

# OPEN AND SAFE

Providing an essential service



The beverage container recycling industry in Alberta has long been a model for innovation and adapting to the needs of our customers and stakeholders. Depots and all other stakeholders take customer service seriously and support their local communities in many different ways.

# SO, WHEN THE COVID-19 PANDEMIC HIT IN MARCH 2020,

our industry rose to the challenges presented by the global pandemic to get to a point, as quickly as possible, where depots were open and safe.





Our business planning and every decision we made in 2020 was shaped by the reality that the world has changed vastly.

# THE BCMB HAD TO RETHINK CERTAIN ASPECTS

of regulating the industry and how to address the impacts of the pandemic. However, our industry's solid foundation in Alberta and the ability and willingness of depots, beverage manufacturers, recyclers, and other stakeholders to do whatever was necessary to stay open and safely serve Albertans, allowed us to navigate a year like no other.





While some depots closed temporarily or operated with reduced hours during the provincial lockdown in the spring,

# RECYCLING WAS DEEMED AN ESSENTIAL SERVICE

by the Government of Alberta. Depots, the Collection System Agent (Alberta Beverage Container Recycling Corporation – ABCRC) and the main Collection Service Provider (Alberta Beer Container Corporation – ABCC) incorporated new health and safety standards to protect their staff and the public, allowing the industry to reopen and adjust quickly.





Working closely with the Government of Alberta and within provincial health guidelines, our industry's pandemic response was coordinated and seamless. As a result, we still achieved an important level of success in 2020. With over 2 billion beverage containers returned to depots for a refund, we met our mandate to protect the environment. At the same time, we ensured the health and safety of staff and depot customers, and

# WE PROVIDED A VALUED SOURCE OF INCOME

for industry employees and Albertans wanting to return their containers for refunds.





Even though our priorities and budget for 2020 had to shift mid year and our pandemic response was our main focus, the BCMB was able to continue enhancing our regulatory function. With crucial work on projects and initiatives aimed at mitigating risk for the industry and the BCMB, improving recycling standards, and moving the beverage container recycling industry

# MORE TOWARDS A CIRCULAR ECONOMY,

we are well positioned to lead the way in Alberta as the broader recycling industry evolves.





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Letter to the Minister

June 23, 2021

Honourable Jason Nixon  
Minister of Environment and Parks  
Government of Alberta  
323 Legislature Building  
10800 – 97 Avenue  
Edmonton, AB T5K 2B6

Dear Minister Nixon:

On behalf of the Board of Directors of the Beverage Container Management Board (BCMB), I am pleased to present our Annual Report for the fiscal year ended December 31, 2020, in accordance with Section 5 of the Beverage Container Recycling Regulation (Alta. Reg. 101/1997 as amended).

Like every business and organization in Alberta, the BCMB was faced with many challenges in 2020 due to COVID-19. Some projects that were to begin or be completed in 2020 were delayed so resources could be focused on our pandemic response, which also led to a realignment of our budget to ensure core operations were secured.

The volume of beverage containers collected in 2020 is similar to previous years at around two billion containers. However, an unexpected increase in beverage container sales resulted in a collection (return) rate that is slightly lower than previous years at 82.2%. The increase in sales is most likely due to the amount of time spent at home by Albertans during the pandemic lockdown and resulted in Albertans returning beverage containers at higher-than-normal levels as provincial restrictions were eased. Initial negative effects on the BCMB’s budget were reversed and with the excellent collaboration and support of industry stakeholders, Alberta remains a leader in beverage container recycling.

Responsive and supportive staff from Alberta Environment and Parks helped our Board of Directors and management to achieve success in an ever-changing environment. We look forward to continuing to work with the Government of Alberta to ensure our province remains a leader in recycling and environmental protection.

Yours truly,



Andrew Stephens  
Chair, Beverage Container Management Board

# 2020 HIGHLIGHTS

## PANDEMIC RESPONSE



**Essential Service:** Some depots closed temporarily or reduced their hours during the provincial lockdown in the spring. However, recycling was deemed an essential service so most depots reopened when business relaunched in Alberta, some with adjusted hours, and **remained open** for the rest of the year.



The BCMB provided **regular updates** and health and safety information to the industry.



Regulatory fees and operating and compliance programs **were paused or eliminated** to allow space and funding for all stakeholders to focus on COVID-19 safety measures and practices.



Alberta Health Services conducted regular inspections of depots. **Very few issues were identified** and any that were identified were quickly resolved.

## COLLECTION RATE



Almost 32 million more containers were returned to depots by Albertans in 2020 compared to 2019. However, **beverage sales were also up** by 128 million, resulting in a lower collection rate than previous years of 82.2%.

## HANDLING COMMISSION REVIEW



The Handling Commission Review that began in February 2019 was completed in April 2020, and **new rates were set** for containers collected from depots by the Collection System Agent and Collection Service Providers.

## DEPOT SELF-INSPECTIONS



Depot self-inspections were introduced in 2020. High performing depots meeting several performance standards may now **evaluate their own** performance annually.

## CONTAINER RECYCLING & CIRCULAR ECONOMY



Work began on developing **realistic and meaningful** definitions and standards for recycling, and on how to achieve a circular economy for beverage container recycling. The BCMB is working towards better aligning our standards and processes with other provinces where possible.



The quality and quantity of beverage container plastics recycling in Alberta is significant. In 2020, almost **700 million plastic containers** were returned to depots for recycling, a collection rate of 78.5%. Further success in plastic beverage container recycling is the result of eliminating problematic plastics from beverage containers sold in Alberta (registration process) and from the highly sorted material streams provided by depots to manufacturers for recycling through Merlin Plastics, located in Calgary and BC.

## NEW IT STRATEGY



The development of a comprehensive information technology strategy started in 2020. This will involve **significant updating and streamlining** of all IT systems to comply with information security standards, to align with systems used by key stakeholders such as the Collection System Agent and the BCMB's Data Collection Agent (DCA), and to modernize our external portals to improve service to stakeholders.

## NEW PRESIDENT



On April 1, 2020, **Blaire Charlton-Gaalaas** was appointed President of the BCMB. Blaire was previously the Vice President and has been with the BCMB since 2011.





# ABOUT THE BCMB & BEVERAGE CONTAINER RECYCLING IN ALBERTA





The BCMB is responsible for regulating and delivering Alberta's [beverage container recycling system](#). We do this in close collaboration with our industry stakeholders to ensure Albertans have access to a convenient, innovative, and cost-effective system for recycling and reusing beverage containers. Our key stakeholders include the Collection System Agent (ABCRC), the main Collection Service Provider (ABCC), the [Alberta Bottle Depot Association](#) (ABDA), [Alberta Environment and Parks](#), and [Alberta Gaming, Liquor and Cannabis](#) (AGLC).

The BCMB operates as a not-for-profit association incorporated under the Societies Act of Alberta. We are a [Delegated Administrative Organization](#) (DAO) created through legislation to aid the Ministry of Environment and Parks in achieving its goals and objectives; however, we function as an arms-length, self-funded, legal entity in carrying out our services and mandate.

As a DAO we support Alberta Environment and Parks' mandate as it "represents the interests of Albertans in delivering balanced, common-sense and results-based stewardship of Alberta's environment while enabling sustainable resource development for social and economic well-being."<sup>1</sup>

Alberta Environment and Park's 2021–2024 Business Plan states: "Environment and ecosystem health and integrity are indispensable to the well-being of Albertans. Achieving this requires the ministry to leverage effective consultation, collaboration and partnerships..."<sup>2</sup> The BCMB aims to help the Ministry achieve this desired stewardship outcome by working closely with them and all system stakeholders in our efforts to increase the collection rate for beverage containers and ensure the most effective and innovative system possible.

<sup>1</sup>[Alberta Environment and Parks 2021-2024 Business Plan, p. 41.](#)

<sup>2</sup>[Alberta Environment and Parks 2021-2024 Business Plan, p. 41.](#)



## VISION & MANDATE

### Our Vision

To be the leader in stewarding beverage containers to minimize their impact on the environment.

### Our Mandate

To regulate and enhance a leading beverage container system that protects Alberta's environment.

### Our Value Statements

The BCMB's Vision and Mandate are clarified through the following nine value statements which were updated by the Board in November 2020:

- 1** We value **health and safety**. We ensure measures are in place so that customers and staff feel safe and know their health is important to our industry.
- 2** We value our **regulatory role**. We strive to be leaders in the oversight of beverage container recycling and are proficient at protecting the system's reputation. We work continuously with our stakeholders to improve customer experience and satisfaction.
- 3** We value a **system that encourages a circular economy** where producers are responsible for their products from development to end of life.
- 4** We value **meaningful and measurable targets** for our industry. The development and use of targets that allow us to measure progress in beverage container recycling and environmental protection makes the industry accountable and provides incentive for continuous improvement.
- 5** We value **strong alignment among system stakeholders**. A collaborative industry with joint decision making and open communication that works from a common framework will be better prepared to succeed.
- 6** We value **diversity and inclusion**. We explore ways in which our industry and the people who work in it can reflect the differences and qualities of the Albertans we serve. We recognize that diversity and inclusion drive innovation, and we are proud to support and foster creativity in our stakeholders to reflect their unique experiences.
- 7** We value **innovation and technology** that enhances the efficiency and effectiveness of our system. Our industry is responsive to and seeks opportunities to improve system communication, information, and security.
- 8** We value **higher collection and recycling rates**. Our efforts focus on the highest possible return of containers, while minimizing the impact of the system on the environment.
- 9** We value **greater awareness and public participation**. We educate retailers on the necessity of advertising the deposit, inform consumers on the environmental, economic, and social benefits of recycling beverage containers, and encourage participation regardless of where beverages are consumed.



