



BEVERAGE CONTAINER
MANAGEMENT BOARD

2023

**ANNUAL
REPORT**



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.



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Accountability Statement

The Beverage Container Management Board's (BCMB) 2023 Annual Report has been prepared in accordance with the requirements of the Beverage Container Recycling Regulation, which was enacted under the *Environmental Protection and Enhancement Act*, and its Memorandum of Understanding with the Minister of Environment and Protected Areas.

The annual report ensures the BCMB's mandate is being fulfilled and reports on the key strategies and desired outcomes detailed in our 2023-2025 Business Plan. In keeping with our role as a Delegated Administrative Organization, the annual report purposefully aligns with the Government of Alberta and Ministry of Environment and Protected Areas' business plans and annual reports in our shared commitment to openness, accountability and fiscal transparency. We collaborate closely with Environment and Protected Areas staff to understand any strategic and policy directions as they might impact our industry and our organization.

Board of Directors
Beverage Container Management Board

June 18, 2024



2023 Highlights



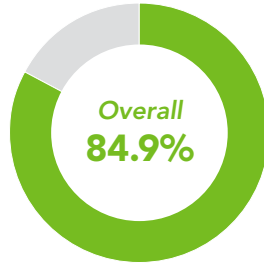
REGISTRATIONS

SIMS LAUNCH

BCMB's new Stakeholder Information Management System (SIMS) went live on October 2, 2023, for non-alcohol and cannabis beverage container registrations. This was followed by the launch of the depot management portion of SIMS on January 8, 2024.

ALCOHOL CONTAINERS

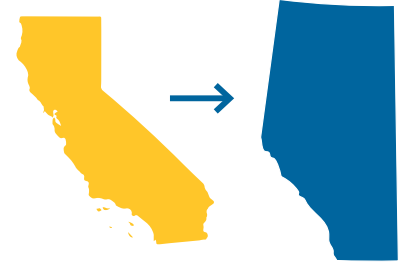
Significant work was completed on the transition of alcohol container registrations from Alberta Gaming, Liquor and Cannabis (AGLC). AGLC previously registered alcohol containers with the BCMB on behalf of liquor agencies. Liquor agencies began registering containers directly with the BCMB through SIMS on February 22, 2024.



Plastic Beverage Containers
81.2%

COLLECTION RATE

The BCMB continued to explore the measurement of and reporting on recycling rates. The Board also began discussions around setting aspirational targets for both collection and recycling rates.



CALIFORNIA DELEGATION VISIT

The BCMB, along with the Alberta Beverage Container Recycling Corporation (ABCRC), the Alberta Bottle Depot Association (ABDA), and Alberta Environment and Protected Areas hosted a delegation led by the California Foundation on the Environment and the Economy in August. Their visit to Calgary was part of an educational tour to learn more about the successful recycling initiatives and organizations in our province, particularly the beverage container deposit-refund system. The delegation, which included the California State Treasurer and state legislators, visited a depot and the ABCRC warehouse in Calgary. They also met with the Honourable Rebecca Schulz, Alberta's Minister of Environment and Protected Areas, department staff and representatives of regulatory bodies including the BCMB.





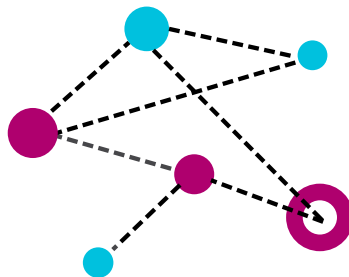
EDUCATION & INFORMATION SHARING

BCMB staff attended and participated in nine conferences in 2023 where they were able to share information on Alberta's successful beverage container recycling system and our regulatory role. They were also able to learn from and develop connections with other organizations and jurisdictions involved in recycling and waste management.



SUPPORT FOR DEPOTS DURING WILDFIRES

Wildfires in the spring and summer of 2023 affected many Alberta communities. The BCMB supported depots in those communities affected by wildfire evacuations, ensuring their personal and community safety was prioritized over operational needs. This included extending timelines for UCA filing and other compliance frameworks, and communicating with industry partners to ensure depots were supported with access to services when needed and safe to do so.



DEPOT SITING

The industry's Depot Siting Review Committee, consisting of representatives from the BCMB, the ABCRC, the ABDA and depot operators at various stages, completed its work in 2023. Recommendations were made to a board committee that focus on enhancing and ensuring the viability of the depot network, access for the public and increasing collection rates.

RECOGNIZING EXCELLENCE IN BEVERAGE CONTAINER RECYCLING

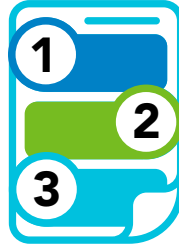


The BCMB joined its industry partners in recognizing excellence in beverage container recycling at the 2023 Annual Industry Conference hosted by the ABDA in October. The BCMB presented five program excellence awards to 10 depots. Congratulations to those depots for their hard work and commitment to the collection and recycling of beverage containers.



HANDLING COMMISSIONS

In May 2023, depots received a 29% increase to handling commissions (amount paid by manufacturers to depots for the handling and collection of beverage containers). However, the annual update process has resulted in an 18.6% decrease effective May, 2024. This has prompted the BCMB to work with industry to better understand the volatility of handling commissions and how it can be addressed.



NEW BOARD PRIORITIES

At its strategic planning session in the fall of 2023, the Board of Directors identified new priorities for the BCMB, including:

- The introduction of aspirational collection and recycling targets for the industry.
- Enhancing our regulatory reputation through increased stakeholder and public education on our roles and responsibilities.
- Exploring how to find the 15% of beverage containers not being collected through the deposit-refund system and how the system can better target the return of these containers with a goal of increasing Alberta's beverage container collection and recycling rates.



BCMB OFFICE RELOCATION

In September 2023, the BCMB relocated to a new office space in Edmonton and had the opportunity to create a dynamic and open work environment for BCMB staff, the board and stakeholders.

Chair's Message



When I was appointed Board Chair for the BCMB in 2015, I assumed the role with the intent to learn, grow and help advance the oversight of a beverage container recycling industry that has long been regarded as one of the most successful in North America. Nine years later, I am proud to say all of that has happened thanks to the vision and hard work of many Directors, BCMB staff and industry stakeholders.

Alberta's beverage container recycling system has always been forward-facing and forward-thinking, with innovation and governance excellence as the cornerstones of the BCMB's policy development, program implementation and regulation of the industry. That has positioned us well to adapt to the rapidly evolving nature of recycling, particularly the aggressive targets being set globally for plastics recycling and the implementation of Extended Producer Responsibility in Alberta and other jurisdictions.

There were many initiatives and achievements in 2023 that you will read about in this annual report, but a few that stand out from the perspective of the Board of Directors are:

- the extension of the Handling Commission Review for one more year, resulting in significant cost savings for the BCMB and our key stakeholders;
- the work of the Registrations and Recycling Committee to consider ways to evaluate system performance and to set standards for recycling and the approval of registered beverage containers to ensure they are recyclable, all of which will continue to position Alberta as a leader in beverage container recycling;
- the formation of the Collection System Agent Committee to consider the reporting and evaluation relationship between the BCMB and the CSA with a goal of continued system improvement.
- the succession planning done by the Board for the Chair position, which led to the identification of Loren Falkenberg as a potential successor and an intensive transition process that saw Loren join the Board in a non-voting, advisory role in June 2023.

We also had the pleasure of welcoming Ken Faulkner from Nova Chemicals to the Board in June 2023. In June 2024, Nicholas Kissel's term on the Board will be done and I would like to thank him for his significant contributions through three terms (nine years), particularly in his role as Treasurer. I would also like to thank Carol Nelson who served as Alberta Environment and Protected Areas' non-voting representative from June 2021 to October 2023 and has been replaced by Jaclyn Schmidt.

My time as Chair also comes to an end in June 2024, and I leave my role grateful to have had the opportunity to play a part in strengthening and clarifying the BCMB's regulatory role. That has included ensuring the beverage container recycling system in our province is one that is efficient and accessible to every Albertan and encourages the highest possible collection and recycling rates.

I would like to thank all of the Directors I have had the honour to serve with on the Board over the past nine years. Your time, input and commitment to guiding this organization and industry are appreciated, and the unique and passionate perspectives you have brought to our discussions and decision making have helped us govern well.

To the industry stakeholders I have learned much from and had the pleasure of collaborating with, thank you for your willingness to share your expertise and for your unwavering desire to ensure the beverage container recycling industry is the best it can be.

