



# Collaboration

2015 ANNUAL REPORT



BEVERAGE CONTAINER MANAGEMENT BOARD






**Collaboration** is defined as cooperating, or working together toward a common purpose.

Collaboration has long been the cornerstone of the beverage container recycling industry in Alberta and has helped make it one of the most successful systems of its kind in North America. Through cooperation with our industry stakeholders, the Beverage Container Management Board (BCMB) oversees a system that is efficient and innovative in its sustainability efforts.

2015 was a year of focus on improving the way we do business – continuing to work with our partners to build a system that benefits not only the environment, but also Albertans, as they place increasing value on environmental, social and fiscal stewardship.

New operating agreements, by-laws, auditing programs and business plans for the BCMB may not mean much to the average Albertan, but the results of streamlining operations and clearly defining roles and responsibilities in the beverage container recycling system are far reaching. They mean the best possible customer experience at depots. They also mean fewer beverage containers in landfills and the achievement of a beverage container return rate that sets a new standard of excellence for our province.



“The BCMB is the closest it has ever been to achieving the 85% return rate goal set for us by the Government of Alberta. With the rolling return rate very close to the 85% mark at the end of 2015, we are optimistic about exceeding the goal in 2016 and are excited about our plans for the future.”

**Andrew Stephens**  
BOARD CHAIR, BCMB

# Contents

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- 7** Letter to the Minister
- 9** 2015 Highlights
- 10** Chair's Report
- 11** President's Report
- 13** About the BCMB
  - 14** Beverage Container Recycling System
  - 16** Board of Directors
- 25** Listening to the Public and Our Stakeholders
- 29** Alignment with Government of Alberta Goals and Objectives
- 31** A New Approach to Business Planning and Reporting
- 35** Measuring our Performance
- 44** References
- 46** Financial Statements





“As a member of the BCMB Board, AUMA has been afforded valuable opportunities to work with industry partners and stakeholders, to directly address siting issues of bottle depots in our municipalities. This has increased our communities’ access to more recycling options, which in turn has provided optimal diversion of beverage containers from municipal landfills.”

**Lisa Holmes**  
PRESIDENT, ALBERTA URBAN  
MUNICIPALITIES ASSOCIATION

## Letter to the Minister

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June 22, 2016

Honourable Shannon Phillips  
Minister of Environment and Parks  
Government of Alberta  
208 Legislature Building  
10800 – 97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister Phillips:

On behalf of the Board of Directors of the Beverage Container Management Board, I am pleased to present our Annual Report for the fiscal year ended December 31, 2015 in accordance with Section 5 of the Beverage Container Recycling Regulation (Alta. Reg. 101/1997 as amended).

Yours truly,



Andrew Stephens  
Chair  
Beverage Container Management Board





“Collaboration is important in the overall recycling industry. While our waste streams differ from beverage containers, our goals remain the same. Recover, recycle and where possible reuse. AUOMA has been working with BCMB and ARMA on joint promotions, advice to government and other items we deem mutually important to our stakeholders.”

**Roger Jackson**

EXECUTIVE DIRECTOR, ALBERTA USED OIL  
MANAGEMENT ASSOCIATION



# 2015 Highlights

## NEW BOARD CHAIR & NEW PRESIDENT

2015 saw exciting changes in leadership for the BCMB. Andrew Stephens was appointed Board Chair on February 18, taking over from Ross Risvold who held the position for the previous eight years. Jeff Linton began his role as President of the BCMB on July 13, 2015. Jeff came to the BCMB from the Alberta Bottle Depot Association where he was the Executive Director for 16 years.

## 85% RETURN RATE

For the first time, the return rate for beverage containers was very close to 85% – the goal set by the Government of Alberta for the industry. The return rate is based on a rolling average and was almost at the 85% mark at the the end of December 2015. This is a significant achievement and an encouraging indication of Albertans' commitment to recycling.

## CSA BY-LAW AND OPERATING AGREEMENT

The Board of Directors approved the Collection System Agent (CSA) By-law in February 2015, which details the relationship between the BCMB and the CSA. The CSA Operating Agreement was also established. The Agreement further defines the reporting, operational and performance standards for the CSA.

## NEW MYSTERY SHOPPER PROGRAM

On July 2, 2015, the BCMB began contracting a third party to conduct mystery shopping audits for the BCMB. The new program has resulted in a significant increase in the accuracy of audits, as well as improved communication and workflow between the BCMB, mystery shoppers and the depots.

## CITY OF CALGARY ZONING FOR DEPOTS

In late 2014, Calgary's Land Use Bylaw was amended to increase allowable zoning in the City of Calgary for the placement of depots. The changes allow for depots to be placed in newly developing areas, providing more convenient access to a depot for residents.

## VIDEO

The BCMB produced an information video on the beverage container recycling system and our role in regulating the industry. The video can be viewed on our website at [www.bcmb.ab.ca](http://www.bcmb.ab.ca).

## NUMBER OF DEPOTS IN ALBERTA

There are currently 216 Universal Depots and 16 Class D locations in Alberta. In 2015, the Lake Louise Bottle Depot and Fahler Bottle Depot closed while new depots were opened in Oyen (August) and Manning (November).

Three depots in the City of Calgary and two in the City of Edmonton have been conditionally approved. All are in various stages of permitting and development. Requests for applications were also issued for six more permits to be awarded in 2016.

## NEW DIRECTION FOR BUSINESS PLAN

In October 2015, the Board of Directors approved the 2016-2018 Business Plan. The three-year business plan is focused on a renewed collaboration with industry stakeholders and incorporates additional levels of sustainability reporting to provide a better picture of the environmental, social and economic impacts of beverage container recycling.

The new Business Plan format will help increase the alignment of the BCMB's efforts with its goals, from mandate through to measurement. It links what the BCMB does, from its vision through to its staff work plans and key measurements.

## CUSTOMER AND STAKEHOLDER SATISFACTION

Customers and stakeholders both expressed high levels of satisfaction in annual surveys. Depot operators indicated moderate to high satisfaction with BCMB's service. The timeliness of responses, timeliness of Mystery Shopper audit results, the ability to reach BCMB staff and the permit renewal process received ratings between 81% and 90%.

Customers were very satisfied with wait times at depots (6.6 on a scale of 1-7) and refund accuracy (7), the two major factors that contribute to overall satisfaction with the depot experience.

Almost all Albertans surveyed reported recycling their beverage containers in the past six months (97%), while 89% redeemed them for a refund. Of the small percentage of people who did not redeem their containers for a refund, reasons included: recycling (blue bag or blue box programs), leaving for bottle collectors or donating the containers to charity.

## Chair's Report



2015 was a year of exciting changes and a new focus for the Beverage Container Management Board. I was honoured to be appointed Board Chair in February and given the opportunity to help lead that change. Three new Directors joined our Board as well – Nicholas Kissel, Patrica McLeod and Thomas Marr-Laing.

I'd like to thank Director Wenbo Zhang who served a short term on the Board in 2015, and those Directors who retired from the Board for their valuable service and commitment: Ken Teare, Sherman Hanowski and John B. Challinor II. I especially want to acknowledge Ross Risvold, who served as Chair of the Board for eight years. Ross has an unbridled passion for the industry and led many significant initiatives during his terms as Chair and I thank him for his many contributions to the BCMB.

In July, we hired Jeff Linton as the new President of the BCMB. Jeff came to us from the Alberta Bottle Depot Association where he was the Executive Director for 16 years. His experience in the industry will serve the BCMB very well going forward.

The Beverage Container Management Board oversees a complex beverage container recycling system and as that system has continued to grow over the years, our Board has worked hard to embrace that growth and continually seek new ways of doing things. The many positive environmental, financial and societal impacts of beverage container recycling drive our work and have kept Alberta's system on the leading edge in North America.

It has become more and more apparent how crucial collaboration with our stakeholders is to the success of the system. As a result, that is where we placed our emphasis in 2015 – ensuring close collaboration with stakeholders and industry representatives such as the collection system agent (Alberta Beverage Container Recycling Corporation), Collection Service Provider (Alberta Beer Container Corporation),

municipalities, the provincial government and our fellow Designated Administrative Organizations – the Alberta Used Oil Management Association and the Alberta Recycling Management Authority.

This close working relationship has helped us continue to enhance the performance of the beverage container recycling system. The BCMB is the closest it has ever been to achieving the 85% return rate goal set for us by the Government of Alberta. With the rolling return rate very close to the 85% mark at the end of 2015, we are optimistic about exceeding the goal in 2016 and are excited about our plans for the future. We are proud of the work that has been done to achieve the return rate, particularly by Albertans who are recycling their beverage containers in record numbers.

Our renewed collaboration and continued exploration of innovative approaches to managing the beverage container recycling system have led the BCMB to develop a new business plan and mandate for 2016-2018. With a fresh approach and shift in how we report on the success of the system, we are excited to see what 2016 will bring in terms of economic, social and environmental sustainability.

None of our success would be possible without the excellent work and dedication of the BCMB staff – thank you for your ongoing support to the Board. I also commend my fellow Directors and Committee Chairs for their leadership and insight. Most of all I want to thank Albertans for returning their beverage containers to depots. In doing so you not only help protect our environment, you also support your community and those people meaningfully employed at your local depot.

Andrew Stephens  
Board Chair

## President's Report



Joining the Beverage Container Management Board in July 2015 as its new President felt like coming home and somewhat like coming full circle. As the previous Executive Director of the Alberta Bottle Depot Association, it was an exciting and challenging opportunity for me to move from my work representing the depot network to leading the organization that oversees the beverage container recycling system.

The Board of Directors and the staff of the BCMB were incredibly supportive as I took on my new role, as were all of our industry stakeholders. Thank you to all of you for sharing your knowledge and for your willingness to be open to new ideas and fresh approaches as we look to the future of Alberta's beverage container recycling system.

Integration with our key stakeholders and our ongoing collaborative efforts resulted in a number of important achievements in 2015.

By December, we were just shy of our target return rate of 85%. While this is a significant and rewarding accomplishment, we are cautiously optimistic about sustaining and possibly exceeding the 85% return rate into 2016. Many economic and social factors impact the return rate, but it is very encouraging to see a record number of Albertans recycling their beverage containers.