## BOARD OF DIRECTORS & EXECUTIVE TEAM

### Board of Directors

The BCMB's [13-member Board](#) includes representation from a cross-section of stakeholders:

- 4 representatives of beverage manufacturers
- 4 representatives of Alberta depots
- 4 public representatives (municipalities and interested citizens)
- 1 non-voting representative from the Government of Alberta

Board members each sit for three-year terms (with a maximum of three terms) and serve on Board committees. Director appointments are reviewed annually, and new members and directors are appointed at the BCMB's Annual General Meeting and Board meeting held in June each year.

#### Manufacturer Representatives



**Nicholas Kissel**  
*Treasurer*  
*Nominated by the Alberta Gaming, Liquor and Cannabis Commission*



**Cheryl McLaughlin**  
*Nominated by the Canadian Beverage Association*



**Brian Moore**  
*Nominated by the Western Dairy Council*



**Usman Valiante**  
*Nominated by the Alberta Beer Container Corporation*

#### Depot Representatives<sup>3</sup>



**Tom Marr-Laing**  
*Nominated by the Alberta Bottle Depot Association*



**Jerry Roczkowsky**  
*Nominated by the Alberta Bottle Depot Association*



**Brenda Smith**  
*Secretary*  
*Nominated by the Alberta Bottle Depot Association*

<sup>3</sup>Farid Remtulla, also nominated by the Alberta Bottle Depot Association, left the Board in November 2020.

#### Government Representative



**Patrick Kane**  
*Non-voting*  
*Nominated by Alberta Environment and Parks*

#### Public Representatives



**Owen Edmondson**  
*Nominated by the Beverage Container Management Board*



**Trina Jones**  
*Nominated by the Alberta Urban Municipalities Association*



**Patricia McLeod**  
*Nominated by the Beverage Container Management Board*



**Andrew Stephens**  
*Chair*  
*Nominated by the Beverage Container Management Board*



**Executive Team**

The Board of Directors is supported by the BCMB's Executive Team, led by BCMB President Blaire Charlton-Gaalaas. The Executive Team oversees the regulatory functions of operations and compliance, product registrations, finance and analytics, and governance and policy.



**Blaire Charlton-Gaalaas**  
*President*



**Brent Campbell**  
*Director of Operational  
Strategies & Projects*



**Mark Emsden**  
*Director of Compliance*



**Jamie Moore**  
*Director of Finance  
& Administration*



**Alyson Klatt**  
*Manager of Analytics*





CHAIR'S REPORT



2020 was a year that caught us all off guard and forced every business and organization, the BCMB included, to reassess and make decisions in an environment we had never before experienced. The year began with the BCMB focused on a number of projects and initiatives aimed at ensuring the beverage container recycling industry was progressing and adapting to the rapidly changing world of recycling. However, the COVID-19 pandemic and resulting provincial lockdown in March forced us to shift our approach to supporting depots and keeping the industry viable.

Beverage container recycling was deemed an 'essential service', and thanks to excellent collaboration between manufacturers, depots, and the BCMB, the system was kept operational and ultimately recovered as many containers as were recovered in 2019.

As we were starting to realize the potential impacts of the pandemic and what that would mean for the industry, we also welcomed a new President. Blaire Charlton-Gaalaas assumed her new role on April 1 with nine years of experience at the BCMB in various roles with increasing levels of responsibility, most recently Vice President. Blaire has consistently delivered exceptional results in each of her roles and has quickly proven the BCMB is in good hands under her excellent leadership. Blaire replaced Jeff Linton who was with the BCMB for almost five years. On behalf of the Board of Directors, I would like to thank Jeff for his hard work and commitment to the industry and wish him well in his future endeavours.

Blaire and her new senior management team have worked closely with our Board and industry partners to not only keep the system operating, but to also advance important work not related to the pandemic that had already begun or was adjusted due to initial budget restraints resulting from the temporary closure of some depots in March and April.

The Handling Commission Review process that began in 2019 was completed in April 2020 with a new agreement and handling commissions that were effective May 1, 2020. The interested parties recognized the unique skills and capabilities of the public members of the Board and used them to resolve several technical issues rather than going to arbitration. The new review process that was put in place in 2019 provides interested parties with the opportunity to extend Handling Commission Reviews from every three years to every seven years.

The economic crisis resulting from the pandemic will continue to challenge the beverage container recycling industry. The BCMB knows the system needs to adapt to these new realities which led to a decision by the Board in 2020 to base the BCMB operating fee on beverage sales instead of volumes recovered. This change, effective January 1, 2021, reflects a broader regulatory decision to adopt a 'user pay' system where all beverage containers sold and purchased by consumers pay for the collection, recycling, and regulatory costs of the system. To remove burden from those we regulate, the Board also approved the removal of some operational stakeholder fees with a goal of reducing 'red tape' and streamlining processes.

As a Board, we also updated our value statements in 2020 to reflect the changing industry and our regulatory role. We always want to ensure that the work we do, and our vision and mandate, align with the Government of Alberta and specifically Alberta Environment and Parks' desired outcomes. Related to this is the need for meaningful and relevant measures or indicators by which we can assess our performance. That led to a review of our measures and indicators in 2020 by a third-party expert and the Board is aiming to have some new ones established in 2021.

The BCMB further enhanced its knowledge and understanding of Extended Producer Responsibility (EPR) in 2020. Directors continued to educate themselves on EPR, management followed EPR programs in other jurisdictions to understand best practices, and at each Board meeting Directors provided updates on EPR developments across Canada and around the world. By the end of the year, the Board was well positioned to support management as they interacted with the provincial government on the potential implementation of EPR in Alberta.

Our Board of Directors faced many challenging decisions in 2020 and did so with the best interests of all beverage container recycling partners and the industry in mind during a difficult year. I want to thank the Directors for their valued insight and hard work. I would also like to recognize Farid Remtulla who left the Board in November and thank him for his contributions, as well as congratulate Owen Edmondson, Usman Valiante, and Brian Moore on their reappointments to an additional three-year term.

Without the support and tremendous work of our industry partners and the BCMB management and staff, none of our achievements would be possible. I see examples of this great work every day but saw it taken to an entirely new and admirable level in 2020.

A handwritten signature in black ink that reads "Andrew Stephens". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Andrew Stephens  
Board Chair



PRESIDENT'S REPORT



Reflecting on 2020 and the devastating personal and economic impacts of COVID-19 around the world and here at home is a reality none of us could have imagined as we started the year. Yet the perseverance and innovation we have seen on so many levels are both inspiring and encouraging.

Tackling the fall out from a pandemic and a severe economic decline may not have been the way I would have chosen to start my new role as President of the BCMB in April 2020, but I could not be prouder to lead an organization that rose to the challenge in a remarkable way and that collaborated with the rest of the beverage container recycling industry to quickly adapt and move forward.

I am grateful for the flexibility and trust of the Board of Directors which allowed management to make significant and quick decisions to support the industry. The excellent support and guidance provided by key staff from Alberta Environment and Parks was also crucial to our pandemic response. The way in which the Collection System Agent, depots, and other stakeholders quickly adapted their buildings and operations during and after the spring lockdown to meet provincial health and safety guidelines and to remain open and safe, speaks to the resilience and community focus we see in our industry every day.

The challenges we faced in 2020 emphasized the importance of having strong leadership and structures in place that allow the BCMB to adapt and operate with flexibility, efficiency, and innovation. To achieve this, we restructured our management team and reporting relationships to further enhance our regulatory role and strengthen our partnerships and communication with all stakeholders. This has already led to excellent work and achievements in not only our pandemic response but our regulatory functions as well.

In 2020, we began the development of a comprehensive information technology strategy that will involve significant updating and streamlining of all IT systems to modernize our approach, comply with information security standards, and align with systems used by key stakeholders like the Collection System Agent (ABCRC) and the BCMB's Data Collection Agent. The strategy also includes an upgrade of the Customer Relationship Management System which will provide key stakeholders with transparent access to information and allow the BCMB to centralize our data management, reporting and communication tools.

The BCMB also completed the latest Handling Commission Review in April 2020. The negotiation of the new agreement with industry stakeholders took place throughout 2019 and 2020 and established new rates paid to depots by manufacturers. The agreement also compelled the Board to establish three committees to review and make recommendations on elements of the current rate setting mechanisms used to establish handling commissions, including a review of depot viability within Alberta's Common Collection System. The hard work and commitment of many BCMB Directors, staff, and industry stakeholders has produced excellent results that will ensure transparency, fairness, and efficiency within our systems.

The handling commissions (the amount paid by the Collection System Agent or a Collection Service Provider to a depot operator for collecting, sorting and preparing containers for shipment) are contained in the updated [Handling Commission By-law](#).

The initial work on defining and harmonizing recycling standards also began in 2020 and will be a significant focus for our organization in 2021. We want to ensure the BCMB and the beverage container recycling industry has the knowledge and capacity to effectively set recycling standards for Alberta and to help align our standards and processes with other provinces where possible.

With our key stakeholder groups, the BCMB is facilitating a beverage container registration review to determine the best approach to improving and setting recycling standards and definitions, working towards a circular economy, and managing end-of-life for beverage containers in Alberta.

This work is aimed at preparing the industry for what recycling may look like in Alberta in the not-too-distant future as our province moves to align with the changes occurring in recycling and environmental sustainability globally. The BCMB supports the Extended Producer Responsibility model the Government of Alberta is currently reviewing, as well as its [Natural Gas Vision and Strategy](#) announced in October 2020 which includes a focus on a circular economy for plastics.

There are exciting and meaningful things happening in recycling and the BCMB is embracing those changes and doing its part to advance Alberta's leading role in sustainability and innovation.

A handwritten signature in black ink, reading "B. Charlton". The signature is stylized and cursive.