And last but far from least, I want to thank BCMB President, Blaire Gaalaas and past Presidents I was fortunate to work with, and all BCMB staff past and present for your hard work, commitment to excellence and incredible passion for making sure the BCMB's regulatory role is carried out with integrity, creativity and a focus on ensuring Albertans have the best access possible to a beverage container recycling system that continues to be so highly regarded.



Andrew Stephens
Board Chair



President's Message



As the regulator for Alberta's beverage container recycling system, the BCMB strives to be a fair, unbiased and trusted source of information. We play the role of educator, administrator, evaluator and adjudicator, which is crucial to the success of the system.

Our system is dynamic and high performing with a wide reach – 221 depots in 160 communities across Alberta, 140 of those in rural communities. In 2023, 2.6 billion containers were sold in the province and 2.2 billion of those were returned to depots, equating to a 84.9% collection rate. This means that almost \$240 million was refunded to Albertans for returning their beverage containers to a depot. Over a 10-year period, the overall growth rate of the system (containers returned) has been 7.6%.

Of particular note is the collection rate for plastic beverage containers. The BCMB continues to work to maintain and enhance the circular economy around recycling of plastic beverage containers, supporting the Government of Alberta's goal of establishing Alberta as a North American centre of excellence for plastics diversion and recycling, as outlined in the [Natural Gas Vision and Strategy](#). In 2023, Albertans returned over 747 million plastic beverage containers to depots equaling an 81.2% collection rate, surpassing both the plastics collection volume and collection rate for 2022, and increasing the recycling of plastic beverage containers over a 10-year period by 23.7%.

In 2023, the BCMB placed its focus on moving several key projects and initiatives forward that will create efficiencies and modernize many aspects of the beverage container recycling system, and will set higher standards to help achieve a circular economy in Alberta's system. These include:

- the launch of our new Stakeholder Information Management System (SIMS) (see more details on p.46).
- the transition of alcohol container registrations to liquor agencies who now register their containers directly with the BCMB instead of AGLC doing it on their behalf.
- the continuation of the work of the Registrations and Recycling Committee to explore aspirational collection and recycling targets for beverage containers and standardized recycling definitions, as well as verify recycling plans and ultimately the recycling rate for each material stream.



- the continuation of the work of the Depot Siting and Review Committee to help address depot viability issues and maintain the optimum number of depots in Alberta, while providing excellent access to beverage container recycling for Albertans.
- the start of discussions with the Canadian Bottled Water Association to add refillable water bottles to Alberta's beverage container recycling system.

The BCMB was proud to host a delegation from the California Foundation on the Environment and the Economy in 2023 which was interested in how our beverage container recycling system works and what makes it so successful.

We also furthered our efforts to learn from and support our key stakeholders such as ABCRC, ABDA, the Alberta Beer Container Corporation (ABCC) and the Recycling Council of Alberta to ensure continual improvement, a strong economy and excellent environmental outcomes for beverage container recycling.

In June 2024, Board Chair Andrew Stephens will complete his three terms and step down from his role. I cannot say enough about what Andrew has brought to the BCMB and our industry in his nine years leading the Board of Directors.

His leadership, commitment and skillset for the work we do have advanced this industry enormously, and Andrew's fair, kind and respectful approach has guided the BCMB and the industry through many challenges and changes. Under his leadership, Alberta's beverage container recycling system became stronger and remains a leading system that will continue to serve Albertans for years to come.



Blaire Gaalaas
President



about **THE BCMB**



Vision & Mandate

The BCMB is responsible for regulating Alberta's beverage container recycling system and leads the development of policies and programs that enable the recycling of beverage containers in Alberta. Our [Vision, Mandate and Value Statements](#) guide the work we do and our role as a regulatory organization. They also set the foundation for our business planning and the desired outcomes we set and measure.

VISION

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

MANDATE

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

Regulatory Structure

- Established 26 years ago through the [Beverage Container Recycling Regulation](#), which was enacted under the [Environmental Protection and Enhancement Act](#).
- Not-for-profit association incorporated under the [Societies Act of Alberta](#).
- Operate with a 13-person stakeholder board with equal representation from manufacturers, depots and the public, as well as a non-voting representative from the Government of Alberta.
- 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.
- A [Memorandum of Understanding](#) between the BCMB and the Government of Alberta to outline each of their roles and responsibilities.

The BCMB also operates in accordance with several by-laws, 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.



Governance

ALIGNMENT WITH THE GOVERNMENT OF ALBERTA

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."¹

Alberta is well known as a leader and innovator in beverage container recycling, and our industry is a **key contributor to environmental conservation and protection**. We consistently achieve some of the highest collection rates for beverage containers in Canada. That also translates into strong recycling rates and significant economic and social benefits.

From an **economic standpoint**, the deposit paid by Albertans on each container purchased provides the incentive for them to return their containers to a depot for a refund. Depots employ over 2,500 Albertans and generate revenue for the industry and recycling companies that purchase the material from the system.

The **social benefits** of a deposit-refund system extend from individuals to businesses and communities. Many of the 221 depots permitted in Alberta offer employment opportunities to people with disabilities and new Canadians, 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."²

The BCMB remains focused on environmental resource stewardship, and we do not carry out that work in isolation. 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. While the BCMB plays an important regulatory role, we also work to ensure the right structure and flexibility exist to promote innovation in the industry.

The BCMB fully supports the Government of Alberta's efforts to grow the circular economy for plastics through the province's [Natural Gas Vision and Strategy](#). The strategy's goal is for Alberta to be the western North America centre of excellence for plastics diversion and recycling by 2030. Alberta has one of the highest collection and recycling rates for plastic beverage containers in Canada and the lowest average costs per container. Over 747 million plastic containers were returned to depots in 2023 for a collection rate of 81.2%. Our industry is also working on how best to incorporate plastic recycling feedstock back into the system.

¹ [Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 45.](#)

² [Alberta Environment and Protected Areas 2023-2026 Business Plan, p. 47.](#)



BOARD OF DIRECTORS

The BCMB's 13-member Board of Directors includes nominees from Alberta beverage 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.

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

Government Nominee



Jaclyn Schmidt
Non-voting
Nominated by Alberta Environment and Protected Areas

Jaclyn Schmidt joined the Board in October 2023, replacing Carol Nelson who served from June 2021 – October 2023.

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

Public Nominees



Owen Edmondson
Nominated by the
Beverage Container
Management Board



Ken Faulkner
Nominated by the
Beverage Container
Management Board



Trina Jones
Nominated by
Alberta Municipalities



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.



Blaire Gaalaas
President



Brent Campbell
Director of Operations



Mark Emsden
Director of Compliance



Jamie Moore
*Director of Finance
& Administration*



Travis Wizniuk
*Director of Information
Technology*



2023

outcomes



Reporting on Our Outcomes

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. 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.'

1 ENVIRONMENTAL PROTECTION

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.

2 FISCAL STEWARDSHIP

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.

3 GOVERNANCE EXCELLENCE

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.

4 CUSTOMER EXCELLENCE

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.

5 SYSTEM EFFICIENCY & EFFECTIVENESS

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.



Outcome 1: Environmental Protection

Protecting Alberta’s environment and working towards a circular economy are at the core of the BCMB’s regulatory mandate. 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, and enabling the reuse and recycling of containers.

The BCMB uses collection and recycling rates, container transportation data (from our Collection System Agent), and waste diversion from landfills to measure the system’s progress in protecting the environment.

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.

2023 RESULTS

- The collection rate for 2023 was 84.9%, up from 83% in 2022. This means that 81 million more containers were collected and recycled in 2023.
- Significant work was done by the BCMB and its stakeholder groups in 2023 on the **Registrations and Recycling Project** which will allow for an effective assessment of the beverage container recycling system’s performance. This includes:
 - Adopting aspirational collection and recycling targets as a goal for the industry and as a baseline for measuring success.
 - Identifying and managing low-performing material streams and those products registered that are deemed non-recyclable.
 - Establishing new definitions for recycling that align with current best practices and other leading jurisdictions and that include better reporting on recycling rates as well as the collection and reuse rates for refillable containers.
 - Implementing the new recycling rate performance indicator that will track the percentage of residual loss compared to containers collected (measured net of residuals lost during processing of materials).
- The BCMB began working with the Canadian Bottled Water Association (CBWA) to include refillable water bottles in Alberta’s beverage container recycling system.