Perhaps even more encouraging is the level of satisfaction Albertans and our stakeholders have with the system and with their depots. We survey our stakeholders and depot customers annually, and the 2015 results (see page 25 for details) indicate high levels of satisfaction with the service received at depots and significant improvements in how depots perceive the support they receive from the BCMB and the CSA.

In 2015, the BCMB approved the new Collection System Agent By-law and CSA Operating Agreement which clearly define the relationship and roles of the BCMB and the CSA (Alberta Beverage Container Recycling Corporation (ABCRC)), as well as a standard of excellence for the parties. We also implemented a new Mystery Shopper Program at depots and worked with the City of Calgary on amendments to their Land Use Bylaw which will make it easier to locate depots where and when they are needed most.

We continue to explore and implement new technology and tools to create efficiencies and improve convenience. This includes counting and sorting equipment, a quality monitoring system and an online container registration database.

If you have not had the chance to see it yet, I strongly encourage you to check out BCMB's video we had produced in 2015 (which can be found on our website). It gives a great overview of the beverage container recycling system in Alberta and our role as the regulator.

I am proud of the work done in 2015 by our dedicated staff and of the commitment from our Board of Directors. The willingness displayed by all to continually evolve our business and strive for excellence is one of the main reasons Alberta's beverage container recycling system is admired across North America.

As we look ahead to 2016 and continue our collaboration with stakeholders, I'm excited to see what great things we will achieve for our industry and how we will further our environmental, fiscal and social sustainability efforts.

Jeff Linton  
President



“The Alberta Recycling Management Authority values the opportunities we have taken, together with the Alberta Used Oil Management Association, to partner with the BCMB on various communications and educational initiatives to benefit Albertans and Alberta businesses.”

**Doug Wright**

CEO, ALBERTA RECYCLING  
MANAGEMENT AUTHORITY



## About the BCMB

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The BCMB is a not-for-profit association formed by representatives of Alberta beverage manufacturers, depots and the public (environmental organizations, municipalities and interested citizens). It is responsible for regulating Alberta's beverage container system. Since its inception on December 1, 1997, the BCMB has worked to ensure that Albertans have access to a convenient, innovative and cost-effective system for recycling and reusing used beverage containers.

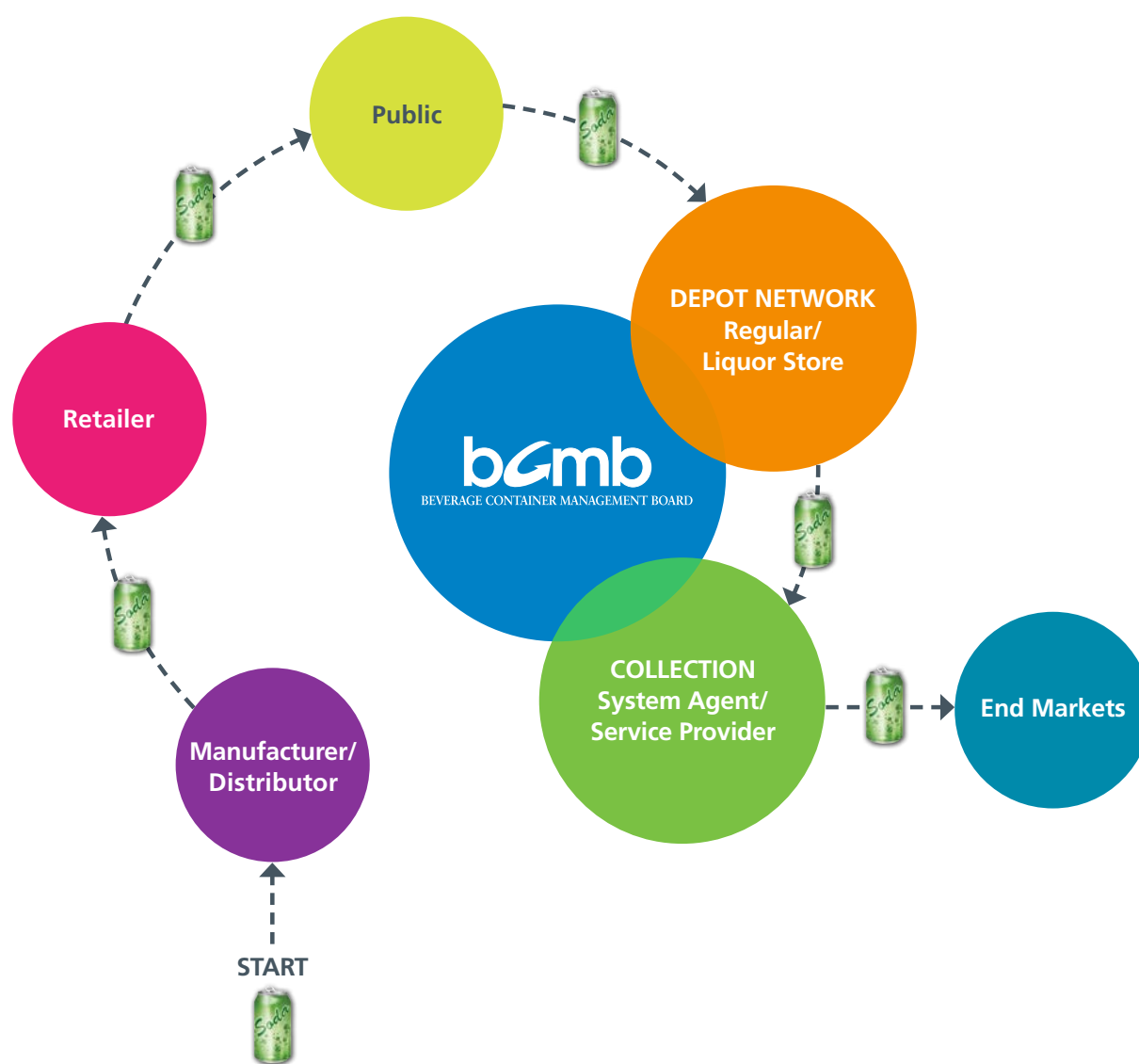
The BCMB leads the development of policy and programs that enable the recycling of beverage containers in Alberta. It is one of several Delegated Administrative Organizations (DAOs) created through legislation to aid Alberta's Ministry of Environment and Parks in achieving its goals and objectives.

The Ministry provides authority to DAOs to carry out specified functions traditionally delivered by the Alberta government and operate as arms-length, self-funded, legal entities. These functions are defined in legislation, regulation and a memorandum of understanding administered by the Ministry.

## BEVERAGE CONTAINER RECYCLING SYSTEM

The following flow chart depicts the movement of beverage containers through the system, from the manufacturer/distributor to end markets where the containers are recycled or reused (glass beer bottles).

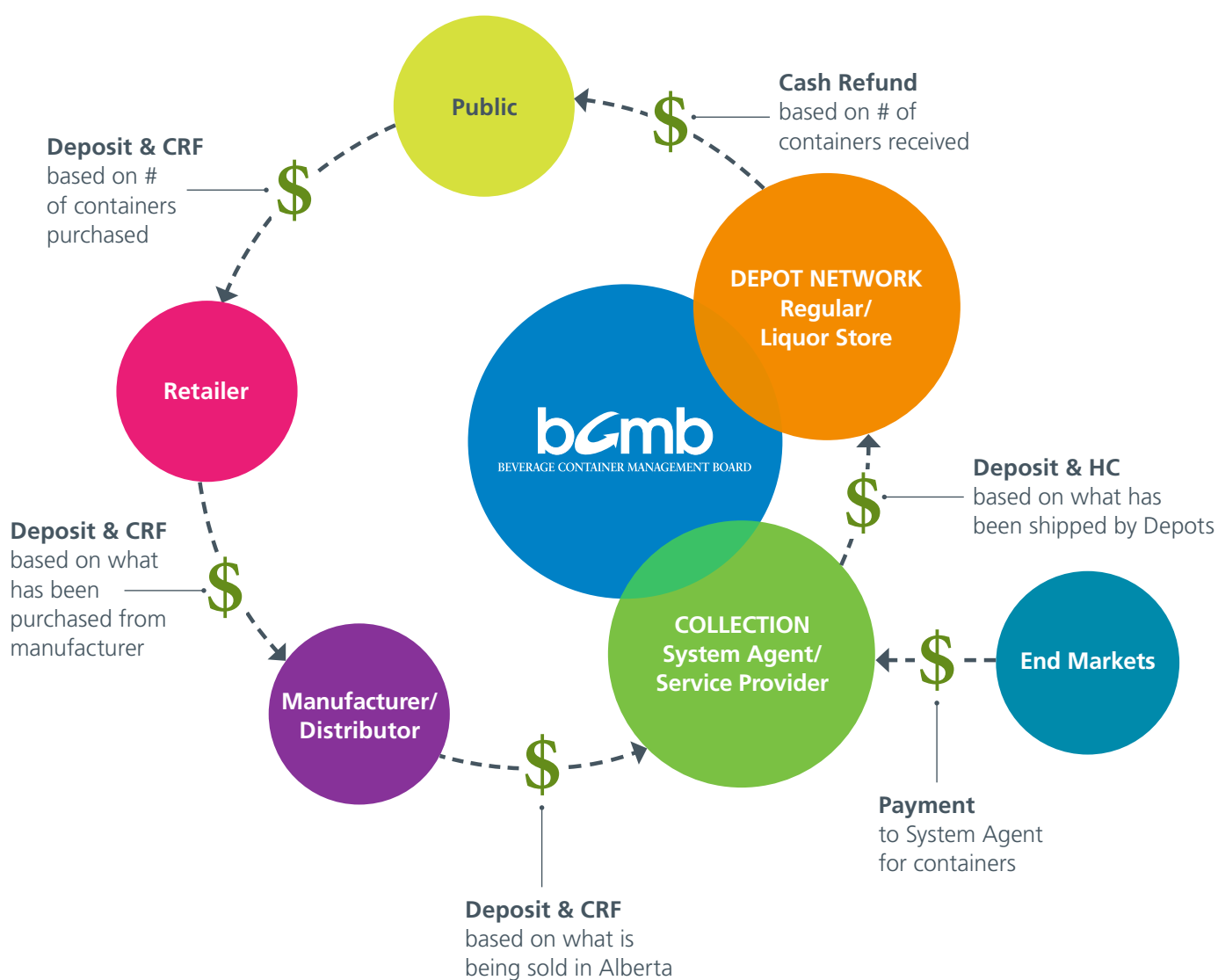
### Beverage Container Flow



## BEVERAGE CONTAINER RECYCLING SYSTEM

The following flow chart depicts cash flow in the beverage container recycling system.

