2025 Yukon Annual Report

Reporting Period: August 1, 2025 – December 31, 2025

Forward Through Balance

Interchange Recycling

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1. Program Summary

The Interchange Recycling Yukon Stewardship Program launched on August 1, 2025, following approval of the Yukon Stewardship Plan by the Government of Yukon. The program provides residents and businesses with opportunities to responsibly manage used oil, used antifreeze, diesel exhaust fluid (DEF), oil filters and associated automotive containers.

As the program's first partial year of operation, 2025 was primarily a launch and implementation year. Program activities focused on establishing the foundational infrastructure necessary for long-term success, including developing collection and processing partnerships, implementing reporting and administrative systems, supporting collection partners, and introducing Yukon residents to the new stewardship program through targeted public education and awareness activities.

Given the August 1 launch date, this report reflects only five months of operation and should not be considered a baseline year for program performance, rather, a setup and information gathering phase. Collection and recovery information presented in this report represents the initial stages of program implementation and will inform future program development and optimization. Certain performance measures and reporting requirements contemplated under the Yukon Stewardship Plan are being phased in as the program matures and additional operational data becomes available.

Despite its limited operating period, the program successfully established stewardship services in Yukon and began collecting designated materials from residents and businesses. Public awareness activities were undertaken to support program launch and encourage participation, while foundational partnerships and operational systems were established to support future program growth.

Interchange Recycling remains committed to supporting the environmentally responsible management of designated materials throughout Yukon. As the program transitions from launch phase to full operation, future efforts will focus on strengthening collection services, expanding awareness, and optimizing program performance.

2. Collection Facilities, Services, and Accessibility

During the reporting period, Interchange Recycling focused on establishing accessible, permanent, and event-based collection infrastructure across Yukon. In partnership with KBL, a permanent Return Collection Facility (RCF) was established in Whitehorse to provide residents with convenient, year-round recycling services. The facility offers free collection for Whitehorse residents and is open to the public every Monday and Thursday, as well as on the first Saturday of each month.

Outside Whitehorse, designated materials are collected year-round through existing Solid Waste Management Facilities (SWMFs), with additional collection opportunities provided through Household Hazardous Waste (HHW) Day events in collaboration with the Department of Community Services, KBL, local government, and other stewardship agencies.

Interchange Yukon supports HHW Day events organized by Yukon local governments, using these HHW Day events to expand collection access while increasing public awareness of the program. During the 2025 reporting period, three HHW Day collection events were held in the communities of Teslin, Faro, and Waston Lake. Given the program's August 1 launch, initial efforts were appropriately focused on establishing foundational collection infrastructure, onboarding service partners, and implementing operational processes.

See **Appendix A – Collection Network** for a complete list of the collection network.

3. Materials Supplied to Yukon End Users

Section 17 of the Yukon Extended Producer Responsibility Regulation requires reporting of the total weight of designated materials supplied to Yukon end users by participating stewards, categorized by material type.

As contemplated by the Yukon Stewardship Plan, certain reporting elements are being phased in during the early years of program implementation while stewardship systems, reporting processes, and data collection methodologies continue to mature.

Product	Quantity
Antifreezes/Glycols (L)	97,702
Oils (L)	1,160,763
Diesel Exhaust Fluid (DEF) (L)	190,584
Filters (Units)	68,111
Containers (kg)	55,047

4. Materials Collected Under the Program

The following quantities of designated materials were collected during the reporting period from August 1 to December 31, 2025. As this represents the first five months of program operation, these quantities should be considered preliminary data and provide an initial indication of program participation and collection activity.

Collection Source	Oil (l)	Filters (units)	Containers (kg)	Antifreeze (l)
Commercial Customer	44,755	9,403	469	0
HHW Day	920	280	0	0
RCF	3,660	611	51	0
Solid Waste Facility	9,254	253	0	0
Total	**58,590**	**10,548**	**520***	**0****

**Currently only one claim has been submitted for containers, for the month of December 2025, which is represented by the data in the table.*

***Approximately 40,000 l of antifreeze (glycol and water mixture) has been collected and shipped to a processor. This volume is not included in the table because processing is still underway, the incentive claim has not yet been submitted, and the volume has not been verified.*

5. Material Management and Recovery

Materials collected through the program are managed in accordance with the waste management hierarchy and the commitments outlined in the Yukon Stewardship Plan. Interchange Recycling seeks to maximize resource conservation and environmental benefit by directing materials toward recycling and recovery pathways wherever practicable.

Used oil, antifreeze, oil filters, DEF, and automotive containers collected through the program are directed to approved management pathways intended to support resource recovery and reduce environmental impacts associated with improper disposal of designated materials.

Note that the material management and recovery data only represents five months of collection and processing, while the sales data is for 2025 in its entirety.