PERFORMANCE METRICS

MINIMIZE IMPACT; SUSTAINABILITY

Collection Rate

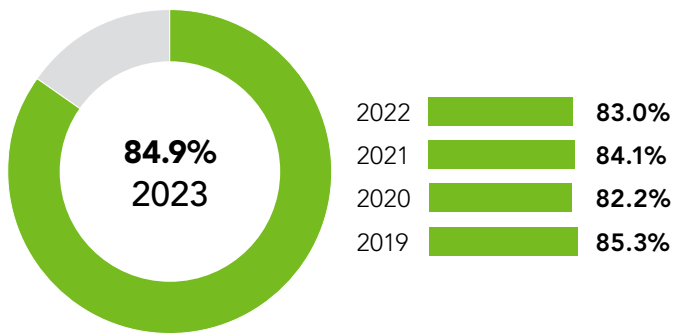
The collection rate is the percentage of beverage containers returned by Albertans, collected by depots and purchased from depots by the CSA or Collection Service Providers (CSPs), compared to the number of beverage containers sold by producers in Alberta.

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.

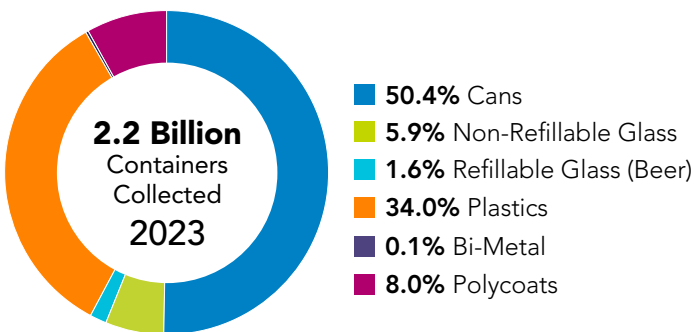
Beverage sales continue to steadily rise in Alberta, increasing 1.5% in 2023 to 2.6 billion sold. The collection rate for 2023 was 84.9% (based on 2.2 billion containers returned), up from 83% in 2022.

Overall Collection Rate³

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



Containers Collected by Material Stream (Percentage)

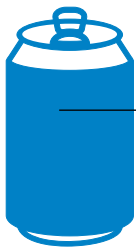


³ For the 12-month period ending December 2023, the total system volume equated to 2.2 billion containers collected (returned to depots).



By Container Type

Cans⁴



89.0%
2023



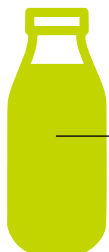
Plastics



81.2%
2023



Non-Refillable Glass



90.0%
2023



Bi-Metal⁶



97.9%
2023



Refillable Glass (Beer)



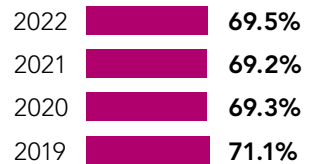
98.7%
2023



Polycoats Combined⁷



72.0%
2023



⁴As of 2022, the BCMB is reporting collection rates for cans (aluminum) and non-refillable glass containers separately as they are different material streams.

⁵Refillable 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.

⁶Though they are a small portion of the beverage containers collected in Alberta, the BCMB began reporting on bi-metal containers in 2023 to ensure all material streams are reflected. The notable increase to 97.9% reflects a reporting error by Walmart in 2022 and subsequent accounting adjustment that needed to be made in 2023.

⁷As of 2023, the BCMB is reporting collection rates for the various types of polycoats in addition to the overall rate (see p. 23).



Polycoats by Type

Tetra-Pak



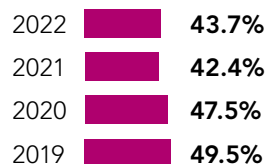
71.7%
2023



Drink Pouches



57.4%
2023



Gable Top



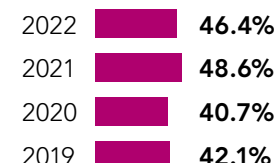
76.9%
2023



Bag-in-a-Box



51.6%
2023



REDUCE FOOTPRINT

The BCMB reports on transportation and waste diversion metrics supplied by the CSA (ABCRC) as indicators of how our system reduces the environmental footprint of beverage containers.

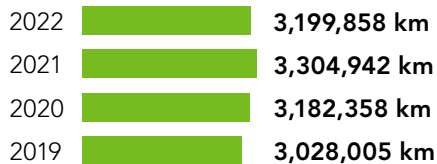
Transportation of Products from Depots to ABCRC and Transportation of Products from ABCRC to End Destination

As the beverage container recycling system’s CSA, 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 some of the carriers contracted by ABCRC are members of the SmartWay Transport Partnership (SmartWay) operated in Canada by Natural Resources Canada.⁸

Transportation of Products from Depots to ABCRC (Kilometres driven)



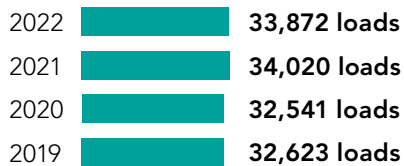
3,409,898 km
2023



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



36,053 loads
2023



⁸ Alberta Beverage Container Recycling Corporation 2023 Sustainability Report, p. 17.

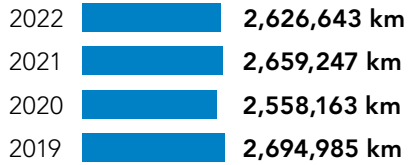


Transportation of Products from ABCRC to End Destination⁹ (Kilometres driven)

Cans



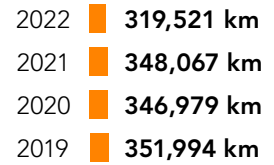
2,787,459 km
2023



Plastics



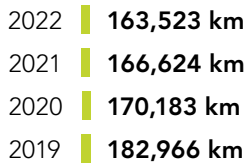
459,132 km
2023



Non-Refillable Glass



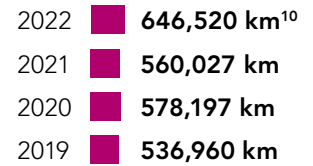
164,728 km
2023



Polycoats



651,507 km
2023



⁹The transportation of refillable glass containers is not included in the environmental performance indicators.

¹⁰In 2022, some gable top (polycoat) was shipped to overseas destinations from the port of Montreal, incurring CO₂ emissions of approximately 24,498 kg.

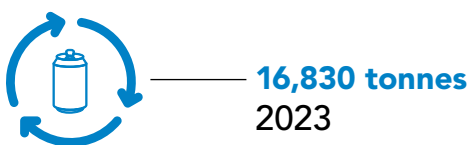


Material Diverted

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

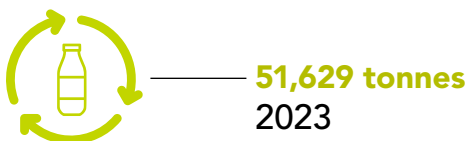
(Metric tonnes diverted from landfill)



2022	14,561 tonnes
2021	14,955 tonnes
2020	14,354 tonnes
2019	13,376 tonnes

Non-Refillable Glass

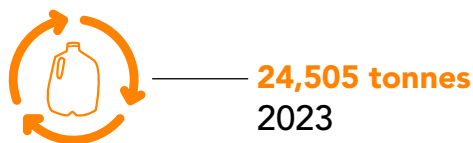
(Metric tonnes diverted from landfill)



2022	47,108 tonnes
2021	49,106 tonnes
2020	49,890 tonnes
2019	52,124 tonnes

Plastics

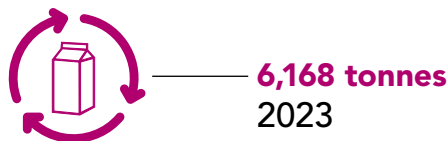
(Metric tonnes diverted from landfill)



2022	20,708 tonnes
2021	20,887 tonnes
2020	19,754 tonnes
2019	19,961 tonnes

Polycoats

(Metric tonnes diverted from landfill)



2022	5,073 tonnes
2021	5,138 tonnes
2020	2,555 tonnes
2019	5,179 tonnes

Recycling Rate

The recycling rate will quantify the percentage of residual loss compared to containers collected (measured net of residuals lost during the processing of materials). Reporting on this new indicator will begin upon completion of the BCMB's Registration and Recycling Project, and when data can be obtained and measured.

The BCMB is also looking at how to shift Albertans' beverage container recycling habits to include the whole container (the container, lid, label and any attachments) to support the province's Extended Producer Responsibility objective to collect and recycle all packaging and paper products.



Outcome 2: Fiscal Stewardship

As a leading regulator, fiscal responsibility is important to the BCMB. We seek to minimize risk and cost to the system through sound risk management, clear reporting, full transparency and accountability, and by communicating and engaging with our partners.

