

years

OF RECYCLING EXCELLENCE

The successful evolution of Alberta's
beverage container recycling industry





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AN ACKNOWLEDGMENT

In the spirit of reconciliation, the BCMB recognizes that our office is located on Treaty 6 land, the traditional territory of the Cree, Saulteaux, Blackfoot, Métis, Dene, and Nakota Sioux people. Our responsibility as the regulator for Alberta's beverage container recycling industry means our work involves oversight of depots in 160 communities across Alberta. Thus, our work is carried out on not only Treaty 6 traditional territory but also the traditional lands of Treaties 7 and 8 – the Blackfoot Confederacy (Kainai, Piikani and Siksika), Stoney Nakoda, and the Tsuu T'ina Nation and the Métis People of Alberta. This includes the Métis Settlements and the Six Regions of the Métis Nation of Alberta within the historical Northwest Metis Homeland.

We honour those who have come before us and with this small act of reconciliation, we also acknowledge and celebrate the significant connection Indigenous people have to the land.

Since 1997, the Beverage Container Management Board (BCMB) has successfully regulated a deposit-refund system that is recognized across Canada for its high collection rates. Alberta's leading system owes its success to accessible depot locations, quality services, excellent collection systems and industry collaboration.

Evolving trends and needs in recycling and waste management have guided the Alberta industry and the BCMB's regulatory role for 25 years. We provide the structure and standards that ensure a fair playing field, accessibility, and customer participation and satisfaction. In return, we rely on depots, producers and their agents to be accountable and committed to adhering to regulatory standards and requirements as they work to achieve the outcomes that we measure and report on.

As we reflect on 25 years of evolution in our industry and look ahead to the future, we can use the knowledge gained to continue to administer and enhance an already strong and successful system that will keep pace with the rapidly changing world of climate change and the need to reduce waste.

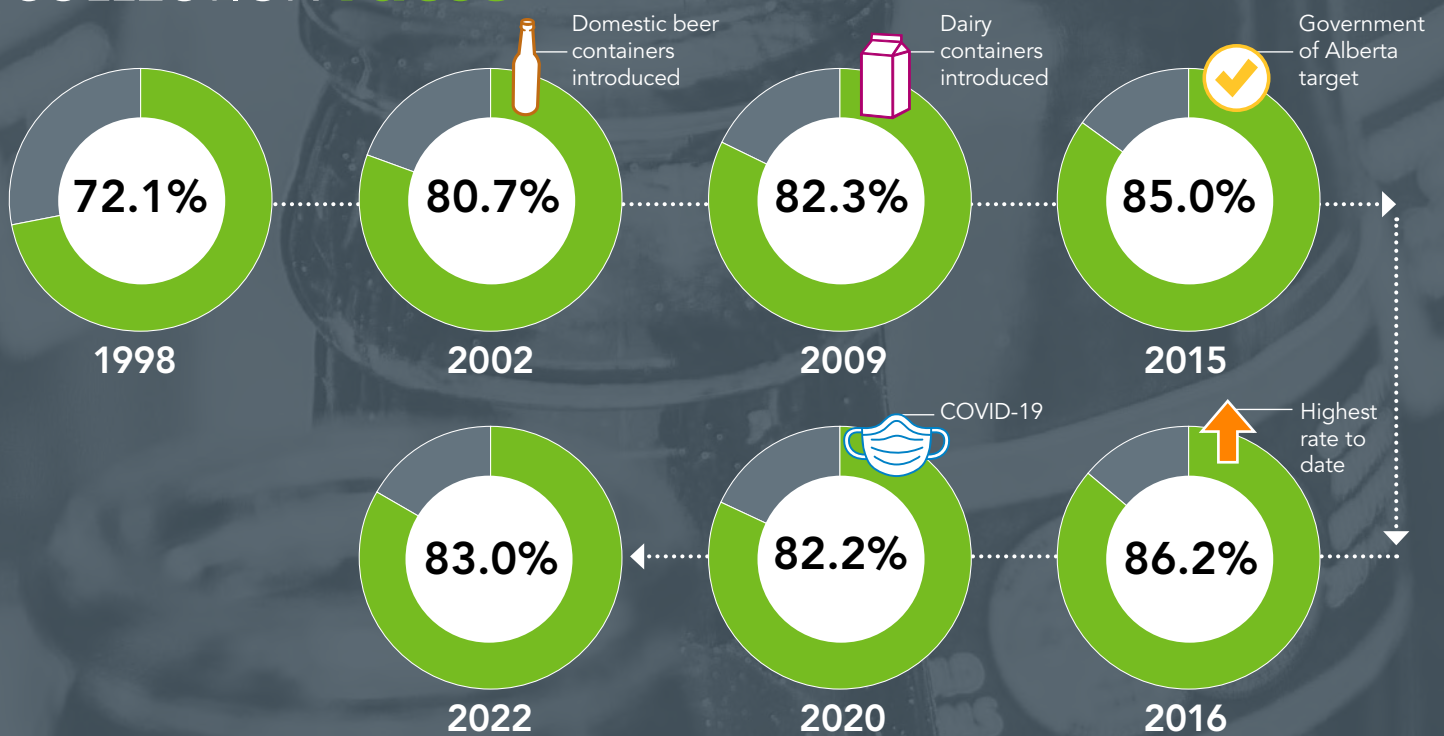
We will continue to work with the Government of Alberta and our industry partners to increase collection and recycling rates. This can be achieved by furthering Albertans' understanding of the environmental, social and economic values of a deposit-refund system and the incentive it provides to recycle, much of which is highlighted in the following report.

1997
2022

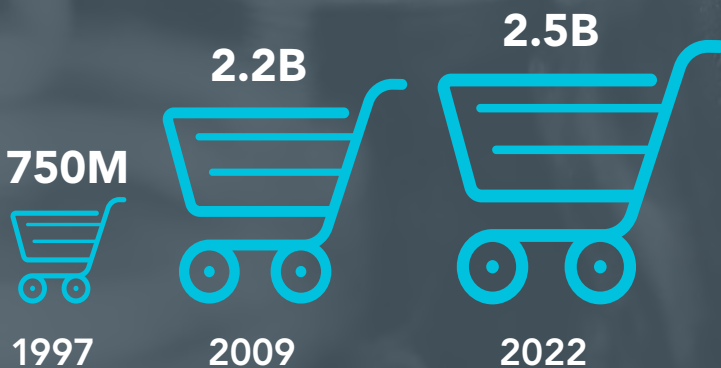


25 years

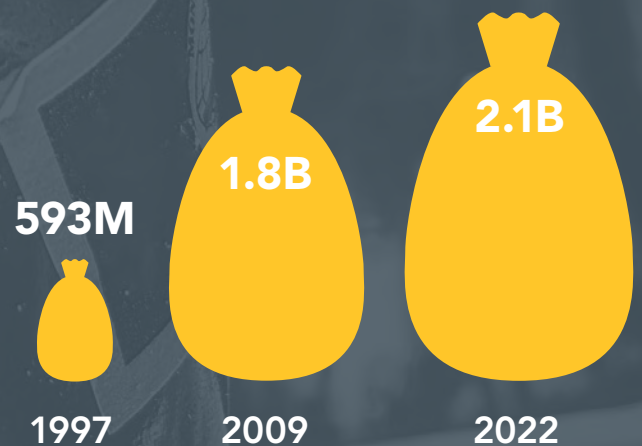
COLLECTION **rates**



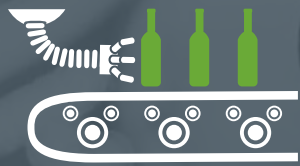
BEVERAGE CONTAINERS **sold**



BEVERAGE CONTAINERS **collected**



2022



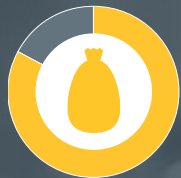
1,400+ Beverage Producers



231,000+ Registered Products



2.5 Billion Containers sold



83.0% Collection Rate



87.2% Cans



87.7% Non-refillable Glass



97.3% Refillable Glass



79.4% Plastics



69.5% Polycoats



DEPOT
It's Worth It.

221 Depots in 160 Communities

2.1 Billion Containers Collected

MATERIAL RECYCLED



87% Customers Satisfied with depot experience



96% Albertans Aware of deposit refund program



14,561 tonnes Cans



47,108 tonnes Non-Refillable Glass



20,708 tonnes Plastics



5,073 tonnes Polycoats



2,500+ Albertans Employed

LETTER to the Minister

June 14, 2023

Honourable Rebecca Schulz
Minister of Environment and Protected Areas
Government of Alberta
224 Legislature Building
10800 – 97 Avenue
Edmonton AB T5K 2B6

Dear Minister Schulz:

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, 2022, in accordance with Section 5 of the Beverage Container Recycling Regulation (Alta. Reg. 101/1997 as amended).

2022 marked the 25th year of operation for the BCMB. While much has changed in the beverage container recycling industry since 1997, regulating and enhancing a leading beverage container system that protects Alberta's environment remains our focus. The success we have had for 25 years can be attributed to many things, but perhaps most important is the BCMB's unwavering focus on providing the industry with the right tools and oversight to allow it to innovate and meet environmental standards being set nationally and internationally.

As highlighted in the report, in 2022 the BCMB progressed key projects that will allow us to carry out the crucial work we do to oversee a regulated industry, protect the environment, contribute to the economy, provide social benefits to communities, and ensure the public has access to a convenient and safe network of depots. This work allows us to measure our system against circular economy principles of recycling to ensure we meet and exceed expectations, the key role of a regulator.

The work we do would not be possible without the excellent work and commitment of our industry partners and the support provided by the staff of Environment and Protected Areas and your office. We look forward to continuing to assist the ministry in your efforts to protect and enhance Alberta's environment and ecosystems and to meet your desired environmental, social and economic outcomes.