Blaire Charlton-Gaalaas  
President



# 2020 OUTCOMES

The BCMB has five interconnected and desired outcomes for Alberta’s beverage container system and our key strategies help us achieve those outcomes. Performance measures and indicators are used to assess our progress.

The overarching, desired outcome of beverage container recycling is the minimization of waste and the utilization of beverage containers as a resource through their reuse and recycling. This aligns directly with Alberta Environment and Parks’ desired outcomes of environment and ecosystem health and integrity, sustainable economic development, and enjoyable and safe experiences for those who live, work and play in Alberta’s outdoors<sup>4</sup>.

While the collection rate is the key performance indicator for the system, there are important economic and social benefits as well. Other performance indicators and performance measures are used by the BCMB for internal management (auditing and improvement), external comparisons (benchmarking) and transparency (public reporting).

<sup>4</sup>[Alberta Environment and Parks 2021-2024 Business Plan](#)

**Performance Measures**

Performance measures track our progress toward achieving results that reflect the influence the BCMB has on Albertans’ recycling behaviors, awareness, knowledge, and attitudes. These measures can be attributed to the influence of our operation and our role as the system regulator.

**Performance Indicators**

Performance indicators track our progress in achieving ultimate outcomes like environmental, social, and economic sustainability. Performance indicators are highly influenced by numerous external factors, so performance targets are not set.



# 1 Environmental Protection

2020 OUTCOMES: Outcome 1 – Environmental Protection

The BCMB recognizes the importance of protecting and enhancing Alberta's environment through sustainable practices. We 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.

## KEY STRATEGIES

### Minimize Impact

Minimize the environmental impact of beverage containers through reuse and recycling.

### Sustainability

Improve the sustainability of the beverage container system and work towards a circular economy for beverage container recycling.

### Reduce Footprint

Reduce the environmental footprint of the system.

## PERFORMANCE METRICS

### Key Strategy – Minimize Impact

#### Collection (Return) Rate

The collection rate is a key measure of success in the beverage container recycling industry. Historically referred to as a return rate, the BCMB is shifting its terminology to distinguish between collection and recycling rates and to more accurately reflect the language used in most other jurisdictions. The collection rate is the percentage of containers returned by Albertans and collected by depots compared to the number of beverage containers sold by manufacturers. The recycling rate (not yet reported on) is the actual quantity of collected materials turned into a new product.

The CSA (ABCRC) collects all non-refillable beverage containers, which equates to approximately 98% of all containers returned to Alberta depots. Refillable glass containers (beer bottles) are collected by Collection Service Providers, mainly the Alberta Beer Container Corporation.

The overall collection rate for 2020 was 82.2%, down from 85.3% in 2019 and the first time it has been below the Government of Alberta's 85% goal for the industry since 2014. While the volume of beverage containers collected was higher than the previous three years, beverage sales were as well, and collections did not catch up to sales due to the pandemic and temporary closure of some depots in March and April. The impact of COVID-19 on the return of beverage containers will become clearer in 2021.

#### 2020 Results

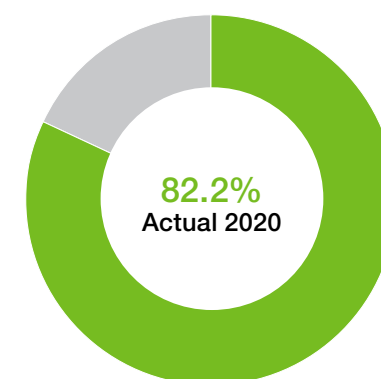
- The overall return rate for 2020 was 82.2%.
- The total number of containers sold in 2020 was 2.5 billion (up from 2.34 billion in 2019) and 2.02 billion were returned to depots for a refund (up from 1.99 billion in 2019).



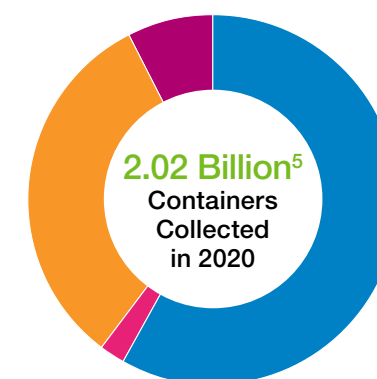
### Performance Indicators

#### Overall Collection (Return) Rate

Number of containers collected by depots compared to sales reported by manufacturers for the same period.



Containers Collected **82.2%**  
Containers Not Collected **17.8%**



Cans & Non-Refillable Glass **58.3%**  
Refillable Glass **2.1%**  
Plastics **32.1%**  
Polycoats **7.5%**

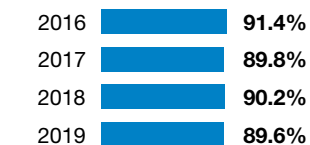
<sup>5</sup> For the 12-month period ending December 2020, the total system volume equated to 2.02 billion containers collected.

#### Collection (Return) Rate – by Container Type



#### CANS & NON-REFILLABLE GLASS<sup>6</sup>

Actual 2020 = 85.8%



<sup>6</sup> As of 2020, the BCMB is reporting collection rates for refillable glass containers separately from cans and non-refillable glass containers.



#### REFILLABLE GLASS<sup>7</sup>

Actual 2020 = 102.1%

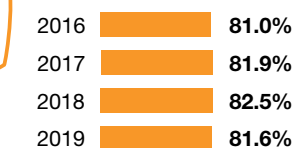


<sup>7</sup> Refillable glass returns sometimes exceed 100% due to the fiscal year cycle and the lag between what is reported and what is collected.



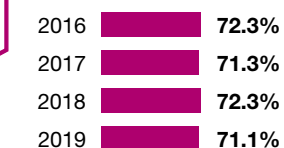
#### PLASTICS

Actual 2020 = 78.5%



#### POLYCOATS

Actual 2020 = 69.3%





#

## Performance Indicators

### Key Strategy – Reduce Footprint

The BCMB has been challenged for a number of years to find a meaningful and measurable way to assess the beverage container recycling system's success in reducing its environmental footprint in Alberta. Previous indicators included the average distance a container travels from the depot to the processing plant and landfill space saved by the recycling of containers.

In 2020, the BCMB commissioned a review of its environmental performance indicators by a third-party expert. The review found that our environmental indicators should be harmonized with those of the Government of Alberta, neighboring provinces and other leading jurisdictions and should be based more on industry best practices. The BCMB is aiming to establish new indicators or measures in 2021.

#### 2020 Results

- A review of beverage container registrations and end-of-life container management, defining and setting standards for recycling of beverage containers, and assessing the types of beverage containers included in the system was paused in 2020 due to the pandemic. The review will resume in 2021.

#### Distance Per Container



##### Actual 2020<sup>8</sup>

2016	1.41 metres
2017	1.35 metres
2018	1.45 metres
2019	1.45 metres

#### Landfill Space Saved



##### Actual 2020<sup>8</sup>

2016	469,086 tonnes
2017	465,593 tonnes
2018	451,435 tonnes
2019	451,435 tonnes

<sup>8</sup>These indicators are no longer being tracked. The BCMB will be establishing and reporting on new indicators or measures beginning in 2021.





As a leading regulator, the BCMB accepts the challenge to be fiscally responsible. Through sound risk management, clear reporting, and full transparency and accountability, we seek to minimize risk and cost to the system and engage partners through sound communication.

KEY STRATEGIES

Accountability

Introduce accountability measures to minimize system risk.

Reporting

Report clearly (using meaningful and measurable targets) on the achievement of our mandate and government expectations.

Transparency

Maintain full transparency regarding operations and finances.

PERFORMANCE METRICS

Key Strategy – Accountability

The BCMB is accountable to its stakeholders. To this end, senior management works with the Board to develop and approve an annual operating budget and three-year business plan that is submitted to the Ministry of Environment and Parks on an annual basis. The Board undertakes a full review of all value statements, outcomes, and key strategies every second year. The BCMB undergoes an external audit each year, and the Board reviews and approves financial statements and applicable policies quarterly. Accountability measures also include the responsibility of the BCMB to identify and mitigate risk for the beverage container system in Alberta. As part of this accountability, BCMB senior management undertake quarterly risk reviews and maintain a risk register that is monitored by the Audit Committee and reviewed by the Board on an annual basis.

Key Strategy – Reporting and Transparency

Net System Cost

The system is funded in three ways:

- 1. container recycling fees (CRF) set by manufacturers and paid by consumers at the point of purchase (which may be zero);
- 2. the unredeemed deposits forfeited by consumers who paid it at point of purchase and abandoned the container (never returned to a depot); and
- 3. the salvage value of the materials recovered and recycled.

The true net cost is the CRF as the other revenues are derived from the system’s activities. Several factors are beyond the control of the system such as the exchange rate and scrap value of materials, both of which can be volatile. This metric also considers that as the collection rate increases, funding provided by unredeemed deposits decreases.

2020 Results

- The overall net system cost remained the same in 2020 at \$0.0294.



Performance Indicators

<b>Net System Cost – Total</b>	2016	<div></div>	<b>\$0.0315</b>
Total of all costs and offsetting revenues in dollars per container	2017	<div></div>	<b>\$0.0280</b>
	2018	<div></div>	<b>\$0.0263</b>
<b>Actual 2020 = \$0.0294</b>	2019	<div></div>	<b>\$0.0294</b>

Net System Cost – by Container Type



CANS AND GLASS		
Actual 2020 = \$0.0228		
2016	<div></div>	\$0.0207
2017	<div></div>	\$0.0154
2018	<div></div>	\$0.0140
2019	<div></div>	\$0.0170



PLASTICS		
Actual 2020 = \$0.0393		
2016	<div></div>	\$0.0468
2017	<div></div>	\$0.0465
2018	<div></div>	\$0.0452
2019	<div></div>	\$0.0464



**POLYCOATS**

**Actual 2020 = \$0.0396**

2016	<div></div>	<b>\$0.0339</b>
2017	<div></div>	<b>\$0.0438</b>
2018	<div></div>	<b>\$0.0445</b>
2019	<div></div>	<b>\$0.0502</b>

Key Strategy – Reporting and Transparency

Collection System Agent Compliance

Depots are required by regulation to refund the deposit value of containers when returned by the public. The CSA is also required to operate according to standards set by the industry for collection from and payment to depots, which includes the refund of the deposit and a handling commission paid to each depot for each container collected. The standard set by the industry for payment is nine days. The CSA has continued to improve their performance in recent years, achieving perfect payment compliance in 2020 and for 18 straight months.

