

Required Information Page

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Product category: Schedule 5 – Printed Paper and Packaging [Newsprint]

Stewardship agency and/or program name: News Media Canada

Primary contact (name and email): Peter Kvarnstrom, pkvarnstrom@glaciermedia.com

Stewardship program website: None

Stewardship Plan and Annual Reports website: https://nmc-mic.ca/public-affairs/newspapers-and-

recycling/bc-stewardship/

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Message from the Chair

This time in 2020, the world was just a few months into the COVID-19 pandemic and even less the newly sparked movements around race and equality that have come to occupy so much of the social conscience of the Western world. What different courses they are now taking a year later. Bright light appears at the end of the pandemic tunnel, while at the same time, such dark elements of our past in BC come into stark perspective. These issues, along with the many others defining the times - our politics, communities, technology, the environment - are the reason that journalism exists. And it is my hope that with such frightening access to misinformation, particularly around the pandemic, people have come in this past year to appreciate that there is no substitute for a professional and accountable news media.

News Media Canada remains committed to providing the information that British Columbians want to know and that ensures the continued functioning of our democracy. With that in mind, we are well aware of the changing form the delivery of that information is taking. Those who have followed these reports over the years will have noticed the consistent declines, year-after-year-after-year, in newsprint volumes delivered to BC residents. Our physical papers are thinning and becoming less frequent. With the times, we are shifting to a more robust online presence to ensure that the critical work of our publications continues and that the stories are there for those who want them.

And while there may be less newspaper out there, stewardship of our product has persisted. The collection system that manages newsprint under Recycle BC continues to get better, with consistent and, in many locations improving access to recycling services. Global trade in many recovered recyclables remains in a state of flux, while newsprint bucks this trend with its sustainability.

We are also seeing the stewardship model that truly began in BC, spreading with rapid speed across North America. Challenged models of EPR are slowly but surely being worked through in Canada, with the lessons we have learned now garnering the attention of our southern neighbours. There is an odd deja-vu in seeing the struggles that we went through more than a decade ago now popping up in the United States. We wish them the best of luck as they navigate these difficult but likely necessary changes as the world grapples with properly dealing with our waste.

On behalf of the board of News Media Canada, I would like to once again thank the residents of BC for working the frontlines of newspaper recycling on our behalf and making the program such an example. I would also like to recognize our ever-resilient members for their service and commitment to this stewardship program. I move forward into 2021 with confidence of our continued success.

Sincerely,

Jamie Irving,

Chair of the Board, News Media Canada

Introduction

This document marks the fourth annual report for News Media Canada's (NMC) newsprint Stewardship Plan in BC. As a plan with a 5-year term, we are now entering its final stages with consideration beginning for the next phase of newspaper recycling in BC. More information and opportunities for input will be forthcoming as things progress.

As always, this report summarizes the mandated information as per the Province of BC under the Recycling Regulation. This includes the hard numbers on distribution and recovery, information on advertising and promotion, and any issues identified in 2020. The information reported is for our obligated residential Printed Paper and Packaging (PPP) under Schedule 5 of the Regulation. For 2020, our obligations continued to be met via utilization of the Recycle BC network of curbside and depot collection systems across the province.

NMC continues to provide a combination of in-kind advertising and direct payment to the Province of BC as a method of funding the costs of operating the newspaper collection program. The Province, in turn, operates as an important go-between with NMC and Recycle BC, a system that has worked well over the past four years. Like NMC, Recycle BC is obligated to publish an annual report, which contains a wealth of information on the system for those interested in how newspapers are collected as a part of it.

The Appendix to this annual report lists the current members who participate cooperatively in our program, and their current list of titles. Despite reduction in PPP generation in our industry over the years, the list still includes the same 11 participants as in 2019, albeit with some having experienced retraction due to mergers and shutdowns of certain titles. NMC remains steadfast in our commitment to keep the plan open to any newspaper producers who want to sign on to discharge their obligations. At this point ours is the only Stewardship Plan in BC for newspapers so the single option for publishers not wanting to take on the immense challenge of going it alone.