Product	Reused	Recycled	Energy Recovery
Used oil (L)	44,005	14,585	0
Filters (units)	N/A	10,548	0
Containers (kg) *	N/A	520	0
Antifreeze (L) **	0	0	0

**Currently only one claim has been submitted for containers, for the month of December 2025, which is represented by the data in the table.*

***Approximately 40,000 l of antifreeze (glycol and water mixture) has been collected and shipped to a processor. This volume is not included in the table because processing is still underway, the incentive claim has not yet been submitted, and the volume has not been verified.*

6. Collection Rate and Program Performance

As 2025 represents the program's first partial year of operation and includes only five months of activity, performance results should be considered preliminary and serve as a baseline for future comparison rather than indicators of a mature program.

Consistent with Interchange Yukon Stewardship Plan's phased implementation approach, collection systems, reporting processes, and performance measurement methodologies will continue to mature over the initial years of operation. Baseline recovery rates will be established through data collected during Plan Years One to Three. Performance targets for Years Four and Five will be

developed using this data, with the objective of achieving year-over-year improvement. Progress against these targets will be reported in future annual reports.

7. Public Awareness and Education

Public education and awareness activities were undertaken throughout the reporting period to support program launch and introduce Yukon residents and businesses to the new stewardship program. Given that the program launched on August 1, 2025, communications activities focused on establishing baseline awareness, informing residents about available services, and supporting participation in the program.

Collection partner resources, including wayfinding signage and educational brochures, were developed and distributed to support program use and provide residents with information regarding accepted materials and available collection opportunities. These resources were intended to improve awareness of accepted products and ensure consistent messaging across the collection network.

A modest paid media campaign was implemented to enhance reach and support launch awareness. Radio advertising was delivered on two stations. The campaign ran for six weeks between August and mid-September and aired 32 spots per week. Participating stations also provided 100 percent bonus inventory, resulting in an additional 192 radio spots, for a total of 384 radio spots. Transit advertising was also utilized to establish program visibility within Whitehorse. Advertisements appeared on three buses and ran for a total of 12 weeks from August through October.

Digital advertising supported broader awareness objectives. Meta advertising generated approximately 900,000 impressions and reached approximately 151,000 individuals. YouTube advertising generated 235,256 impressions, 88,139 views, and 631 clicks.

Earned media activities also supported program launch and awareness objectives by communicating the introduction of the new stewardship program and its environmental benefits to Yukon residents. In total, Interchange Recycling garnered 58 pieces of earned media coverage across newsprint and radio, resulting in a total of 3 million impressions.

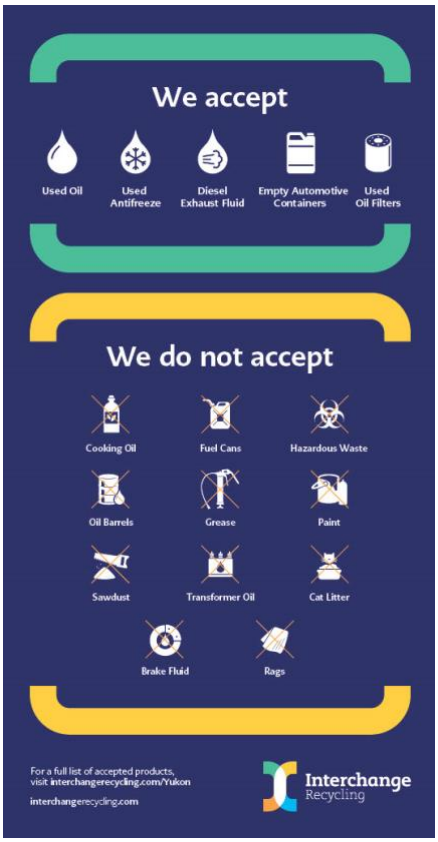
See **Appendix B – Public Education Materials** for public education materials.

Appendix A – Collection Network

Site	City	Address	Service
KBL Environmental	Whitehorse	91972 Alaska Highway	Collection site (RCF)
Beaver Creek Solid Waste Facility	Beaver Creek	KM 1875.1 Alaska Highway	SWMF
Carcross Solid Waste Facility	Carcross and Tagish	KM 51.1 Tagish Road	SWMF
Carmacks Landfill	Carmacks	35450 Klondike Hwy	SWMF
Champagne Solid Waste Facility	Haines Junction	Approximately 8.5 km on the Champagne Access Road from KM 1504.5 Alaska Highway	SWMF
Dawson City	Dawson City	Lot 11 Rabbit Creek Road	SWMF
Deep Creek Solid Waste Facility	Whitehorse	Approximately 600 m on Deep Creek Road from KM 224.6 South Klondike Highway	SWMF
Destruction Bay Solid Waste Facility	Destruction Bay	KM 1690 Alaska Highway	SWMF
Faro	Faro	Lot 421/422 Ross Road	HHW Day
Haines Junction	Haines Junction	Lot 1083 Alaska Hwy	SWMF
Marsh Lake Solid Waste Facility	Marsh Lake	KM 1378 Alaska Highway	SWMF
Mayo	Mayo	11 Mayo-Elsa Road	SWMF
Mount Lorne Solid Waste Facility	Whitehorse	KM 143.2 South Klondike Highway	SWMF
Old Crow Solid Waste Facility	Old Crow	Old Crow, Yukon, Y0B 1N0	SWMF