Yours truly,



Andrew Stephens
Chair
Beverage Container Management Board

CHAIR'S Report

2022 marked 25 years for the BCMB as the regulatory body for our province's beverage container recycling system. As I reflect on those 25 years, it is remarkable and gratifying to see the evolution of the industry and the BCMB.

Perhaps most crucial to our success is the significant emphasis we place on collaborating with our industry partners. Alberta's beverage container recycling system is highly regarded because of the commitment of each industry participant to a standard of environmental excellence and a willingness to ensure all Albertans have access to a safe, convenient and efficient deposit-refund system.

I am proud of the progress made by our Board, BCMB staff and our industry stakeholders not just in recent years, but in the 25 years since the organization's inception. Much like the industry itself, the Board of Directors has worked hard to better define and meaningfully focus the BCMB's role as a regulator.

Our Board has made 'red tape reduction' a priority the past few years – to ensure policy, processes and decisions are efficient, grounded in our regulatory role and give system participants the flexibility to excel in their efforts and contributions to the industry. All of this is aimed at better meeting the changing and diverse needs of our industry and the Albertans we serve.

We have reduced the number of directors on our Board, enhanced our governance processes and the required qualifications for directors, and made board orientation and education a priority. While precipitated by COVID-19, a move to more virtual meetings has significantly reduced expenses and enhanced efficiency.

New policies related to handling commission reviews have made the process more efficient and have resulted in reduced costs and fewer regulatory delays for industry stakeholders. The BCMB now reviews rates annually, providing stakeholders with an opportunity to accept annual rates or trigger a full handling commission review. The BCMB is moving into its fourth year of annual rate adjustments, and this new approach is proving to be a benefit for all stakeholders. However, the industry is facing severe inflationary cost pressures, so with our partners, we need to remain focused on further improving system efficiency.



All of this puts the BCMB on firm footing for the new and exciting changes happening in recycling. Extended Producer Responsibility (EPR) legislation is now in force in Alberta, and its full implementation is planned for April 2025. Though the new EPR framework does not apply to beverage containers, our industry is supportive of the Government of Alberta's efforts to achieve strong environmental outcomes for our province and the use of effective regulatory tools like EPR which is being introduced in more and more jurisdictions around the world.

The Government of Alberta has commended our industry for its long-standing success in diverting beverage containers from landfills and for supporting environmental, social and economic goals. It has indicated it is counting on us to help identify opportunities for synergy with EPR and to achieve Alberta's desired environmental outcomes. I know the Board and staff of the BCMB will continue to provide valuable support and knowledge to both the Government of Alberta and the Alberta Recycling Management Authority during the transition to EPR.

In closing, I would like to recognize Patricia McLeod who is resigning from the Board after over seven years of service. She and all members of our Board are passionate about this industry and the importance of the BCMB's regulatory role. They bring an extraordinary level of commitment and knowledge to their work as directors.

Our industry partners – the Alberta Beverage Container Recycling Corporation, Alberta Bottle Depot Association, Alberta Beer Container Corporation, producers, and depot owners and staff – also deserve praise for their input, willingness to change and grow with the industry, and the pride they take in their organizations and the work they do. Thank you as well to the staff of Alberta Environment and Protected Areas, both the Minister's office and department, for continuing to support the BCMB.

And of course, the BCMB would not be the successful regulatory body it is without its amazing staff, led by President, Blaire Gaalaas. The skills, work ethic and tremendous commitment of the team are admirable and will ensure the BCMB and our industry continue to lead the way in environmental sustainability in this province.



Andrew Stephens
Board Chair

PRESIDENT'S Report

Throughout the 2022 Annual Report you will see and read the highlights of what was accomplished by the BCMB during the year and in its first 25 years of operation. When I consider the evolution of Alberta's beverage container recycling industry over a quarter of a century, it strikes me that both the industry and our regulatory organization have 'grown up'. Collection and recycling rates have advanced significantly, innovation and service levels have grown with Albertans' needs, industry is taking accountability for the products they introduce into the Alberta market, and the BCMB as a regulator has gained strength in governance, regulatory systems and tools to hold industry and itself accountable as it serves the Province of Alberta.

We are proud to say that the BCMB looks different than it did 25 years ago because we have learned from our experiences, listened to and collaborated with our partners, adjusted as necessary, and built on our success by settling for nothing less than leading with excellence.

The BCMB, the deposit-refund system and the industry we regulate have always been looked to as a best-practice model for beverage container recycling. There are many factors to which we owe our success, all of which we continue to refine and adjust in innovative ways as the focus increases at home and globally on recycling and environmental sustainability. Some of these include:

- the regulatory structure for beverage container recycling in Alberta.
- our deposit-refund system, including deposit amounts (10 cents & 25 cents) which provide financial incentive for Albertans to return containers for a refund.
- setting targets that are aggressive and validated.
- understanding the complexity of regulation in terms of Alberta's economy, the Government of Alberta's goals, and the risks and benefits of the beverage container recycling industry.



The ability to innovate and adapt is even more important as Alberta and many jurisdictions around the world adopt an EPR approach and as governments set significant targets for recycling. The European Union for instance has mandated that by 2025, 77% of plastic beverage containers must be recycled, and that rises to 90% by 2030. Canada is also exploring national targets for beverage container plastic. A target has been set for 2030 to have 50% of plastic packaging, which includes beverage containers, effectively recycled or composted.¹ Given Alberta's leadership in achieving high targets for plastic beverage container collection and recycling, something our industry successfully achieves year over year, we are invested in exploring achievable and inspirational outcomes for all beverage container material streams and for this industry.

¹[A Roadmap to Strengthen the Management of Single-Use and Disposable Plastics, Canadian Council of Ministers of the Environment, 2022.](#)

Alberta has a large collection system with 221 permitted depots across the province. Over the coming year, depot permit holders, beverage producers and agents, the BCMB, and Albertans will need to work together to create economical and viable ways to achieve higher collection and recycling targets – *we are stronger together* (2019 Annual Report) remains true and relevant as we continue to achieve excellence in environmental protection, the Alberta way.

What we have learned in 25 years provides a foundation to move forward. To do so, it is imperative the BCMB is strategic and purposeful about its regulatory approach and tools. The BCMB is anticipating shifts in recycling methodology and regulation as Alberta works toward a circular economy and as the province implements EPR. To fulfill our regulatory role of making sure that requirements for the collection and recycling of beverage containers are being met or exceeded, and to help us achieve our desired outcomes and strategies, the BCMB is continuing its work on three key projects aimed at:

- efficient and secure information technology systems for our industry (Technology Review & Update).
- the exploration of collection rate targets for each material stream and the development of clear and measurable recycling definitions, measurement tools, transparent processes and reporting requirements (Registration & Recycling Committee).
- depot siting criteria that will ensure convenient, accessible and viable depot locations that allow and encourage all Albertans to return their beverage containers for a refund and recycling (Depot Siting & Review Committee).

It is exciting to consider what the future may hold for our industry, and I have no doubt we will be well-prepared to meet all challenges and opportunities that come our way. As always, we do this with the support and great work of our industry stakeholders, Alberta Environment and Protected Areas, our Board of Directors, and the talented and committed staff of the BCMB.



Blaire Gaalaas
President

REGULATORY **role & governance**



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:

- 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 make the industry accountable and provide 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 about the environmental, economic, and social benefits of recycling beverage containers, and encourage participation regardless of where beverages are consumed.

REGULATORY Role

The BCMB was established 25 years ago through the [Beverage Container Recycling Regulation](#), which was enacted under the [Environmental Protection and Enhancement Act](#). The BCMB is also a not-for-profit association incorporated under the [Societies Act](#) of Alberta. We are responsible for regulating and delivering Alberta's beverage container recycling system.

The BCMB is a Delegated Administrative Organization (DAO) created through legislation to aid the Ministry of Environment and Protected Areas in achieving its goals and objectives. That means we purposefully align with the Government of Alberta and the Ministry's strategic direction and priorities but we function as an arms-length, self-funded, legal entity in carrying out our services and mandate.

The BCMB operates in accordance with a number of bylaws, policies, and operating and service agreements with industry stakeholders. These [governing documents](#) are amended as necessary to ensure our work reflects and aligns with current recycling needs and policies provincially, nationally and globally.

Our business planning and operations focus on our regulatory role and reputation to ensure our core business functions and systems are directed at regulation rather than industry operations. This work is done in collaboration with the BCMB's stakeholders, as a unified approach to decisions is crucial to our industry's success.

In addition to Alberta Environment and Protected Areas, our key industry stakeholders include:

- [Alberta depots](#) (the collection system);
- the Collection System Agent ([Alberta Beverage Container Recycling Corporation – ABCRC](#));
- the main Collection Service Provider (Alberta Beer Container Corporation/[Brewers' Distributor Ltd. – BDL](#));
- non-alcohol beverage producers; and
- alcohol producers and [Alberta Gaming, Liquor and Cannabis – AGLC](#) (the deemed producer for alcohol).