The standard set by the industry for CSA collection of containers from depots is determined based on the volume of the depot, the scheduling of appointments, and the adherence to that schedule. 2020 was the first year in which there were no scheduled loads that were not picked up without communication from the CSA.

Operating agreements signed by the CSA and CSPs commit them to performance standards regarding service to depots and operations. The BCMB regularly inspects both Calgary and St. Albert CSA plants for adherence to these standards. This is a collaborative process that is intended to reduce risk and serves as a feedback mechanism to enhance efficiencies.

2020 Results

- In 2020, payment compliance was 100% with no late payments on 32,540 loads.
- There were no scheduled loads that were not picked up from depots in 2020 without prior communication from the CSA (10 were not picked up in 2019). The target for collection compliance in 2020 was no more than 10 loads not picked up.



Performance Measures



Payment Compliance

The % of all payments made to depots within the industry standard

Actual 2020 = 100%

Target 2020 = 100%

2018 99.7%

2019 99.9%



Collection Compliance

The number of scheduled loads **not** picked up from depots within the industry standard

Actual 2020 = 0

Target 2020 = 10

2018 14

2019 10



Operating Compliance<sup>9</sup>

The inspection score based on agreed performance standards

Actual 2020 = 89.2%

Target 2020 = 84%

2018 83%

2019 88%

<sup>9</sup> Results now reflect overall CSA inspection compliance (were previously reported separately for the Calgary and St. Albert plants).



Performance Measure



UCA Compliance

The % of all depots that filed required financial documents to the Data Collection Agent

Actual 2020 = 98.2%

Target 2020 = 100%

2018 99%

2019 99.5%

Key Strategy – Reporting and Transparency

Depot Compliance<sup>10</sup>

Depots are paid a handling commission for each container handled and shipped properly to the CSA or back to the manufacturer directly through an appointed CSP. These handling commissions are set by a utility-like process that depends on depots reporting their costs annually using a form called the Uniform Code of Accounts (UCA). The Board has set criteria for the remittance of this information, much like the process for reporting taxes. Depots are required to report annually and within six months of their fiscal year end. The information is collected by an independent third-party (the Data Collection Agent) that analyzes and processes the information for the purposes of setting handling commissions.

2020 Results

- With an enhanced focus on depot UCA filing compliance over the past few years, compliance in 2020 was 98.2%, with a few depots behind due to COVID-19. Those few depots are working with the DCA to provide the necessary information.

<sup>10</sup> The Depot Compliance and Manufacturer Compliance measures were previously reported as part of the Governance Excellence Outcome but are now being reported in Fiscal Stewardship given their relationship to accountability and fiscal reporting and transparency.



Key Strategy – Reporting and Transparency

Manufacturer Compliance<sup>11</sup>

In the same way depots are required to submit a UCA annually to verify their costs, manufacturers are required to verify their total sales for the prior year within six months of year end. This ensures an accurate accounting of sales across sales periods and sales jurisdictions and is an important accountability step for the CSA. It also informs different calculations such as the Container Recycling Fee and the collection rate by material stream.

2020 Results

- Compliance by high-volume manufacturers is currently excellent, with a CSA reported compliance rate of almost 100% of the total system volume. However, these compliant manufacturers account for only about 80% of all manufacturers. That means some smaller volume manufacturers are non-compliant with the Regulation. In collaboration with Alberta Environment and Parks, BCMB is working to establish compliance with the smaller volume manufacturers.
- In 2020, the Board approved a change to the administration of the operating fee. Effective January 1, 2021, manufacturers submit the operating fee to the BCMB on each beverage container sold in Alberta, rather than on each container returned to a depot for recycling. This created a user-pays system in which those who purchase beverage containers pay the regulatory, operating, and recycling costs for those containers. This change also eliminated depot permit holders from having to submit a per container operating fee to the BCMB (see President’s Report on page 26 for more details).

- In 2020, the Board also approved the incorporation of permit renewal fees and container registration fees into the operating fee, to reduce ‘red-tape’ and regulatory burden and to create administrative and operational efficiencies. This change became effective January 1, 2021.



Performance Measure

Sales Verification



The % of all container sales remitted to CSA and verified by manufacturers for prior year

<b>Actual 2020 = 99.9%</b>	2018	<div></div>	<b>98.7%</b>
<b>Target 2020 = 100%</b>	2019	<div></div>	<b>98.9%</b>

<sup>11</sup> The Depot Compliance and Manufacturer Compliance measures were previously reported as part of the Governance Excellence Outcome but are now being reported in Fiscal Stewardship given their relationship to accountability and fiscal reporting and transparency.



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

KEY STRATEGIES

- 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.

PERFORMANCE METRICS

Key Strategy – Compliance

Depot Compliance – Refund Compliance

Anonymous audits are conducted on depots to measure the accuracy of the refund provided by depots to the public. To meet industry standard, a depot must provide a refund to the auditor within +/- \$0.50 of the actual (pre-counted) amount.

In 2020, 249 audits were performed compared to 46 in 2019. The BCMB was able to significantly increase the number of audits performed after securing a new contract with a third-party auditor group with province-wide access to auditors. The BCMB also secured a memorandum of understanding with the CSA for the acquisition of containers to be used for audits when required.

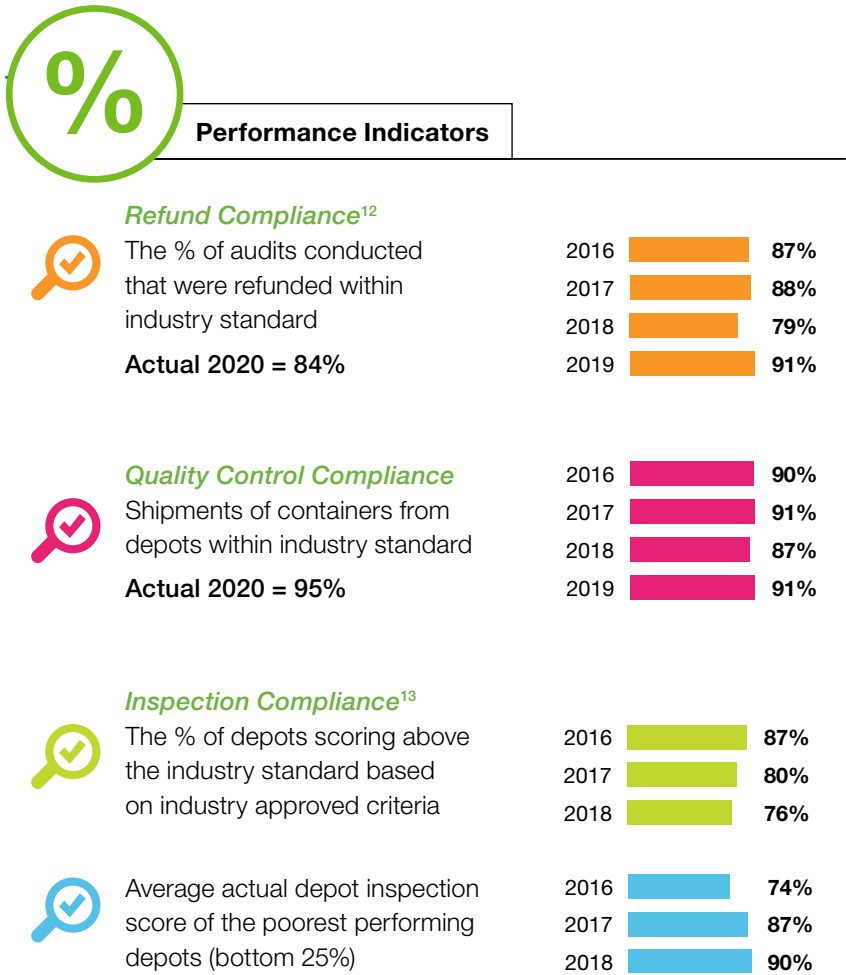
2020 Results

- Refund compliance within the industry standard was 84% in 2020, down from 91% in 2019. This drop is due to the significant increase in the number of audits in 2020 (249 audits were performed in 2020 compared to 46 in 2019) and is more representative of actual compliance.

Key Strategy – Compliance

Depot Compliance – Quality Control Compliance

The CSA conducts audits to evaluate the type and quantity of beverage containers received in shipments from depots. The results of these audits are reported to the BCMB so it can work with the depots when elevated variances occur. The performance indicator reflects the number of audits that are reported as outside of industry standard compared to whole loads shipped over the same period (a whole load refers to a full shipment from a depot, regardless of how many bags are in the shipment). Poor performance in relation to quality control enters a depot into the BCMB's quality control compliance framework.



<sup>12</sup> This performance indicator will be the sole indicator for refund compliance going forward. The previous and additional indicator of percentage of audits conducted that were refunded within the industry standard of excellence is no longer being used as the BCMB simply needs to track if depots are compliant or not in issuing refunds to customers.

<sup>13</sup> A new inspection process with new operational compliance standards was implemented in 2019 (see page 42).



