



**News Media Canada**  
**Médias d'Info Canada**

STEWARDSHIP PLAN



**2019**  
Annual Report

## Required Information Page

**Stewardship plan approval date:** October 19, 2017

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

**Stewardship agency and/or program name:** News Media Canada

**Primary contact (name and email):** John Hinds, [jhinds@newsmediacanada.ca](mailto:jhinds@newsmediacanada.ca)

**Stewardship program website:** None

**Stewardship Plan and Annual Reports website:** <https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/>

## Table of Contents

Message from the President.....	3
Introduction .....	4
Third-Party Audit.....	4
Recovery Rate .....	6
2019 Tonnages.....	7
Communication and Consumer Awareness.....	9
Environmental Performance and Market Update .....	11
Looking Forward .....	11
Conclusion.....	12
Appendix A – List of Current Members as of 2019 Annual Report, Unchanged from 2018.....	13

## Message from the President

This past year, perhaps more than any in most of our lifetimes, has highlighted the critical role and immense public value of journalism in our society. We have simultaneously been going through the most devastating global crisis since the second-world war and the most significant social movement of the millennium. It should be no surprise that an outcome of these formative events has been a drastic increase in consumption of news. And as different as they are – one a global pandemic inflicting unprecedented loss of life and economic woe, the other a worldwide fight against racial discrimination – the two issues have highlighted just how important the role of quality, professional, and accountable news media is. At times like these newspapers go beyond just informing us, but also protect and keep us safe, help us battle against misinformation and falsehoods, and make us think.

In this context, it is important to highlight one often overlooked role that print media plays, namely, coverage of local news and information. With broadcast media narrowed in on national, provincial, and big-city oriented coverage, in many places the only source of local news is the community newspaper. And with Covid-19 in particular, much of the most critical information about the day-to-day, has been local in nature and continuously delivered by our community papers.

Recent events have also put in perspective the true meaning of essential services, notably our medical workers. But in addition to those that help us when we are sick are the unsung grocery store clerks, cleaning staff, and the thousands of waste and recycling collectors and processing facility workers. I can speak on behalf of News Media Canada and all our members in expressing my sincere gratitude to everyone who has helped keep our recycling system moving, as we have endeavored to keep everyone informed.

Through 2019, the world of recycling has continued to face significant changes and challenges. Fluctuations in material markets, as well as labour and transportation interruptions from Covid-19 have not been kind to the industry. We are fortunate though in BC to have a resilient system that has weathered the times remarkably well, and will surely come out stronger as a result.

It's been at once a great challenge and immense privilege to lead News Media Canada through this period. On behalf of all our members, we look forward to playing a role in the recovery and continuing our work together through 2020.

Sincerely,

A handwritten signature in black ink that reads "John Hinder". The signature is written in a cursive, flowing style.

President & Chief Executive Officer, News Media Canada



## Introduction

This marks the third annual report for BC Stewardship of newsprint under the News Media Canada (NMC) Plan. It summarizes the information required by the province of BC, highlights the specific accomplishments of our plan over the past year, and outlines what we envision moving forward.

Our industry is required to be part of a stewardship plan because the newsprint our members distribute into the residential market falls under Schedule 5 of the BC Recycling Regulation, also known as Printed Paper and Packaging (PPP). Those familiar with our plan will know that it operates in a unique way as compared to the other BC PPP plans and those that cover items like electronics, batteries, and paint. Aside from ours, there is currently only one approved plan under schedule 5, which has been operated by Recycle BC since May of 2014.

Through our plan, in part facilitated by the BC Government, NMC's newsprint material is integrated into the province-wide Recycle BC program. This is made possible through NMC's delivery of in-kind advertising to the BC Government, which provides a medium so their important messaging can reach the public via our newspapers. In turn, the government maintains a relationship with Recycle BC on our behalf. Recycle BC also publishes an annual report, which we suggest any interested readers refer to if looking for more specific details on how their system works.