### System Cash Flow (\$)



**Cash Refund/Deposit:** 10¢ (1 litre or less) and 25¢ (over 1 litre) for each container

**Container Recycling Fee (CRF):** Non-refundable – based on type of container

**Handling Commission (HC):** Payment to depot for sorting and handling container

## > ABOUT THE BCMB – Board of Directors, Depot Sector Representatives

### BOARD OF DIRECTORS

The Beverage Container Management Board consists of a 16-member Board of Directors. Membership on the Board is set under the Societies Act By-law and includes representation from a cross-section of stakeholders including: beverage manufacturers, depot operators, hotel and liquor store operators, municipal governments, the provincial government, non-government environmental organizations and the public. Board members each sit for three-year terms and serve on a number of Board committees as well.<sup>1</sup>

### Depot Sector Representatives



**Kulwant Dhillon**

Kulwant Dhillon is an innovative thinker with broad based expertise in operations, finance, business development and government relations. He has been involved in the beverage container recycling industry since 1990 as a depot owner and liquor store operator.

Kulwant established Moneyback Containers in 1990, the Alberta OK Liquor Store chain in 1993, a marketing company involved in importing food/beverages and gift/promotional items, and a Texaco Xpress Lube and Carwash complex. He has a B.Sc. in Mechanical Engineering and previously worked with SNC-Lavalin Inc. as a Team Leader on a Syrian pipeline project. Kulwant is also the Founding Chairperson and President of a community credit union.



**Karim Dossa**

Karim has been involved with the beverage container recycling industry in Alberta since 1986 when he purchased the Beddington Heights Bottle Depot in Calgary, Alberta. He currently serves on the Board of Directors for the BCMB and the Alberta Bottle Depot Association.

Karim has volunteered with various organizations, including the City of Calgary's Parks and Recreation department organizing and implementing youth soccer and volleyball programs. He has also been involved with the Ismaili Volunteer Corps both as a member and in a leadership capacity, and served on the Council of Elders with the Ismaili Muslim Community, planning and executing a number of projects within the community.

*Note: All footnotes can be found on page 44.*



**Thomas Marr-Laing**

Thomas is a principal with a diverse range of businesses including one of the largest depots in Alberta. He provides consulting services to businesses and non-profit organizations in the areas of business and project development, regulatory and legal engagement, fundraising, and project management.

Thomas was Executive Director of the Pembina Institute – Canada's leading environmental policy think-tank and is currently President of the Pembina Foundation. He has served as a Director on the Alberta Recycling Management Board as well as Alberta's Clean Air Strategic Alliance. He has provided leadership to several multi-stakeholder bodies charged with developing policy frameworks to manage environmental issues associated with waste management and air quality/climate change. Thomas holds a degree in Electrical Engineering from the University of Alberta. He is actively involved in community organizations in Red Deer.

**Ivonne Martinez**

Ivonne Martinez is a seasoned government relations and communications professional with over 23 years of experience working with the federal government, the Alberta and British Columbia governments, and the oil and gas industry. She has worked for Cabinet Ministers at both levels of government and spent six years with Nova Corporation and TransCanada Pipelines.

Ivonne is currently the President of the Alberta Liquor Stores Association, a position she has held for the last three years, after returning from working abroad in Dubai, UAE for seven years.

## Manufacturing Sector Representatives

**Brenda Smith**

Brenda Smith has 30 years of experience in the financial services industry with experience ranging from personnel management, training and marketing to actively managing loan and investment portfolios. Her last 10 years in the financial services industry was spent working with a wealth management team at BMO Nesbitt Burns.

Brenda also worked in the oil and gas servicing sector with a U.S. based company before moving to Signature Support Services where she has served for the past eight years as the Business Services Director for Recycle Plus. She oversees the real estate assets of the organization along with providing direction for the two depots in Grande Prairie, Alberta (Plus I and Plus II).

Brenda serves on the Alberta Bottle Depot Association Board of Directors and presently holds the position of President. She also serves on a condominium board and was previously a Board member with the Grande Prairie and District Association for Persons with Developmental Disabilities.

**Neil Antymis, ICD.D, CGA**

Neil Antymis is a Certified Corporate Director and Certified General Accountant. He is currently employed as Director, Government Affairs for PepsiCo Beverages Canada. He serves on the boards of seven environmental stewardship organizations across Canada, including the Beverage Container Management Board, and is a director on the Canadian Beverages Association board where he serves as Treasurer, Audit Committee Chair and Environmental Committee Chair.

Prior to his work in government affairs and environmental stewardship, Neil was the Planning Manager – Western Canada for The Pepsi Bottling Group. In that position, Neil leveraged his skills and experience to develop strategies, action plans and performance management systems in partnership with the senior leadership team in the areas of production, distribution, sales, warehousing, fleet and service. Neil has worked in the Pepsi system for 25 years with an environmental stewardship focus for the past 10 years.

**John B. Challinor II, APR**

John B. Challinor II is the Director of Corporate Affairs for Nestlé Waters Canada and a member of the company's leadership team. He joined Nestlé Waters in June 2008 and is responsible for Nestlé Waters' day-to-day corporate communications and public affairs activities in the Canadian marketplace. John has more than 30 years of corporate communications and marketing experience, having served in executive and senior advertising positions, industry and government affairs, and public relations roles with a number of companies.

John is Chair of the Canadian Beverage Container Recycling Association, President of the Alberta Beverage Council, and a member of the Board of Directors of Encorp Pacific Inc., the Alberta Beverage Container Recycling Corporation and the Beverage Container Management Board. He is also Chair of Environment Committee for the Canadian Bottled Water Association and a member of the Environment Committee, Canadian Beverage Association.

**Nicholas Kissel**

Nicholas Kissel is a Certified Management Accountant and Certified Fraud Examiner. He is currently employed as Manager, Liquor Supply and Distribution at the Alberta Gaming and Liquor Commission (AGLC). Prior to his current role, he has served as Manager, Gaming Revenue in the AGLC's Corporate Services Division and as an Auditor within the AGLC's Compliance and Social Responsibility Division. In addition to serving on the Beverage Container Management Board, he represents the AGLC on the Board of Directors for the Alberta Beverage Container Recycling Corporation and the Alberta Beer Container Corporation.

Prior to joining the AGLC in 2009, Nicholas spent nine years with PriceWaterhouseCoopers LLP's Financial Advisory Services Group focused primarily in the area of Business Interruption Insurance, Business Valuations and Economic Loss Quantification. His work focused primarily on the transportation, oil field services and agribusiness sectors. He holds a Bachelor of Arts (Economics) from the University of Alberta and a Bachelor of Management from the University of Lethbridge.

*Note: Nicholas Kissel was appointed to the Board of Directors in October 2015, replacing former Directors Wenbo Zhang and Sherman Hanowski.*

> ABOUT THE BCMB – Board of Directors, Manufacturing Sector Representatives



**Ian Tott**

Ian Tott is the Vice President of Warehouse and Distribution – Western Canada with Saputo Dairy Products Canada and brings 37 years of experience in the food and beverage industry to the BCMB. During his tenure with Saputo, he has served in many positions, including roles in the company's sales, warehouse and distribution structures.

Ian is presently the Chair of the Alberta Dairy Council, a Director representing the dairy processors on the Alberta Beverage Container Recycling Corporation Board, a Director representing the dairy processors on the BCMB and formerly represented the dairy processors in Manitoba on the Canadian Beverage Container Recycling Association Board.



**Brian Zeiler-Kligman**

Brian Zeiler-Kligman became Canada's National Brewers' inaugural Director of Sustainability in 2011. In this role, Brian drives regulatory and policy initiatives related to industry sustainability, including container recovery and management, across Canada. Brian also works with related companies such as the Beer Store in Ontario and Brewers Distributor Limited in Western Canada to manage and implement logistical, operational and financial aspects of sustainability initiatives.

Previously, Brian held lead policy positions with the Toronto Board of Trade and the Canadian Chamber of Commerce and he practiced in a number of regulatory areas at a large national law firm. Brian is also part-time faculty at York University, teaching international business, with academic publications on international trade, investment and social policy issues.

A member of the Ontario Bar, Brian holds a LL.B. (University of Ottawa), a M.A. (Norman Paterson School of International Affairs) and a B.A. (International Relations – UBC).



## Public Members



**Anne Auriat**

Anne Auriat is currently the Regional Waste Reduction Co-ordinator/Manager for the West Yellowhead Landfill Authority which encompasses the municipalities of Edson, Jasper, Hinton and Yellowhead County. She has been directly involved with the recycling programs in these communities for the past 25 years.

Anne also served as an elected official on the Yellowhead County Council for six years. During that time, she sat on a number of regional committees and boards as both a Chairperson and board member.

In addition to her management duties, Anne is co-owner of an environmental consulting/managing business, Silkstone Environmental Ltd. Anne also volunteers with numerous local non-profit groups. During her tenure as manager, the regional program has received a nomination for an Emerald Award, which recognizes outstanding environmental achievements in Alberta.



**Andre Chabot**

Andre Chabot was elected to his first term on the City of Calgary Council for Ward 10 during a by-election on February 28, 2005.

Andre has a long history of community service. He believes in and promotes strategic growth and infrastructure improvements that complement and support sustainable development for business and residents.

Andre is a City of Calgary representative on the Alberta Urban Municipalities Association (AUMA) and sits on the following AUMA committees: Beverage Container Management Board (BCMB) and BCMB's Return Rate committee; Transmission Facilities Cost Monitoring Committee (TFCMC); Standing Policy Committee on Sustainability and the Environment; Alberta Data Partnership Limited.

Andre also participates on a number of Calgary City Council committees on issues such as: planning and urban development; transportation and transit; gas, power and telecommunications; priorities and finance; legislative governance; and intergovernmental affairs. He is a member of the Inter-Municipal Committee (IMC) for Chestermere and the Calgary Stampede Board.

> ABOUT THE BCMB – Board of Directors, Public Members



**Patrick Kane**  
(Non-voting)

Patrick Kane is a senior manager with Alberta Environment and Parks responsible for the development of waste policy for Alberta. Patrick has played a key role in the establishment of recycling programs for beverage containers, used oil materials, tires, unused paint and paint containers, and Canada's first program for electronics recycling.