Key Strategy – Compliance

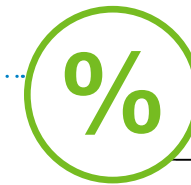
Depot Compliance – Operational Compliance

The new inspection process introduced by the BCMB in 2019 reflects its new by-laws. The new operational compliance process focuses on individual deficiencies rather than percentage-based scores. Depots that are found to have deficiencies are given a timeline for correction that takes the nature of the deficiency into account. Deficiencies are usually minor in nature (i.e. an employee not wearing a depot branded uniform or a receipt without the date on it). As with the previous inspection process, the BCMB focuses on the lowest performing depots.

High performing depots that meet several performance standards are provided the opportunity to evaluate their depot’s performance through a self-inspection submitted to the BCMB annually. This process creates trust and accountability between the BCMB and the depot permit holder, allowing BCMB Compliance Officers to focus efforts in other areas of risk.

2020 Results

- Depot self-inspections were introduced in 2020. High performing depots meeting several performance standards can evaluate their own performance annually. In the first year of the program 54%, or 121 of 224 depots, were eligible for self-inspections.
- The new operational compliance indicators show the percentage of depots compliant with BCMB by-laws and policies remained the same in 2020.
- The percentage of depots with deficiencies that were corrected prior to entering the quality control compliance framework rose from 56% in 2019 to 69% in 2020. Most deficiencies are not significant in nature and depots will correct them before entering the quality control compliance framework.



Performance Indicators



Operational Compliance

The % of depots inspected that are compliant with BCMB by-laws and policies<sup>14</sup>

Actual 2020 = 70%

2019 70%



**NEW** The % of depots conducting self-inspections

Actual 2020 = 54%



The % of depots with deficiencies that were corrected prior to entering the Compliance Framework<sup>15</sup>

Actual 2020 = 69%

2019 56%



NEW – Retail Compliance

The BCMB is currently developing a program for retail inspections which will be introduced in 2021. Like the refund compliance program for depots, audits of retail locations will be conducted by the same third-party auditor group and will be conducted across the Province. Reporting on retail compliance will begin with the 2021 Annual Report.

Key Strategies – Integration & Alignment – Communication

The previous performance measure for integration, alignment, and communication (review, mapping and alignment of by-laws, policies, and standard operating procedures) is no longer being reported on as the work is complete. The BCMB’s new by-law structure (amalgamation of 14 by-laws into seven) and compliance frameworks for depots, manufacturers, and retailers was introduced in 2019. The BCMB will continue to review compliance frameworks and make enhancements where needed.

2020 Results

- Work began in 2020 on a comprehensive information technology strategy that will update the BCMB’s systems and better align them with those used by key stakeholders like the CSA and the BCMB’s Data Collection Agent.
- Discussion on depot siting criteria began in 2020 and a project related to depot access standards for Albertans will be undertaken in 2021.

<sup>14</sup> This compliance indicator is for both in-person depot inspections and those conducted by depots eligible for self-inspections.

<sup>15</sup> The new Compliance Framework includes the following four levels:

- Level 1 – warning letter issued,
- Levels 2 & 3 – compliance fees are issued, and
- Level 4 – goes directly to Compliance Director for a decision.

# 4 Customer Excellence

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

## KEY STRATEGIES

- 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 and inclusive.

## PERFORMANCE METRICS

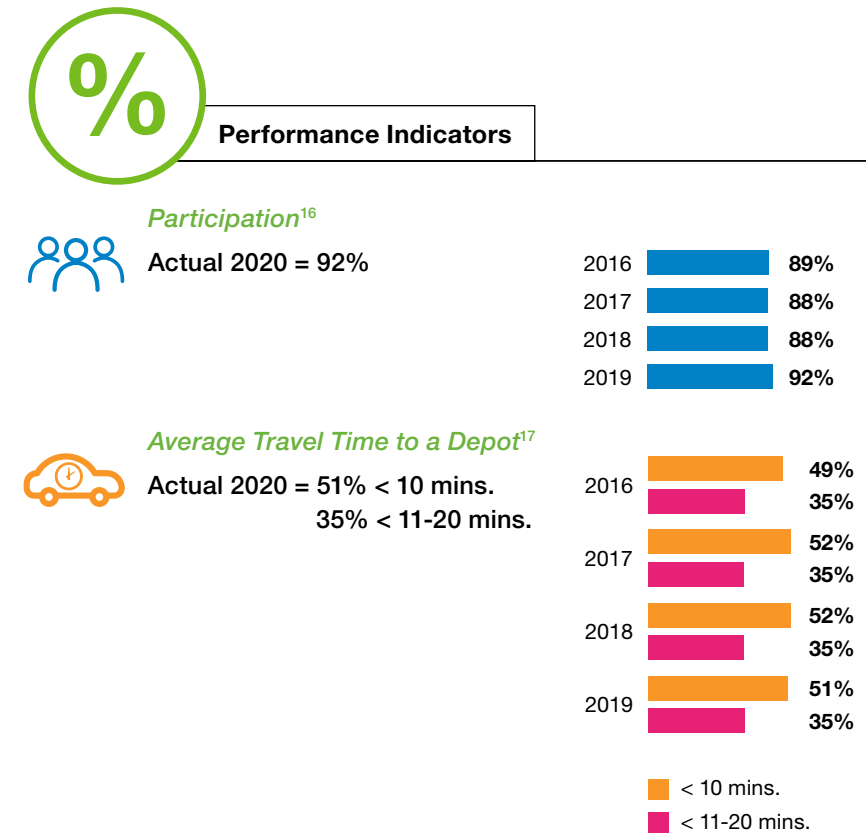
### Key Strategies – Satisfies – Quality

#### Public Satisfaction

The BCMB assesses public satisfaction through a biannual survey conducted by Ipsos. The survey targets approximately 1,000 Albertans and provides data based on a representative sample of Albertans aged 18 and older. The most recent survey was conducted in February 2020 with 1,001 online interviews completed.

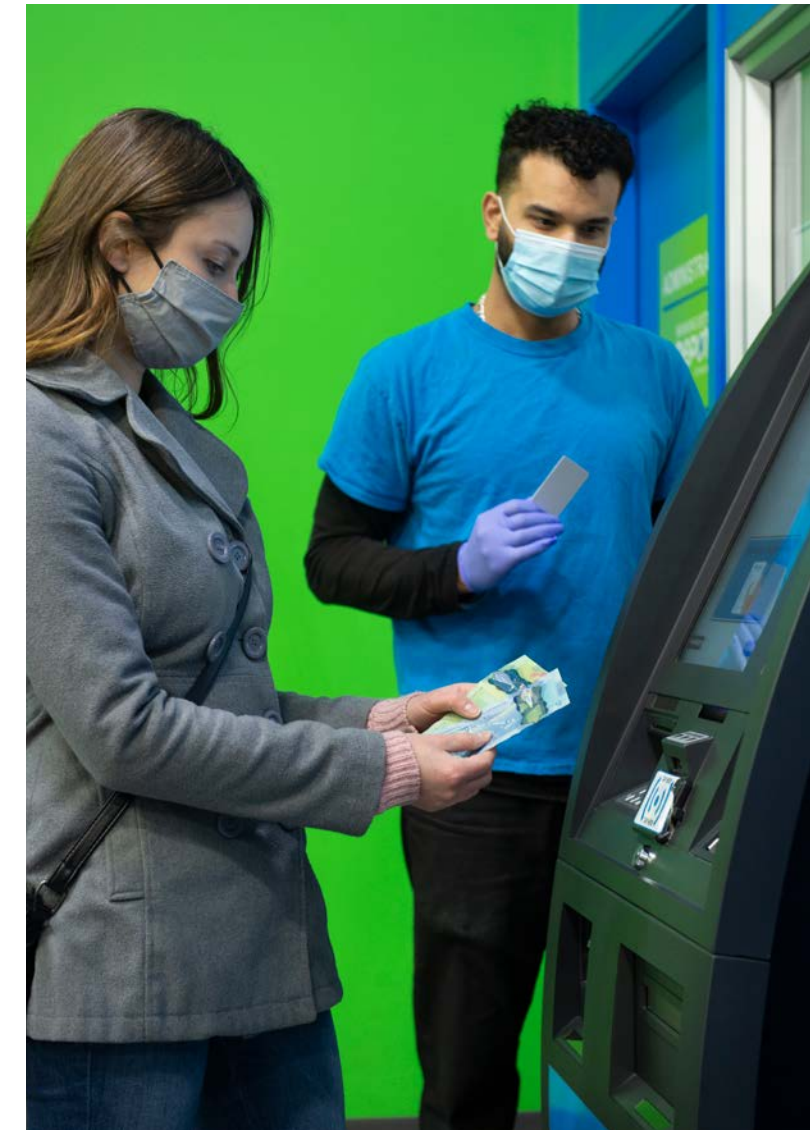
#### 2020 Results

- The most recent Ipsos survey saw the highest proportion of Albertans returning beverage containers for a refund since tracking began (92%).



<sup>16</sup> Participation refers to the percentage of respondents to the biannual Ipsos survey who state that they return beverage containers to depots.

<sup>17</sup> The remaining percentages (14% for 2020) are reflective of rural Alberta where travel times vary according to depot locations.





Key Strategies – Satisfies  
– Quality

Customer Satisfaction

The BCMB assesses depot customer satisfaction through annual Depot Exit Interviews. Customers are surveyed as they are leaving a depot after returning beverages containers. Based on the data gathered since 2011, we know the strongest correlation to customer satisfaction at a depot is related to their confidence in the accuracy of the refund they receive. We also know that if the customer spends less than 10 minutes at a depot, the perception of that experience is better than if they spend more than 10 minutes at a depot.

Although individual rural depots have been included in past studies, a wide-scale effort was made in 2019 to gain data and insight from rural locations. The focus on both urban and rural locations and the fact that smaller depots in rural areas usually have less staff serving customers with larger loads compared to metro depots may be reflected in longer wait times.

