, established in accordance with the Packaging and Printed Paper Stewardship Regulation [Manitoba Regulation 195/2008] pursuant to *The Waste Reduction and Prevention Act* [the "WRAP Act"]. MMSM was formally incorporated as a non-share capital corporation in December 2006 under *The Corporations Act* of Manitoba for the purpose of developing, implementing and operating waste diversion programs for designated packaging and printed paper in the Province of Manitoba. The stewardship program commenced operations on April 1, 2010 and is exempt from income taxes under Section 149 of the *Income Tax Act* (Canada).

2. Significant accounting policies

These financial statements were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations" which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies described below.

REVENUE RECOGNITION

Steward fees are calculated based on the quantity of designated packaging and printed paper each steward supplies into Manitoba. Stewards register with MMSM and report the tonnage of all product supplied in Manitoba as required under the WRAP Act. Steward fees are recorded as revenue based on the prior year's tonnage reported by stewards. Steward reported tonnages for prior years' obligations and revenues resulting from compliance and enforcement activities are recognized when the amount can be reasonably estimated and collection is reasonably assured.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit and short-term investments, with a short-term to maturity of three months or less from the date of purchase unless they are held for investment rather than liquidity purposes in which case they are classified as investments.

RECYCLING SUPPORT PAYMENT TO MUNICIPALITIES

Recycling support payments to municipalities are paid to registered Manitoba municipalities based on the tonnage of eligible materials delivered to an approved recycling facility as reported by the municipalities to MMSM. The current year's expense is recorded based on prior year's eligible tonnage.

CAPITAL ASSETS AND AMORTIZATION

Capital assets are recorded at original cost.

Amortization of furniture and equipment is recorded on a straight-line basis of 20% over the assets' useful lives.

ALLOCATION OF EXPENSES

The costs of personnel and other expenses directly related to functions are allocated to each function. General support and other costs are not allocated.

FINANCIAL INSTRUMENTS

Financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost, net of provisions for impairment.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates primarily related to steward fees which by their nature, are subject to measurement uncertainty. Accordingly, actual results may differ materially from estimated amounts as future confirming events occur.

Stewards are obligated under the WRAP Act to register and pay fees to MMSM. MMSM will never have a complete and full knowledge about the activities of obligated stewards. The amount of revenue recognized is based on the prior year's tonnage reported by stewards. If stewards do not register or if registered stewards do not report complete and accurate tonnages, the amount of revenue may increase or decrease subsequent to year-end when new stewards are identified or reported tonnages are revised.

The amount of revenue recognized in the financial statements represents management's best estimate of prior year's tonnage reported by stewards.

3. Capital assets

Capital assets consist of the following:

	2019			2018
	Cost	Accumulated Amortization	Net book value	Net book value
	\$	\$	\$	\$
FURNITURE AND EQUIPMENT	19,582	14,597	4,985	4,303

4. Commitments

A management services agreement is in place with Canadian Stewardship Services Alliance Inc. [“CSSA”] to provide administrative and support services for all of MMSM’s administrative, technical and reporting activities under the program plan to recycle and divert printed paper and packaging in the Province of Manitoba. The fee for 2019 is \$936,600 [2018 – \$915,612]. The fee paid to CSSA is based on allocation of CSSA’s costs and MMSM’s direct costs paid by CSSA.

MMSM entered into an operating lease for its premises for a total commitment of \$277,879. Future minimum annual lease payments until August 31, 2023 are as follows:

	\$
2020	73,773
2021	75,003
2022	77,462
2023	51,641
	277,879

5. Financial instruments and risk management

MMSM is exposed to the following financial risk through transactions in financial instruments.

CREDIT RISK

Financial instruments potentially exposed to credit risk include accounts receivable. Management considers its exposure to credit risk over accounts receivable to be limited as accounts receivable are not significantly concentrated and are monitored regularly for collections. The carrying amount of accounts receivable represents the maximum credit risk exposure.

6. Subsequent events

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results of the organization.



LEADERSHIP & STAFF

BOARD OF DIRECTORS 2019

Neil Antymis	Board Chair	Canadian Beverage Association (CBA)
Sandy Hopkins	Vice Chair	Independent Member
Heather Mitchell	Treasurer	Manitoba Liquor and Lotteries Corporation
Julie Dickson Olmstead	Member	Canadian Federation of Independent Grocers (CFIG)
John Graham	Member	Retail Council of Canada (RCC)
James Rilett	Member	Restaurants Canada (CA)
Michelle Saunders	Member	Food & Consumer Products of Canada (FCPC)
Richard Fay	Member	Dairy Group
Gary Goodwin	Member	Independent Member
Karen Melnychuk	Executive Director	Multi-Material Stewardship Manitoba Inc.

BOARD COMMITTEES

EXECUTIVE COMMITTEE

Neil Antymis, Chair
Sandy Hopkins, Vice Chair
Heather Mitchell, Treasurer

AUDIT COMMITTEE

Heather Mitchell, Chair
Sandy Hopkins
Julie Dickson Olmstead
Gary Goodwin

GOVERNANCE COMMITTEE

Sandy Hopkins, Chair
Neil Antymis
James Rilett
John Graham
Michelle Saunders

MUNICIPAL INDUSTRY PROGRAM COMMITTEE

Richard Fay, Co-Chair
Neil Antymis
John Graham

STAFF

From left to right:

Karen Melnychuk	Executive Director
Lauren Gluck	Municipal Reporting Coordinator & Office Administrator
Kristin Houle	Field Services Coordinator
Martin Racicot	Director, Field Services
Sarah Wallace	Manager, Marketing and Communications
Noelle Vong	Communications Coordinator



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StewardshipManitoba.org
SimplyRecycle.ca

