

Journal

ENCORP
ATLANTIC INC

3,158,332,660

SINCE 1992, ENCORP ATLANTIC HAS RECYCLED 3 BILLION CONTAINERS IN NEW BRUNSWICK!

WINTER

► ACCURACY & QUALITY CONTROL 0.2%

There are currently 7 centres in the accelerated mode (Count Adjustment Model). This means that 7 of the over 70 centres in New Brunswick need to closely watch their accuracy levels. Encorp recognizes the challenge faced by centres with the level of sorting, staffing and dealing with customer convenience issues.

Remember that our sampling model for quality control also includes out-of-province assessments and volume fluctuations (comparative analyses) to detect irregularities in the weekly operations of the RCs.

The return rate as of December 31st was 70.5%.

This past year was an exiting one for Encorp Atlantic with the start of the much anticipated research agenda, better known as the **re**centre project.

The clear intent is to drive future innovation and efficiencies in the collection and management of post-consumer containers in New Brunswick. The first project was launched on Earth Day, April 22nd. Through the **re**centre project, we have been gathering data and information on consumer patterns and comments that will prove vital in our recommendations for a renewed approach to the Beverage Container Program. More projects on the drafting table are scheduled for launch in 2015.

The second major undertaking over the past year has been the request for proposals (RFP) for new service provider contracts. Again, Encorp's focus is squarely on efficiency with a reduced sort list for non-alcoholic beverage containers and the review of the caps-off rule. We hope to gain ground on both these issues with the start-up of the new contracts.

As a lead-up to the 25th anniversary of the Beverage Container Program in 2017, we hope that the lessons learned from these initiatives will foster greater cooperation amongst stakeholders and will bring about a much needed technology transfer enhancing customer convenience in all New Brunswick centres and a renewed vision for the long-term sustainability of the program.



BOTTOMS-UP!

At this time of the year, we all need to be vigilant and make sure that all customer containers get emptied. Liquid from containers create havoc on the depot floors and for the trucks. Make sure that all workspaces remain clean and dry. RCs that receive large amounts of containers from school programs must pay special attention. Slippery floors makes for dangerous conditions for all. Please remind all customers alike of the importance of emptying containers!



40/60 EXPRESS SERVICE

At the fall meeting of the Eastern Recyclers Association, Encorp Atlantic proposed an additional

research project for 2015. Billed as an express service, the simple concept is to provide the public with pre-printed fix-count bags. This will enable participating centres to speed up service, improve customer experience and change public perception on the lack of count accuracy from busy RCs.

Ultimately, the 40/\$2 and 60/\$3 concept will enable centres to pay customers rapidly but sort and count later. In fact, this could potentially drive greater efficiencies on the labour side of things for RCs. We know that RCs are very efficient at sorting and counting but lose time waiting for the next customer. More details will be provided in the coming months. We are targeting a spring 2015 launch for this 24-month research project.



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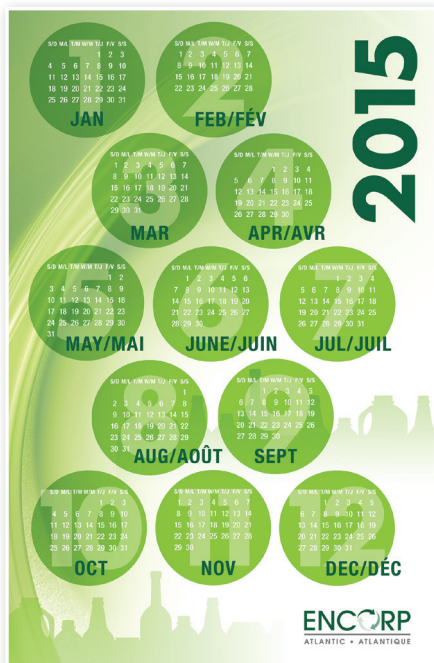
GMCC AWARD

Encorp was awarded an Environmental Excellence Award at the recent Greater Moncton Chamber of Commerce (GMCC) banquet held in November. The award recognizes the 22 years of industry stewardship but also the commitment by Encorp Atlantic to the renewal of the New Brunswick Beverage Container Program. None of this success would be possible without the tireless efforts of the over 70 redemption centres (RC), the service providers and contractors in New Brunswick, the dedicated Encorp staff over the years, and most importantly, the recycling public!