NMC was the original architect of the Stewardship Plan and has administered it on behalf of our members for the past four years and counting. The most notable change for NMC as of writing is the recent departure of our long-time President and CEO John Hinds. John has been instrumental in the newspaper stewardship operations of NMC for the past two decades in BC and across Canada, and we are truly indebted to him for his service. On behalf of all members, we extend our heartfelt thanks. At this point in time NMC is searching for a replacement CEO, while the organization continues our operations as normal as possible in the interim.

NMC continues to be governed by a Board of Directors, with its number of members having increased to 16 from 15 since our last report. We strive to ensure the Board is as representative as possible of our organization, including all sizes and types of publishers, regionally dispersed across Canada.¹ Provincially mandated stewardship documents including our original plan and all historical annual reports are readily available on the NMC website.²

¹ Refer to the current list of directors here: https://nmc-mic.ca/about-us/board-of-directors/

² These documents can be found at this link: https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/

Third-Party Audit and Issues with Producer Data

For the purposes of surveying our plan subscribers and verifying all-important tonnage data, NMC once again contracted with BDO Canada LLP for the provision of a third-party audit for the calendar year 2020. BDO has been used for all our annual report data verification to date, with survey methods, calculations, and data presentation being consistent from year-to-year. This approach has ensured as high a degree of continuity as possible. This has been a great benefit to NMC, plan members, and anyone interested in our reports and has made it particularly clear and simple to interpret data and compare year-over-year trends.

For 2020, BDO conducted the internal audit from March 16th to May 7th. As always, the methodology relied heavily on surveying the 11 producers included under the plan. They focused on the same elements as in past years, namely key processes and controls for managing the in-scope data used by NMC in reporting to the Ministry, assessing data risks, and evaluating sufficiency of evidence. Within the in-person limits imposed by Covid-19, the procedure included interviews, inspections and observations, vouching to independent sources, and recalculating figures to obtain corroborating evidence. The results were prepared as accurately as possible, with acknowledgement that there are inherent limitations due to the nature of non-financial information and reliance on internal sources where third-parties are not able to corroborate.

BDO worked through a few data issues this year. Some related to "Gross Production Volumes" (GPV) figures, or the total amount of PPP generated in the year by each producer, unadjusted. Regarding this calculation, they noted that two producers had reported with volume omissions. In one instance, newsprint only was reported and no other PPP categories, and in another the producer had not reported the "Other Printed Paper" category. In both situations BDO was able to rely on the data they did have available to make the appropriate adjustments, which are included in the summary table later in this report.

The audit also turned up a few other more clerical errors. For example, two producers had used at least some 2019 data in part of their calculations, which was corrected. One producer omitted some commercial printing under the assumption it would be reflected in another producer's totals; this assumption was not in line with BDO's methodology and was therefore corrected as well. Finally, two producers had some data entry errors regarding number of copies, which resulted in some over/underreporting; BDO used source data and extrapolation to recalculate the correct figures where necessary. NMC appreciates BDO's thoroughness and attention to detail that identified and addressed these errors.

More generally, BDO also pointed out that some discrepancies in methods of reporting GPVs persist amongst the different producers. These were mostly between those producers with and without their own printing facilities. The former usually use a paper inventory balance to calculate their GPV, whereas those using external printers rely on calculating weights based on total copies received. This created inconsistencies, particularly around accounting for paper spoilage. There were also some issues with double-reporting where multiple producers counted the same volumes because one had printed on behalf of the other. BDO adjusted for these issues as best they could and made suggestions on guidance to producers and standardizing definitions that NMC will seek to implement in time for the next annual report.

The primary metric used to calculate the denominator for the recovery rate was again the "Residential Production Volume" (RPV). This figure represents only the PPP material distributed into the residential sector for 2020 after adjusting GPVs downwards by subtracting, for example, commercial printing, internal copies, returns, and other excluded volumes. This adjusted figure, aggregated across all 11 producers, was then used to determine the percentage recovery rate relative to tonnage collected by Recycle BC. The results of this calculation are described in more detail in the next section, which is then followed by the numeric tables showing all PPP volumes - GPV, RPV, and adjustments - disaggregated by category and producer.