KEY Functions

The BCMB's key functions/responsibilities include:

1. Registrations & Operations

- beverage container registration/confirmation – evaluation of recyclability
- management of the beverage container database
- retail compliance program (includes compliance with registration of beverage containers)

2. Compliance & Investigations

- producer compliance (e.g., registrations, reporting and remitting, sales verification, accuracy of data)
- depot compliance (depot inspections, Uniform Code of Accounts, quality control, refund compliance)
- depot permitting (Request for Applications, new depot applications, renewals, permit conditions, transfer of shares, cancellation/suspension)
- investigations

3. Finance, Information Technology (IT) & Analytics

- financial operations (e.g., invoicing, payments, budgeting)
- Quality Monitoring System (QMS) issues
- IT infrastructure/security/reporting
- Requests for Proposals
- reporting, surveys/research

4. Governance

- by-laws, policies and guidelines
- setting of handling commissions and policy/processes to adjust them
- hearings
- communications

GOVERNANCE

BOARD OF DIRECTORS

The BCMB's [13-member Board of Directors](#) includes nominees from Alberta beverage manufacturers (producers), depots, the public (municipalities and interested citizens) and a non-voting nominee from the Government of Alberta (Alberta Environment and Protected Areas). Directors serve for three-year terms (with a maximum of three terms) and serve on Board committees as appointed. Board appointments are reviewed annually, and new directors are appointed at the BCMB's Annual General Meeting held in June each year.

Manufacturer Nominees



Nicholas Kissel
Treasurer
Nominated by
Alberta Gaming,
Liquor and Cannabis



Cheryl McLaughlin
Nominated by the
Canadian Beverage
Association



Brian Moore
Nominated by the
Western Dairy Council



Rachel Morier
Nominated by the Alberta
Beer Container Corporation

Government Nominee



Carol Nelson
Non-voting
Nominated by
Alberta Environment
and Protected Areas

Depot Nominees



Thomas Dore
Secretary
Nominated by the Alberta Bottle Depot Association



Karim Dossa
Nominated by the Alberta Bottle Depot Association



Gagandeep Johal
Nominated by the Alberta Bottle Depot Association



Tom Marr-Laing
Nominated by the Alberta Bottle Depot Association

Public Nominees



Owen Edmondson
Nominated by the Beverage Container Management Board



Trina Jones
Nominated by Alberta Municipalities



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 which oversees the regulatory functions and daily operations of the organization (see key functions on p. 13).



Blaire Gaalaas
President



Brent Campbell
Director of Operations



Mark Emsden
Director of Compliance



Jamie Moore
*Director of Finance
& Administration*

2022

outcomes



2022 Outcomes

The BCMB's mandate "to regulate and enhance a leading beverage container system that protects Alberta's environment" is the foundation of our business planning and the desired outcomes we set, measure and report on annually.

With 221 depots in 160 communities in Alberta, a highly efficient and organized Collection System Agent (CSA) for single-use containers, Collection Service Providers (CSPs) for refillable containers, and over 1,400 producers (manufacturers) registering and reporting on more than 231,000 different products for sale in Alberta, we are positioned well to meet our desired outcomes.

As a DAO, the BCMB places specific emphasis on helping the Government of Alberta and specifically, Alberta Environment and Protected Areas, achieve their stewardship goals by aligning with their mandate, desired outcomes and key objectives.

Alberta Environment and Protected Areas' 2023-2026 Business Plan states that it "works to protect and enhance the environment and ecosystems throughout the province to secure a sustainable future with Alberta as a leader in environmental conservation and protection supporting economic prosperity and quality of life for Albertans."²

Alberta is well known as a leader in beverage container recycling, and our industry is a key contributor to environmental conservation and protection. That also translates into significant economic and social benefits.

From an economic standpoint, beverage containers are a resource and have created their own economy in Alberta through the beverage container recycling system. Over 98% of all returned beverage containers are sold to the CSA by depots, which creates excellent economies of scale, allowing us to secure better commodity values and work towards providing recycled content for newly made products.

The deposit on each container provides the incentive for Albertans to return beverage containers to a depot for a refund of the deposit paid on that container. In turn, the collection and recycling of the containers provides employment for over 2,500 Albertans and revenue for the industry and recycling companies that purchase the material from the CSA/CSPs.

Just as important are the social benefits of a deposit-refund system. Many of the 221 depots permitted in Alberta offer employment opportunities to people with disabilities, run donation programs, support bottle drives in their communities, and offer collection/pick-up services that make recycling convenient for businesses and other organizations. Some Albertans rely on their refunds as a means of financial support while others donate the deposit value of their beverage containers to community and charitable organizations which use that money to fund key programs for Albertans.

One of Alberta Environment and Protected Areas' key objectives is to "maintain and strengthen environmental resource stewardship and conservation through proactive engagement and partnerships with municipalities, non profit organizations, and Indigenous communities to support targeted strategies and frameworks including...efficient regulated waste facilities and recycling programs."³

The BCMB remains focused on environmental resource stewardship. We listen to and collaborate with industry partners to enhance our efforts to meet and adopt best practices, ensuring consistency with provincial and national standards. We continually evaluate our regulatory role and the performance of the beverage container recycling system against modern and evolving stewardship standards and practices.

The BCMB also fully supports the Government of Alberta's efforts to grow the circular economy for plastics through the province's [Natural Gas Vision and Strategy](#). Alberta has one of the highest collection and recycling rates for plastic beverage containers in Canada and the lowest average costs per container. Over 703 million plastic containers were returned to depots in 2022 with a current collection rate of 79.4% and a recyclability rate of 99.3%.⁴ Our industry is also working on how best to incorporate plastic recycling feedstock back into the system.

² [Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 45.](#)

³ [Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 47.](#)

⁴ [Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, pp. 18 & 20.](#)

MEASURING OUR PERFORMANCE

With our vision and mandate guiding us, the BCMB has five interconnected and desired outcomes for Alberta's beverage container recycling system and key strategies to help us achieve those outcomes. We use performance measures and indicators to assess our progress.

Outcomes & Key Strategies

All outcomes and key strategies align with [Outcome 1](#) of Alberta Environment and Protected Areas' 2023-2026 Business Plan: *Environment and ecosystem health and integrity are vital to Albertans' well-being and safety.*

Outcome 1: Environmental Protection

- **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.

Outcome 2: Fiscal Stewardship

- **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.

Outcome 3: Governance Excellence

- **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.

Outcome 4: Customer Excellence

- **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.

Outcome 5: System Efficiency & Effectiveness

- **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 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. The BCMB reports on the current year target and result, as well as two previous years' results.

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. The BCMB reports five years of results.

OUTCOME 1: Environmental Protection

The BCMB recognizes the importance of protecting and enhancing Alberta’s environment through sustainable practices and working to build a circular economy. 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 and recycling 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

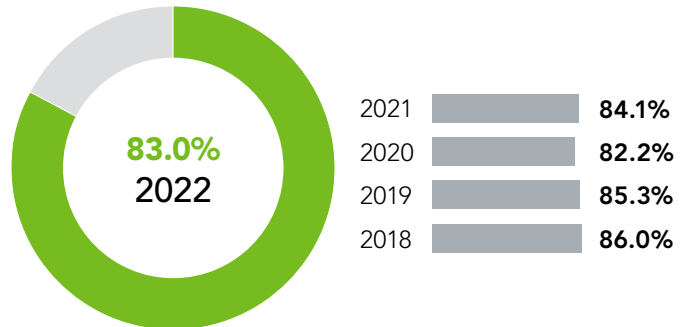
COLLECTION RATE

The collection rate is the percentage of beverage containers returned by Albertans, collected by depots and purchased from depots by the CSA or CSPs, compared to the number of beverage containers sold by producers in Alberta.

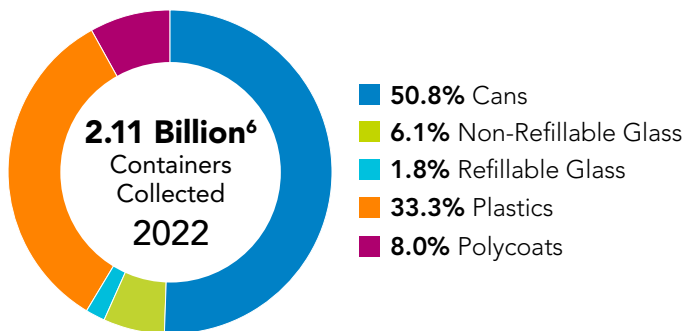
The CSA (ABCRC) collects all non-refillable beverage containers, which equates to approximately 98% of all containers returned to Alberta depots. Refillable glass containers (primarily beer bottles) are collected by the largest CSP, the Alberta Beer Container Corporation. Beer bottles can be refilled and reused up to 15 times.

Overall Collection Rate

(Number of containers returned through depots compared to sales reported by producers for the same period)



Containers Collected by Material Stream⁵ (Percentage)

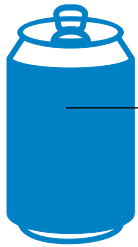


⁵As of 2022, the BCMB is reporting collection rates for cans (aluminum) and non-refillable glass containers separately as they are different material streams.

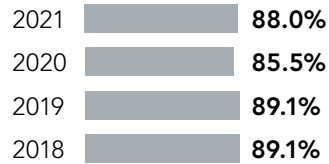
⁶For the 12-month period ending December 2022, the total system volume equated to 2.11 billion containers collected (returned to depots).

By Container Type

Cans⁷



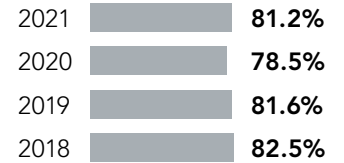
87.2%
2022



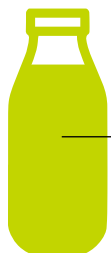
Plastics



79.4%
2022



Non-Refillable Glass



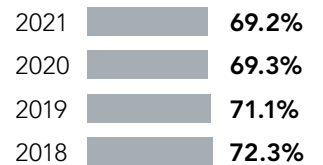
87.7%
2022



Polycoats



69.5%
2022



Refillable Glass



97.3%
2022



⁷ As of 2022, the BCMB is reporting collection rates for cans (aluminum) and non-refillable glass containers separately as they are different material streams.

⁸ Refillable glass returns sometimes exceed 100% due to the fiscal year cycle and the lag between what is reported for sale and what is collected by a depot.