Our Stewardship Plan has always been open to any publishers who are obligated under the Regulation. As our plan is already written and approved, coming on as a member is the simplest and most efficient way for newspapers and similar media to discharge their obligations. Following multiple years of growth through the addition of new publishers, the overall membership for our plan has remained unchanged throughout 2019. This is to be expected because following our first few years the vast majority of publishers in BC have already become members, leaving limited room for additional growth. This is a trend we expect to continue from this point onwards. Appendix A provides the full list of all current members.

News Media Canada is the centralized administrator of the plan as we have been from the outset. Our governance structure is unchanged from last year, lead by a 15-person board, representative as much as possible of our diverse membership across the country.<sup>1</sup> Our longstanding President and CEO is John Hinds, who is based out of our Toronto office. All stewardship-related documentation for BC, including our original plan and each subsequent annual report is permanently posted on the NMC website.<sup>2</sup>

## Third-Party Audit

Over the first few years of NMC's Stewardship Plan being in effect, and even prior to, the collection recovery that newsprint achieved was exemplary. Before the beginning of Extended Producer Responsibility (EPR) in BC, NMC was already well aware of the great work being done by BC residents in recycling their newspapers. Newsprint was one of the first materials to be recycled in the blue box programs in Canada, dating back to the 1980s, so it has a long and successful history that continues to this day.

---

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

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

Ensuring continuity of the information and reporting structure, NMC has once again engaged BDO Canada LLP to conduct our annual audit required to track our material generation and calculate our recovery rate as a percentage. BDO completed the audit work between March 23 and May 25, 2020. The report was conducted in accordance with the Institute of Internal Auditors (IIA) Standards. Eleven (11) member producers are included in the reporting for 2019. BDO's methodology included analyzing each members' key processes for managing and reporting the required data, reviewing risks through testing, and evaluating the accuracy of the data. Information was gathered by interviews, inspection, observation, vouching to independent source documentation, and recalculating figures to arrive at the best data possible.

There were some limitations this year due to Covid-19. For example, testing was conducted remotely, and all necessary evidence and documentation was shared via emails between BDO, NMC, and individual producers. Wherever possible, BDO attempted to obtain third party supporting evidence, although much of the audit was based on internal sources of information.

An important key metric for the Stewardship Plan is the "Residential Production Volume" (RPV). The RPV represents the share of newspaper produced by NMC members for exclusively residential consumers. This is the volume used to calculate the material recovery rate in comparison with the volumes collected by Recycle BC. Because the Recycling Regulation and our Stewardship Plan cover only the residential stream, it is critical that this figure be parsed out. The methodology for doing this was largely consistent across members, with BDO finding the approaches taken by each member to be reasonable:

- Determine the total copies printed per publication
- Subtract any clearly non-residential copies like:
  - Internal copies never distributed
  - Any non-residential copies such as those distributed to hospitality, transportation, commercial buildings, and at street-side such as Skytrain stations
  - Unsold retail returns
- The total number of units is then used to determine the number of residential copies, which is then translated into a weight in Metric Tonnes for each publisher

The audit also accounted for a large portion of the non-paper materials that our members distribute with their publications. This includes film plastic and laminates used to protect newspapers in wet weather. These figures were produced by, for example, estimating the volume of sleeves used by carriers, or through review of 2019 purchase numbers.

Across the different producers and categories of PPP, BDO did further calculations and adjustments to produce as accurate information as possible. All the data collected, disaggregated by member and material category and including adjustments, is reflected in the summary tables reproduced in the 2019 Tonnages section later in this report.

## Recovery Rate

The recovery rate is the percentage of the newsprint that Recycle BC collects, versus that which our members distribute into the residential market during the year. The Recycling Regulation requires the producer to calculate and report this figure each year. For 2019, the recovery of residential newsprint and related PPP was again excellent, with the rate calculated at 102%. Below is a table comparing the recovery rates for each of the three years they have been calculated:

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

The 2019 figure is specifically derived from the following input data:

- Residential Production Volume of PPP as per the BDO report: 16,520.16 MT
- Recovered Tonnage Attestation for NMC material from Recycle BC: 16,849 MT
- Recovery Rate:  $16,849 \text{ MT recovered} / 16,520.16 \text{ MT produced} \times 100\% = 102\%$

Clearly, recovery above 100% is not physically possible, but rather a result of the parameters in which the Recycle BC system works. Recycle BC's system manages residential PPP falling within a set list of acceptable materials such as tin cans, cardboard, and newspaper; if it ends up in a collection container and it's acceptable, it will be collected and processed. Of the newsprint collected, there will inevitably be some commercial material, material that was generated by BC producers that are not members of our plan, or even by out-of-province producers that cannot be members of our plan. This "leakage" makes for a larger numerator, while not having any effect on the denominator. It's also important to note that the collection volume data is based on random sample audits of mixed material categories, which generates a small yet acceptable margin of error. Our recovery rate is clearly very high, but should also be viewed with these factors in mind.