The audit found much more consistent and reasonable methodologies resulting in considerably better data for RPVs. This is reflected in the small number and magnitude of adjustments for this metric. In the few instances where there were issues with RPVs, BDO worked with the producer in question to recalculate the residential newsprint total, with these changes reflected in the summary table.

Producers under this plan also generate small volumes of PPP that are not newsprint or magazines. This material is primarily plastic film sleeves (categorized as "Plastic Film and Laminates") used to cover newspapers in wet weather. These materials are documented in the second half of the summary table, located on page 9. BDO noted that reporting of these materials was consistent with prior years, but that many of the same tracking and reporting issues identified in the past remain. They acknowledged that NMC has made improvements to the reporting template since 2019 that have provided more clarity on the disaggregated PPP categories, but that further work is necessary to get everything entirely clear and consistent among producers. As well, the report identified some simple data entry issues on the part of producers. These are all issues that NMC will endeavor to improve upon for 2021 to benefit the quality of results and make the audit process simpler and smoother for all involved.

Recovery Rate

The recovery rate is a key performance metric on which to judge and track changes for our Stewardship Plan. It is calculated by dividing the amount of residential newspaper recovered in BC, as verified by Recycle BC and the BC Ministry of Environment, by the amount of residential newspaper distributed in the province (RPV), as verified by our members via the BDO audit. The result of this calculation is a percentage that serves as the recovery rate.

For the year 2020, these figures mentioned above worked out to a 90% recovery rate. The running table of annual recovery rate data is included below, updated to 2020:

Annual Recovery Rates									
2017	96%								
2018	93%								
2019	102%								
2020	90%								

The exact 2020 calculation is as follows:

• Residential Production Volume of PPP as per the BDO report: 11,531.39 MT • Recovered Tonnage Attestation for NMC material from Recycle BC: 10.409 MT

Recovery Rate: 10,409 MT recovered / 11,531.39 MT produced X 100% = 90%

We ensure every year to clarify to readers one key limitation of this data, namely, that the attestation figure includes all newspaper recovered, but the RPV only that distributed by our members. In simple terms, this means that there is newsprint collected in the system that was not generated by and/or is not the responsibility of our members. For example, if could be from outside BC, commercial material, or from a small local publication that falls within the Recycling Regulation's "Small Producer" exemption.

This means that the 90% recovery rate figure is likely someone overestimated, however not likely by a large margin. This is because the NMC plan covers the overwhelming majority of obligated newsprint producers in BC, including all major producers. With this in mind, there is certainty that we are well above the 75% recovery target under the Recycling Regulation, if not exactly 90%.

We have reproduced the detailed BDO audit data for all tonnages, all producers, and all materials in the tables on the following two pages. Readers will find the format identical to previous years to facilitate comparison.

2020 Tonnages

GROSS PRODUCTION VOLUMES (GPV)	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported GPV for 2020	6779.17	2,426.00	785.83	3,695.34	1,048.15	1,485.55	343.98	295.54	1,155.12	167.00	359.05	18,540.73
Adjustments	(3,381.80)	(689.29)	-	(1.43)	(55.10)	24.28	-	(0.18)	13.20	0.27	(276.62)	(4,366.67)
Revised 2020 Estimates	3,397.37	1,736.71	785.83	3,693.91	993.05	1,509.83	343.98	295.36	1,168.32	167.27	82.43	14,174.06

RESIDENTIAL PRODUCTION VOLUMES (RPV)	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported RPV for 2020	3,202.22	1,606.45	619.39	2,554.56	632.28	1,431.74	292.16	278.29	669.32	100.89	288.89	11,676.19
Adjustments	-	(0.43)	0.01	-	(0.10)	24.28	-	0.18	(0.72)	59.69	(227.35)	(144.80)
Revised 2020 Estimates	3,202.22	1,606.02	619.40	2,554.56	632.18	1,456.02	292.16	278.11	668.60	160.58	61.54	11,531.39