Pelly Crossing Solid Waste Facility	Pelly Crossing	KM 456.6 North Klondike Highway	SWMF
Ross River Solid Waste Facility	Ross River	KM 225.2 Canol Road	SWMF
Tagish Solid Waste Facility	Carcross & Tagish	1 km on Tagish Beach Road from KM 25.9 Tagish Road	SWMF
Teslin	Teslin	Kilometre 1240 Alaska Highway	HHW Day
Watson Lake	Watson Lake	Auburn Drive, 1022 Alaska Highway	HHW DAY

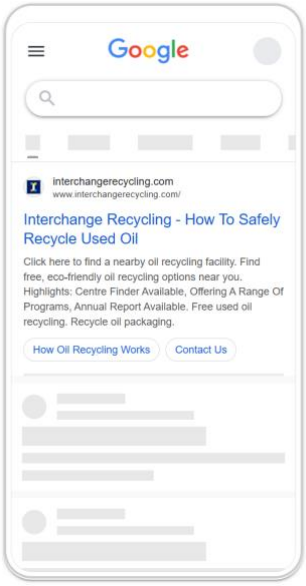
Appendix B – Public Education Materials



Instructional signage for collection partners to support proper program use

Earned media coverage

Three bus ads ran in Whitehorse



Google Search Ads ensured people searching for relevant information would find the program

YouTube Ads were shown to viewers across Yukon

Facebook Ads announced the launch of the program in Yukon

Appendix C – Audited Financial Statements

The following pages present the audited financial statements for Interchange Recycling in Yukon.

Financial Statements of

INTERCHANGE RECYCLING YUKON

And Independent Auditor's Report thereon

Year ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Members of Interchange Recycling Yukon

Opinion

We have audited the financial statements of Interchange Recycling Yukon (the Entity), which comprise:

- the financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in deficit for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 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 auditor's 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.

Other Matter - Comparative Information

The comparative information as at and for the year ended December 31, 2024 is unaudited. Accordingly, we do not express an opinion on it.

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 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- 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 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 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

Victoria, Canada

April 24, 2026

INTERCHANGE RECYCLING YUKON

Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
		(Unaudited)
Assets		
Current assets:		
Cash	$ 284,869	$ 1,137
Accounts receivable (note 2)	99,745	32,022
	$ 384,614	$ 33,159
Liabilities and Deficit		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	$ 14,026	$ 90
Return incentives and return collection facilities incentives payable	44,727	-
Due to related party (note 4)	454,146	130,539
	512,899	130,629
Deficit	(128,285)	(97,470)
	$ 384,614	$ 33,159

See accompanying notes to financial statements.

On behalf of the Board:

INTERCHANGE RECYCLING YUKON

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024 (Unaudited)
Revenue	$ 339,565	$ 33,078
Expenses:		
Program costs - return collection facilities expenses and communications:		
Communications	46,461	5,263
Depot infrastructure	16,500	660
Return collection facilities coordinator	7,702	9,445
	70,663	15,368
Program costs - return incentives and other:		
Legal fees (note 5)	134,436	76,771
Return incentives	44,727	-
Management and administration contracts (note 5)	23,888	4,710
Consulting	1,049	14,532
Travel	-	1,537
	204,100	97,550
Administrative costs:		
Management and administration contracts (note 5)	91,269	16,629
Board expenses	2,410	-
Legal fees (note 5)	1,267	-
Office and general expenses	671	1,001
	95,617	17,630
	370,380	130,548
Deficiency for the year	$ (30,815)	$ (97,470)

See accompanying notes to financial statements.

INTERCHANGE RECYCLING YUKON

Statement of Changes in Deficit

Year ended December 31, 2025, with comparative information for 2024

	Unrestricted	Total 2025	Total 2024
			(Unaudited)
Balance, beginning of year	$ (97,470)	$ (97,470)	$ -
Deficiency for the year	(30,815)	(30,815)	(97,470)
Balance, end of year	$ (128,285)	$ (128,285)	$ (97,470)

See accompanying notes to financial statements.