The BCMB uses net system costs and compliance by the CSA, CSP, depots and producers in various areas to measure the system's progress related to fiscal stewardship.

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.

2023 RESULTS

- The BCMB's 2022 Annual Report and 2024-2026 Business Plan and operating budget were both completed in 2023 and provided to the Minister of Environment and Protected Areas and posted on our website.
- The overall net system cost rose in 2023 to \$0.0384 from \$0.0181 in 2022.
- CSA payment, collection and operating compliance all remain high, with payment compliance near perfect at 99.9% in 2023 and the CSA inspection score at 92%.
- The new CSP operating agreement was implemented in late 2022, with the aim of improved performance for 2023, particularly related to providing supplies, payment and collection services to the depot network.
- Depot UCA filing compliance has remained high the past few years, with compliance in 2023 at 98.6%.
- Sales verification also remained high, with 99.9% of sales volume achieved and verified by producers in 2022 (the most recent year for which data is available).

PERFORMANCE METRICS

ACCOUNTABILITY

The BCMB is accountable to its stakeholders and is responsible for identifying/mitigating risk for the beverage container recycling system in Alberta.

To this end, senior management and/or the Board:

- develop and approve an annual operating budget and three-year business plan that is submitted to the Ministry of Environment and Protected Areas;
- regularly review all value statements, desired outcomes and key strategies;
- undergo an annual external audit;
- review and approve financial statements and applicable policies quarterly; and
- undertake quarterly risk reviews and maintain a risk register that is reviewed by the Board annually.

REPORTING AND TRANSPARENCY

Net System Cost

The system is funded in three ways:

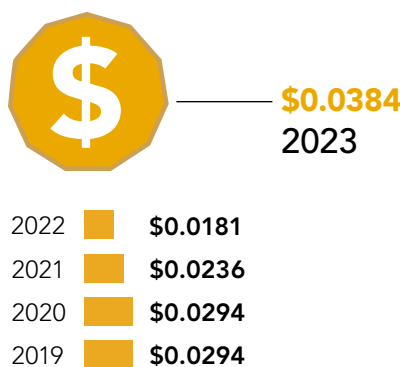
1. Container Recycling Fees (CRF) set by the CSA on behalf of producers and paid by consumers at the point of purchase (which may be zero).
2. Unredeemed deposits forfeited by consumers who paid it at the point of purchase and abandoned the container (never returned to a depot).
3. The salvage value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

The overall net system cost was \$0.0384 in 2023, up from \$0.0181 in 2022 due to the increase in handling commissions for depots in 2023.

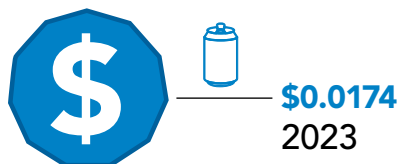
Net System Cost

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



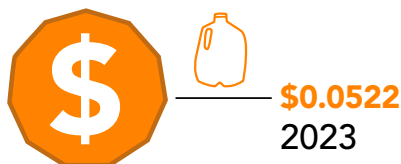
Net System Cost by Container Type
(Dollars per container)

Cans



2022	\$0.0176
2021	\$0.0115
2020	\$0.0156
2019	\$0.0046

Plastics



2022	\$0.0139
2021	\$0.0285
2020	\$0.0393
2019	\$0.0464

Non-Refillable Glass



2022	\$0.0486
2021	\$0.0806
2020	\$0.0793
2019	\$0.1035

Polycoats



2022	\$0.0161
2021	\$0.0406
2020	\$0.0396
2019	\$0.0502

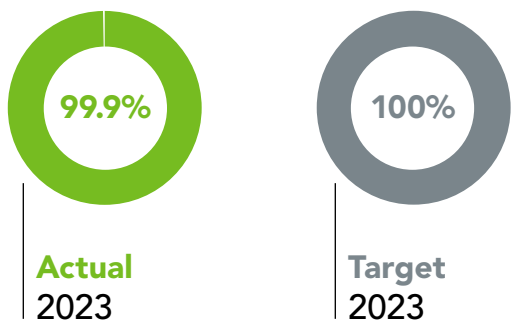


CSA Compliance – Payment Compliance

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.

The CSA achieved near-perfect payment compliance in 2023 at 99.9%, with nine late payments on 36,038 loads.

Payments Made to Depots within the Industry Standard (Percentage)



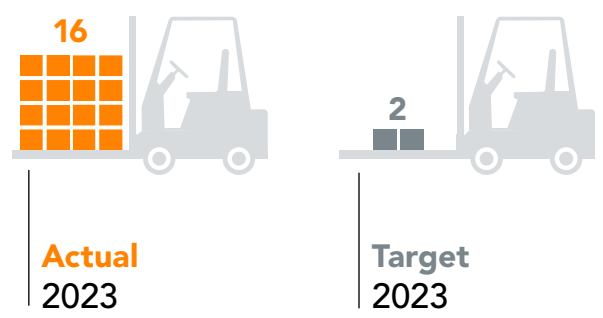
2022	99.9%
2021	99.9%
2020	100%

CSA Compliance – 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.

In 2023, 16 scheduled loads were not picked up from a depot without prior communication from the CSA. The BCMB continues to work with the CSA through its operating agreement to address collection compliance that is not within industry standards.

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



2022	4
2021	1
2020	0

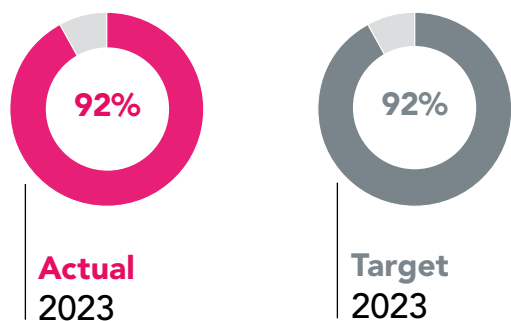


CSA Compliance – Operating Compliance

In addition to payment and collection compliance, the CSA Operating Agreement with the BCMB commits them to performance standards regarding service to depots and overall operational compliance. The BCMB monitors, inspects and evaluates the performance of the CSA in accordance with the agreement and relevant by-laws. We regularly inspect both the 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.

The CSA inspection score was 92% in 2023, meeting the target of 92%.

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



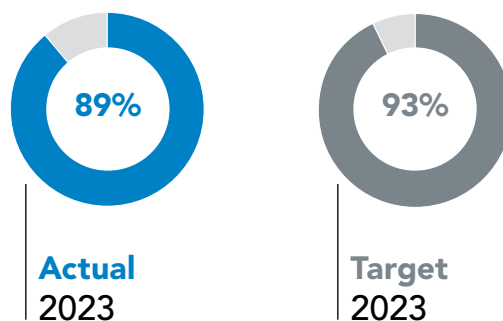
2022	92.2%
2021	95.1%
2020	89.2%

CSP Compliance – 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.

CSP operating compliance was 89% in 2023, up from 84.4% in 2022 but 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 providing supplies, payment and collection services to the depot network.

Evaluation Score Based on Agreed-Upon Performance Standards¹¹
(Percentage)



2022	84.4%
2021	87.5%
2020	92%

¹¹ 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.

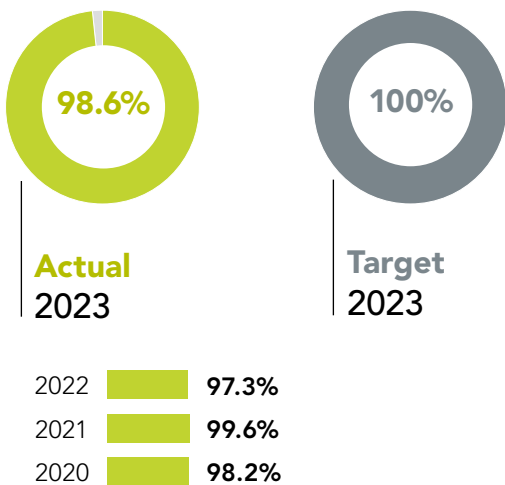


Depot Compliance – UCA Filing Compliance

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 to set handling commissions and evaluate system performance.

Depot UCA filing compliance has remained high in the past few years, with compliance in 2023 at 98.6%.