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
I) NEWSPRINT												
Reported in 2020	2,800.14	1,529.19	601.56	2,496.31	435.21	1,394.94	290.74	278.29	454.14	100.89	288.89	10,670.30
Adjustments	-	(0.42)	0.01	-	-	24.28	-	(2.56)	(1.25)	59.69	(227.35)	(147.60)
Revised 2020 Estimates	2,800.14	1,528.77	601.57	2,496.31	435.21	1,419.22	290.74	275.73	452.89	160.58	61.54	10,522.70
II) MAGAZINES												
Reported in 2020	-	74.28	14.24	58.25	197.07	28.63	1.42	-	201.59] -	-	575.48
Adjustments	398.90	-	-	-	(0.10)	-	-	2.38	14.12	-	-	415.30
Revised 2020 Estimates	398.90	74.28	14.24	58.25	196.97	28.63	1.42	2.38	215.71	-	-	990.78
III) PLASTIC FILM	AND LAMINATES	5										
Reported in 2020	-	2.98	3.35	-	-	5.25	-	-] -	-	11.58
Adjustments	3.18	(0.01)	-	-	-	-	-	-		-	-	3.17
Revised 2020 Estimates	3.18	2.97	3.35	-	-	5.25	-	-		-	-	14.75
IV) OTHER PRINTE	D PAPER -											
Reported in 2020	398.90] -	0.24	-	-	2.92	-	-	13.59] -	-	415.65
Adjustments	(398.90)	-	-	-	-	-	-	-	(13.59)	-	-	(412.49)
Revised 2020 Estimates	-	-	0.24	-	-	2.92	-	-	-	-	-	3.16
V) OTHER PACKAG	SING											
Reported in 2020	3.18	-	-	-	-	-	-	-	-	-	-	3.18
Adjustments	(3.18)	-	-	-	-	-	-	-	-	-		(3.18)
Revised 2020 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

Communication and Consumer Awareness

Immediately after our stewardship plan was approved, we began to deliver on the commitment to use our platform to promote the recycling of our product. These efforts have persisted, and in fact ramped up in the four years since. We now have constant promotion across all publications and have revamped our promotional material, ensuring that newspaper readers across BC get constant and effective reminders to do the right thing and recycle their papers.

We started with just one very basic "Please Recycle This Newspaper" piece and, in 2018 added a much larger suite of images of many different sizes and styles. The entire collection of communication materials has been disseminated to all members and used extensively, supplemented with members' own material at their discretion.

Glacier Media has been exemplary in this regard, running the ads all year across a wide range of publications, and even including multiple pieces in certain editions. The following page includes three examples of recycling communications, all featured in the June 10th edition of the New Westminster Record (there is also another from the Tri-City News). Including more than one ad across a single edition ensures as much exposure as possible to different types of readers flipping through their different sections of interest.

In addition to our community papers, recycling promotion was also significant among our large dailies and non-English language publications. Page 12 includes an example from Postmedia's The Province newspaper, where the promotional piece is displayed in the "Contact Us" section. They included such pieces consistently in the Vancouver Sun as well. The Globe and Mail ran recycling ads twice a week all year, and there was good consistency throughout 2020 for our large Chinese-language members Sing Tao and Ming Pao too.

This communications work was included as part of the BDO audit, which confirmed the extensive advertising our members have done and that the commitment to recycling promotion stated in our Stewardship Plan had been met. It also identified some very minor consistency gaps for a few publications. One member was noted to have had a significant gap attributed to a change in ownership, which is now complete and has the publication back on track with their advertising efforts. With the issues identified now largely resolved, communication efforts through 2021 should be even more robust and we are optimistic will lead to improvements in material recovery.

Example of Ads run in Glacier Media Publications: New Westminster Record, June 10, 2021 and Tri-City News, June 10, 2021





Environmental Performance and Market Update

Newsprint recovery in BC has remained at a very high level for 2020. Relative to most stewardship programs, and particularly to many other categories of PPP, a 90% recovery rate should be considered an exceptional environmental outcome. In addition, our newsprint is very friendly to collection and processing programs because it is a homogenous material, does not introduce food contamination into the system, and is easily processed and marketed. As a result, our province is producing an important raw material to be used for communicating even more information, with limited impact on our natural resources and environment.