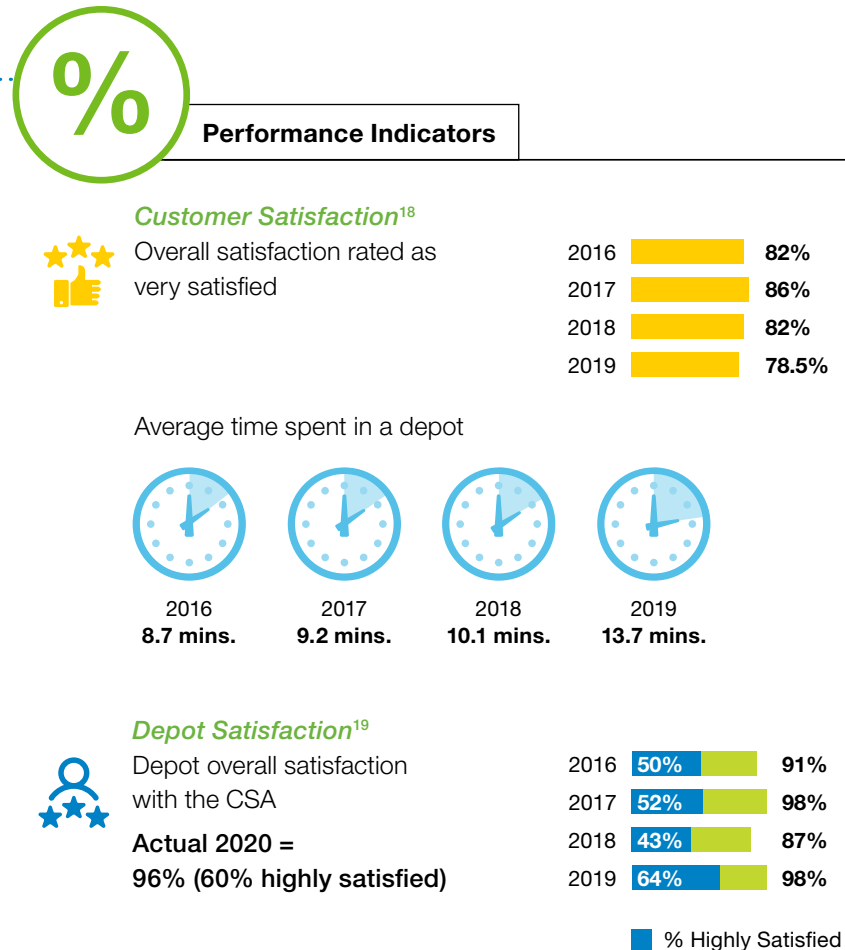
Due to COVID-19, Depot Exit Interviews were not conducted in 2020. The BCMB plans to resume them in 2021 if it is safe and appropriate to do so.

Depot Satisfaction

The annual Depot Satisfaction Survey measures the performance of the CSA, the CSP for refillable beer (ABCC), the regulator (BCMB), and the Alberta Bottle Depot Association. The survey is conducted annually by the BCMB and completed by depots. It provides all stakeholders with an appropriate timeline to implement action plans to address survey results.

2020 Results

- Depot satisfaction with the CSA remains high at 96%, with 60% highly satisfied.
- Depot satisfaction with the ability to communicate with BCMB staff was the highest it has been in five years (96% satisfied, 76% highly satisfied), which is particularly significant given the switch to staff working remotely as a result of the pandemic.



<sup>18</sup> Customer satisfaction is assessed through annual Depot Exit Interviews. Due to COVID-19, the interviews were not conducted in 2020.

<sup>19</sup> The BCMB conducts an annual survey of depot operators.

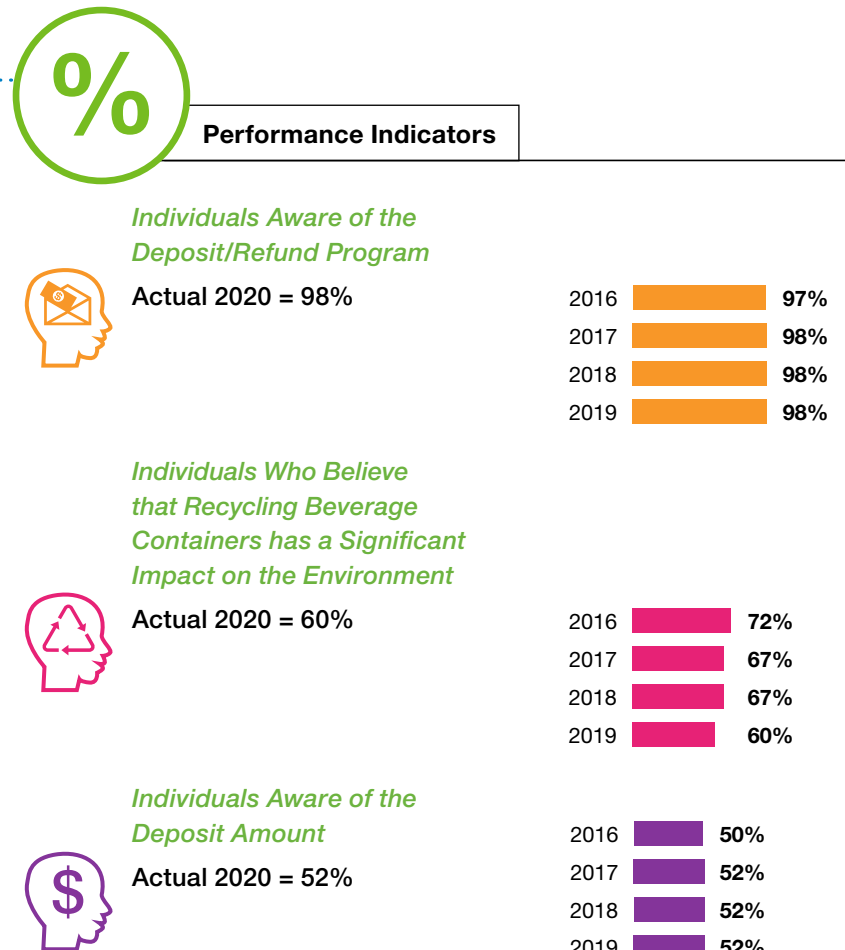
Key Strategy – Awareness

Public Awareness

Captured through the biannual Ipsos survey, 98% of Albertans are aware that they can return beverage containers to a depot for a refund; however, only 52% are aware of the actual refund amount for containers based on their size (10 cents for containers 1L and under, and 25 cents for containers over 1L). The BCMB strives to maintain a 98% awareness of the deposit-refund program in Alberta. Through marketing initiatives, education, and a joint public website (ABCRC, BCMB, and ABDA), the industry continues to target regular increases in awareness surrounding deposit values and the environmental benefits of recycling beverage containers.

2020 Results

- 60% of Albertans believe that beverage container recycling has a significant impact on the environment.
- 81% of Albertans are aware of some benefit to the environment through recycling beverage containers.
- Those surveyed ranked the environmental importance of recycling beverage containers as second only to ensuring toxins are not poured down the drain to protect our water systems.
- 52% of Albertans are aware that the beverage container industry is regulated (up from 49% in the previous survey in 2018), and 85% (up from 80%) indicated that regulation is important or very important to them.
- The BCMB added and continues to maintain a section on its website with COVID-19 information and updates on depots' efforts to keep their staff and customers safe. We also contribute to COVID-19 information for the public on the industry website ([albertadepot.ca](http://albertadepot.ca)).





Key Strategy – Awareness

Customer Awareness

The “Depot, It’s Worth It” logo is trademarked by the ABDA. The brand is a key part of the industry’s ongoing marketing strategy for beverage container recycling.

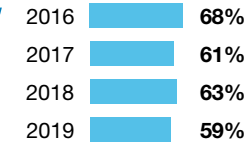
2020 Results

- The BCMB supported a pandemic-related digital marketing campaign led by the ABCRC that began in May 2020, encouraging Albertans to continue to return beverage containers and promoting the safety of depots. The campaign tied into the regular marketing campaign that is ongoing and supported by the BCMB.



Performance Indicator

Individuals Aware of the Industry Brand<sup>20</sup>



<sup>20</sup> This indicator is tracked through the annual Depot Exit Interviews. The 2020 interviews were not held due to COVID-19.

Key Strategy – Accessible

Accessibility to Depots

A primary objective of the BCMB is to ensure an accessible beverage container system. The BCMB did not issue any Requests for Applications (RFAs) for new depots in 2020 and RFAs remain paused while our depot mapping/siting project is carried out in 2021.

2020 Results

- The number of depots increased in 2020 to 224, with three new depots opening in Airdrie (Airdrie Bottle & Recycling Depot), Grande Cache (Go Green Bottle Depot), and Edmonton (Manning Bottle Depot).
- As of December 2020, there was one depot under development in Calgary that is scheduled to open in late 2021.

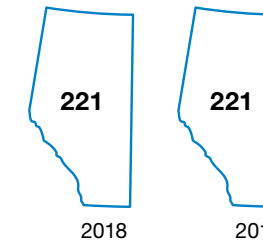


Performance Measures

Number of Universal Depots in Alberta<sup>21</sup>



Actual 2020 = 224  
Target 2020 = 225



Number of Permits in Development



Actual 2020 = 1  
Target 2020 = 0



<sup>21</sup> It typically takes three to five years for a depot to open to the public following the issuance of an RFA, so the number of depots in Alberta is anticipated to remain static for a few years with only one currently under development in Calgary, which is slated to open in late 2021.

# 5

## System Efficiency & Effectiveness

The BCMB is dedicated to finding ways of increasing system efficiency and effectiveness and reducing costs. The system is enhanced through the encouragement and facilitation of innovation and adaptation among its stakeholders and through research technology available to support this goal.