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

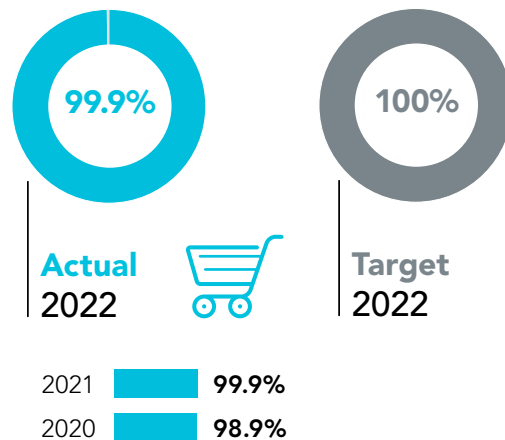


Producer Compliance – Sales Verification

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 the CSA on behalf of producers) and the collection rate by material stream. The CSA is responsible for reporting producer sales verification annually. Compliance is achieved when 90% of system volume is accounted for through producer sales verification processes.

In 2022, 99.9% of sales volume was achieved and verified by producers (the most recent year for which data is available). The BCMB also now tracks and reports individual producer compliance. Six months post-fiscal year-end, 34% of producers were non-compliant. As of December 2023, 9% or 32 of 356 producers were non-compliant in reporting sales verification.

Container Sales Remitted to CSA and Verified by Producers for Prior Year¹² (Percentage)



¹²Sales verification compliance represents the year prior due to BCMB reporting cycles and producer year ends.



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 our by-laws, policies and operations are focused on system compliance, efficiency and integrity.

The BCMB tracks refund, quality control and operational compliance for depots as well as retail compliance with deposit advertising and container registration requirements to help measure the system’s success.

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 and finances.

2023 RESULTS

- Refund, quality control and operational compliance by depots remained high in 2023.
- The depot siting criteria review continued in 2023. Changes to depot siting criteria will be guided by key objectives such as promoting and maintaining depot and system viability, achieving high collection rates and enabling convenient customer access and positive experiences. The criteria will be laid out in BCMB policies, by-laws and operating principles.

PERFORMANCE METRICS

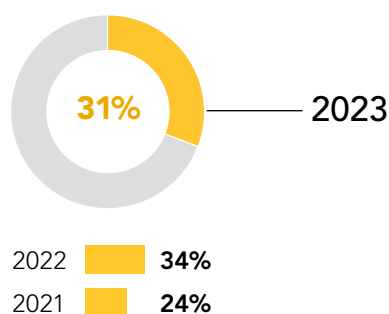
COMPLIANCE

Retail Compliance

The BCMB introduced a revised 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. The BCMB is continuing to develop educational tools and initiatives to proactively increase compliance in these areas, and positive results are being seen through these efforts.

In 2023, 438 retail inspections were conducted and 31% of them were compliant with all standards, compared to 34% in 2022. Compliance for deposit advertising was 40.6%, down from 43.2% in 2022, and compliance for container registration was 70.8%, up from 66.7% compliance in 2022.

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

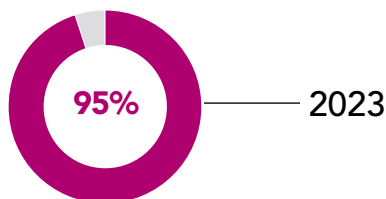


Quality Control Compliance

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 enters a depot into the BCMB’s quality control compliance framework.

The shipment of containers from depots within the industry standard was 95% in 2023.

Shipments of Containers from Depots within Industry Standard (Percentage)

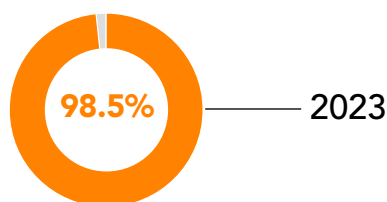


Refund Compliance

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.

Refund compliance within the industry standard was 98.5% in 2023, up from 97.4% in 2022.

Audits Conducted that Were Refunded within Industry Standard (Percentage)



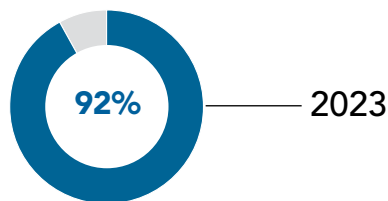
Operational Compliance

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 and depots are given a timeline for correction that takes the nature of the deficiency into account.

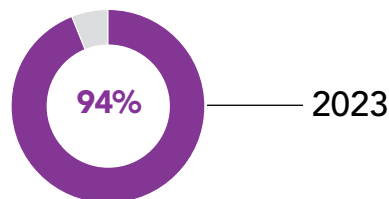
The percentage of depots fully compliant with BCMB by-laws and policies increased in 2023 to 92% from 89% in 2022. This number includes only depots with zero deficiencies. Should a depot have a deficiency, it is common for it to be a minor infraction that is corrected before entering the compliance framework.

The percentage of depots with deficiencies that were corrected before entering the quality control compliance framework increased to 94% in 2023 from 91% in 2022.

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



Depots with Deficiencies that Were Corrected Prior to Entering the Compliance Framework¹³ (Percentage)



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.

A joint industry committee is nearing the completion of its review of depot siting criteria to determine if the criteria meet the needs of the public and industry and to better understand public access and convenience.

¹³The 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.



Outcome 4: Customer Excellence

The BCMB understands the importance that continuous improvement has relative to customer satisfaction and the achievement of our other desired outcomes. 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.

The BCMB measures public satisfaction, participation and awareness related to beverage container recycling in Alberta through a biennial survey conducted by Ipsos Reid. We also track customer satisfaction and awareness with an annual depot exit interview process. Accessibility in the system is measured by the number of depots, location, permits in development and the number of communities with a depot.

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.

2023 RESULTS

- The BCMB maintained its commitment to assessing public and customer satisfaction with and awareness of beverage container recycling. Our biennial survey of public participation, satisfaction and awareness was conducted in March 2024 (based on Albertans' recycling habits and options for 2023) and the annual depot exit interviews assessing depot customer satisfaction were conducted both online and in person over the summer of 2023.
- 53% of those surveyed traveled less than 10 minutes to a depot, and 32% traveled between 11-20 minutes.
- The overall satisfaction rate with depots was 81%.
- The BCMB continues to provide current and relevant information to stakeholders and the public through its website and contribute, as appropriate, to the information provided to the public on the industry website (Alberta Depot).

PERFORMANCE METRICS

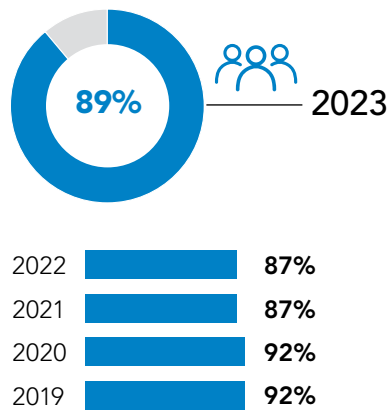
SATISFIES AND QUALITY

Public Satisfaction

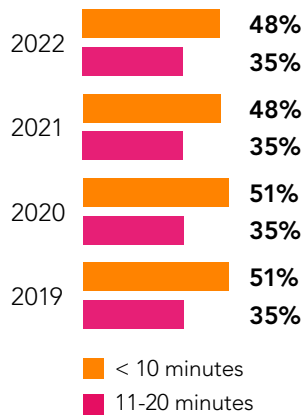
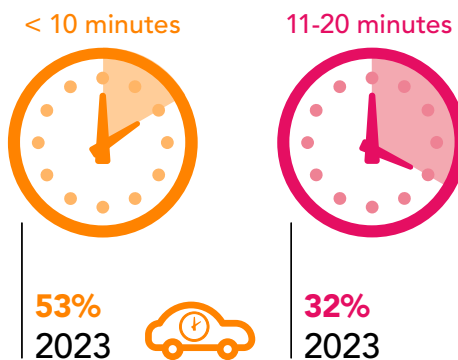
The BCMB assesses public satisfaction through a biennial survey conducted by Ipsos. The survey targets approximately 1,000 Albertans and provides data based on a representative sample of Albertans aged 18 and older. The most recent survey was conducted online in March 2024, with 1,000 online interviews completed.

The number of Albertans returning containers for a refund (participation) rose to 89% from 87% in the previous survey (conducted in March 2022).

Participation¹⁴
(Percentage of respondents)



Average Travel Time to a Depot¹⁵ (Minutes)



¹⁴ Participation refers to the percentage of respondents to the biennial Ipsos survey who state that they return beverage containers to depots. The 2023 actual is based on the most recent survey conducted in March 2024 (which applied to Albertans' 2023 recycling activities).

¹⁵ The remaining percentage (15%) is reflective of rural Alberta where travel times vary according to depot locations.