In rural areas of the province, hard copy print remains robust due to a much weaker digital presence and little rush on the part of locals to transition. Our rural publications will – in fact we must – maintain our work in these areas. If we do not, there will be no local news to keep people informed of the critical issues facing their communities that tend to be overlooked by the larger publications. This is a commitment our rural-operating members take very seriously.

Newsprint was once a prevalent grade of paper in most BC households. In years past most collection systems asked the user to separate their newsprint in a special bag or container. Over time the thickness of newspapers, frequency of distribution, and number of publications have all diminished. One of our more prominent member publications, for example, this year went from three times weekly distribution to once weekly. This resulted in a big change for recycling volumes in their distribution area, a common outcome in BC urban centres in particular. With lower volumes, newspaper separation has become far less common in recycling systems, with single stream (all-in-one-bin) or multi-stream commingled mixed paper (including at depots) having become the most-used collection methods in North America.

In the past, newspaper was always separated and shipped to end markets as its own commodity. Although current technology has evolved significantly and allows separation of various grades of paper, due to declining volumes newsprint is now typically included in mixed grades. In addition to the official "Mixed Paper" grade, "#56 - Sorted Residential Paper" was recently introduced to the specifications, which recycling mills now rely on to have a significant newsprint component. This grade currently makes up a large portion of paper trading in the market, which means stable need for newsprint. These grades continue to be an important feedstock for a variety of end markets and products with robust demand.

Looking Forward

Through 2020, one of the most important news years in recent memory, we continued to see the transformation of the newspaper industry take place in BC. NMC and our members are well aware of the declines in hard copy news that have resulted in this year's lowest ever newsprint tonnages. At the same time, we are developing new means of disseminating the news that British Columbian's rely on, with many members also modernizing and redeveloping the ways they do business to better suite the times. These changes will continue to have an impact on newspaper distribution, recovery, and final recycling, and NMC will be there to manage these changes on behalf of our industry.

Recycle BC has entered their seventh year of operations in BC. They are now a well recognized brand and the driving force behind residential recycling in the province. NMC acknowledges and appreciates the immense development and capital investment in collection and material processing that has been spurred by the Recycle BC program. This has made BC's recycling system more sophisticated, scalable,

and resilient, which benefits all PPP producers. NMC and our members are fortunate to be able to utilize this system to facilitate the best environmental outcomes possible for our PPP now, and into the future.

Conclusion

News Media Canada is pleased to have achieved our stewardship and recovery goals again for 2020. We thank all our partners and most of all the many conscientious British Columbians who made sure their papers made it to the blue box, bag, cart, or depot this past year. As we move into the final year of our Stewardship Plan, our attention will now turn to what happens next. We have begun to engage the Ministry of Environment on a workable solution for the future, with consideration of our changing industry and marketplace, as well as the state of recycling in BC. We ask all those interested to stay tuned for more information and we look forward to sharing progress and new developments in our next annual report. On behalf of everyone at NMC, thank you for your continued support of quality newspapers and their recycling.

Appendix A – List of Current Members and Publications as of 2020 Annual Report

The list below shows all current Stewardship Plan members. None of our original founding members or subsequent additions have left the Plan since joining, however for many their list of publications has changed on account of things like title shutdowns and mergers.

- Postmedia Network Inc.
 - o The Vancouver Sun
 - The Province
 - National Post
- The Globe and Mail Inc.
 - o Globe and Mail
- Black Press Group Ltd
 - 100 Mile House Free Press
 - Abbostford News
 - Agassiz-Harrison Observer
 - Alberni Valley News
 - Aldergrove Star
 - Ashcroft-Cache Creek Journal
 - Barriere Star Journal
 - Bella Coola Coast Mountain News
 - Boulevard Okanagan
 - Boulevard Chinese Edition
 - **Boulevard Mid-Island**
 - **Boulevard Vancouver Edition**
 - **Boulevard Victoria**
 - **Boundary Creek Times**
 - Burns Lake / Lakes District News
 - Campbell River Mirror
 - Canadian Grapes to Wine
 - Castlegar News
 - Chilliwack Progress
 - Clearwater Times
 - Cloverdale Reporter
 - Courtenay / Comox Valley Record
 - Cranbrook Daily Townsman
 - Cranbrook Kootenay News Advertiser
 - Creston Valley Advance
 - Duncan Cowichan Valley Citizen
 - Fernie Free Press
 - Fort St. James Caledonia Courier
 - Golden Star
 - Goldstream News Gazette
 - Grand Forks Gazette
 - Gulf Island Driftwood