His team was awarded the Recycling Council of Alberta "R's of Excellence Award" for government leadership (2005) and for the development of Alberta's Greening Government Strategy (2011), and was the recipient of an Alberta Emerald Award (2007) for the development of provincial waste stewardship programs. The Alberta Emerald Foundation showcases environmental leadership in Alberta, setting an example of environmental excellence for all to follow.

Patrick is a Certified Management Accountant, has a Business Administration Degree from the University of New Brunswick, is a certified Environmental Practitioner (EP) and has obtained the Chartered Director (C.Dir.) designation from The Directors College (a joint venture of McMaster University and The Conference Board of Canada).



**Patricia McLeod, Q.C.**

Patricia McLeod, Q.C., is a lawyer and corporate director with over 20 years of experience in regulated and deregulated companies and private practice law firms. Patricia is proficient in the areas of corporate/commercial, compliance and securities law, corporate governance, privacy, ethics and corporate responsibility.

Patricia has held the roles of General Counsel, Vice President, Corporate Responsibility and Compliance Officer for regulated companies in Alberta. Patricia has an MBA from Queen's University, is a Certified Compliance & Ethics Professional, and a graduate of the Institute of Corporate Directors accredited directors program. She was appointed as Queen's Counsel in January 2014 and to the Alberta Order of Excellence Council in January 2015.

Patricia is a board director for the Calgary Co-op and Chestermere Utilities Inc., and is the current Chair of the board of directors for the YWCA of Calgary and cSPACE Projects Inc. She is also the Vice Chair of the board of directors for Calgary Economic Development and the Calgary Film Centre.

*Note: Patricia McLeod was appointed to the Board of Directors in October 2015, replacing former Director Ken Teare.*

**Elaine Noel-Bentley**

Until her retirement, Elaine Noel-Bentley was employed at Petro-Canada for 20 years, the last 10 years as Senior Director of Total Compensation. Prior to her years at Petro-Canada, she was employed at Great-West Life and the Government of Alberta's Treasury department.

In addition to being a Director on the BCMB, Elaine is currently a board member on the Public Service Pension Board, the Alberta Municipal Services Corporation Board and the APEX Governance Board. She also teaches periodically on pensions and benefits at Humber College and the University of Calgary.

Elaine has a B.A. in Mathematics and an M.A. in English, and is a graduate of the Directors Education Program.

**Andrew Stephens**

Andrew Stephens is a seasoned oil and gas executive with 35+ years of experience with Suncor Energy Inc. and predecessor companies. When Andrew retired from Suncor in 2012, he was Senior Vice-President, Business Services reporting to the CEO and President. In this role, he led Suncor's information, supply chain and field logistics services. As a member of the Executive Team, Stephens also contributed to the strategic leadership of the company.

Andrew began his career in 1977 as a Process Engineer with Gulf Oil Canada at the Port Moody refinery. After joining Petro-Canada as a Project Engineer in 1979, he held senior leadership roles in operating and functional departments in the Upstream, Downstream and Shared Services areas. He was appointed an Officer of Petro-Canada in 1993.

Andrew holds a Bachelor of Applied Science degree in Chemical Engineering from the University of Waterloo. He is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

Andrew has served on the Board and as President of the Youth Science Foundation, and is a past Chair, Honourary Member and Board Member of the Energy Council of Canada. He currently serves as the Chair of Genome Alberta and the Beverage Container Management Board.





“The BCMB’s collaboration with depots helps us be more efficient. Initiatives like the Mystery Shopper Program are very valuable to me as a depot owner because it helps me maintain an excellent operation with high standards which I am very proud of and it builds confidence in our customers that we are providing accurate refunds.”

**Mike Dosanjh**  
OWNER/OPERATOR,  
BOB’S BOTTLE RETURN, CALMAR



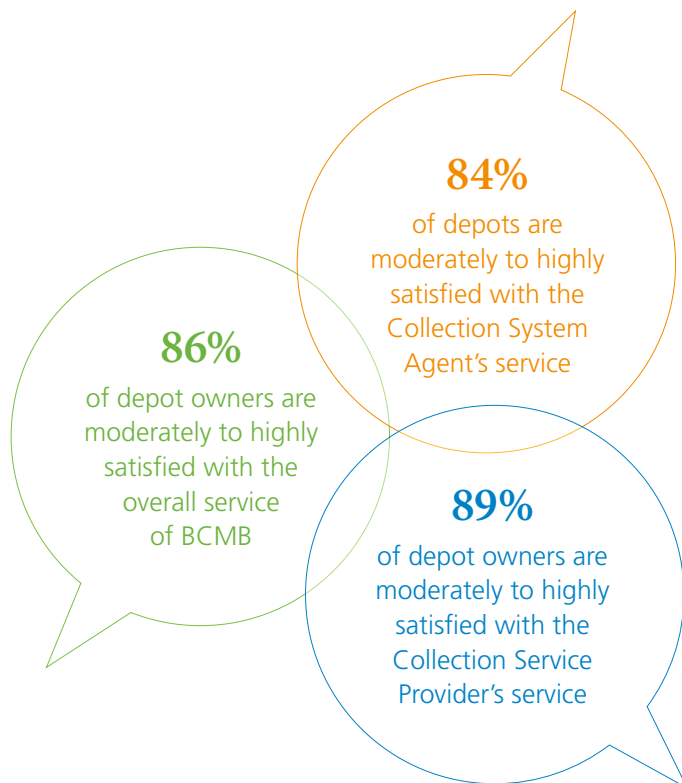
# Listening to the Public and Our Stakeholders

Understanding consumers' recycling habits and opinions of their experience at depots is essential to the Beverage Container Management Board's success. The BCMB also places great value on feedback from our industry stakeholders. Knowing what works well and identifying opportunities for improvement means we are continually evaluating the beverage container recycling system.

The BCMB regularly conducts three surveys:

- Depot Satisfaction Survey
- Depot Exit Interview Survey
- Ipsos Reid Survey of Albertans

Highlights from each survey follow. The full set of survey results can be found on BCMB's website under 'Publications'.



## DEPOT SATISFACTION SURVEY

The Depot Satisfaction Survey measures the performance of the Collection Service Agent (CSA), the Collection Service Provider (CSP) and the regulator (BCMB). The depot network is asked to evaluate all three parties and the services they provide.

In 2015, the BCMB conducted the annual Depot Satisfaction Survey in March and October. Depots completed the March survey at the Regional Meetings and the October survey at the ABDA annual industry conference. The survey was conducted twice to allow for a full year of data and to provide an appropriate timeline between surveys for the CSP and CSA to develop and implement action plans to address any issues.

### Key Findings:

- All specific aspects of service provided by the Collection System Agent, the ABCRC, showed a marginal increase from March to October while overall satisfaction increased significantly (from 62% to 84% moderately to highly satisfied).
- The number of depots moderately or highly satisfied with specific aspects of ABCRC's service, such as the ability to reach staff, the timeliness of payments and communication of payment adjustments, ranged from 75% to 92% in October (up from a range of 58% to 81% in March).
- 86% of the depot operators were at least moderately satisfied with the overall service of the BCMB, while only 14% stated they had low satisfaction.
- Depot operators indicated moderate to high satisfaction with specific aspects of BCMB's service. Services such as the timeliness of responses, the timeliness of Mystery Shopper audit results, the ability to reach BCMB staff and the permit renewal process received scores of between 81% and 90%.
- In October, questions regarding the Collection Service Provider, Alberta Beer Container Corporation (ABCC), were introduced to the survey. Overall satisfaction with ABCC was 89% (moderately to highly satisfied) and the majority of depot operators were at least moderately satisfied in all areas of service (ranging from 80%-97%).

## > LISTENING TO THE PUBLIC AND OUR STAKEHOLDERS

### DEPOT EXIT INTERVIEW SURVEY

Understanding customer perception and behaviours can help the BCMB plan accordingly and determine how to encourage more Albertans to recycle beverage containers. As a result, we have the potential to increase our return rate and keep beverage containers out of the landfills.

The BCMB conducts depot exit interviews with customers annually to gather data on consumer attitudes toward depots and the beverage container recycling system. In 2015, the BCMB expanded the survey beyond Edmonton and Calgary to include urban and rural areas.

#### Key Findings:

- Results for most of the major categories did not change significantly in 2015 from 2014.
- Customers were very satisfied with wait times (6.6 on a scale of 1-7) and refund accuracy (7), the two major factors that contribute to overall satisfaction with the depot experience.
- The average time spent in a depot was nine minutes and average distance travelled to a depot was 8.2 kilometres.
- A notable difference between 2014 and 2015 was the average amount of bags that each customer brought to the depot – between one and two garbage-sized bags in 2014 and between three and six bags in 2015. This could be the result of people visiting the depots less frequently or the change in survey area. In 2014, only metro depots in Calgary were surveyed. In 2015, depots within the City of Edmonton and those outside the urban area were surveyed.
- 31% of respondents said they would use a quick drop-off service, down slightly from 36% in 2014.

#### Customers

were very satisfied  
with wait times and  
refund accuracy

**8.2 km**

the average distance  
travelled to a depot

**3 to 6**

garbage-sized bags  
on average were  
brought to a depot  
by each customer

## IPSOS REID SURVEY

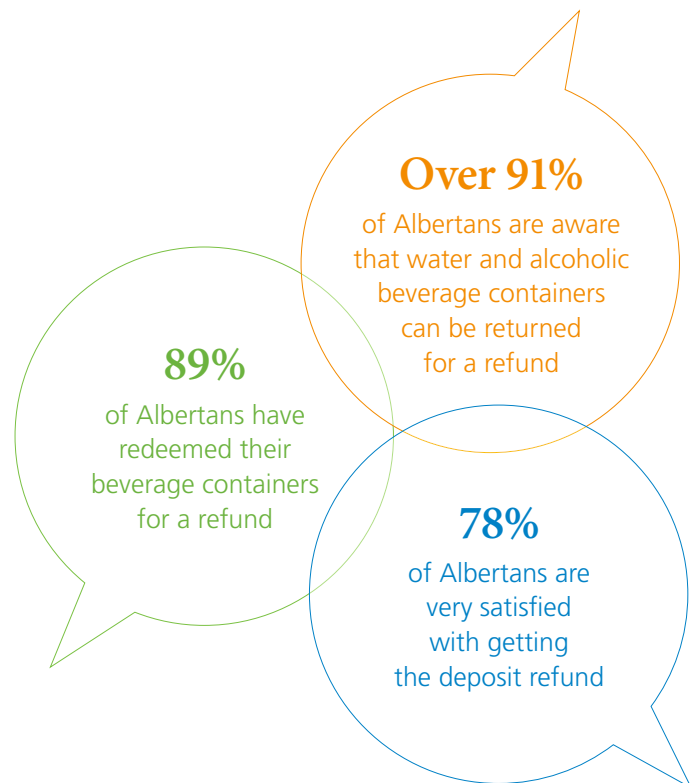
In order for the BCMB to achieve its goal of increasing container recycling return rates, it is important to understand Albertans' attitudes, awareness and engagement related to beverage container recycling within the province.