### KEY STRATEGIES

#### Innovation

Encourage innovation and continuous improvement.

#### Responsiveness

Demonstrate responsiveness to changing needs.

#### Technology

Capitalize on technological advancement.

#### Cost Effective

Operate a system that is cost effective.

### PERFORMANCE METRICS

#### Key Strategy – Innovation

The BCMB previously reported on investment in technology by the beverage container recycling industry as a performance indicator. Upon review, we have determined this is not a true, measurable indicator; however, the use of technology (rather than investment in it) is still a metric by which we determine the success of innovation in our industry.

#### Key Strategy – Technology

##### Electronic R-bill Reporting (eR-bill)

Utilizing electronic methods to compute and report shipments of containers from depots significantly reduces the number of errors on R-bills and the time required to process shipments at both ends. To encourage innovation and continuous improvement, the BCMB is working towards increasing eR-bill reporting at the depot level.

##### 2020 Results

- In 2020, 60% of depots reported using eR-bills, which represented 80% of all R-bill reporting (up slightly from 2019 when 59% of depots reported using eR-bills, representing 79% of all reporting).

#### Key Strategy – Technology

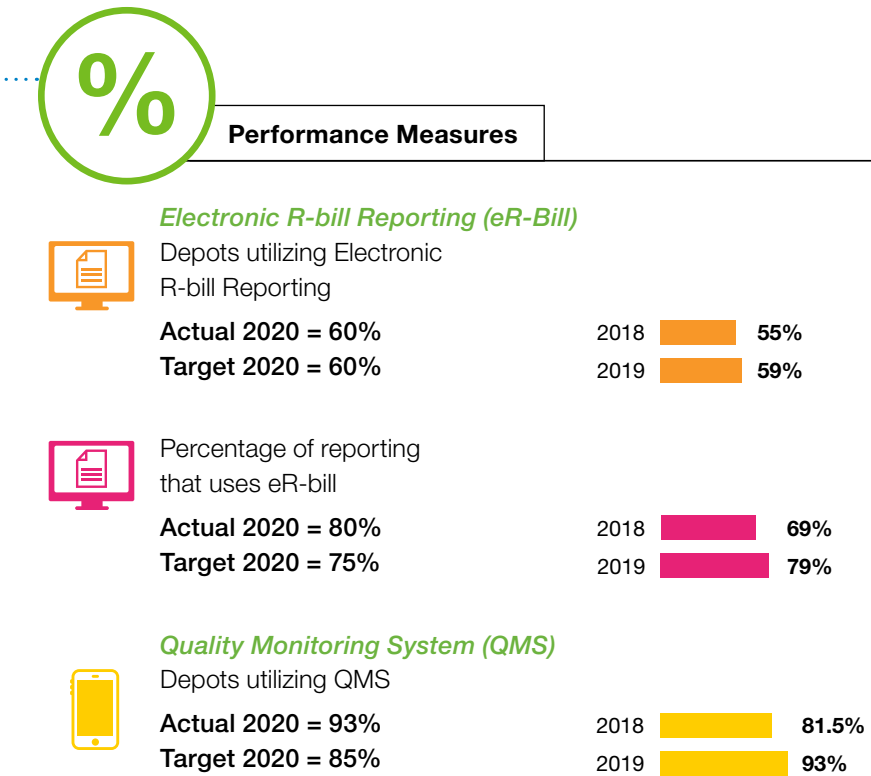
##### Quality Monitoring System (QMS)

The QMS is an online database administered by the BCMB and used to report, track, and resolve operational issues in the industry. Depots, the BCMB, the CSA, and the CSP are required to use the QMS. Depot utilization of the QMS covers those depots that have either submitted a ticket to address a concern and/or those depots that have responded to a ticket submitted to them by another industry partner. The QMS captures hundreds of tickets per month. The data is benchmarked, and trends are identified to address issues or successes in the industry.

A new QMS mobile app has been developed to make it easier for depot operators and staff, the CSA, and CSPs to communicate with each other. Creating and responding to a ticket can now be done from a mobile device, and notifications about new tickets and responses are received immediately through the app which was launched in June 2020.

##### 2020 Results

- The number of depots utilizing the QMS remained at 93% in 2020 (208 of 224 depots), again exceeding the 85% target.
- The QMS app was rolled out to the industry in June 2020 and is being well utilized.





### Key Strategy – Technology

#### Point of Return (POR) Software

POR is distributed and supported by several independent vendors and all have generally demonstrated improved efficiency in several areas of depot operations and in improved customer satisfaction. As of the end of 2020, it is now mandatory that depots handling six million or more containers annually use a POR system (was previously 10 million).

#### 2020 Results

- In 2020, 75% of depots had POR systems (167 of 224 depots), the same as in 2019.

#### Automated Sorting Equipment

The industry also uses other innovative technology. Automated sorting equipment, which is designed to replace manual labour at the depot, can improve the efficiency and accuracy of sorting containers.



#### Performance Measure



#### NEW – Point of Return Software

Depots utilizing  
Point of Return software

**Actual 2020 = 75%**

**Target 2020 = 75%**

2019 **75%**

### Key Strategy – Cost Effective

#### Cost for Recycling Consumer

Consumers can be categorized into two groups - those who recycle their beverage containers and those who do not. Both groups pay the deposit and fee associated with the purchase of the container, but the consumer who does not recycle also funds the system through their contribution of the deposit. The system further benefits financially from the salvage value of the material recovered from the recycling consumer. This number is affected by several factors including the salvage value of the material and the exchange rate of the country of destination of that material. This cost is paid in the form of a Container Recycling Fee that is added at point of purchase and ranged from zero cents to 25 cents in 2020.

#### 2020 Results

- The recycling consumer in Alberta paid an average of 2.20 cents for each container to fund the system in 2019.<sup>22</sup> While CM Consulting's previous reports (published biannually) were based on data from two years prior to publication, the 2020 report is based on 2019 data.

#### Ranking

Comparable deposit programs exist in British Columbia, Saskatchewan, New Brunswick, Northwest Territories, and Nova Scotia. CM Consulting's November 2020 report, *Who Pays What – An Analysis of Beverage Container Collection and Costs in Canada*, provides a comparison of the net cost of each province's system. Alberta ranks first in cost per container paid by the recycling consumer, having the lowest system costs among comparable systems. Alberta ranks fifth out of six jurisdictions when comparing the cost to the 'wasting consumer' (who does not recycle).

<sup>22</sup> [Who Pays What – An Analysis of Beverage Container Collection and Costs in Canada](#), CM Consulting, November 2020, page 118.



#### Performance Indicators



#### Net Cost for the Recycling Consumer<sup>23</sup>

Cents per container

**Actual 2020 = 2.20 cents**

2012 **2.06 cents**

2014 **1.26 cents**

2016 **1.80 cents**

2018 **2.40 cents**

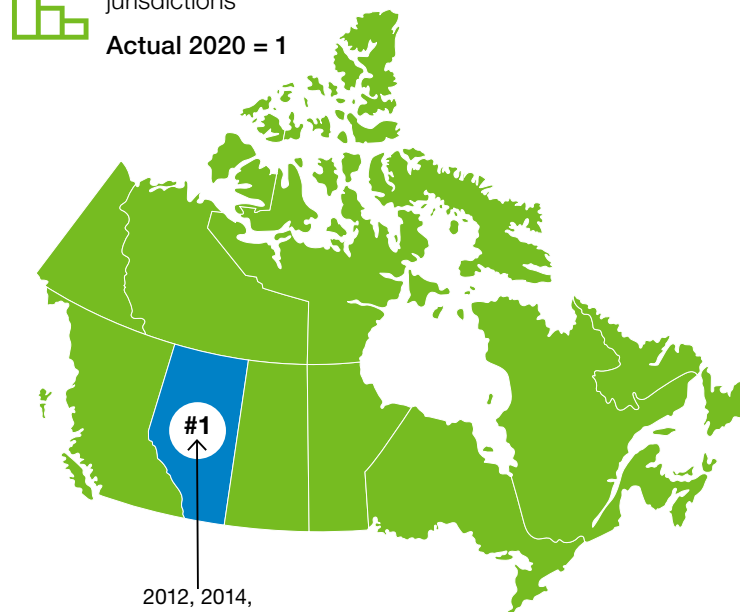
<sup>23</sup> Until 2018, net cost values were based on data from two years previous (i.e., 2018 value is based on data from 2016). However, the 2020 value is based on 2019 data. Source: CM Consulting.



#### Ranking

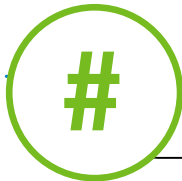
Comparable deposit  
jurisdictions

**Actual 2020 = 1**



2012, 2014,  
2016 & 2018





Performance Indicator

Key Strategy – Cost Effective

Labour Efficiency

Labour is a significant cost to the system. One of the ways that the system has become more efficient is through the handling of large numbers of containers. As technology is introduced and best practices are applied, the system has benefitted from reduced overall labour. By reporting on the number of seconds per container (total number of labour hours, reported on depot Uniform Code of Accounts, divided by total number of containers that labour handled), progress towards efficiency can be tracked by isolating it from the cost of that labour which has increased over the same period. The most dramatic improvements have been realized recently with the introduction of technological aids to labour within the depot processes.

2020 Results

- Labour seconds per container was 4.20 in 2019, down from 4.34 in 2018, in keeping with the aim of increased efficiency.



Labour Efficiency

Labour seconds  
per container  
at depots<sup>24</sup>

Actual 2019 =  
4.20 seconds

2013		5.13 seconds
2015		4.91 seconds
2016		4.77 seconds
2018		4.34 seconds

<sup>24</sup> A more accurate calculation rate for labour seconds per container at depots was recommended by the BCMB's Data Collection Agent in 2019 and this indicator is now being reported annually. The most recent actual is 2019 due to the UCA reporting cycle not concluding until late in the following year.