- Haida Gwaii Observer
- Hope Standard
- Houston Today
- Indulge (Chinese/English)
- Indulge Magazine
- o Invermere, The Valley Echo
- Kelowna Capital News
- o Keremeos, The Review
- o Kimberly Daily Bulletin
- o Kitimat, Northern Sentinel
- Ladysmith-Chemainus Chronicle
- Lake Cowichan Gazette
- Langley Advance Times
- Maple Ridge-Pitt Meadows News
- Mission City Record
- Monday Magazine
- N2K Magazine
- Nakusp, Arrow Lakes News
- o Nanaimo News Bulletin
- Nelson Star
- North Delta Reporter
- Northern Connector
- Oak Bay News
- Parksville/Qualicum Beach News
- Peace Arch News, White Rock/South Surrey
- Penticton Western News
- o Port Hardy, North Island Gazette
- Prince Rupert, The Norther View
- o Princeton, The Similkameen Spotlight
- Quesnel, Cariboo Observer
- Real Estate Weekly Abbotsford
- Real Estate Weekly Langley
- Real Estate Weekly Surrey
- Revelstoke Times Review
- Rossland News
- Saanich News
- Salmon Arm Observer
- Salmon Arm, Shuswap Market News
- Sicamous, Eagle Valley News
- Sidney, Peninsula News Review
- o Smithers, Interior News
- Sooke News Mirror
- Summerland Review
- Surrey Now Leader
- o Terrace Standard
- Tofino-Ucuelet Westerly News
- Trail Daily Times
- Vancouver Island Free Daily

- Vanderhoof, Omineca Express
- Vernon, Morning Star
- Victoria News
- Williams Lake Advisor
- o Williams Lake Tribune
- Wine Trails
- o Winfield, Lake County Calendar
- Chemainus Valley Courier
- o Real Estate Victoria
- Kootenay Extra
- Glacier Media Inc.
 - o Business in Vancouver
 - Western Investor
 - Real Estate Weekly
 - Alaska Highway News
 - o The Mirror
 - o Northern Horizon
 - Prince George Citizen
 - Vancouver is Awesome
 - North Shore News
 - o Burnaby Now
 - New Westminster Record
 - Richmond News
 - Delta Optimist
 - Tri-City News
 - o Bowen Island Undercurrent
 - o Squamish Chief
 - o Whistler Pique
 - o Powell River Peak
 - Coast Reporter
- Sing Tao Newspapers (Canada 1988) Ltd.
 - Sing Tao Daily
 - Sing Tao Real Estate Guide
 - Sing Tao Weekly Magazine
 - Canadian City Post
- Aberdeen Publications Ltd. Partnership
 - Kamloops This Week
 - Merritt Herald
 - Times Chronicle
 - Sunshine Coast The Local
 - Peachland View
 - o Columbia Valley Pioneer
- Continental Newspapers
 - The Daily Courier

- o The Penticton Herald
- The Okanagan Saturday
- Westside Weekly
- Okanagan Advertiser
- TC Publications Ltd. Partnership
 - Times Colonist
- Ming Pao Newspaper (Canada) Ltd.
 - o Ming Pao Daily News
 - Ming Pao Property Golden Pages
 - Ming Pao Saturday Supplement
 - Ming Pao Sunday Supplement
 - o Ming Pao Gourmet Supplement
 - Canadian Chinese Express
 - Healthy Living Weekly
- The Epoch Times Western Canada Society
 - The Epoch Times
- Vancouver Free Press Publishing Corp.
 - o The Georgia Straight