Customer Satisfaction

The BCMB assesses depot customer satisfaction through annual Depot Exit Interviews. This year’s interviews were conducted both online and in person. In-person interviews were done at depots where online survey targets were not being met.

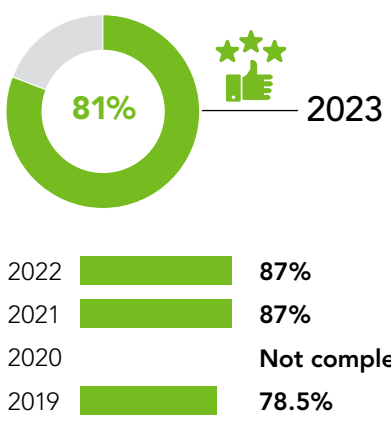
Based on the data gathered since 2011, we know the strongest correlation to customer satisfaction at a depot is related to confidence in the accuracy of the refund received. We also know that if the customer spends less than 10 minutes at a depot, the perception of that experience is better than if they spend more than 10 minutes at a depot.

Overall satisfaction with depots decreased in 2023 to 81% (from 87% in both 2022 and 2021). While more people reported overall satisfaction, there were fewer who were highly satisfied which accounts for the drop from 2022. Demographics also impact satisfaction. As age increases, so does satisfaction. Customers 65 and older were most likely to be satisfied with their recent visit. Rural depot customers were more likely to say they were satisfied with their visit than urban and metro customers, as were those living in single-family homes compared to those living in other types of dwellings.

The average time spent in a depot dropped slightly to 7.7 minutes from 8.4 minutes in 2022, with 76% of customers waiting 10 minutes or less compared to 72% in 2022 (and 39% of those customers were there for less than five minutes). In 2023, 84% of customers indicated they were satisfied with the wait time, while 82% were satisfied with the wait time in 2022.¹⁶

The average refund amount for most customers was \$26 in 2023 and nearly all customers surveyed claimed their refund was accurate.

Overall Satisfaction Rated as Very Satisfied (Percentage of respondents)



Average Time Spent in a Depot (Minutes)



¹⁶ [2023 Depot Exit Interview Survey](#)

¹⁷ Customer satisfaction is assessed through annual Depot Exit Interviews. Due to COVID-19, the interviews were not conducted in 2020.

¹⁸ 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.



AWARENESS

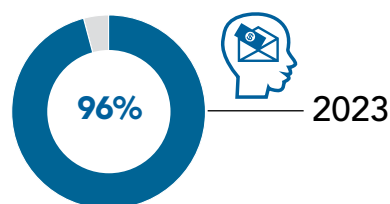
Public Awareness

Public awareness is captured through the biennial Ipsos survey. Awareness of the deposit-refund program, environmental and recycling initiatives, and consumer behaviour are important performance indicators for the industry. Our industry strives to maintain high public awareness through various marketing and educational initiatives.

Deposit-Refund Awareness

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 rose slightly to 52% from 50%, while 80% indicated that regulation is important or very important to them (the same as the previous survey).¹⁹

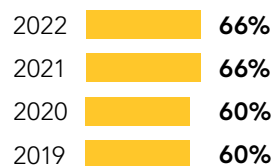
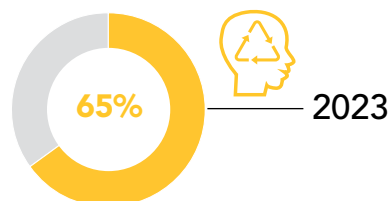
Individuals Aware of the Deposit/Refund Program (Percentage of respondents)



Environmental Impact

65% of Albertans believe that beverage container recycling has a significant impact on the environment (a slight decrease from 66% in the previous survey conducted in March 2022). 96% are aware of some benefit to the environment through recycling beverage containers, up significantly from 84%.

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



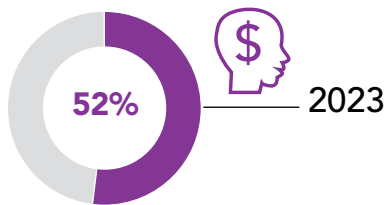
¹⁹ Beverage Container Recycling – 2024 Survey of Albertans, June 2024







Deposit Amount Awareness

52% are aware of the actual refund amount for containers based on their size (10 cents for containers 1L and under and 25 cents for containers over 1L).

Individuals Aware of the Deposit Amount
(Percentage of respondents)

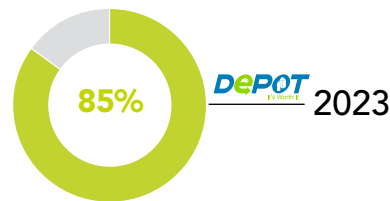






2022		47%
2021		47%
2020		52%
2019		52%

Customer Awareness

Awareness of the depot network brand ('Depot, It's Worth It' logo) was up significantly in 2023 at 85% compared to 77% in 2022.

Individuals Aware of the Industry Brand²⁰
(Percentage of respondents)



2022		77%
2021		Not completed
2020		Not completed
2019		59%

²⁰This indicator is tracked through the annual Depot Exit Interviews. The 2020 interviews did not take place due to the COVID-19 pandemic. In 2022, 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).



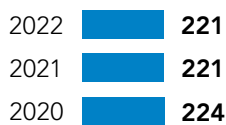
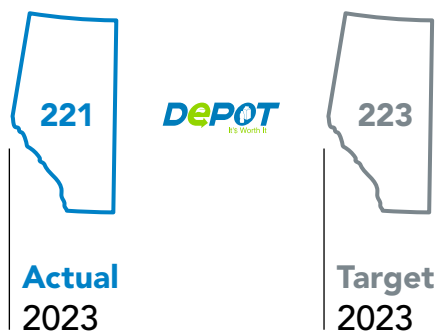
ACCESSIBLE

Accessibility to Depots

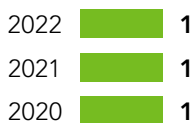
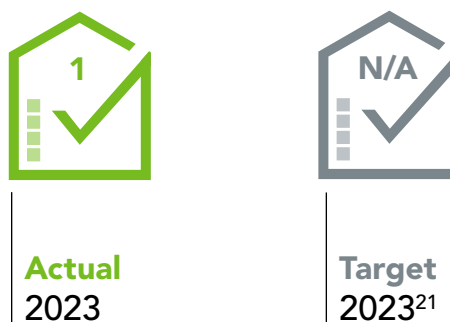
A primary objective of the BCMB is to ensure an accessible beverage container system. That is the focus of the depot siting review project. Until the project is complete, the BCMB has stopped issuing Requests for Applications (RFAs) for new depots.

The total number of depots in Alberta remained at 221 in 2023 with the reopening of the Castor depot in January under new ownership and the closure of the Evansburg Depot in late 2023. There is currently one new depot under development in Calgary that is scheduled to open in late 2024. Future targets will be based on any changes to siting criteria resulting from the depot siting review project.

Universal Depots in Alberta (Number)



Permits in Development (Number)

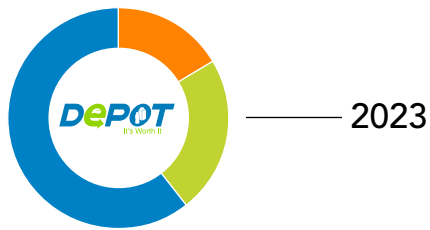


²¹ Future targets will be based on any changes to siting criteria resulting from the depot mapping and siting project.

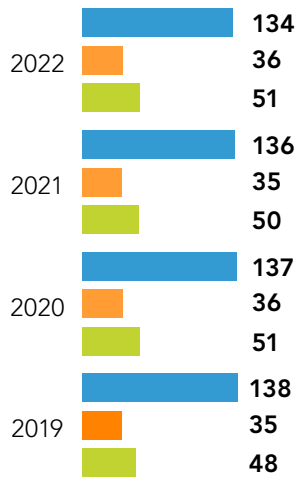


New

Universal Depots in Alberta (by Classification)²²
(Number)



- **134** Rural (municipality with population < 10,000)
- **36** Urban (municipality with population ≥ 10,000)
- **51** Metro (City of Edmonton and City of Calgary)



New

Communities with a Depot²²
(Number)



²²The number of universal depots in Alberta (by classification) and the number of communities with a depot are new performance indicators that will help assess and/or inform depot siting decisions aimed at ensuring access and efficiency in the system.



Outcome 5: System Efficiency and 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.

Measures used by the BCMB to assess system efficiency and effectiveness include electronic r-bill reporting by depots, use of the Quality Monitoring System (QMS), use of Point of Return (POR) software and labour seconds per container at depots.