Collection Rate RESULTS

- Beverage sales continue to steadily rise in Alberta, increasing 0.7% in 2022 to 2.5 billion sold.
- The collection rate for 2022 was 83%, down from 84.1% in 2021.

REDUCE FOOTPRINT

The BCMB began reporting on three of four new performance indicators in 2021 (with ABCRC being the source of the metrics).

Transportation of Products from Depots to ABCRC and Transportation of Products from ABCRC to End Destination

As the beverage container recycling system’s Collection System Agent, ABCRC has an operating agreement with the BCMB for the collection of containers from Alberta’s 221 depots. They manage an extensive and flexible transportation and logistics system to carry beverage containers as efficiently as possible through the recycling supply chain. Back-haul carriers (trucks that are returning to the Calgary and St. Albert CSA plants and would otherwise be empty) are leveraged as much as possible to reduce the environmental footprint, and several of the carriers contracted by ABCRC are members of the SmartWay Transport Partnership (SmartWay) run in Canada by Natural Resources Canada. SmartWay helps businesses move goods efficiently and competitively while reducing fuel costs and emissions by helping carriers and shippers to benchmark their operations, track fuel consumption and improve their overall performance.⁹

Transportation of Products from Depots to ABCRC (Kilometres driven)



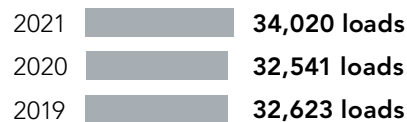
3,199,858 km
2022



Transportation of Products from Depots to ABCRC (Number of loads)



33,872 loads
2022



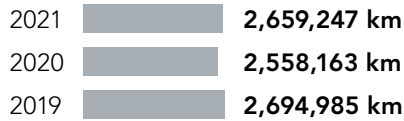
⁹ [Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 17.](#)

Transportation of Products from ABCRC to End Destination¹⁰ (Kilometres driven)

Cans



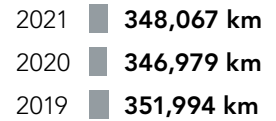
2,626,643 km
2022



Plastics



319,521 km
2022



Non-Refillable Glass



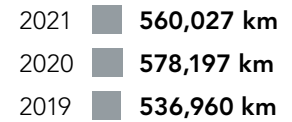
163,523 km
2022



Polycoats¹¹



646,520 km
2022



¹⁰The transportation of refillable glass containers is not included in the environmental performance indicators.

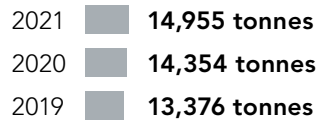
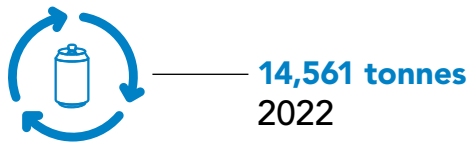
¹¹In 2022, some gable top (polycoat) was shipped to overseas destinations from the port of Montreal, incurring CO₂ emissions of approximately 24,498 kg.

Material Recycled

Assessing the number of metric tonnes of beverage containers diverted from landfills each year is an excellent indicator of waste diversion and whether beverage containers are being recycled or reused.

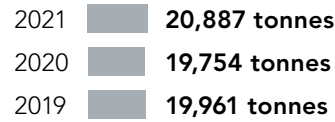
Cans

(Metric tonnes diverted from landfill)



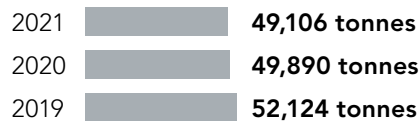
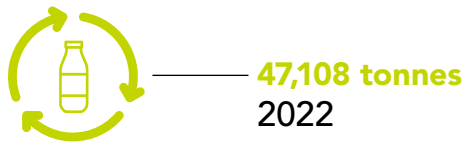
Plastics

(Metric tonnes diverted from landfill)



Non-Refillable Glass

(Metric tonnes diverted from landfill)



Polycoats

(Metric tonnes diverted from landfill)



Recycling Rate

The recycling rate will quantify the percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials).

Recycling Rate RESULTS

- Reporting on the recycling rate will begin upon completion of the Registration and Recycling Project and when data can be obtained and measured.

OUTCOME 2: Fiscal Stewardship

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 our 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

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 Protected Areas each year. 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 reviewed by the Board on an annual basis.

REPORTING AND TRANSPARENCY

Net System Cost

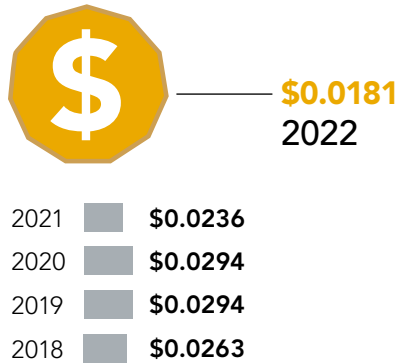
The system is funded in three ways:

1. Container Recycling Fees (CRF) set by producers and paid by consumers at the point of purchase (which may be zero).
2. Unredeemed deposits forfeited by consumers who paid it at point of purchase and abandoned the container (never returned to a depot).
3. The salvage value of the materials recovered and recycled.

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.

Net System Cost

(Total of all costs and offsetting revenues in dollars per container)

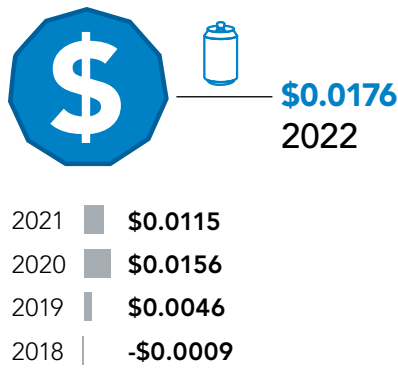


Net System Cost RESULTS

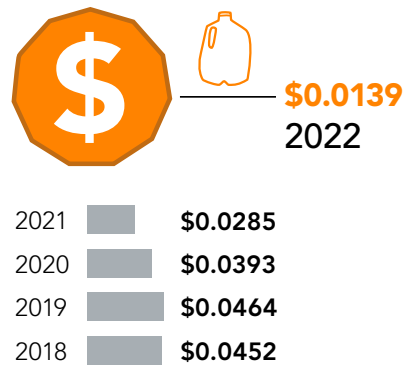
- The overall net system cost dropped again in 2022 to \$0.0181 from \$0.0236 in 2021.

Net System Cost by Container Type
(Dollars per container)

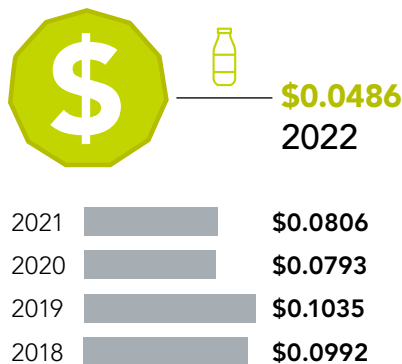
Cans



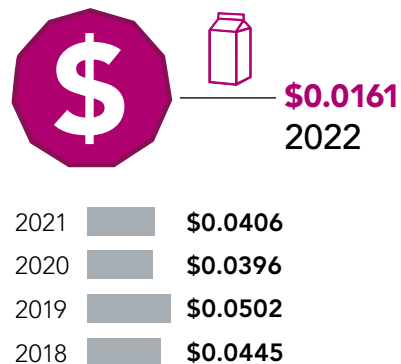
Plastics



Non-Refillable Glass



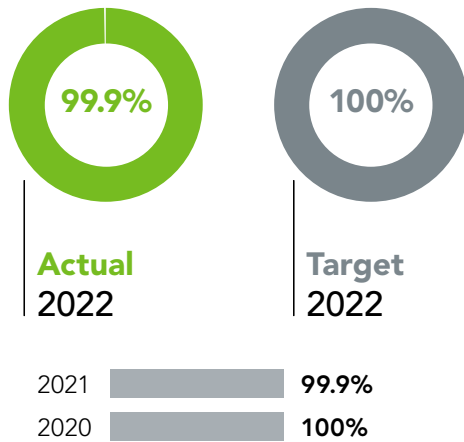
Polycoats



CSA Payment Compliance

All 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 to depots by the CSA is nine days.

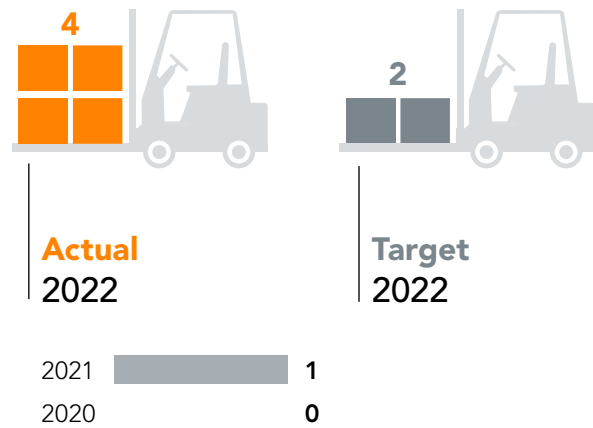
Payments Made to Depots within the Industry Standard (Percentage)



CSA Collection Compliance

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.

Reported Loads Not Picked Up from Depots within the Industry Standard (Number)



CSA Payment Compliance RESULTS

- The CSA achieved near-perfect payment compliance in 2022 at 99.9%, with three late payments on 33,975 loads.