INTERCHANGE RECYCLING YUKON

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
		(Unaudited)
Cash provided by (used in):		
Operations:		
Deficiency for the year	$ (30,815)	$ (97,470)
Changes in non-cash operating working capital:		
Increase in accounts receivable	(67,723)	(32,022)
Increase in accounts payable and accrued liabilities	13,936	90
Increase in return incentives and return collection facilities incentives payable	44,727	-
	(39,875)	(129,402)
Financing:		
Increase in due to related party	323,607	130,539
Increase in cash	283,732	1,137
Cash, beginning of year	1,137	-
Cash, end of year	$ 284,869	$ 1,137

See accompanying notes to financial statements.

Nature of operations:

Interchange Recycling Yukon (the "Entity") was incorporated on June 11, 2024 to establish and administer a waste minimization and recycling program under the Extended Producer Responsibility (EPR) Regulation of Yukon (O.I.C. 2024/19). It operates as a not-for-profit organization under the Canada Not-for-profit Corporations Act.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Entity's significant accounting policies are as follows:

(a) Revenue recognition:

The Entity follows the deferral method of accounting for contributions. The Entity recognizes environmental handling charges ("EHC") when the lubricating oil, oil filters and oil containers are first sold by a registrant and when there is reasonable assurance of collection. Included in EHC revenue are amounts owed to the Entity for unremitted EHC fees identified by the Entity's compliance review process. Amounts identified by the compliance review are recognized as revenue in the year in which the compliance review is completed.

(b) Return incentives and return collection facilities incentives:

Return incentives ("RI") and return collection facilities incentives ("RCF") are recognized as incurred in the year when the lubricating oil and antifreeze materials are delivered to a registered processor's facility by a registered collector and completed claim forms are received and accepted by the Entity.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits, which are highly liquid with original maturities of less than three months from the date of acquisition.

(d) Financial instruments:

The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets. Transaction costs on financial instruments are recognized at fair value when incurred.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

The Entity's financial assets include cash and accounts receivable. Cash and accounts receivable are initially recorded at fair value and subsequently accounted for at amortized cost using the effective interest rate method. The Entity's financial liabilities include accounts payable and accrued liabilities and amount due to related party. All financial liabilities are initially measured at fair value, and subsequently accounted for at amortized cost using the effective interest rate method.

All derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Entity has determined that it does not have any derivatives and has not entered into any hedge transactions.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Entity determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Entity expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Items subject to estimates and assumptions include the collectability of accounts receivable, estimates of return incentives and return collection facilities incentives paid for ineligible containers, and accruals for EHC fees not submitted to the Entity by the registrant until the following year. Actual results could differ from these estimates.

1. Significant accounting policies (continued):

(f) Allocated expenses:

Unless specifically related to a program or administrative activity, the Entity allocates certain expenses by determining management's best estimate of resources spent on program activities and administration activities each year.

The following costs are split 80/20 to Administrative costs and Program costs, respectively:

- Executive Director contract
- Other contract staff
- Legal fees

2. Accounts receivable:

	2025	2024 (Unaudited)
EHC receivable	$ 50,374	$ 1,470
EHC accrual	49,371	29,678
Other accounts receivable	-	874
	$ 99,745	$ 32,022

3. Accounts payable and accrued liabilities:

Included in accounts payable are government payroll remittances payable of $11,062 (2024 - $90) related to sales taxes.

4. Due to related party:

The amount due to related party is unsecured, non-interest bearing and has no fixed terms of repayment.

	2025	2024 (Unaudited)
British Columbia Used Oil Management Association	$ 454,146	$ 130,539

5. Allocated expenses:

Total expenses allocated between program costs and administrative costs were as follows:

December 31, 2025	Program costs	Administrative costs	Total
Management and administrative contracts	$ 23,888	$ 91,269	$ 115,157
Legal fees	134,436	1,267	135,703
	$ 158,324	$ 92,536	$ 250,860

December 31, 2024 (Unaudited)	Program costs	Administrative costs	Total
Management and administrative contracts	$ 4,710	$ 16,629	$ 21,339
Legal fees	76,771	-	76,771
	$ 81,481	$ 16,629	$ 98,110

6. Financial risk management:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. The Entity is exposed to credit risk with respect to accounts receivable. However, the Entity is not exposed to any significant concentration of credit risk due to its growing registrant base. Management monitors its accounts receivable regularly and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Liquidity risk:

Liquidity risk is the risk an entity will encounter difficulty in meeting its obligations. The Entity manages its liquidity by monitoring its expenses and working capital. The Entity primarily meets its liquidity requirements through the EHCs and registration fees it earns. Operating shortfalls in cash flows occasionally arise due to unforeseen events. The Entity prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The Entity expects to continue to meet future requirements through these sources.

There are no changes in risk exposure from the prior year.