# FINANCIAL STATEMENTS

## Management’s Responsibility for Financial Reporting

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial reports are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board, the engagement or re-appointment of the external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, was appointed by the Board to audit the 2020 financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings. The accompanying financial statements are the responsibility of the management of the Beverage Container Management Board.



Blaire Charlton-Gaalaas  
President

Edmonton, Alberta  
April 21, 2021

# Independent Auditors' Report



To the Members of the Beverage Container Management Board

**Opinion**

We have audited the financial statements of the Beverage Container Management Board (the “Board”), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2020, 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.

**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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

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

is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

(continues)

# Independent Auditors' Report (continued)



**Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta  
April 21, 2021



# Statement of Financial Position

AS AT DECEMBER 31, 2020

	2020	2019
<b>ASSETS</b>		
CURRENT		
Cash	\$ 932,241	\$ 665,837
Accounts receivable	176,283	34,129
Prepaid expenses	14,090	10,909
	1,122,614	710,875
RESTRICTED CASH (Note 2)	2,005,300	1,524,903
INVESTMENTS (Note 3)	310,398	935,563
PROPERTY AND EQUIPMENT (Note 4)	70,195	74,986
	3,508,507	3,246,327
<b>LIABILITIES</b>		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	107,717	172,531
Deposits	25,000	100,000
	132,717	272,531
<b>Net Assets</b>		
Restricted (Note 6)	2,005,300	1,524,903
Unrestricted	1,370,490	1,448,893
	3,375,790	2,973,796
	\$ 3,508,507	\$ 3,246,327

Commitments (Note 7)

ON BEHALF OF THE BOARD

See notes to financial statements

Director



Director



# Statement of Revenues and Expenditures

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 (Budget) (Note 9)	2020 (Actual)	2019 (Actual)
<b>REVENUE</b>			
Container fees	\$ 3,136,240	\$ 3,241,289	\$ 2,591,050
Product registration fees	128,996	105,930	120,980
Canada emergency wage subsidy	–	86,317	–
Interest and other	63,347	34,365	70,002
Permit fees	44,500	30,000	48,800
Compliance fees	38,000	23,400	35,310
	3,411,083	3,521,301	2,866,142
<b>EXPENSES</b>			
Salaries and benefits	1,595,909	1,415,913	1,417,174
Professional fees	1,295,380	1,225,471	1,178,105
Office	178,321	165,410	169,316
Board of Directors' honoraria and expenses	94,840	114,776	104,416
Information system maintenance	133,000	109,565	59,636
Communications	158,890	40,649	66,792
Amortization	39,105	37,125	40,589
Travel	73,793	27,643	56,467
Insurance and licences	18,816	13,405	17,574
Meetings	63,680	8,776	77,225
Training and development	60,000	6,383	26,273
Bad debts	–	4,191	–
	3,711,734	3,169,307	3,213,567
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	(300,651)	351,994	(347,425)
<b>OTHER INCOME</b>			
Legal settlement cost recoveries	–	50,000	250,000
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	\$ (300,651)	\$ 401,994	\$ (97,425)

See notes to financial statements

Statement of Changes in Net Assets

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unrestricted	Restricted	2020	2019
NET ASSETS – BEGINNING OF YEAR	\$ 1,448,893	\$ 1,524,903	\$ 2,973,796	\$ 3,071,221
Excess of revenue over expenses	401,994	–	401,994	(97,425)
Transfers (Note 6)	(480,397)	480,397	–	–
NET ASSETS – END OF YEAR	\$ 1,370,490	\$ 2,005,300	\$ 3,375,790	\$ 2,973,796

See notes to financial statements

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 401,994	\$ (97,425)
Items not affecting cash:		
Amortization	37,125	40,589
Loss on disposal of property and equipment	–	917
	439,119	(55,919)
Changes in non-cash working capital:		
Accounts receivable	(142,153)	23,246
Prepaid expenses	(3,181)	11,416
Accounts payable and accrued liabilities	(64,814)	2,111
Deposits	(75,000)	(25,000)
	(285,148)	11,773
	153,971	(44,146)
INVESTING ACTIVITIES		
Purchase of property and equipment	(32,335)	(29,554)
Change in investments	625,165	(221,121)
Change in restricted cash	(480,397)	(227,578)
	112,433	(478,253)
INCREASE (DECREASE) IN CASH FLOW	266,404	(522,399)
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	665,837	1,188,236
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 932,241	\$ 655,837

See notes to financial statements



Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

NATURE OF OPERATIONS

The Beverage Container Management Board (the "Board") is 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash

Cash includes an operating bank account. All amounts are readily converted into known amounts of cash and are subject to an insignificant change in value.

Investments

Investments are recorded at fair value with any changes in fair value recorded in the statement of revenues and expenditures.

Property and equipment

Property and equipment are recorded at cost. Amortization of these assets is provided for using the straightline method as follows:

Leasehold improvements	10 years
Office equipment	5 years
Furniture and fixtures	5 years
Computer equipment and accessories	3 years

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 Alberta Beverage Container Recycling Corporation (ABCRC) or Brewers Distributor Ltd. (BDL) acknowledging collection of the containers. Product registration and permitting and compliance fees are recorded as the related service is performed.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management's estimates include the useful lives of tangible capital assets and the corresponding rates of amortization. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement of financial instruments

The Board initially measures its financial assets and financial liabilities at fair value, and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, restricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenses.

2. RESTRICTED CASH

Restricted cash is comprised of \$2,005,300 (2019 – \$362,302) allocated from the operating cash account. Prior years restricted cash also included guaranteed investment certificates in the amount of \$1,162,601. This cash has been restricted and includes amounts related to the internally restricted surplus of \$2,005,300 (2019 – \$1,524,903) (note 6).

3. INVESTMENTS

As at December 31, 2020, the investments consisted of a guaranteed investment certificate that matures in 2021 and earns interest at 0.05% (2019 – guaranteed investment certificates that mature in 2020 and earn interest between 2.12% and 2.51%).

# Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

## 4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment and accessories	\$ 87,040	\$ 62,252	\$ 24,788	\$ 17,140
Furniture and fixtures	42,554	18,204	24,350	24,918
Leasehold improvements	68,958	55,064	13,894	31,737
Office equipment	7,982	819	7,163	1,191
	\$ 206,534	\$ 136,339	\$ 70,195	\$ 74,986

## 5. ACCOUNTS PAYABLE

	2020	2019
Trade payable	\$ 94,226	\$ 168,429
GST payable	13,491	4,102
	\$ 107,717	\$ 172,531

## 6. INTERNALLY RESTRICTED SURPLUS

The Board of Directors has established an operating reserve fund to cover the costs of winding up the Board's programs and addressing significant and unexpected costs, should the Board of Directors decide this to be necessary. During the year, \$480,397 was transferred from unrestricted to restricted surplus (2019 – \$203,713 was transferred from restricted to unrestricted surplus). This transfer brings the balance of restricted surplus to \$2,005,300 (2019 –\$1,524,903).

## 7. COMMITMENTS

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

2021	\$ 66,993
2022	21,030
	\$ 88,023

# Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

## 8. BOARD MEMBER AND MANAGEMENT REMUNERATION

The Board has expensed honoraria, if claimed, which includes training and travel time, but not travel or other expenses, paid to its Directors and President as follows:

	2020	2019
Board Chairperson		
Mr. A. Stephens (a, c, d, g, h, p, r)	\$ 23,900	\$ 17,700
Board Members		
Mr. O. Edmondson (a, d, h (Chair), p (Chair), r (Chair))	21,575	4,200
Ms. P. McLeod (d (Chair), g (Chair), p, r)	19,161	7,945
Ms. T. Jones (c, d)	9,355	4,760
Mr. T. Marr-Laing (c (Chair), h, r)	7,965	4,340
Mr. B. Moore (a, c, d, h)	6,180	–
Mr. F. Remtulla (g, h)	5,775	5,600
Mr. J. Roczkowski (a, d)	5,100	3,535
Ms. B. Smith (c)	2,450	4,075
Ms. M. Martin	–	2,520
Ms. A. Auriat	–	1,610
	101,461	56,285
President	303,871	205,736
	\$ 405,332	\$ 262,021

Member of Audit Committee (a)  
Member of Compliance Committee (c)  
Member of Depot Viability Committee (d)  
Member of Governance and Compensation Committee (g)  
Member of Handling Commission Review Committee (h)  
Member of Policy Committee (p)  
Member of Return Margin Committee (r)



# Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

## 8. BOARD MEMBER AND MANAGEMENT REMUNERATION (continued)

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

	2020	2019
Honoraria paid	\$ 101,461	\$ 56,285
Canada pension plan benefits	4,405	2,004
Travel	8,627	44,759
Directors' meals	283	1,368
	\$ 114,776	\$ 104,416

In 2020 and 2019, the travel expense amount was reimbursed directly to the Board of Directors.

# Notes to Financial Statements

YEAR ENDED DECEMBER 31, 2020

## 9. BUDGET AMOUNTS

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

## 10. FINANCIAL INSTRUMENTS

The Board is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Board's risk exposure and concentration as of December 31, 2020.

### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board is exposed to credit risk from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Board has a significant number of customers which minimizes concentration of credit risk.

### 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.

## 11. UNCERTAINTY DUE TO COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization and on March 17, 2020 the Province of Alberta declared a public health emergency. Many businesses and individuals in a variety of sectors may experience an economic loss due to COVID-19 which may have a financial impact on the Board. An estimate of the potential financial impact cannot be made at this time.

## 12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

**Beverage Container Management Board**

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