The detailed tables with reported and adjusted volumes of PPP distributed in 2019 are provided on the following two pages. These tables are entirely consistent in format with those from previous annual reports in order to be directly comparable.

## 2019 Tonnages

<b>GROSS PRODUCTION VOLUMES (GPV)</b>	<b>Black Press</b>	<b>Glacier Media</b>	<b>Globe and Mail</b>	<b>Postmedia</b>	<b>Sing Tao</b>	<b>Times Colonist</b>	<b>Continental Group</b>	<b>Aberdeen</b>	<b>Ming Pao</b>	<b>Epoch Times</b>	<b>Georgia Straight</b>	<b>Total</b>
<b>Reported GPV for 2019</b>	11,848.21	0.00	1,129.04	5,534.85	1,672.93	2,025.37	547.01	450.81	1,649.23	267.53	292.45	25,417.23
<b>Adjustments</b>	(7,268.92)	2,745.25	-	-	0.22	-	-	0.67	(0.23)	16.44	-	(4,506.57)
<b>Revised 2019 Estimates</b>	<b>4,579.29</b>	<b>2,745.25</b>	<b>1,129.04</b>	<b>5,534.85</b>	<b>1,673.15</b>	<b>2,025.37</b>	<b>547.01</b>	<b>451.48</b>	<b>1,649.00</b>	<b>283.97</b>	<b>292.45</b>	<b>20,910.86</b>

<b>RESIDENTIAL PRODUCTION VOLUMES (RPV)</b>	<b>Black Press</b>	<b>Glacier Media</b>	<b>Globe and Mail</b>	<b>Postmedia</b>	<b>Sing Tao</b>	<b>Times Colonist</b>	<b>Continental Group</b>	<b>Aberdeen</b>	<b>Ming Pao</b>	<b>Epoch Times</b>	<b>Georgia Straight</b>	<b>Total</b>
<b>Reported RPV for 2019</b>	4,509.17	2,451.66	821.42	3,426.40	1,129.80	1,914.07	437.86	419.37	945.12	261.39	190.25	16,506.71
<b>Adjustments</b>	(9.48)	10.74	-	(6.87)	-	-	-	0.61	(14.54)	13.70	19.29	13.45
<b>Revised 2019 Estimates</b>	<b>4,499.69</b>	<b>2,462.40</b>	<b>821.42</b>	<b>3,419.53</b>	<b>1,129.80</b>	<b>1,914.07</b>	<b>437.86</b>	<b>420.18</b>	<b>930.58</b>	<b>275.09</b>	<b>209.54</b>	<b>16,520.16</b>