The BCMB commissioned Ipsos Reid to survey Albertans on beverage container recycling. The survey's purpose is to gain an understanding of how the average Alberta household conducts its recycling of beverage containers and Albertans' opinion on the process. The research assesses: knowledge regarding what can be returned for a refund; current recycling or redemption of beverage containers; satisfaction and importance of various aspects of depots; and, possible ways to increase Albertans' recycling.

### Key Findings:

- Awareness that most types of soft drink and juice containers can be returned for a refund is extremely high (90% or more) – the exceptions being juice cans (58%) and foil juice pouches (50%).
- Awareness that most types of water and alcoholic beverage containers can be returned for a refund is also extremely high (between 91% and 97%, depending on the type of container).
- Awareness that dairy containers can be returned for a refund remains high and has stabilized after significant gains from 2010 to 2013 (70% or higher for most, with the exception of yogurt drinks at 56% and liquid meal replacements at 42%).
- Almost all Albertans report recycling their beverage containers in the past six months (97%), while 89% redeem them for a refund.
- Just over half of Albertans (52%) know the refundable deposit for beverage containers that are one litre or less, while 47% know the deposit for beverage containers more than one litre in size.

- Three-in-ten Albertans – up from 2014 – say they have seen information at retail stores that identifies the refundable deposit on beverage containers.
- Just under half of Albertans (47%) say they were aware that all depots in Alberta are regulated by a central body. 79% say regulation is important or very important to them personally.
- Specific aspects of depots (e.g. location, service, waiting time) are not cited as key barriers to use among non-users or less frequent users.
- The majority of Albertans (78%) are very satisfied with getting the refund of the deposit, convenience of the location (62%), safety of the area in which the depot is located (61%), hours of operation (60%), waiting time (58%) and customer service (57%).







“We have worked with the BCMB and our local depot to make sure our beverage containers are accepted for a refund. For a not-for-profit organization, I am really impressed with BCMB’s great service. It’s wonderful to partner with them to keep Albertans healthy and sustain our environment.”

**Kareem Batal**

GENERAL MANAGER, URBAN ORGANICS  
MARKET, SHERWOOD PARK

## Alignment with Government of Alberta Goals and Objectives

As a Delegated Administrative Organization, the BCMB places specific emphasis on helping Alberta Environment and Parks and the Government of Alberta achieve their waste reduction goals through efforts to increase the return rate for beverage containers.

As identified in Alberta Environment and Sustainable Resource Development's 2015-2020 Business Plan, "Stewardship of the environment requires a collaborative effort by all Albertans, including businesses, non-governmental organizations, communities and individuals."

The BCMB's 2015-2017 Business Plan contains the strategic priorities that ensure continued delivery of its core functions, improved governance and leadership, and an effective partnership between depots and manufacturers. Our 2015 Annual Report allows us to report back on our progress in that respect.

Under the newly elected provincial government, the new Ministry of Environment and Parks was formed in the spring of 2015. Its 2015-2018 Business Plan reiterates the importance of collaboration. One of the plan's desired outcomes is the health and integrity of the environment and ecosystem. "Protection and conservation of Alberta's air, water, land and biodiversity requires productive relationships that include all Albertans." To this end, the business plan includes a performance measure of the number of kilograms of municipal solid waste per capita ending up in landfills. In alignment with this measure and to reduce the number of beverage containers in landfills, the BCMB's vision is *to be the leader in stewarding beverage containers to minimize their impact on the environment.*

A second desired outcome for Alberta Environment and Parks is sustainable economic diversification. The BCMB understands the importance of balancing efforts to steward beverage containers with sustainable practices that reach every community in Alberta. The BCMB's extensive depot network has important social and economic impacts, providing jobs, infrastructure and community support.



A man wearing a white hard hat, safety glasses, and large green earplugs is focused on his work. He is wearing a grey t-shirt and dark blue overalls with a yellow reflective stripe. He holds a handheld metal detector in his right hand and a small white card in his left. He is surrounded by a massive pile of crushed and sorted beverage containers, including aluminum cans and plastic bottles, in various colors like silver, green, and red. The background is a dense wall of this recycled material.

“Industry collaboration offers the best opportunity to strengthen the effectiveness and efficiency of the beverage container recycling system. Together, we will continue to improve the system by focusing on the environmental, economic and social benefits of recycling for all Albertans.”

**Guy West**  
PRESIDENT, ABCRC



# A New Approach to Business Planning and Reporting

In the fall of 2015, the BCMB's business planning process for 2016-2018 involved our partner organizations for the first time and has resulted in a new approach going forward that is further focused on collaboration and measuring sustainability.

With the BCMB's shift to sustainability reporting and ensuring alignment of our goals, objectives, core business functions and strategic activities in the 2016-2018 Business Plan, we are able to better support the priority placed by the Alberta government on policies, programs, services, strategies and performance measures related to sustainable environmental management.

While this Annual Report highlights achievements from 2015 and reports on our progress in meeting our goals and objectives from the 2015-2017 Business Plan, it also incorporates aspects of the new 2016-2018 Business Plan. The BCMB's new approach to business planning began in late 2015.

## VISION

The BCMB's vision is to be **the leader in stewarding beverage containers to minimize their impact on the environment.**

The vision anticipates that we value:

- higher return rates;
- accessible, quality, convenient and safe service from depots; and
- secure, cost effective container collection, processing and recycling.

## MANDATE

The BCMB carries out its delegated authority, as established by the Government of Alberta, **to regulate and enhance a leading beverage container system that protects Alberta's environment.**

The mandate expects that the BCMB will also value:

- greater awareness and public participation;
- strong alignment among system stakeholders;
- innovation and technology driven efficiency;
- consistent, fair and firm enforcement of meaningful standards for manufacturers, retailers, depots, collection service providers and the collection system agent; and
- financial transparency.

## VALUE STATEMENTS

- **We value higher return rates.** Our efforts will focus on the highest possible return of containers, while minimizing the impact of the system on the environment.
- **We value accessible, quality, convenient and safe service from depots.** Customers should have a barrier free experience when supporting the environment by returning their beverage containers to a depot.
- **We value secure, cost effective container collection, processing and recycling.** We will effectively regulate and steward the system from registration of beverage containers through to end of life.
- **We value greater awareness and public participation.** We will educate retailers on the necessity of advertising the deposit, inform consumers on the environmental and economic benefits of recycling beverage containers and encourage participation regardless of where beverages are consumed.
- **We value strong alignment among system stakeholders.** A collaborative industry with open communication that works from a common framework will be better prepared to succeed.
- **We value innovation and technology driven efficiency.** Our industry will remain responsive to opportunities to advance the effectiveness of our system.
- **We value consistent, fair and firm enforcement of meaningful standards for manufacturers, retailers, depots, CSPs and the CSA.** Our practices will foster adherence to these standards.
- **We value financial transparency.** As the regulator of the beverage container system in Alberta we will be responsible stewards of the monies managed by the system on behalf of Albertans. All of our stakeholders will be appropriately informed of the financial transactions involved in the Regulation.

## GOALS

Four goals for the BCMB are outlined in the 2015-2017 Business Plan. The 'Measuring our Performance' section of this Annual Report highlights the progress made on these four goals in 2015:

- 1. Reduce environmental impact**
- 2. Cost effectiveness and accountability**
- 3. Provide governance that meets expectations for fairness, quality and accessibility**
- 4. Involve, inform and satisfy stakeholders/customers**

The 2016-2018 Business Plan contains five goals that now guide the work of the BCMB. Our vision and mandate are achieved through these interconnected goals for Alberta's beverage container system:

1. Environmental Protection
2. Fiscal Stewardship
3. Governance Excellence
4. Customer Excellence
5. System Efficiency and Effectiveness

In collaboration with the ABCRC and ABDA, the BCMB is focused on environmental protection, system accountability, and quality service to the public. Collectively, we have agreed to pursue these goals and work together to enhance Alberta's beverage container system.

## CORE BUSINESS FUNCTIONS & STRATEGIC ACTIVITIES

The BCMB has several core business functions that are designed to focus the day to day efforts of the Board, Management, and staff on advancing the goals and objectives of the organization. These core business functions tend to be medium to long term activities.

To support the BCMB goals, objectives and core business functions, strategic activities have been identified. These strategies are generally short to medium term and a continuation of projects from the previous business plan and BCMB staff operations. They tend to support key objectives and have an information, communication and reporting focus.

The strategic activities and associated projects will be reported on in the 2016 Annual Report.

A close-up photograph of a person's hand with red-painted nails holding a white receipt. The receipt is being held in front of a blue recycling machine. The machine has a sign that says "Scan Ticket Here" and "Face the bar code towards the light". A red light is visible on the machine. The receipt has a barcode and some text, including "Amount due" and "Returns".

“Close collaboration with industry partners such as the BCMB enables depots to innovate and improve continuously – providing ever better service to Albertans who in turn make increasing use of depots. More Albertans using depots maximizes the amount of beverage containers redeemed for recycling – keeping valuable resources out of landfills and preventing environmental harm.”

**Trevor Nickel**  
PRESIDENT, ALBERTA BOTTLE  
DEPOT ASSOCIATION





“Depots are important members of the communities they serve. In addition to the environmental benefits of recycling, they provide employment for people in the community and valuable support to their local organizations and charities.”

**Jeff Linton**  
PRESIDENT, BCMB



# Measuring Our Performance

The key outcome of beverage container recycling is the minimization of waste through the reuse and recycling of beverage containers.

