

Journal

SINCE 1992, ENCORP ATLANTIC HAS RECYCLED OVER 3.3 BILLION CONTAINERS IN NEW BRUNSWICK!

3,350,000,000

ENCORP
ATLANTIC INC

SUMMER

ATTENTION

Avoid mixing Sort 3 and Sort 6 containers

SORTING RULES:

- 1) All containers with the PETE 1 symbol = Sort 3
- 2) Translucent containers with the HDPE 2 symbol = Sort 3



- 3) Non translucent (pigmented) containers with the HDPE2 symbol = Sort 6

- 4) All other plastic containers : (V3; PP5; PS6 and OTHER7) = Sort 6



NEW BULK BAGS

Every year, we replenish approximately 25% of our total inventory of bulk bags. This year's version has added features: improved design such as see-through window, added handles for easy pick-up and the addition of a maximum fill-line indicator. Again this year, the bags are designed with a duffle and string closure. These new bags are similar in size (1m³) and weight (200g) and started appearing in redemption centres in mid-June.



RECYCLING CENTRE LAUNCHED ON EARTH DAY



This year on Earth Day, Encorp celebrated with the launch of collection containers for e-waste and corrugated cardboard at the Mountain Road location. This initiative is in collaboration with the Regional Services Commission (RSC #7). So far, the additional service has proven very popular with re:centre members. This latest initiative proves that one can have a recycling centre approach while partnering with other stakeholders to attract even more traffic to your existing redemption centre business.



ENVIRONMENTAL FEES AND PROFIT SHARING

Encorp Atlantic is pleased to advise that our preliminary yearly total estimate of environmental fees paid for fiscal year 2016, including profit sharing for the non-alcoholic product distributors, subject to final audit for the past fiscal year ended March 31, 2016, amounts to \$5,931,395.00.

Lower material market values have made conditions challenging for recyclers in North America in this past year. Since 1992, we can proudly state that our partnership with the Province of New Brunswick has contributed to the recycling of more than 3.3 billion containers and the contribution of \$119 million to the New Brunswick Environmental Trust Fund. This is an accomplishment that we can all take pride in.

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RESEARCH PROJECTS (re)CENTRES, EXPRESS BAGS

It is fair to state that the data gathered so far on the (re) projects (drop-and-go and Express bag) is both fascinating and surprising. Two years after the initial start-up of the unmanned bag-drop project, we can now confirm numerous consumer patterns. The most revealing is the fact that the majority of participants are keeping their accumulated balance in their online account. Not having their cash immediately had been identified as a major obstacle during the planning process by existing redemption centre operators. Other interesting data is the frequency of visits and day of week. We've noticed that the first-ever visit to a (re) centre by a registered member would involve numerous bags being dropped-off (more than 6), while subsequent visits would see a much reduced amounts of bags (1 or 2) being deposited. All indication points to the bulk of the traffic being on weekends while 51% of the total volume collected at both (re) centres in Moncton are dropped-off while redemption centres in the Moncton area are closed.

Over the past 8 months (re) centre participants in the Moncton area and express bag users in the Fredericton region have been surveyed using on-line questionnaires and focus group sessions. We've consulted with nearly 1,000 registered participants and express bag service users. In addition, we've conducted two focus group sessions with a total of 32 participants. The information gathered reveals an urgent need for a renewed approach and strategy for redeeming deposit-bearing containers in New Brunswick.

HIGHLIGHTS

- 95% of survey respondents stated that their recycling experience had improved (74% answered greatly improved) since using the (re) centres bag-drop system;
- 85% of survey respondents using the express bag service in the Fredericton region stated that their recycling experience had improved (60% answered greatly improved) since using the express-service;
- Participants stated that they want more (re) centres (more accessibility) in the Moncton and surrounding area;
- 86% of express bag users stated that they like counting their empty containers prior to visiting participating redemption centres;
- Many express bag users suggested we provide a variety of bag sizes for different container types;
- While 56% of express bag users said that they would not be willing to pay 15 cents per bag if these were to be sold.

Our research agenda has already provided crucial data on redemption centre operations and guidance about possible options for the future. The project has allowed Encorp to contemplate a variety of technologies and techniques for improving consumer experience while also enabling stakeholder and redemption centre owners alike to learn from the compiled data and use it to innovate their own business model.

ACCURACY 0.36%

Over the past year, the count adjustment method with redemption centers has resulted in overall continued accuracy. As of June 1st, reported accuracy was 0.36%, which again is close to perfect. Currently, there are 9 redemption centres in the accelerated mode.

We are actively working on the next phase of Encorp's statistical sampling method model. The principle behind the new concept is based on every redemption centre's average per sort used as a method of payment (per bulk bag collected and processed). This is a paradigm shift that will transition our current count adjustment model (QA/QC) from an adversarial role to a model using the law of averages per individual redemption centre. The change in approach is cost-neutral for our operations and a natural evolution of our initial intent to drive accuracy. Also, once implemented, this new approach would not require redemption centres to count for Encorp. We are currently running tests with a limited number of centres in the province and will be reporting on our findings and conclusions in the fall of 2016.

Our QC/QA model, implemented in June 2010, is now being used by Divert Nova Scotia (formally RRFB) and Newfoundland and Labrador (MMSB). Furthermore, statistical sampling is used in measuring volumes and accuracy with Regional Service Commissions (solid waste management facilities) across New Brunswick.

MATERIAL MARKETS

The PET market continued its decline to finish March 31st at a record 5-year low. The aluminum market has been a rollercoaster ride with a late decline, with prices hovering in the low to mid-fifties for most of the year. The low prices for both aluminum and PET over the past two years fell below our projected forecast.

Market material pricing versus this time last year: aluminum -22.9%; PET -34.6%. Overall, sales of non-alcoholic beverages were higher by 3% over the past year (April 1 – March 31, 2016), while containers redeemed were higher by 3.74% for the same period.

YEAR-TO-YEAR - REFUNDED UNITS

	Aluminum	Glass	PET	Other	Total
July 2014 – June 2015	62,631,387	1,905,044	77,686,032	13,585,550	155,808,013
July 2015 – June 2016	62,974,272	1,947,702	82,711,366	11,282,620	158,915,960
Yr. to Yr. Qty.	342,885	42,658	5,025,334	-2,302,930	3,107,947
Yr. to Yr. %	.55%	2.24%	6.47%	-16.95%	1.99%

MARKET SNAPSHOT/ 3 YEAR PERIOD IN US\$/LB

	Aluminum	PET
High ▲	.85 Dec. 2014	.21 April 2014
Low ▼	.49 December 2015	.077 Dec. 2015

For information or to report any incident, please contact:

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- Environment & Local Government - 506 453-7945