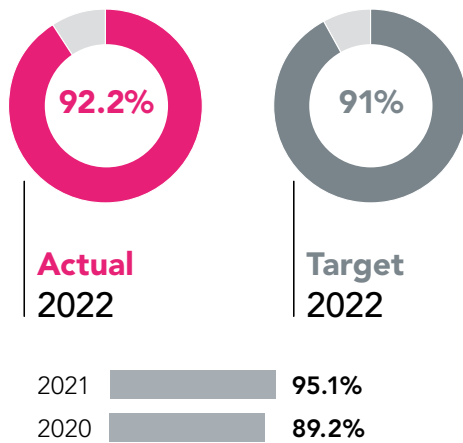
CSA Collection Compliance RESULTS

- Only four scheduled loads were not picked up from a depot in 2022 without prior communication from the CSA.

CSA Operating Compliance

Operating agreements signed by the CSA commit them to performance standards regarding service to depots and overall operational compliance. 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.

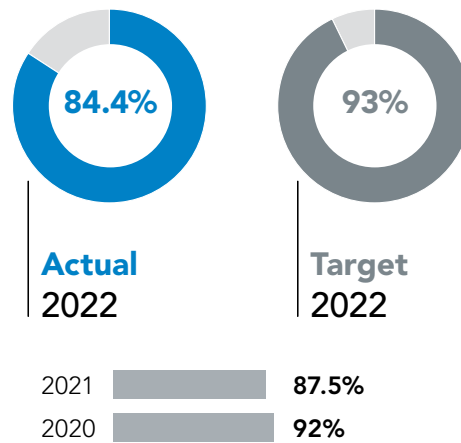
Inspection Score Based on Agreed-Upon Performance Standards (Percentage)



CSP Operating Compliance

Operating agreements signed by CSPs commit them to performance standards regarding service to depots and overall operational compliance. This performance measure is based on monthly evaluations of agreed-upon standards. An annual average is used to reflect the CSP’s compliance score.

Evaluation Score Based on Agreed-Upon Performance Standards¹² (Percentage)



CSA Operating Compliance RESULTS

- The CSA inspection score was 92.2% in 2022, above the target of 91%.

CSP Operating Compliance RESULTS

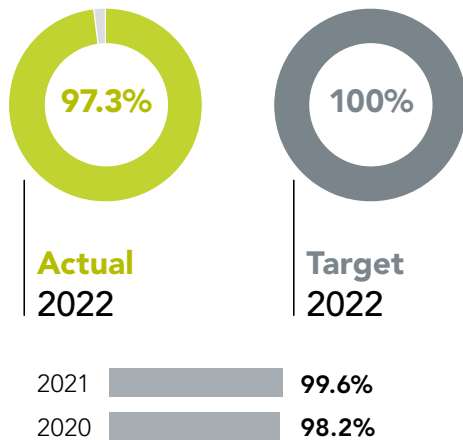
- CSP operating compliance was 84.4% in 2022, down from 87.5% in 2021 and below the 93% target. A new CSP operating agreement was implemented November 30, 2022, with the aim of improved performance for 2023, particularly related to payment and transportation.

¹² The performance measure for CSP Compliance is based on monthly evaluations. One point is assigned for each achieved standard and zero for those not achieved. Total achievements for each month are divided by the total number of standards (eight). Amounts for all months of the year are then totaled and the average taken.

Depot Compliance – UCA Filing Compliance

Depots are paid a handling commission for each container handled and shipped properly to the CSA or back to the producer directly through an appointed CSP. These handling commissions are set by a utility-like rate-setting 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 (a data collection agent) that analyzes and processes the information for the purposes of setting handling commissions and evaluating system performance.

Depots that Filed Required Financial Documents to the Data Collection Agent (Percentage)

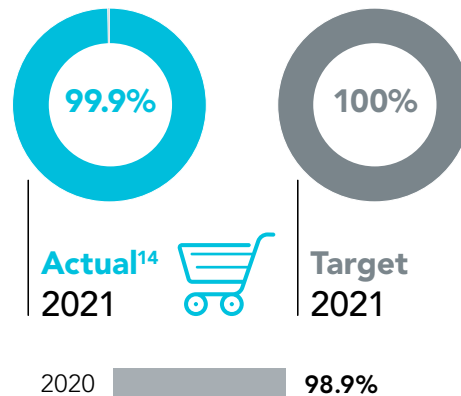


Producer Compliance – Sales Verification

In the same way depots are required to submit a UCA annually to verify their costs, producers are required to verify their total sales in Alberta for the prior year within six months of their year end. This ensures accurate accounting of sales in the province and reflects producer accountability for their products in terms of collection and recycling rates. It also informs different calculations such as the Container Recycling Fee (set by ABCRC) and the collection rate by material stream.

The CSA is responsible to report producer sales verification annually. Compliance is achieved when 90% of system volume is accounted for through producer sales verification processes.

Container Sales Remitted to CSA and Verified by Producers for Prior Year¹³ (Percentage)



¹³ Sales verification compliance represents the year prior due to BCMB reporting cycles and producer year ends.

UCA Filing Compliance RESULTS

- Depot UCA filing compliance has remained high the past few years, with compliance in 2022 at 97.3%.

¹⁴ The 2021 sales verification for producers has been updated from the percentage reported in the 2021 Annual Report (78.6%) and 2023-2025 Business Plan (99.4%). The changes are due to delays in producers' year-end audits and staffing levels being impacted by COVID-19. The CSA has implemented new procedures to improve compliance in this area.

Sales Verification RESULTS

- In 2021, 99.9% of sales volume was achieved and verified by producers (the most recent year for which data is available).
- The BCMB has also begun tracking and reporting on individual producer compliance. Six months post-fiscal year end, 34% of producers were non-compliant. As of December 2022, 9% or 32 of 356 producers were non-compliant in reporting sales verification.

OUTCOME 3: Governance Excellence

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 ensure performance indicators 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.

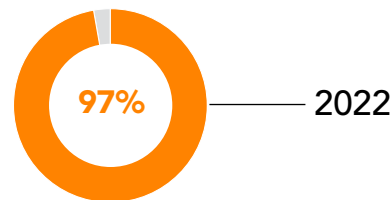
PERFORMANCE METRICS

COMPLIANCE

Refund Compliance

Anonymous audits are conducted on depots to measure the accuracy of the refund provided by depots to the public. A move to a percentage-based compliance threshold instead of a dollar-based threshold was implemented in 2022.

Audits Conducted that Were Refunded within Industry Standard (Percentage)



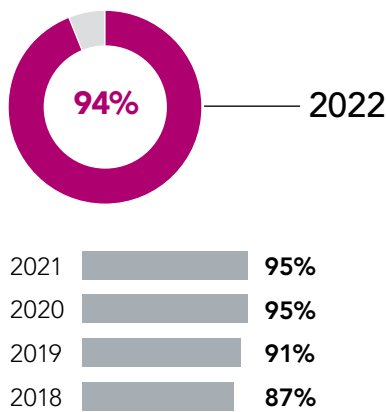
Refund Compliance RESULTS

- Refund compliance within the industry standard was 97.4% in 2022, up from 94% in 2021. The increase is most likely due to the move to the percentage-based assessment which more accurately reflects compliance.

Quality Control Compliance

The CSA audits shipping containers from depots. Audits ensure the proper number of containers are being reported by depots and that bags contain only approved containers. 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.

Shipments of Containers from Depots within Industry Standard (Percentage)

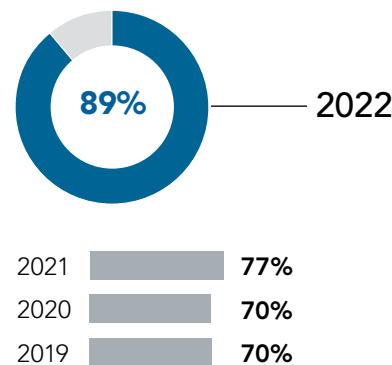


Operational Compliance

The BCMB’s depot inspection program is a risk-based process. Higher-performing depots are visited less frequently by BCMB Compliance Officers, and lower-performing depots receive more visits. Each depot is provided with an annual evaluation highlighting areas of high performance and areas where improvement is required.

Deficiencies are usually minor in nature (i.e., an employee not wearing a depot-branded uniform or a receipt without the date on it), and depots are given a timeline for correction that takes the nature of the deficiency into account.

Depots Inspected that are Compliant with BCMB By-Laws and Policies (Percentage)



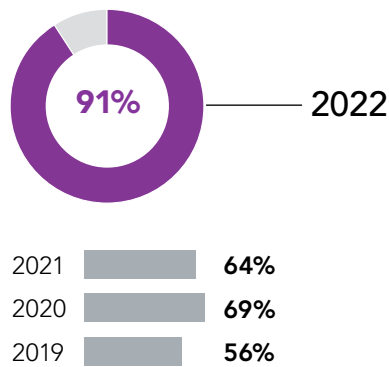
Quality Control Compliance RESULTS

- The shipment of containers from depots within the industry standard was 94% in 2022.

Operational Compliance – Depots Inspected RESULTS

- The percentage of depots fully compliant with BCMB by-laws and policies increased significantly in 2022 to 89%. This number includes only depots with zero deficiencies. Should a depot have a deficiency, it is common for it to be a minor infraction that is corrected prior to entering the compliance framework.

Depots with Deficiencies that Were Corrected Prior to Entering the Compliance Framework¹⁵ (Percentage)



Operational Compliance – Depots with Corrected Deficiencies RESULTS

- The percentage of depots with deficiencies that were corrected prior to entering the quality control compliance framework increased significantly to 91% from 64% in 2021.

¹⁵The Compliance Framework includes the following four levels: Level 1 – warning letter is issued; Levels 2 & 3 – fees are assessed; Level 4 – goes directly to Compliance Director for a decision.