With the transition to the new 2016-2018 Business Plan, a number of performance measures from the 2015-2017 Business Plan are no longer relevant. New measures are currently being developed to align with the new Business Plan. With that in mind, the BCMB is reporting on the 2015 performance measures it has results for and the progress made on those measures.



## GOAL 1 Reduce Environmental Impact

### OBJECTIVES

#### Minimize Impact

Minimize the environmental impact of beverage containers through reuse and recycling

#### Sustainability

Improve sustainability of beverage container system

#### Reduce Footprint

Reduce environmental footprint of the system

The BCMB recognizes the importance of protecting and enhancing Alberta's environment through sustainable practices. We will reduce the impact of beverage containers on the environment by minimizing the number of beverage containers discarded as litter, diverting beverage containers from the waste stream, enabling the reuse of containers and protecting and ensuring the use of recycled container materials.

### PROGRESS IN 2015

- The rolling return rate for 2015 was very close to the Government of Alberta's goal for the system – 85%. The BCMB is monitoring the rate into 2016 to see if the rate will exceed 85%.
- While depots in Lake Louise and Fahler closed in 2015, two new depots were opened in Oyen (August) and Manning (November). The number of depots in Alberta remains at 216.
- The BCMB conducted further Alberta waste audits and Material Recovery Facility audits in Edmonton that focused on multi-family, industrial, commercial and institutional waste, and blue box/bag recycling streams and provided knowledge that supports targeted beverage container recycling initiatives.

> MEASURING OUR PERFORMANCE: Goal 1 – Environmental Protection

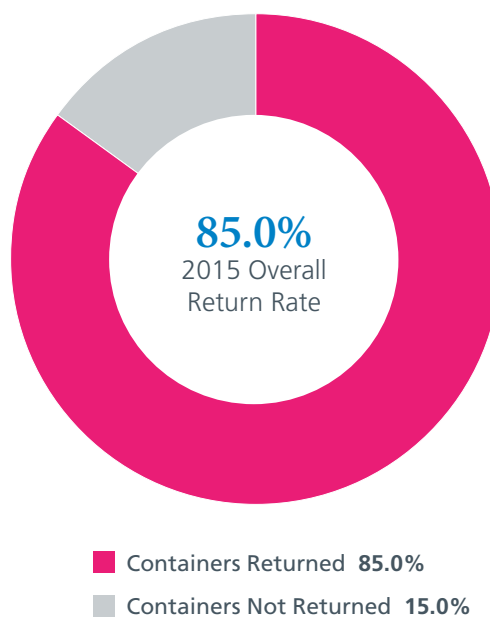
## PERFORMANCE MEASURES

### Objective: Environmental Impact

Performance Measure and Objective	2014 Target	2014 Actual	2015 Target	2015 Actual
Objective: Program Environmental Footprint				
Environmental benefit resulting from recycling activities – CO <sub>2</sub> equivalent <sup>2</sup>	n/a	n/a	n/a	193.7 million tonnes

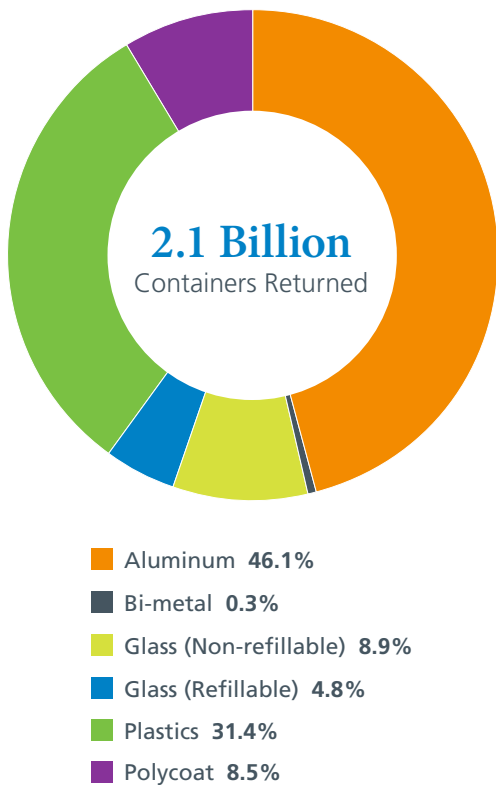
### Overall Return Rate (%)

2011	83.5%
2012	82.3%
2013	82.3%
2014	83.4%

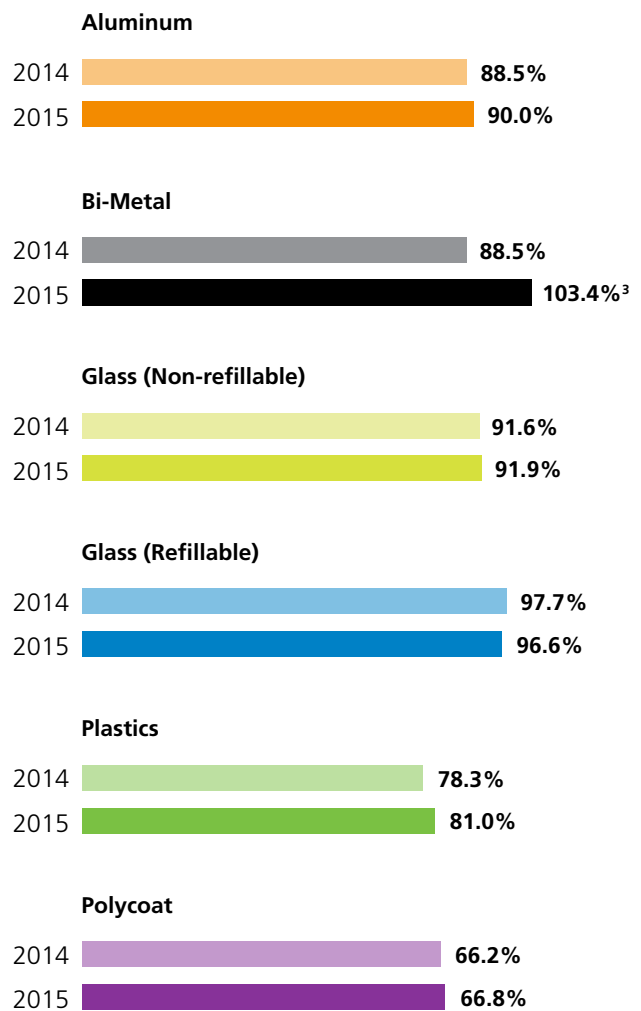


Note: All footnotes can be found on page 44.

Total Number of Containers Returned to Depots in 2015 by Container Type (%)



Return Rate by Container Type (%)



Note: All footnotes can be found on page 44.



## GOAL 2 Fiscal Stewardship

### OBJECTIVES

#### Accountability

Introduce accountability measures to minimize system risk

#### Reporting

Report clearly on the achievement of our mandate and government expectations

#### Transparency

Maintain full transparency regarding operations and financing

The BCMB accepts the challenge as a leading steward to act fiscally responsible. Through sound risk management, clear reporting, and full transparency and accountability, we will seek to minimize risk and cost to the system and engage partners through sound communication.

### PROGRESS IN 2015

- A truck-based compaction pilot ran in 2015, ending in December. The next step is the development of a compaction strategy for the industry.
- In-Depot Compaction Agreements were signed with nine depots in 2015.
- A new CSA By-law was approved and CSA Operating Agreement established by the BCMB's Board of Directors in February 2015 to clearly define the relationship between the BCMB and the CSA (ABCRC) and to detail the reporting, operational and performance requirements for the CSA.
- The annual Depot Satisfaction Survey was conducted twice in 2015 – at the 2015 Regional Meetings in March and at the 2015 ABDA Annual Industry Conference in October. Going forward, the survey will be conducted in October to allow for accountability to be discussed prior to high volume season for depots.
- The BCMB continued to work with ABDA to explore the feasibility of quick-drop service.
- Phase II of the evaluation of the Anker Anderson counting and sorting equipment was completed in 2015. The technology was found to be financially viable for depots and the results of the evaluation were shared at the annual depot industry conference in October. There are currently three depots in Alberta using the equipment – North Refund Centre in Edmonton, St. Albert Bottle Refund Centre and Plus II in Grande Prairie.
- All depots and stakeholders began using the quality monitoring and issue tracking and management system in March 2015. The new system is working well and a 1-800 phone number is operational to provide support to users.
- Depot eLearning, an online training tool, was completed and launched in late 2015 for depot owners. Modules will help staff learn how to use industry programs and understand roles and responsibilities.

## PERFORMANCE MEASURES

Performance Measures and Objective <sup>4</sup>	2014 Target	2014 Actual	2015 Target	2015 Actual
Objective: Cost Effectiveness and Efficiency				
Net system cost per unit recovered <sup>5</sup>	\$0.0232	\$0.0228	\$0.0229	\$0.0280
Net cost by container type				
• Aluminum	\$0.0075	\$0.0030	\$0.0057	\$0.0058
• Bi-Metal	\$0.0467	\$0.0584	\$0.0502	\$0.0784
• Glass <sup>6</sup>	\$0.0718	\$0.0867	\$0.0742	\$0.0862
• Plastics	\$0.0323	\$0.0335	\$0.0318	\$0.0438
• Polycoat	\$0.0246	\$0.0236	\$0.0281	\$0.0276
Achievement of BCMB budget objective <sup>7</sup>	Budget met	Budget met	Budget met	Budget met
System financial reporting requirements met (CSA, depot annual and financial reports)	Complete	Complete	Complete	Complete
BCMB financial reporting requirements met (quarterly/annual report, business plan)	Complete	Complete	Complete	Complete

Note: All footnotes can be found on page 44.





## GOAL 3 Governance Excellence

### OBJECTIVES

#### Compliance

Achieve a high degree of compliance with operating and reporting requirements

#### Integration & Alignment

Ensure a high level of integration and alignment with by-laws, policies, and operations

#### Communication

Deliver timely, clear and effective communication

#### System Integrity

Ensure stakeholder trust through system integrity

The BCMB is committed to effective oversight of all aspects of the life cycle of beverage containers in Alberta, from registration of new containers through to end of life. Through the development of a management system framework, we will implement a standard of excellence and ensure performance measures deliver outcomes consistent with this standard by all stakeholders.