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
<b>I) NEWSPRINT</b>												
Reported in 2019	3,776.61	2,325.27	793.78	3,348.28	713.30	1,862.49	421.36	416.37	583.64	253.72	190.25	14,685.07
Adjustments	(6.12)	10.74	-	(6.87)	-	-	-	0.12	(0.07)	4.21	19.29	21.30
Revised 2019 Estimates	3,770.49	2,336.01	793.78	3,341.41	713.30	1,862.49	421.36	<b>416.49</b>	583.57	<b>257.93</b>	<b>209.54</b>	14,706.37
<b>II) MAGAZINES</b>												
Reported in 2019	-	123.97	23.44	78.12	416.50	41.19	16.50	3.20	345.86	7.67	-	1,056.45
Adjustments	721.78	-	-	-	-	-	-	0.49	(14.48)	(0.01)	-	707.78
Revised 2019 Estimates	721.78	123.97	23.44	78.12	416.50	41.19	16.50	<b>3.69</b>	331.38	<b>7.66</b>	-	1,764.23
<b>III) PLASTIC FILM AND LAMINATES</b>												
Reported in 2019	-	2.42	3.89	-	-	7.08	-	-	-	-	-	13.39
Adjustments	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Revised 2019 Estimates	7.42	2.42	3.89	-	-	7.08	-	-	-	-	-	20.81
<b>IV) OTHER PRINTED PAPER -</b>												
Reported in 2019	725.14	-	0.31	-	-	3.31	-	-	15.62	-	-	744.38
Adjustments	(725.14)	-	-	-	-	-	-	-	0.01	9.50	-	(715.63)
Revised 2019 Estimates	-	-	0.31	-	-	3.31	-	-	<b>15.63</b>	<b>9.50</b>	-	28.75
<b>V) OTHER PACKAGING</b>												
Reported in 2019	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Adjustments	(7.42)	-	-	-	-	-	-	-	-	-	-	(7.42)
Revised 2019 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

## **Communication and Consumer Awareness**

The NMC Stewardship Plan commits to supporting recycling and diversion efforts by publishing various advertisements that promote newsprint recycling. Because NMC members all publish on a regular schedule, we are able to do this continuously across the province.

In 2018 NMC developed an extensive advertising campaign for newspaper recycling, which was featured in our last annual report. For continuity, efficiency and to promote a unified marketing effort we have provided access to the entire suite of ads to all our members to use freely. To ensure flexibility, the campaign includes a variety of different ad designs, of various sizes so they fit in different locations in a layout, as well as both exclusively image-based ads and those with both text and images. Some of our members have also designed their own promotional pieces. Our non-English language members, for example, have used both our designs and also those featuring, for example, Chinese characters.

The promotion campaigns over 2019 have been extensive, with some producers including promotion in all publications and others in select ones throughout the year. Glacier Media, one of our founding members with twenty (20) community-based newspapers in BC, ran these ads in every edition in 2019. This included eighteen (18) weekly publications, guaranteeing constant messaging to readers about properly recycling newspapers after use. Postmedia, another founding member, ran the ads daily on the inside cover of all three of their daily papers, including the Vancouver Sun and Province. The Globe & Mail ran a total of ninety-six (96) advertisements across the year and the Times Colonist included the content daily in the latter half of 2019. Ming Pao, one of our Chinese language publishers, included ads throughout the year in both English and Chinese characters, as well as image-only graphics. Through these different publications, our messaging was consistently delivered to all corners of the province, to big cities and small towns, and in multiple languages.

As we move into 2020, our members have continued the same type and frequency of recycling promotion as 2019. In the coming months, we will be looking to revamp this suite of ads, and possibly look at promotion and education for recycling beyond just newspapers. On the next page we have included some actual examples of recent recycling advertising, that continue to run currently.

is an independent ethical organization established to deal with editorial concerns. For more information or to file a complaint, go to www.mediacouncil.ca or call toll-free 1-844-877-1163.

**INDEX**

CLASSIFIED NP9  
COMICS NP10  
FERRY SCHEDULE A2  
FP VANCOUVER NP6  
HOROSCOPE B2  
LETTERS A9  
NP IN THE SUN NP1  
OBITUARIES NP8  
OPINION A9  
PUZZLES B2  
SPORTS B6  
TELEVISION A10  
TRAVEL B5  
YOU B1

**WEATHER**

High: 14 C  
Low: 12 C  
Details: A10




**Copyright:** The contents of this newspaper are protected by copyright and are for personal non-commercial use only. All other rights are reserved and commercial use is prohibited. To make any use of this material you must first obtain the permission of the owner of the copyright.

**Privacy Statement:** For our privacy commitment to our customers, go to www.postmedia.com/privacy

and of nothing to a land of plenty husband cleaned toilets. They were

## GRAD 2020 Show us your grad

The coronavirus may have led to the cancellation of high school graduation events, but The Vancouver Sun is hosting a celebration of the Class of 2020!

We'll publish your contributions online, on our social media channels and in print on June 19. **How to participate:** **J.** Send us a photo of you, perhaps even wearing your amazing grad outfits, by tagging or mentioning

# A BETTER WEBSITE POWERS YOUR BUSINESS



To convert sales, generate leads, clicks or calls — we will build a website that meets your business objective within your budget.