GREATER MONCTON
EXCELLENCE AWARDS
PRIX D'EXCELLENCE
DU GRAND MONCTON

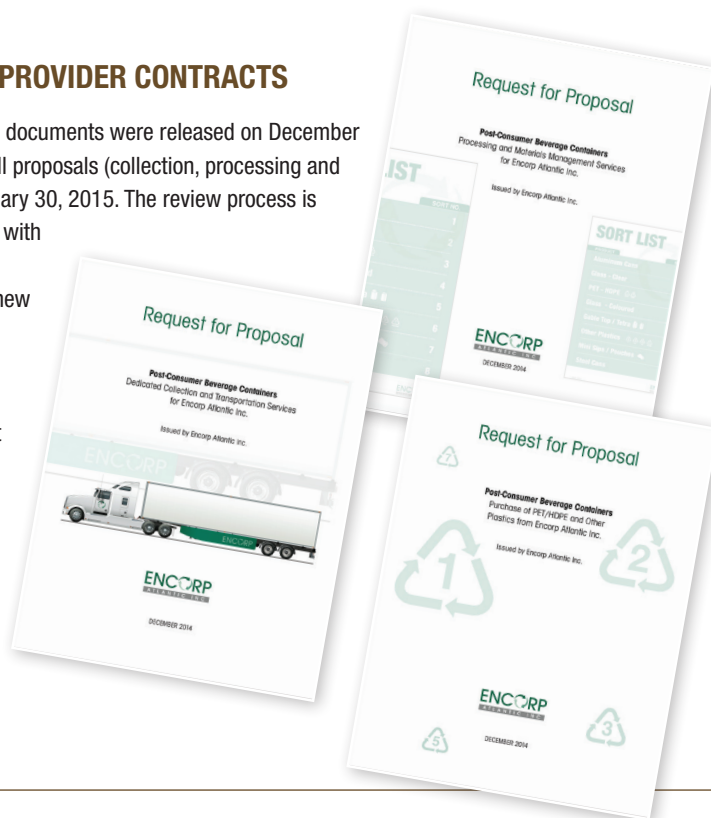
2015 CALENDAR



Again this year, Encorp Atlantic has published a limited edition calendar. RCs are encouraged to distribute these to the public, local schools and businesses. Ask your driver for the required number of calendars for your centre.

RFP - SERVICE PROVIDER CONTRACTS

All requests for proposals documents were released on December 1st. The closing date for all proposals (collection, processing and material markets) is January 30, 2015. The review process is expected to take 30 days with an additional 90 days to complete contracts. The new agreements scheduled to start in October 2015 or before are for a 3 or 5 year period. We hope that this current round of negotiations with service providers will bring about some streamlined efficiency to RCs and ensure the long-term sustainability of the program.



RE-CENTRE DASHBOARD

It is fair to state that the data gathered so far on the **re** project is both amazing and surprising. Nearly six months after the start-up, we are starting to see startling patterns. The most revealing was the fact that 92% of participants had kept their accumulated balance in their account (as of December 1st). Not having their cash immediately had been identified as a major obstacle during the planning process. Other interesting data is the frequency of visits and day of week. We've noticed that the very first 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 amount of bags (1 or 2). Early indication also points to the bulk of the traffic being on Saturdays and Sundays. And the time of day for drop-offs is closer to busy retail hours. The average container count per bag is 50 units. Stay tuned!

MATERIAL MARKETS & RETURN RATE:

On December 31st, the return rate was **72%** capared to **72.1%** last year.

OVERVIEW OF MARKET PRICES US \$/LB FOR BALED MATERIAL:

| | Aluminum | PET | Exchange |
|-------------------------|----------|-----------|----------|
| December 2011 | \$ 0.70 | \$ 0.20 | \$ 1.002 |
| December 2012 | \$ 0.74 | \$ 0.17 | \$ 0.96 |
| December 2013 | \$ 0.62 | \$ 0.165 | \$ 1.02 |
| As of December 31, 2014 | \$ 0.75 | \$ 0.1675 | \$ 1.13 |

MARKET SNAP-SHOT / 3 YEAR PERIOD IN US\$/LB

| | Aluminum | PET |
|--------|-----------------------|------------------------|
| High ▲ | \$ 0.62 December 2013 | \$ 0.165 December 2013 |
| Low ▼ | \$ 0.83 July 2014 | \$ 0.315 April 2012 |

* These figures are based on monthly averages