### PROGRESS IN 2015

- A judicial review by the Court of Queen's Bench has upheld the 2014 Handling Commission process approved by the Board of Directors in June 2014.
- The Handling Commission Review Committee continued its work with stakeholders and the Board in preparation for the next review which begins in 2016.
- The BCMB continued its work with the City of Calgary to implement new changes to the Land Use Bylaw for beverage container depots, making it easier to site and operate a depot in the City of Calgary.
- A new information video developed by the BCMB in 2015 will be used to help educate stakeholders such as municipalities about the beverage container recycling system and its importance to Alberta.
- The new registration database reached the last phase of development at the end of 2015. The database is being streamlined to allow for quick and accurate searches for containers and enhance communication between the BCMB, AGLC and ABCRC. Once complete, the database will be available to depots and the public via the BCMB website.
- The BCMB is working on a new Beverage Container Registration By-law that will help clearly identify the process and requirements for registration of all beverage containers in Alberta, with consideration for end-use/recyclability.
- External depot signs with the "DEPOT it's worth it" logo are required by all depots and part of the depot inspection process. All depots currently have the sign posted on the exterior of their building.

## PERFORMANCE MEASURES

Performance Measures and Objectives <sup>8</sup>	2014 Target	2014 Actual	2015 Target	2015 Actual
<b>Objective: Quality of Service</b>				
Progress on business plan goals and targets	Goals achieved	Goals achieved	Goals achieved	Goals achieved
Number of consumer depot service complaints	< 150	123	< 150	118
Average number of depot inspections per depot	2	1.3	1.7	1.8
Number of retail locations inspected	150	150	150	183
Number of mystery shopper audits	400	280	400	220
<b>Objective: Compliance</b>				
Compliance rating (% of depots scoring 80% or higher on depot inspections)	70%	55%	70%	78%
Compliance rating (from retail inspections, % of retail locations inspected that meet requirements) <sup>9</sup>	60%	55%	70%	78%
<b>Objective: Accessibility of Service</b>				
Average travel time to a depot (from consumer survey)	<ul style="list-style-type: none"> <li>• 50% &lt; 10 min.</li> <li>• 35% = 11-20 min.</li> </ul>	<ul style="list-style-type: none"> <li>• 51% &lt; 10 min.</li> <li>• 34% = 11-20 min.</li> </ul>	<ul style="list-style-type: none"> <li>• 51% &lt; 10 min.</li> <li>• 35% = 11-20 min.</li> </ul>	<ul style="list-style-type: none"> <li>• 49% &lt; 10 min.<sup>10</sup></li> <li>• 35% = 11-20 min.</li> </ul>
Number of depots in Alberta <sup>11</sup>	216	216	216	216

Note: All footnotes can be found on page 44.



## GOAL 4

### Involve, Inform and Satisfy Stakeholders/Customers

#### OBJECTIVES

##### Satisfies

Deliver a system that satisfies stakeholder expectations

##### Quality

Ensure quality service to the public

##### Awareness

Achieve widespread awareness of the importance of the system

##### Accessible

Deliver a beverage container management system that is accessible

The BCMB understands the importance that continuous improvement has relative to customer satisfaction and the achievement of our other goals. We will have clear expectations of, and hold ourselves accountable to, high levels of quality assurance for all stakeholders involved, in all areas of service delivery.

#### PROGRESS IN 2015

- The BCMB commissioned the Ipsos Reid annual public survey regarding beverage container recycling performance and experience with Alberta depots.
- The BCMB conducts depot exit interviews with customers annually to gather data on consumer attitudes toward depots and the beverage container recycling system. In 2015, the BCMB expanded the survey beyond Edmonton and Calgary to other depots as well.
- The BCMB also conducted its annual Depot Satisfaction Survey in 2015. The survey measures the performance of the Collection Service Agent (CSA), the Collection Service Provider (CSP) and the regulator (BCMB). The depot network is asked to evaluate all three parties on the services they provide. The BCMB, ABCRC and ABCC then provide action plans to depots based on the survey results.
- The BCMB continued to refine its website to increase ease of use and quality of information available to the public, manufacturers and depots.
- The BCMB continued to work with two other Delegated Administrative Organizations – Alberta Used Oil Management Association and Alberta Recycling Management Authority – on best operating practices and on communications and marketing initiatives to better reach and inform key stakeholders and the public about recycling. This included a joint advertisement during Environment Week 2015 to congratulate Albertans on their successful recycling activities and a celebration of outstanding performers at the annual recycling conference.

## PERFORMANCE MEASURES

Performance Measures and Objectives	2014 Target	2014 Actual	2015 Target	2015 Actual
<b>Objective: Public Participation</b>				
Participation rate	94%	91%	94%	89% <sup>12</sup>
Number of school and special programs <sup>13</sup>	450	523	600	610
<b>Objective: Public Awareness</b>				
Individuals aware of program	97%	97%	97%	97% <sup>14</sup>
Number of public awareness events held <sup>15</sup>	200	222	200	347
Dollars spent on awareness activities <sup>16</sup>	\$0.85 million	\$3.1 million	\$1.0 million	\$2.3 million
<b>Objective: Public Satisfaction</b>				
Overall public satisfaction rating <sup>17</sup>	83%	79%	83%	79%
• Convenience	84%	83%	84%	83%
• Pleasantness	82%	76%	82%	76%
<b>Objective: Stakeholder Satisfaction</b>				
Depots (overall satisfaction with CSA) <sup>18</sup>	94% moderately to highly satisfied	95% moderately to highly satisfied	95% moderately to highly satisfied	84% moderately to highly satisfied
Depots (overall satisfaction with BCMB) <sup>19</sup>	n/a	87% moderately to highly satisfied	90% moderately to highly satisfied	86% moderately to highly satisfied
Industry <sup>20</sup>	n/a	n/a	n/a	86% moderately to highly satisfied

Note: All footnotes can be found on page 44.



## References

<sup>1</sup> A list of Board committees and the members serving on each can be found on page 54 in the financial statements.

<sup>2</sup> The environmental impact of beverage container recycling is now being measured in carbon dioxide emissions.

<sup>3</sup> Return rates can fluctuate significantly in material streams with lower volumes. Declining sales and increased returns impacted bi-metal in 2015.

<sup>4</sup> The 2014 and 2015 actuals are based on the ABCRC's 2014 and 2015 Sustainability Reports.

<sup>5</sup> Actual costs will be sensitive to changes in key assumptions. These need to be considered when reading or using the targets:

- Financial inputs (costs and revenue) may change with inflation or deflation;
- A change in the return rate of any material stream can impact the available revenue of unredeemed deposits;
- Commodity prices reflect global markets and are affected by a wide range of variables, including currency exchange rates.

<sup>6</sup> This category does not include refillable glass beer bottles. The costs associated with the collection of these beverage containers are fully incorporated into the consumer cost of the product. The Alberta Beer Container Corporation, which is responsible for the collection of these refillable glass bottles, also distributes full cases of beer as part of its operations. This business model means that operational costs are not solely attributable to either distribution or collection.

<sup>7</sup> The BCMB budgeted for financial deficits for the years 2014 to 2017. For 2014 and 2015, the deficits were lower than what was budgeted.

<sup>8</sup> The 2015-2017 Business Plan contained measures related to compliance ratings for the CSA and the BCMB's regulatory requirements (both were under development), as well as a measure for the number of bins outside depots. These measures are not being used going forward so have not been reported on for 2015.

<sup>9</sup> In 2015, Compliance staff completed 183 retail inspections. In 2014, BCMB targeted 'problem' retail locations which resulted in lower compliance achievement initially. The improvement in the 2015 results was due to a more broad inspection focus.

<sup>10</sup> According to the Ipsos Reid survey, half (49%) of respondents indicated it takes 10 minutes or less to get to the depot they use most often.

<sup>11</sup> Includes only universal depots. There are currently 16 Class D permits (liquor stores that have been permitted to refund customers for refillable beer containers). In 2015, two depots closed while two new depots were opened. Five depots have had permits conditionally approved.

<sup>12</sup> In the Ipsos Reid survey, 97% of Albertans indicated they recycled their beverage containers, while 89% returned those containers to a depot.

<sup>13</sup> Includes the number of schools and partners involved in ABCRC's Community Champions Program and does not include individual depot events. This measure is currently under review.

<sup>14</sup> 97% of the Ipsos Reid survey respondents report that they have recycled beverage containers in the past six months.

<sup>15</sup> Includes only the ABCRC Go Green Team events, not individual depot events. Public awareness events will not be reported after 2015. New measures are being developed for public awareness and system accessibility.

<sup>16</sup> Includes ABCRC and BCMB expenditures on awareness and related programs. Dollars spent on public awareness activities will not be measured after 2015, but will be reported on and monitored throughout the CSA Operating Agreement.

<sup>17</sup> As reported in the Ipsos Reid public survey.

<sup>18</sup> 2015 Depot Satisfaction Survey Results: percentage of respondents that score satisfaction as a 4, 5, 6, or 7 on a scale of 1 to 7. The October 2015 survey results of 84% were up significantly from 62% in March 2015.

<sup>19</sup> Included in the depot satisfaction surveys at the 2015 Regional Meetings and ABDA Annual Conference.

<sup>20</sup> This measure is an average of the ratings in the Depot Satisfaction Survey for BCMB, the Collection System Agent and the Collection System Provider. The measure will not be used after 2015.



“Deposit-return systems are critical to the Canadian beer industry being able to use a refillable glass bottle. All of the players in the Alberta beverage container management system want to ensure a high-performing and cost-effective system for Alberta consumers; collaboration is key to achieving this.”

**Brian Zeiler-Kligman**  
VICE-PRESIDENT, SUSTAINABILITY  
CANADA'S NATIONAL BREWERS





PricewaterhouseCoopers LLP  
Edmonton

# Independent Auditor's Report

April 28, 2016

To the Directors of  
Beverage Container Management Board

We have audited the accompanying financial statements of Beverage Container Management Board, which comprise the balance sheet as at December 31, 2015 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Beverage Container Management Board as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

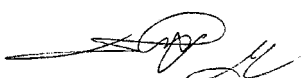
# Balance Sheet

As at December 31, 2015

	2015	2014
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 1,522,479	\$ 2,432,658
Accounts receivable	31,041	37,563
Prepaid expenses and advance	23,515	58,356
	1,577,035	2,528,577
<b>Investment</b>	288,242	284,450
<b>Restricted cash</b> (note 9)	1,573,744	1,193,379
<b>Property and equipment</b> (note 3)	40,528	53,633
	3,479,549	4,060,039
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	236,399	209,649
<b>Net Assets</b>		
<b>Unrestricted</b>	1,669,406	2,657,011
<b>Restricted</b> (note 8)	1,573,744	1,193,379
	3,243,150	3,850,390
	3,479,549	4,060,039

Approved by the Board of Directors

Director 

Director 

The accompanying notes are an integral part of these financial statements.