**DISCOVER WHAT WE CAN DO FOR YOUR BUSINESS.**

TO LEARN MORE, VISIT [POSTMEDIASOLUTIONS.COM/WEBSITE](https://postmediasolutions.com/website)



加國新聞/叻報 A7  
 2019年3月12日 星期二  
 Sun/Mon

## 洛遜街拆舊樓發展12層商住廈

### 老牌單車店及印度餐廳今夏搬走



【本報記者】洛遜街中心發展商 (Robson 36) 宣佈，即將正式動工的發展項目，將包括拆掉位於洛遜街111號的一幢舊樓，發展為一幢12層高的商住大廈。該項目將包括一幢12層高的商住大廈，將包括一間辦公室大樓，以及一間住宅大樓。

該發展商表示，該項目將為洛遜街帶來新的發展，並為該區帶來新的商業機會。該項目預計將於今年夏季動工，並於明年夏季完工。

該發展商表示，該項目將為洛遜街帶來新的發展，並為該區帶來新的商業機會。該項目預計將於今年夏季動工，並於明年夏季完工。

---

### 接種麻疹疫苗人數倍增

【本報記者】卑詩省衛生廳長周以文表示，卑詩省的麻疹疫苗接種率，在過去一年中，已從約80%增加至90%。

周以文表示，這是一項巨大的成就，並感謝社區各界人士的共同努力。他表示，這將有助於減少麻疹的傳播，並保護公眾的健康。

---

### 鴉片藏航機上 驚傷女乘客

【本報記者】一名多倫多女子，在乘坐飛機時，因機上藏有鴉片而驚慌失措，導致她受傷。

據悉，這名女子在飛機起飛後，發現機艙內有鴉片。她立即向機組人員報告，並要求降落。機組人員隨即將飛機降落，並將這名女子送往醫院救治。

---

### 食高麗菜發交重傷女友 華青判囚5年 只需罰3年半

【本報記者】一名華裔男子，因與女友發生爭執，將高麗菜塞入其車內，導致女友受傷。

法院判決該名男子監禁5年，並罰款3500元。法官表示，該名男子的行為嚴重威脅到女友的安全，必須受到法律的制裁。

---

## Lala Island 鷺島酒莊 溫哥華最大酒莊

再獲頒 2017 加拿大酒類雜誌「金牌」酒莊

鷺島酒莊位於溫哥華市中心，環境優雅，交通便利。本酒莊提供多種名酒，歡迎各界人士光臨。

地址: 3780 Bay Street, Vancouver, BC V6Z 2E7  
電話: (604) 276-8888

---

### 野生黑鱈魚專門店

#### 本周特價

 新鮮紐西蘭 Ocean Perch \$10.25lb	 新鮮野生高麗 Canary \$1.50lb	 瑞士熟凍高麗 野生高麗魚 \$5.95lb
 新鮮野生海魚 Yellow Tail \$2.99lb	 冷凍高麗魚 Longjaw \$10.00lb	 新鮮黑鱈魚 Blackcod \$15.00lb

**SEABORN 溫哥華分店**  
1116 West 12th Street Vancouver, B.C. V6Z 3R7 (位於 Robson 街)  
營業時間: 週一至週六 10:00am-6:00pm 週日 10:00am-5:30pm

### 清明思親報恩法會

日期: 2019年3月31日至4月6日  
(星期日休息)

時間: 每日上午九時至下午四時止

法會內容:  
拜祭 地藏菩薩聖號  
敬誦「地藏菩薩懺願功德經」

以上功德圓滿後，現在有消除諸業障、過去諸生西方淨土、歡迎各界親朋參加。

報章電視均已刊報轉載，歡迎報電 604-255-6337 或親臨本會辦理，亦可將資料傳真至 604-255-0636 代為辦理。

Other banners run throughout the year:



## Environmental Performance and Market Update

The exceptionally high recovery rate of newsprint for 2019 continues to be the key environmental achievement of NMC's Stewardship Plan. It is clear that very little newsprint is going to waste in BC. 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. Our industry is proud that our product is sustainable, recycled, and recyclable.