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.

2023 RESULTS

- 95% of depots use the BCMB's QMS to report, track and resolve operational issues with the CSA, CSPs and the BCMB.
- The BCMB launched its new Stakeholder Information Management System (SIMS) in October 2023 which includes a new depot portal and container registration database. The new online portal features enhanced security for depot permit holders to manage all aspects of their business such as the ability to adjust depot hours, view depot compliance communications, change contact information, review and pay outstanding fees, submit applications, and search containers.
- The BCMB continued its work with AGLC on the transition of alcohol manufacturer and container registrations from AGLC to the BCMB. Liquor agencies began registering containers directly with the BCMB through SIMS in February 2024.
- The BCMB implemented a 29% increase in handling commissions for depots in May 2023, based on the annual review process (which took place in November 2022) that sets the handling commissions for the following year. However, the November 2023 review process identified an 18.6% decrease that takes effect in May 2024. This has prompted the BCMB to work with industry to better understand the volatility of handling commissions and how it can be addressed.

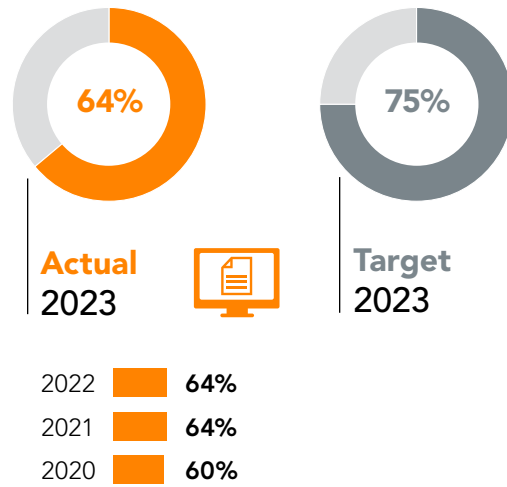
PERFORMANCE METRICS

INNOVATION AND TECHNOLOGY

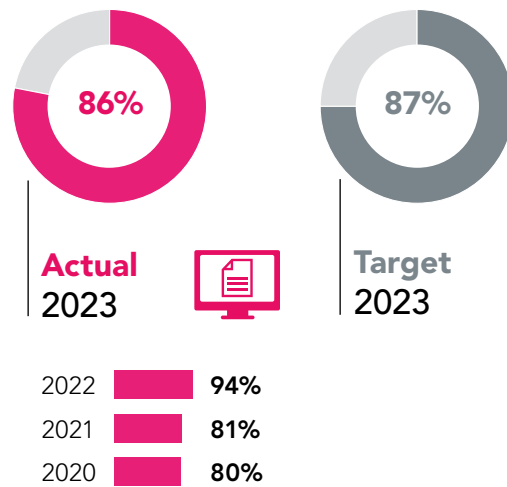
Electronic R-bill Reporting (eR-bill)

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. In 2023, 64% of depots reported using eR-bills (consistent with 64% in 2022), which represented 86% of all R-bill reporting (down from 94% in 2022 and slightly below the 87% target).

Depots Utilizing eR-bill Reporting
(Percentage)



Reporting that Uses eR-bill
(Percentage)

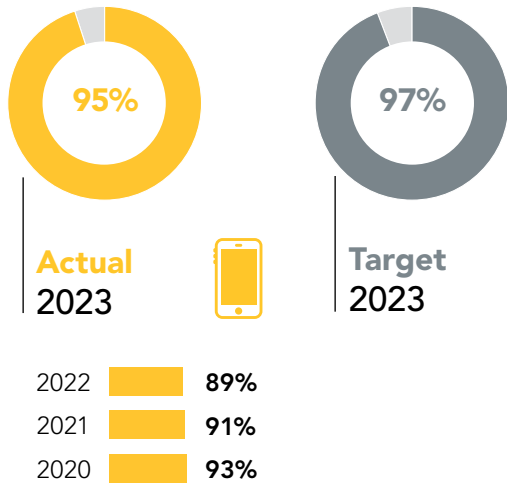


Quality Monitoring System (QMS)

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 by the BCMB, and trends are identified to address issues or successes in the industry.

The number of depots utilizing the QMS in 2023 was 95%, up from 89% in 2022.

Depots Utilizing QMS (Percentage)



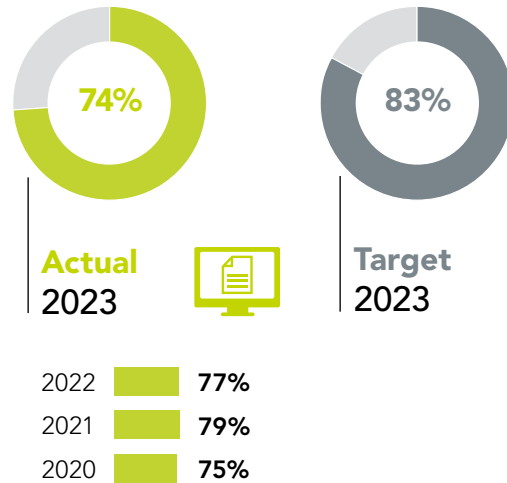
Point of Return (POR) Software

BCMB by-law requires depots handling six million or more containers annually to use a POR system, and all of them at those volumes currently do. POR software has resulted in improved efficiency in several areas of depot operations and in customer satisfaction.

In 2023, 74% of the total depot network used POR systems (164 of 221 depots), down slightly from 2022 when 77% of depots used POR systems (170 of 221 depots).

The industry also uses other innovative technology such as automated sorting and counting equipment, which is designed to replace manual labor at the depot and improve the efficiency and accuracy of sorting containers.

Depots Utilizing POR Software (Percentage)



Stakeholder Information Management System (SIMS)

The BCMB launched a new database and registration portal (Stakeholder Information Management System or SIMS) for non-alcohol and cannabis beverage manufacturers in October 2023. SIMS provides a more intuitive and efficient process for manufacturers to register themselves and their beverage containers. As of December 2023, over 232,000 containers had been registered in Alberta. That number will increase substantially in 2024 with the addition of alcohol container registrations to the system.

The BCMB's commitment to progressive IT and information control strategies means we will continue to place a high priority on improvement and innovation in our systems. An additional phase of the BCMB's comprehensive IT strategy that resulted in SIMS will take place in 2024. The project will continue to prioritize strategic initiatives and to further consolidate data and stakeholder information around BCMB operations.

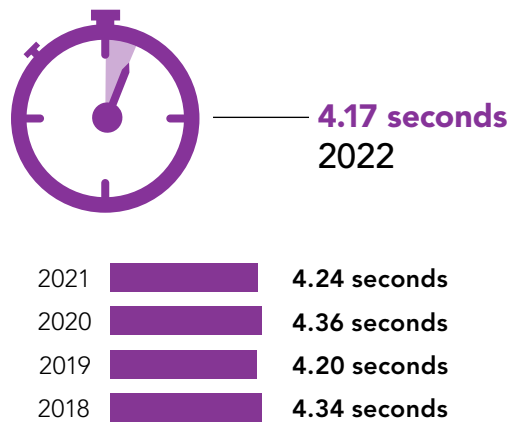
COST EFFECTIVE

Labour Efficiency

Labour is a significant cost to the system. One of the ways that the system has become more efficient is through the handling of large numbers of containers. As technology is introduced and best practices are applied, the system has benefitted from reduced overall labour 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 seconds per container was 4.17 in 2022, the most recent year for which data is available, down from 4.24 in 2021.

Labour Time per Container at Depots²³ (Seconds)



²³ A more accurate calculation rate for labour seconds per container was recommended by the BCMB's Data Collection Agent in 2019 and this indicator is now being reported annually. The most recent actual is 2022 due to the UCA reporting cycle (2023 reporting cycle won't conclude until fall 2024).



COST TO THE CONSUMER

The BCMB used to report on the net cost to the recycling consumer and the cost per container paid by the recycling consumer compared to provinces with similar deposit programs. Though both performance indicators are still identified in our 2023-2025 and 2024-2026 Business Plans, we will no longer be reporting on them as the data source (*Who Pays What* report by CM Consulting) has not been available for a few years.

In terms of cost to the consumer though, it is important to note that 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 set annually by the CSA and added at the point of purchase, and that ranged from two cents to 12 cents in 2023.



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 reappointment 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 the Board and management to discuss their audit findings. The accompanying financial statements are the responsibility of the management of the Beverage Container Management Board.