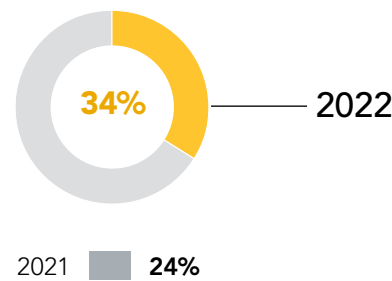
¹⁶Deposit advertising and container registration compliance was previously noted in the 2021 Annual Report; the percentages differ in comparison to this report as the calculation method has been altered and finalized moving forward.

Retail Compliance

The BCMB introduced a new retail compliance program in 2021 that focuses on deposit advertising and container registration. Like the refund compliance program for depots, audits of retail locations are conducted by the same third-party auditor group and are conducted across the province.

Though compliance levels are low with the new program, the BCMB recognizes that compliance is often gained through education. The BCMB is continuing to develop educational tools and initiatives to proactively increase compliance in these areas, and positive results are already being seen through these efforts.

Retail Locations Inspected that are Compliant with BCMB By-Laws and Policies (Percentage)



Retail Compliance RESULTS

- In 2022, 34% of retailers were compliant with all standards (compared to 24% in 2021, the first year of reporting).
- Compliance for deposit advertising was 43.2%, up from 38.9% in 2021, and compliance for container registration was 66.7%, down from 73.9% compliance in 2021.¹⁶
- The BCMB produced two educational videos on deposit advertising and beverage container registration requirements.

INTEGRATION, ALIGNMENT & COMMUNICATION

While the BCMB does not use a specific performance metric for integration, alignment and communication, we continue to ensure our by-laws, policies and operations are aligned with our role as the system regulator. We also strive for timely, clear and effective communication with industry stakeholders and the public.

Integration, Alignment & Communication RESULTS

- A joint industry committee continued its work in 2022 on the **depot siting review**. Current siting criteria are being evaluated to determine if the criteria meet the needs of the public and industry and to better understand public access and convenience.
- Work also began in 2022 on a comprehensive **information technology strategy** to align BCMB's system with other industry systems and to enhance the user experience. This includes the modernization of the BCMB's main database and portal.



OUTCOME 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

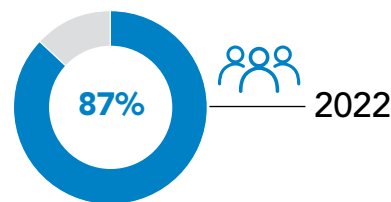
SATISFIES AND QUALITY

Public Satisfaction

The BCMB assesses public satisfaction through a [biennial 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 online in March 2022, with 1,000 online interviews completed.

Participation¹⁷

(Percentage of respondents)



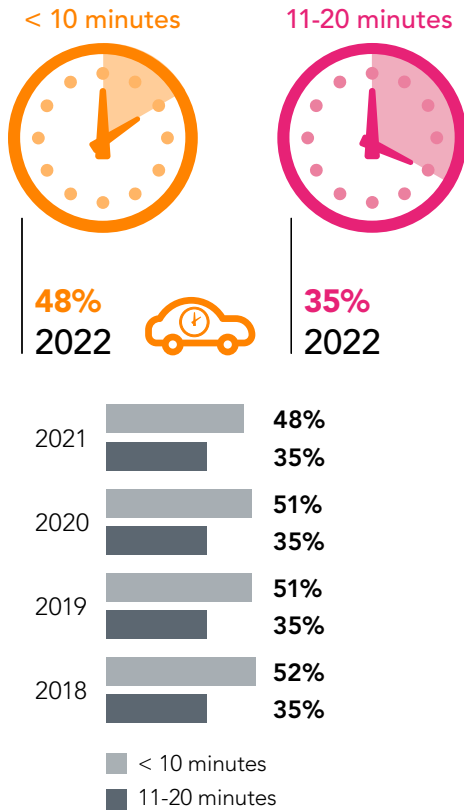
2021		87%
2020		92%
2019		92%
2018		88%

Participation RESULTS

- The number of Albertans returning containers for a refund (participation) dropped to 87% from 92% in the previous survey (conducted in February 2020 before the COVID-19 pandemic began).
- It is likely the main reasons for the decrease are depot closures and public health restrictions related to the pandemic in 2021, as well as individuals choosing to not return their containers to a depot during the pandemic.

¹⁷ Participation refers to the percentage of respondents to the biennial Ipsos survey who state that they return beverage containers to depots. The 2022 and 2021 actuals are based on the most recent survey conducted in March 2022 (which applied to Albertans' 2021 recycling activities).

Average Travel Time to a Depot¹⁸
(Minutes)

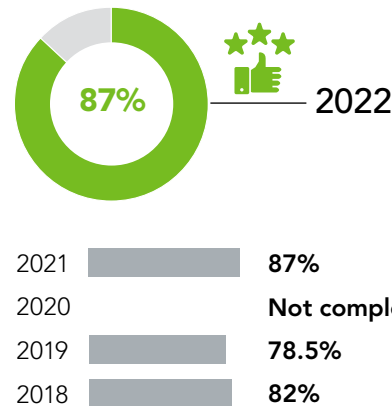


Customer Satisfaction

The BCMB assesses depot customer satisfaction through annual [Depot Exit Interviews](#). Customers are surveyed as they are leaving a depot after returning beverage containers. Due to COVID-19, the 2020 Depot Exit Interviews were not held. In 2021 and 2022 they were completed online. Customers were given a card with a QR code and asked to complete the survey for a digital gift card.

Based on the data gathered since 2011, we know the strongest correlation to customer satisfaction at a depot is related to confidence in the accuracy of the refund received. 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.

Overall Satisfaction Rates as Very Satisfied
(Percentage of respondents)



Customer Satisfaction Rates RESULTS




- Overall satisfaction with depots remained unchanged in 2022 at 87%.
- Nearly 75% of customers say they spent 10 minutes or less at the depot during their recent visit, including 33% who visited for less than five minutes.

¹⁸The remaining percentages (17% for 2022 and 2021) are reflective of rural Alberta where travel times vary according to depot locations.

**Average Time Spent in a Depot
(Minutes)**



8.4 minutes
2022

2021		8.0 minutes
2020		Not completed
2019		13.7 minutes¹⁹
2018		10.1 minutes



Average Time Spent in a Depot RESULTS

- The average wait time at a depot rose slightly to 8.4 minutes from 8 minutes in 2021, with 72% of customers waiting 10 minutes or less compared to 74% in 2021.
- In 2022, 82% of customers indicated they were satisfied with the wait time, while 84% were satisfied with the wait time in 2021.²⁰

¹⁹ Although individual rural depots have been included in past studies, a widescale 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.

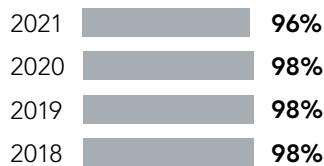
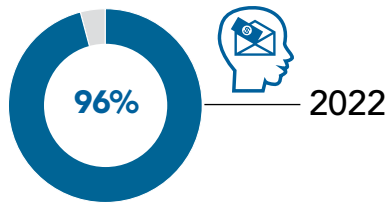
²⁰ [2022 Depot Exit Interview Survey](#)

AWARENESS

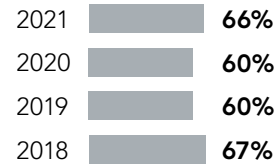
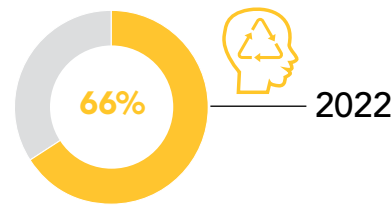
Public Awareness

Public awareness is captured through the biennial Ipsos survey. While the BCMB does not set targets for public awareness, awareness of the deposit-refund program is an important performance indicator for the industry. We have an expectation that it will be maintained at around 98% through annual marketing initiatives by the CSA²¹, education, a [joint public website](#) (ABCRC, BCMB, and ABDA) and other communications activities that continue to target regular increases in awareness surrounding deposit values and the environmental benefits of recycling beverage containers.

Individuals Aware of the Deposit/Refund Program (Percentage of respondents)



Individuals Who Believe that Recycling Beverage Containers has a Significant Impact on the Environment (Percentage of respondents)



Environmental Impact RESULTS

- 66% of Albertans believe that beverage container recycling has a significant impact on the environment (an increase from 60% in the previous survey conducted in February 2020).
- 84% are aware of some benefit to the environment through recycling beverage containers (up from 81%).

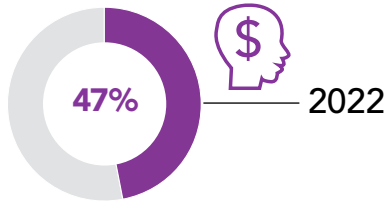
Deposit/Refund Awareness RESULTS

- 96% of Albertans are aware that they can return beverage containers to a depot for a refund.
- The percentage of Albertans aware that the beverage container industry is regulated dropped slightly to 50% from 52%, while 80% indicated that regulation is important or very important to them (down from 85%).²²

²¹ [Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 23.](#)

²² [Beverage Container Recycling – 2022 Survey of Albertans, May 2022](#)

Individuals Aware of the Deposit Amount
(Percentage of respondents)



2021	47%
2020	52%
2019	52%
2018	52%

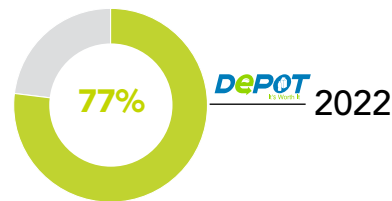
Deposit Awareness RESULTS

- 47% 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).