Newsprint was once collected separately from mixed paper in most residential recycling systems. Today, however, because of decreasing amounts in the residential stream and a priority on ease of collection, newsprint is largely intermingled with other papers or in commingled, "single-stream systems". Fortunately, on the post-collection end there exists advanced technology to effectively extract newspaper from mixed streams, which is being used in the Recycle BC system to produce more homogeneous newspaper grades.

In the 2018 Annual Report, we discussed the impact of highly restrictive and decreasing imports of paper to Asian countries, China in particular. In 2019, newsprint was one grade of paper that did continue to be allowed into to China, albeit at significantly reduced volumes. This was an important factor in the marketability of recovered newsprint, with other grades such as mixed papers being far more restricted. There is also some domestic (North American) demand for recycled newsprint, but it is reduced from historic levels, with only a few mills interested and purchasing this grade of paper. Our industry is optimistic that the existing capacity will remain stable in the years to come, in part due to recycled content standards which ensure continuous demand in certain areas, and perhaps more in the future if governments see fit to require them.

## Looking Forward

The news media landscape has gone through fundamental change in recent decades, and although we have adapted, there's no question that the change is far from over. Between 2018 and 2019, the reported tonnages of residential PPP distributed by our members in BC went down by roughly 18%, a fact that NMC is acutely aware of. But in spite of the decline, the absolute volume of newsprint in the residential PPP stream is still a significant component. It is also an important component in the recycling industry given its stable demand as a recovered commodity, amidst a difficult market for many other paper grades, not to mention plastics.

Recycle BC has transitioned into 2020 with a major change – a new primary post-collection contractor with it a multitude of new partner service providers. NMC is very excited about the new investment this will bring to the recycling and processing infrastructure in BC and the positive outcomes this will have for newspaper recovery and recycling. We're also cautiously optimistic about development of downstream recycling and increased self-sufficiency in North America more broadly, as markets in Asia and China in particular continue to transition away from recovered material imports. We will continue to support the now well-established system in BC and contribute in any way we can to support its continued success.

Each year our members have built on the last and made improvements to our data collection and reporting processes. As new members were continually joining our plan, they have each gone through these learnings more recently. For 2019 we made improvements in the reporting template that made it

clearer and easier for members to enter more comprehensive information on their PPP. These changes were positively noted by our auditor. They did however note a few remaining issues around standardized weight collection methods across member producers, and clarity on what is and is not included under the definition of “residential” and in the different PPP categories. NMC will continue to work with each member to improve on these shortcomings for 2020. Finally, the impact of Covid-19 right at the time our audit was being conducted was problematic as it forced a reliance on remote methodologies. As everyone else surely does, we hope this is not an issue we have to deal with next year.

## **Conclusion**

NMC’s BC Stewardship Plan now has a full three years of Annual Reports submitted. Looking back we are very happy with how smoothly this period has gone and how effective recycling of newsprint in BC has been. The approach of keeping newspaper integrated within the larger residential curbside and depot system through Recycle BC has ensured convenient, province-wide access to newspaper recycling for all British Columbians. We commend Recycle BC and their partners for maintaining the continuity of the system, in spite of the immense challenges that have arisen.

Looking forward, we see a stable EPR system in BC and are pleased to be able to continue working within it. We believe that in spite of the decrease in volumes this year, newsprint will continue to be an abundant and important component of the packaging and printed paper stream. We thank our many readers for their steadfast support and ensure everyone that as long as you want quality news, we will be there to provide it.

## Appendix A – List of Current Members as of 2019 Annual Report, Unchanged from 2018

The list below shows all current members, including all those added since original plan approval. Please note that none of our original founding members or newer additions have left the Plan since joining.