## Statement of Changes in Net Assets

For the year ended December 31, 2015

	2015			2014
	Restricted	Unrestricted	Total	Total
<b>Balance – Beginning of year</b>	\$ 1,193,379	\$ 2,657,011	\$ 3,850,390	\$ 4,092,673
Transfer	367,292	(367,292)	–	–
Excess of revenues over expenditures (expenditures over revenues) for the year	13,073	(620,313)	(607,240)	(242,283)
<b>Balance – End of year</b>	<b>1,573,744</b>	<b>1,669,406</b>	<b>3,243,150</b>	<b>3,850,390</b>

The accompanying notes are an integral part of these financial statements.



# Statement of Revenues and Expenditures

For the year ended December 31, 2015

	<b>2015</b>		2014
	Actual	Budget	Actual
	(Unaudited)		
<b>Revenues</b>			
Container fees	\$ 2,308,319	\$ 2,345,205	\$ 2,272,164
Depot fees	58,860	60,000	59,150
Product registration fees	51,833	42,500	42,189
Interest and other	37,174	36,000	44,900
	2,456,186	2,483,705	2,418,403
<b>Operating expenditures</b>			
Salaries and benefits	1,312,941	1,052,948	928,177
Professional fees	443,947	315,500	462,643
Office	194,483	210,000	177,944
Board of Directors' honoraria and expenses (note 6)	161,080	225,000	190,036
Travel	103,925	94,000	70,311
Communications	78,588	110,000	87,697
Depreciation	33,699	36,000	35,398
Information system maintenance	32,170	36,000	12,570
Training and development	23,448	35,000	19,873
Regional meeting	19,821	15,500	–
HR review	14,900	–	–
Insurance and licences	13,724	18,000	14,199
Mystery shopper	13,697	100,000	77,521
Miscellaneous	4,548	5,000	3,900
Loss on disposition of assets	1,359	–	1,753
	2,452,330	2,252,948	2,082,022
Project expenditures	611,096	1,060,000	578,664
Excess of expenditures over revenues for the year	(607,240)	(829,243)	(242,283)

The accompanying notes are an integral part of these financial statements.

# Statement of Cash Flows

For the year ended December 31, 2015

	2015	2014
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of expenditures over revenues for the year	\$ (607,240)	\$ (242,283)
Items not affecting cash		
Depreciation	33,699	35,398
Loss on disposition of assets	1,359	1,753
	(572,182)	(205,132)
Net change in non-cash working capital items	68,112	43,766
	(504,070)	(161,366)
<b>Investing activities</b>		
Purchase of property and equipment	(21,953)	(3,238)
Increase in investment	(3,792)	(3,931)
Increase in restricted cash	(380,364)	(39,916)
	(406,109)	(47,085)
<b>Decrease in cash during the year</b>	(910,179)	(208,451)
<b>Cash – Beginning of year</b>	2,432,658	2,641,109
<b>Cash – End of year</b>	1,522,479	2,432,658
<b>Supplementary information</b>		
Interest received	36,907	30,982

The accompanying notes are an integral part of these financial statements.

# Notes to the Financial Statements

As at December 31, 2015

## NOTE 1 NATURE OF OPERATIONS

The Beverage Container Management Board (the Board) was incorporated under the Societies Act of the Province of Alberta on October 9, 1997. As a not-for-profit organization, no provision for corporate income taxes has been provided in these financial statements, pursuant to Section 149(1)(l) of the Income Tax Act. Pursuant to the Beverage Container Recycling Regulation, Alberta Regulation 101/97, the Board has been delegated responsibility to administer the regulation and supervision of the beverage container management system in the Province of Alberta.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses is dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### Revenue recognition

Container fees represent a levy charged for each registered beverage container recycled in the Province of Alberta and are recorded when the Board receives a notice or agency statement from the ABCRC or BDL acknowledging collection of the containers. Product registration and depot fees are recorded as the related service is performed.

### Property and equipment

Property and equipment are recorded at cost. Depreciation on these assets is provided for using the straight-line method as follows:

Office equipment	5 years
Leasehold improvements	10 years
Computer equipment and accessories	4 years
Computer software	4 years
Furniture and fixtures	5 years

### Investments

Investments are recorded at fair value with any changes in fair value recorded in the statement of revenues and expenditures. As at December 31, 2015, the investments consisted of guaranteed investment certificates that mature in 2016 and 2017 and earn interest between 1.55% and 1.63%. (2014 – guaranteed investment certificates that mature in 2015 and earn interest at 1.3%)

### Financial instruments

The Board records cash, restricted cash, accounts receivable and accounts payable and accrued liabilities at amortized cost. Investments are recorded at fair value. Any changes in value are recorded in the statement of revenues and expenses.

Financial assets are tested for impairment at the end of each reporting period when there are indications the assets may be impaired.

# Notes to the Financial Statements

As at December 31, 2015

## NOTE 3 PROPERTY AND EQUIPMENT

	2015			2014
	Cost	Accumulated amortization	Net	Net
Office equipment	\$ 11,260	\$ 7,653	\$ 3,607	\$ 1,642
Leasehold improvements	9,950	4,174	5,776	6,771
Computer equipment and accessories	125,953	104,895	21,058	28,759
Computer software	21,269	19,426	1,843	3,791
Furniture and fixtures	85,398	77,154	8,244	12,670
	253,830	213,302	40,528	53,633

## NOTE 4 COMMITMENTS

Under the terms of operating lease agreements, the Board is required to make the following annual payments:

2016	\$ 91,598
2017	77,808
2018	74,960
2019	69,339
2020	68,706
Thereafter	62,787

## NOTE 5 FINANCIAL INSTRUMENTS

### Credit risk

The Board's exposure to credit risk is indicated by the carrying value of its accounts receivable. The Board's receivables are from long-standing organizations and management believes credit risk to be low.

### Fair values

The carrying value of cash and restricted cash, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the relatively short-term maturities or nature of these instruments.

# Notes to the Financial Statements

As at December 31, 2015

## NOTE 6 BOARD MEMBER AND MANAGEMENT REMUNERATION

Board members earn payments in the form of honoraria, including compensation for travel time, which have been recorded as expenses in these financial statements as detailed below. These amounts do not include reimbursement for travel or other expenses paid to Directors and President.

	2015	2014
Board Chairperson		
Mr. A. Stephens, Chair – Audit Committee <sup>a, c, g, h, r</sup>	\$ 21,600	\$ –
Mr. R. Risvold	5,100	31,075
Board Members		
Ms. B. Smith <sup>h</sup>	6,020	7,350
Mr. T. Marr-Laing <sup>c, h</sup>	4,200	–
Ms. M. Martin	–	15,400
Ms. E. Noel Bentley, Chair – Handling Commission Policy Committee <sup>h, g</sup>	9,013	9,450
Mr. K. Dhillon, Chair – Return Rate Committee <sup>g, r</sup>	5,530	4,945
Mr. K. Teare	560	2,100
Mr. J. Linton	3,325	10,290
Mr. K. Dossa <sup>a</sup>	4,795	6,125
Mr. P. Kane	–	–
Mr. N. Antymis, Chair – Governance and Compensation Committee <sup>g</sup>	–	–
Mr. J. Challinor, Chair – Compliance Committee <sup>c, h, r</sup>	–	–
Mr. I. Tott <sup>g</sup>	–	–
Ms. P. McLeod <sup>c</sup>	2,468	–
Ms. A. Auriat <sup>a, h</sup>	8,540	11,340
Mr. A. Chabot <sup>r</sup>	2,275	4,270
Mr. S. Hanowski	–	–
Mr. W. Zhang	–	–
Mr. N. Kissel <sup>a, r</sup>	–	–
Mr. B. Zeiler-Kligman <sup>c, h</sup>	–	–
Ms. I. Martinez <sup>c</sup>	–	–
	73,426	102,345
The President and Acting President were paid the following gross compensation:		
President	155,276	168,010
Acting President (Mr. R. Risvold)	495	17,706
Acting President (Mr. A. Stephens)	38,792	–
Subtotal	194,563	185,716
	267,989	288,061

<sup>a</sup>Member of Audit Committee

<sup>c</sup>Member of Compliance Committee

<sup>g</sup>Member of Governance and Compensation Committee

<sup>h</sup>Member of Handling Commission Policy Committee

<sup>r</sup>Member of Return Rate Committee



# Notes to the Financial Statements

As at December 31, 2015

## NOTE 6

### BOARD MEMBER AND MANAGEMENT REMUNERATION – CONTINUED

The following table summarizes the Board of Directors' honoraria and expense amounts:

	2015	2014
Honorarium paid	\$ 73,425	\$ 102,345
Less: Honorarium paid relating to 2013 committee expenses	–	9,516
	73,425	92,829
Canada pension plan benefits	2,360	3,807
Travel	52,349	57,526
Meals	18,130	20,747
Meeting	14,816	15,127
	161,080	190,036

## NOTE 7

### BUDGET AMOUNTS

The budget amounts have been presented for information purposes and have not been audited.

## NOTE 8

### INTERNALLY RESTRICTED SURPLUS

The Board of Directors has established a reserve fund to cover the costs of winding up the Beverage Container Management Board's programs, should the Board of Directors decide this to be necessary. During the year, \$367,292 was transferred from unrestricted to restricted surplus. This transfer, along with income earned of \$13,073, brings the balance of restricted surplus to \$1,573,744, which is management's estimate of the costs to wind up the organization.

## NOTE 9

### RESTRICTED CASH

Restricted cash is comprised of guaranteed investment certificates in the amount of \$1,230,161 maturing in 2016 and 2017 as well as \$343,583 allocated from the operating cash account. This cash has been restricted and includes amounts related to the internally restricted surplus of \$1,573,744 (note 8).



## Contact Information

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