Customer Awareness

The CSA continued its marketing initiatives for the beverage container recycling industry in 2022, focusing on containers with low return rates such as bag-in-a-box, tetra brik, gable top, coloured plastic and drink pouches.²³

Individuals Aware of the Industry Brand
(Percentage of respondents)



2021	Not completed ²⁴
2020	Not completed
2019	59%
2018	63%

Customer Awareness RESULTS

- Awareness of the depot network brand ('Depot, It's Worth It' logo) was up significantly in 2022 at 77% compared to 59% in 2019.
- The importance of an industry marketing strategy is emphasized by the Ipsos findings related to the likelihood of returning beverage containers to a depot after knowing the correct refund amounts. For containers one litre or less (10 cents), 44% are more likely to return them (up from 38% in the previous survey) and for containers over one litre (25 cents), 51% are more likely to return them (up from 47% previously).

²³ [Alberta Beverage Container Recycling Corporation 2022 Sustainability Report, p. 23.](#)

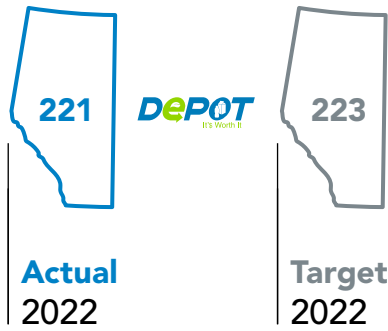
²⁴ This indicator is tracked through the annual Depot Exit Interviews. Due to COVID-19, the 2020 interviews did not take place and the 2021 survey was conducted online. However, an error in the question related to recognition of the depot network brand made the results invalid (the BCMB logo was used in error; should have been the depot network logo).

ACCESSIBLE

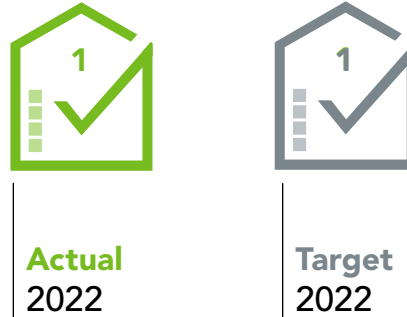
Accessibility to Depots

A primary objective of the BCMB is to ensure an accessible beverage container system. Although the BCMB has a moratorium on Requests for Applications (RFAs) for new depots until the depot siting project is complete, the Board of Directors approved an RFA for Castor, which was issued in June 2022, to replace a depot that was closed due to a permit cancellation.

Universal Depots in Alberta (Number)



Permits in Development (Number)



Accessibility RESULTS

- Depots in Alix, Coronation and Castor closed in 2021, reducing the number of depots in Alberta from 224 to 221.
- The depot in Castor reopened under new ownership in January 2023 (will be reflected in the number of depots in the 2023 Annual Report).
- There is currently one new depot under development in Calgary that is scheduled to open in late 2023.
- Future targets will be based on any changes to siting criteria resulting from the depot siting review project.

OUTCOME 5: System Efficiency & Effectiveness

The BCMB is dedicated to finding ways to increase system efficiency and effectiveness and to reduce 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.

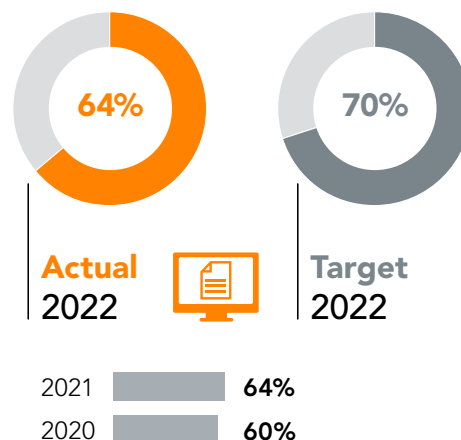
PERFORMANCE METRICS

INNOVATION AND TECHNOLOGY

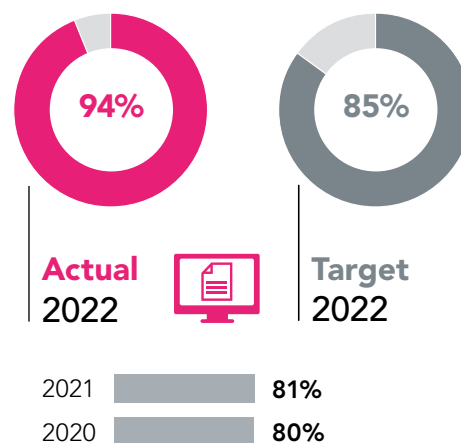
Electronic R-bill Reporting (eR-bill)

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.

Depots Utilizing eR-bill Reporting (Percentage)



Portion of All R-bill Reporting (Percentage)



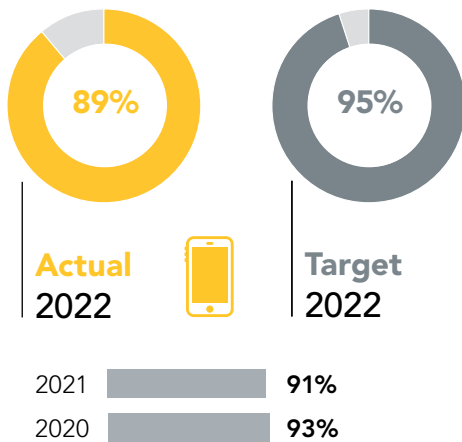
Electronic R-bill Reporting (eR-bill) RESULTS

- In 2022, 64% of depots reported using eR-bills (consistent with 64% in 2021), which represented 94% of all R-bill reporting (up from 81% in 2021 and above the 85% target).

Quality Monitoring System (QMS)

The QMS is an online database used to report, track and resolve operational issues in the industry. The BCMB oversees the QMS system, but industry stakeholders (depots, the ABDA, the CSA and CSPs) are the primary users of the QMS which can also be accessed using a mobile app. 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.

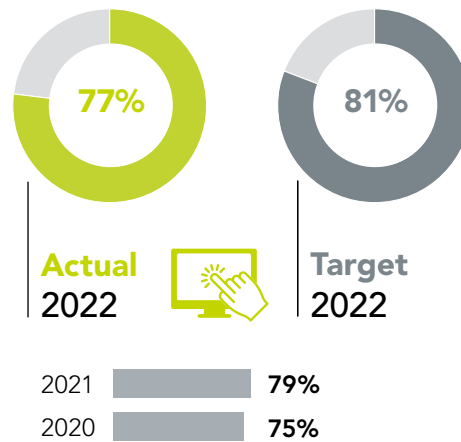
Depots Using QMS (Percentage)



Point of Return (POR) Software

POR software 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 per BCMB by-law, depots handling six million or more containers annually must use a POR system, and all of them currently do.

Depots Utilizing POR Software (Percentage)



QMS RESULTS

- The number of depots utilizing the QMS in 2022 was 89%, down slightly from 91% in 2021, most likely due to the temporary suspension of the requirement to submit closure tickets (due to COVID-19).

POR RESULTS

- In 2022, 77% of the total depot network had POR systems (170 of 221 depots), down slightly from 2021 when 79% of depots had POR systems (172 of 223 depots) which is a result of two fewer depots.

The industry also uses other innovative technology.

Automated Sorting Equipment

Automated sorting equipment, which is designed to replace manual labor at the depot, can improve the efficiency and accuracy of sorting containers.

Beverage Container Registration Database

The online Beverage Container Registration Database lists all products that are registered in Alberta and includes an unregistered container product list as well as information regarding the brand, flavor, size, material and UPC. As of December 2022, over 231,000 containers had been registered in Alberta. Process improvements are currently being made to the database to increase the integrity of beverage container registrations. Information inputted by producers, or by AGLC on behalf of liquor agencies, is confirmed by the BCMB before the registration is accepted.

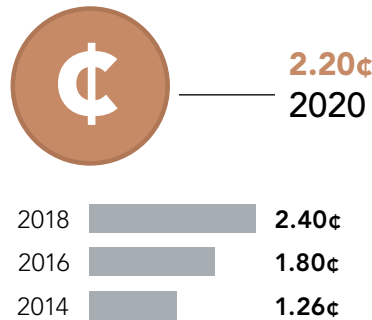
COST EFFECTIVE

Net Cost to Recycling Consumer

Consumers can be categorized into two groups – those who return their beverage containers for recycling 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 return their beverage containers also funds the system through their contribution of the deposit. The system further benefits 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 the point of purchase and ranged from 1 cent to 11 cents in 2022.

The *Who Pays What* report is published biennially and reports on the performance of Canada’s beverage container recycling system. The most recent report was published in late 2020 and is based on 2019 data (past reports, published biennially, were based on data from two years previous). The next report is not expected until late 2023.

Net Cost to Recycling Consumer²⁵ (Cents per container)



Net Cost to Recycling Consumer RESULTS

- The most recent data available (from the 2020 *Who Pays What* report) indicates the recycling consumer in Alberta paid an average of 2.20 cents for each container to fund the system.²⁶

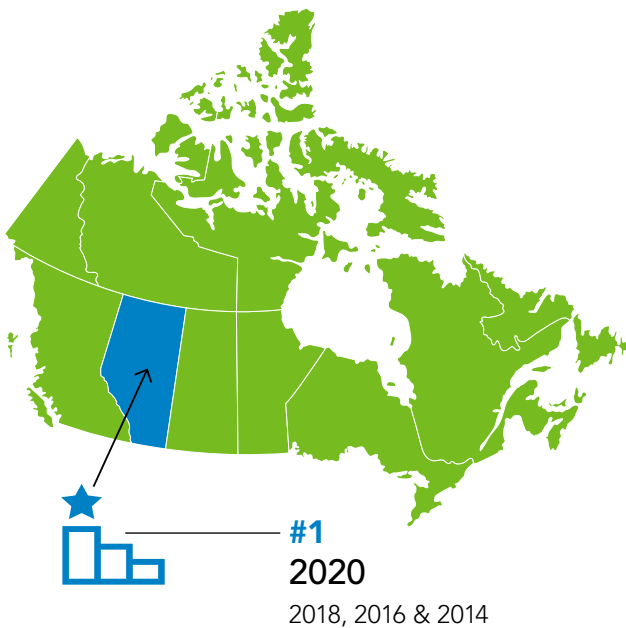
²⁵Until 2018, net cost values were based on data from two years previous (i.e., 2018 value is based on data from 2016). However, the 2020 value is based on 2019 data. Source: CM Consulting.