Blaire Gaalaas
President

Edmonton, Alberta
April 4, 2024



Independent Auditors' Report



To the Members of the Beverage Container Management Board

Opinion

We have audited the financial statements of the Beverage Container Management Board (the "Board"), which comprise the statement of financial position as at December 31, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditors' Report (continued)



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

April 4, 2024

Statement of Financial Position

As at December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash and cash equivalents (Note 2)	\$ 2,799,210	\$ 3,233,996
Accounts receivable	316,507	26,732
Prepaid expenses	72,221	51,099
	3,187,938	3,311,827
RESTRICTED CASH (Note 3)	3,434,900	3,335,200
PROPERTY AND EQUIPMENT (Note 4)	551,924	42,743
INTANGIBLE ASSETS (Note 5)	623,524	201,937
	7,798,286	6,891,707
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 6)	365,409	246,935
Deposits	25,000	25,000
	390,409	271,935
NET ASSETS		
Restricted (Note 7)	3,434,900	3,335,200
Unrestricted	2,785,281	3,039,892
Invested in capital assets	1,187,696	244,680
	7,407,877	6,619,772
	\$ 7,798,286	\$ 6,891,707

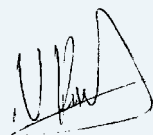
Commitments (Note 8)

ON BEHALF OF THE BOARD

Director



Director



See notes to financial statements

Statement of Revenues and Expenditures

For the year ended
December 31, 2023

	2023 (Budget) (Note 10)	2023 (Actual)	2022 (Actual)
REVENUE			
Container fees	\$ 4,382,500	\$ 4,396,522	\$ 4,585,440
Interest and other	72,000	330,962	113,791
Compliance fees	67,200	42,000	98,600
Product registration fees	4,200	5,500	6,580
Permit fees	7,200	1,800	10,800
	4,533,100	4,776,784	4,815,211
EXPENSES			
Salaries and benefits	2,437,400	2,164,688	1,799,366
Professional fees	1,447,700	1,012,354	777,621
Board of Directors' honoraria and expenses	78,400	141,145	75,094
Office	180,900	129,504	136,582
Communications	165,000	115,767	116,413
Information system maintenance	115,200	108,490	86,588
Meetings	112,000	102,974	56,117
Travel	77,400	70,543	64,347
Amortization	85,100	63,352	29,362
Insurance, memberships and licenses	33,600	56,493	22,767
Training and development	43,000	16,969	15,778
Bad debts	73,000	6,400	48,790
	4,848,700	3,988,679	3,228,825
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ (315,600)	\$ 788,105	\$ 1,586,386

See notes to financial statements

Statement of Changes in Net Assets

For the year ended
December 31, 2023

	Unrestricted	Restricted	Invested in Capital Assets	2023	2022
NET ASSETS –					
BEGINNING OF YEAR	\$ 3,039,892	\$ 3,335,200	\$ 244,680	\$ 6,619,772	\$ 5,033,386
Excess of revenue over expenses	788,105	–	–	788,105	1,586,386
Transfers (Note 7)	(269,423)	269,423	–	–	–
Reserve fund expenditures (Note 7)	169,723	(169,723)	–	–	–
Purchase of capital assets	(1,006,368)	–	1,006,368	–	–
Amortization of capital assets	63,352	–	(63,352)	–	–
NET ASSETS –					
END OF YEAR	\$ 2,785,281	\$ 3,434,900	\$ 1,187,696	\$ 7,407,877	\$ 6,619,772

See notes to financial statements

Statement of Cash Flows

For the year ended
December 31, 2023

	2023	2022
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 788,105	\$ 1,586,386
Items not affecting cash:		
Amortization	63,352	29,362
Loss on disposal of property and equipment	3,007	–
	854,464	1,615,748
Changes in non-cash working capital:		
Accounts receivable	(289,775)	25,464
Prepaid expenses	(21,122)	(31,061)
Accounts payable and accrued liabilities	118,474	77,446
	(192,423)	71,849
	662,041	1,687,597
INVESTING ACTIVITIES		
Purchase of property and equipment	(564,184)	(219,759)
Change in restricted cash	(99,700)	(1,329,900)
Purchase of intangible assets	(442,184)	–
Proceeds on disposal of property and equipment	9,241	–
	(1,096,827)	(1,549,659)
INCREASE (DECREASE) IN CASH FLOW	(434,786)	137,938
CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR	3,233,996	3,096,058
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 2,799,210	\$ 3,233,996

See notes to financial statements

Notes to Financial Statements

Year ended December 31, 2023

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 AND CASH EQUIVALENTS

Cash and cash equivalents includes items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of 90 days or less at acquisition.

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
Computer database	10 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 manufacturers. 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, 2023

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. CASH AND CASH EQUIVALENTS

	2023	2022
Operating accounts	\$ 1,299,210	\$ 3,233,996
Guaranteed Investment Certificate	1,500,000	–
	\$ 2,799,210	\$ 3,233,996

The Guaranteed Investment Certificate bears interest at a rate of 5.27% maturing January 2024.

3. RESTRICTED CASH

Restricted cash is comprised of \$3,434,900 (2022 – \$3,335,200) allocated from the operating cash account. This cash has been restricted and includes amounts related to the internally restricted surplus of \$3,434,900 (2022 – \$3,335,200) (Note 7).

Notes to Financial Statements

Year ended December 31, 2023

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment and accessories	\$ 64,008	\$ 47,366	\$ 16,642	\$ 22,668
Furniture and fixtures	188,129	18,341	169,788	16,105
Leashold improvements	332,885	11,096	321,789	–
Office equipment	51,674	7,969	43,705	3,970
	\$ 636,696	\$ 84,772	\$ 551,924	\$ 42,743

5. INTANGIBLE ASSETS

	2023	2022
Computer database	\$ 641,973	\$ –
Work in progress	–	201,937
	641,973	201,937
Accumulated amortization	(18,449)	–
	\$ 623,524	\$ 201,937

6. ACCOUNTS PAYABLE

	2023	2022
Trade payable	\$ 338,208	\$ 220,899
Goods and Services Tax payable	27,201	26,036
	\$ 365,409	\$ 246,935

Notes to Financial Statements

Year ended December 31, 2023

7. 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.

	2022	Transfers	Expenditures	2023
Wind-up	\$ 1,935,200	\$ 99,700	\$ –	\$ 2,034,900
Handling Commission Review	1,000,000	–	–	1,000,000
Hearings	400,000	169,723	(169,723)	400,000
	\$ 3,335,200	\$ 269,423	\$ (169,723)	\$ 3,434,900

8. COMMITMENTS

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

2024	\$ 144,452
2025	164,734
2026	169,696
2027	170,088
2028	170,088
Thereafter	14,174
	\$ 833,232

Notes to Financial Statements

Year ended December 31, 2023

9. 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:

	2023	2022
Board Chairperson		
Mr. A. Stephens (a, c, g, h, o, r)	\$ 20,243	\$ 15,850
Board Members		
Mr. T. Marr-Laing (c (Chair), h, p)	18,610	5,425
Mr. B. Moore (a, c, h, o, p, r (Chair))	18,215	5,983
Mr. O. Edmondson (g, h (Chair), o, p)	12,845	4,690
Mr. K. Dossa (g, o (Chair), r)	8,003	2,205
Ms. T. Jones (c, h, r)	6,940	3,850
Mr. G. Johal (a, h)	6,327	5,250
Ms. L. Falkenberg (a, g, h, o, r)	5,025	–
Mrs. R. Morier (h, r)	4,200	1,750
Mr. T. Dore (a, c)	3,725	3,080
Mr. K. Faulkner (a)	3,205	–
Ms. P. McLeod (g)	805	4,953
	108,143	53,036
President	200,675	182,450
	\$ 308,818	\$ 235,486

Member of Audit Committee (a)
 Member of Compliance Committee (c)
 Member of Governance and Compensation Committee (g)
 Member of Handling Commission Review Committee (h)
 Member of CSA Operating Agreement Committee (o)
 Member of the Hearing Panel (p)
 Member of Registrations & Recycling Committee (r)

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

	2023	2022
Honoraria paid	\$ 108,143	\$ 53,036
Travel	24,504	18,841
Canada pension plan benefits	4,281	2,155
Directors' meals	4,217	1,062
	\$ 141,145	\$ 75,094

In 2023 and 2022, the travel and meals expense amounts were reimbursed directly to the Board of Directors.

Notes to Financial Statements

Year ended December 31, 2023

10. BUDGET AMOUNTS

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

11. 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, 2023.

CREDIT RISK

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

12. COMPARATIVE FIGURES

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

contact

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