²⁶*Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2020*, CM Consulting.

Ranking

Comparable deposit programs exist in British Columbia, Saskatchewan, New Brunswick, Northwest Territories and Nova Scotia. CM Consulting compared the net cost of our system against other provinces. Alberta ranked first in cost per container paid by the recycling consumer, having the lowest system costs among comparable systems. Alberta ranked fifth out of six jurisdictions when comparing the cost to the ‘wasting consumer’ (who does not recycle).

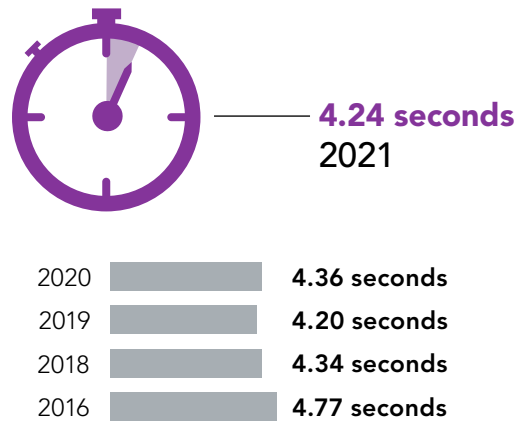
Ranking of Comparable Deposit Jurisdictions



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 costs and hours. 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.

Labour Time per Container at Depots (Seconds)



Ranking RESULTS

- Alberta’s deposit-refund system once again had the lowest costs per container paid by the recycling consumer among comparable systems.²⁷

Labour Efficiency RESULTS

- Labour seconds per container was 4.24 in 2021, the most recent year for which data is available, down from 4.36 in 2020.

²⁷ Who Pays What: An Analysis of Beverage Container Collection and Costs in Canada, 2020, CM Consulting.

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, is appointed by the Board to audit the 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 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 Gaalaas
President

Edmonton, Alberta
March 29, 2023

INDEPENDENT Auditor's 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, 2022, 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, 2022, 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 Auditor's 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

March 29, 2023

STATEMENT of Financial Position

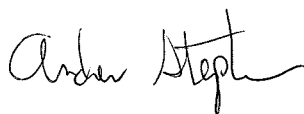
As at December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 3,233,996	\$ 3,096,058
Accounts receivable	26,732	52,196
Prepaid expenses	51,099	20,038
	3,311,827	3,168,292
RESTRICTED CASH (Note 2)	3,335,200	2,005,300
PROPERTY AND EQUIPMENT (Note 3)	244,680	54,283
	\$ 6,891,707	\$ 5,227,875
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 246,935	\$ 169,489
Deposits	25,000	25,000
	271,935	194,489
NET ASSETS		
Restricted (Note 5)	3,335,200	2,005,300
Unrestricted	3,284,572	3,028,086
	6,619,772	5,033,386
	\$ 6,891,707	\$ 5,227,875

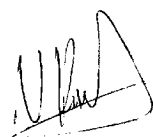
Commitments (Note 6)

ON BEHALF OF THE BOARD

Director



Director



See notes to financial statements

STATEMENT of Revenues and Expenditures

For The Year Ended
December 31, 2022

	2022 (Budget) (Note 8)	2022 (Actual)	2021 (Actual)
REVENUE			
Container fees	\$ 4,433,500	\$ 4,585,440	\$ 4,562,771
Interest and other	13,200	113,791	30,431
Compliance fees	56,000	98,600	65,600
Permit fees	20,000	10,800	14,700
Product registration fees	3,600	6,580	3,480
	4,526,300	4,815,211	4,676,982
EXPENSES			
Salaries and benefits	1,849,000	1,799,366	1,609,850
Professional fees	1,954,400	777,621	859,582
Office	174,200	136,582	153,843
Communications	179,000	116,413	80,621
Information system maintenance	126,200	86,588	96,719
Board of Directors' honoraria and expenses	110,400	75,094	68,486
Travel	93,500	64,347	31,363
Meetings	109,700	56,117	26,970
Bad debts	20,000	48,790	18,860
Amortization	42,000	29,362	41,051
Insurance, memberships and licenses	31,300	22,767	22,854
Training and development	49,100	15,778	9,187
	4,738,800	3,228,825	3,019,386
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (212,500)	\$ 1,586,386	\$ 1,657,596

See notes to financial statements

STATEMENT of Changes in Net Assets

For The Year Ended
December 31, 2022

	Unrestricted	Restricted	2022	2021
NET ASSETS – BEGINNING OF YEAR	\$ 3,028,086	\$ 2,005,300	\$ 5,033,386	\$ 3,375,790
Excess of revenue over expenses	1,586,386	–	1,586,386	1,657,596
Transfers (Note 5)	(1,329,900)	1,329,900	–	–
NET ASSETS – END OF YEAR	\$ 3,284,572	\$ 3,335,200	\$ 6,619,772	\$ 5,033,386

See notes to financial statements

STATEMENT of Cash Flows

For The Year Ended
December 31, 2022

	2022	2021
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 1,586,386	\$ 1,657,596
Item not affecting cash:		
Amortization	29,362	41,051
	1,615,748	1,698,647
Changes in non-cash working capital:		
Accounts receivable	25,464	124,087
Prepaid expenses	(31,061)	(5,948)
Accounts payable and accrued liabilities	77,446	61,772
	71,849	179,911
	1,687,597	1,878,558
INVESTING ACTIVITIES		
Purchase of property and equipment	(219,759)	(25,139)
Change in investments	–	310,398
Change in restricted cash	(1,329,900)	–
	(1,549,659)	285,259
INCREASE IN CASH FLOW	137,938	2,163,817
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	3,096,058	932,241
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 3,233,996	\$ 3,096,058

See notes to financial statements

NOTES to Financial Statements

Year Ended December 31, 2022

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.

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 straight line 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. Effective January 1, 2021, containers fees are calculated based on the number of containers sold in the Province of Alberta and continue to be recorded when the Board receives a notice or agency statement from ABCRC or BDL acknowledging the sales volumes reported by producers. 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, 2022

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 \$3,335,200 (2021 – \$2,005,300) allocated from the operating cash account. This cash has been restricted and includes amounts related to the internally restricted surplus of \$3,335,200 (2021 – \$2,005,300) (note 5).

NOTES to Financial Statements

Year Ended December 31, 2022

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment and accessories	\$ 96,205	\$ 73,537	\$ 22,668	\$ 22,869
Furniture and fixtures	53,827	37,722	16,105	25,847
Leasehold improvements	68,958	68,958	–	–
Office equipment	7,982	4,012	3,970	5,567
Asset under development	201,937	–	201,937	–
	\$ 428,909	\$ 184,229	\$ 244,680	\$ 54,283

4. ACCOUNTS PAYABLE

	2022	2021
Trade payable	\$ 220,899	\$ 130,785
GST payable	26,036	38,704
	\$ 246,935	\$ 169,489

5. 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, \$1,329,900 in additional funds were transferred from unrestricted to restricted surplus (2021 – \$NIL was transferred from restricted to unrestricted surplus). As a result, the balance of the restricted surplus remains \$3,335,200 (2021 – \$2,005,300).

6. COMMITMENTS

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

2023	\$ 47,916
2024	139,407
2025	159,426
2026	164,388
2027	164,584
Thereafter	178,301
	\$ 854,022

NOTES to Financial Statements

Year Ended December 31, 2022

7. 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:

	2022	2021
Board Chairperson		
Mr. A. Stephens (a, c, d, e, g, h, r)	\$ 15,850	\$ 18,375
Board Members		
Mr. B. Moore (a, c, d, h, r (Chair))	5,983	7,038
Mr. T. Marr-Laing (c (Chair), e, h)	5,425	7,577
Mr. G. Johal (a, h)	5,250	1,890
Ms. P. McLeod (d (Chair), e, g)	4,953	7,353
Mr. O. Edmondson (a, d, e (Chair), h (Chair))	4,690	6,930
Ms. T. Jones (c, d, h, r)	3,850	4,680
Mr. T. Dore (a, c)	3,080	3,150
Mr. K. Dossa (g)	2,205	2,310
Mrs. R. Morier (h)	1,750	–
Mr. J. Roczowsky	–	1,100
Ms. B. Smith	–	1,820
	53,036	62,223
President	182,450	177,989
	\$ 235,486	\$ 240,212

Member of Audit Committee (a)
 Member of Compliance Committee (c)
 Member of Depot Viability Committee (d)
 Member of Extended Producer Responsibility Committee (e)
 Member of Governance and Compensation Committee (g)
 Member of Handling Commission Review Committee (h)
 Member of Registrations & Recycling Committee (r)

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

	2022	2021
Honoraria paid	\$ 53,036	\$ 62,223
Travel	18,841	3,630
Canada pension plan benefits	2,155	2,568
Directors' meals	1,062	65
	\$ 75,094	\$ 68,486

In 2022 and 2021, the travel and meals expense amounts were reimbursed directly to the Board of Directors.

NOTES to Financial Statements

Year Ended December 31, 2022

8. BUDGET AMOUNTS

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

9. 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, 2022.

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Board is exposed to credit risk from customers. An allowance for doubtful accounts is established based on 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.



contact US

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