- Postmedia Network Inc.
  - The Vancouver Sun
  - The Province
  - National Post
  
- The Globe and Mail Inc.
  - Globe and Mail
  
- Black Press Group Ltd
  - 100 Mile House Free Press
  - Abbotsford 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
- Invermere, The Valley Echo
- Kelowna Capital News
- Keremeos, The Review
- Kimberly Daily Bulletin
- Kitimat, Northern Sentinel
- Ladysmith-Chemainus Chronicle
- Lake Cowichan Gazette
- Langley Advance
- Langley Times
- Maple Ridge-Pitt Meadows News
- Mission City Record
- Monday Magazine
- N2K Magazine
- Nakusp, Arrow Lakes News
- 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
- Port Hardy, The Norther View
- 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
- Smithers, Interior News
- Sooke News Mirror
- Summerland Review
- Surrey Now
- Surrey, North Delta Leader
- Terrace Standard
- Tofino-Ucuelet Westerly News
- Trail Daily Times
- Vancouver Island Free Daily

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

- Columbia Valley Pioneer
- Continental Newspapers
  - Kelowna Daily Courier
  - Penticton Herald
  - Okanagan Saturday
  - Westside Weekly
  - Okanagan Advertiser
- TC Publications Ltd. Partnership
  - Victoria Times Colonist
- Ming Pao Newspaper (Canada) Ltd.
  - Ming Pao
- The Epoch Times Western Canada Society
  - The Epoch Times
- Vancouver Free Press Publishing Corp.
  - The Georgia Straight



**News Media Canada**  
**Médias d'Info Canada**  
nmc-mic.ca



Tel: 604 688 5421  
Fax: 604 688 5132  
www.bdo.ca

BDO Canada LLP  
600 - 925 West Georgia Street  
Vancouver, BC V6C 3L2

May 29, 2020

Mr. John Hinds  
President and Chief Executive Officer  
News Media Canada  
37 Front Street East, Suite 200  
Toronto, Ontario  
M5E 1B6

## RE: Internal Audit Report of Non-Financial Information

### BACKGROUND

As per the British Columbia (BC) Recycling Regulation (B.C. Reg. 449/2004), a producer that uses a commercial enterprise to sell, offer for sale, or distribute, in BC, a product of the packaging and paper product<sup>1</sup> (PPP) category must provide an approved Extended Producer Responsibility Plan<sup>2</sup>. To meet the requirements of the BC Recycling Regulation, the BC members of News Media Canada (NMC) submitted a Stewardship Plan to the BC Ministry of Environment and Climate Change Strategy (the Ministry) on September 29, 2017.

The BC Stewardship Plan indicates that NMC will track all tonnages of newspaper distributed to the residential market in BC by member publications, and that a recovery rate will be calculated. The recovery rate is calculated by dividing the tonnage of newspaper collected through the Recycle BC system, as reported by Recycle BC, by the tonnage of newspaper distributed in the residential markets by BC participating producers (Producers), as reported by NMC.

To verify the tonnage information tracked by NMC, BDO Canada LLP (BDO) was engaged on March 4<sup>th</sup>, 2019 by NMC to conduct an internal audit on NMC Producer<sup>3</sup> data for the year ended December 31, 2019. The objective of this audit was to assess the accuracy and completeness of NMC reported figures.

Specific data in the scope of this audit included:

- a) Gross Production Volume for the Producers for 2019
- b) Residential<sup>4</sup> Production Volume for Producers for 2019
- c) Gross and residential production disaggregated by category of packaging and paper products (PPP) for 2019
- d) Names of the newspapers to which the information relates for 2019
- e) Performance measurement in NMC's Stewardship Plan regarding ongoing promotional pieces for 2019

In total, 11 Producers were included in the scope of this audit.

BDO carried out the audit work between March 23<sup>rd</sup>, 2020 and May 25<sup>th</sup>, 2020, and submitted the findings (Appendix A) to NMC on May 29<sup>th</sup>, 2020. This audit was conducted in accordance with the Institute of Internal Auditors (IIA) Standards.

<sup>1</sup> As per Schedule 5 of the BC Recycling Regulation, "paper" includes flyers, brochures, booklets, catalogues, telephone directories, newspapers, magazines, paper fibre, and paper used for copying, writing, or other general use. News Media Canada reports on PPP in five (5) categories: newsprints, magazines, plastic film and laminates, other printed paper (i.e., subscription letter & envelopes), and other packaging.

<sup>2</sup> Newsprint falls under the PPP category as per Schedule 5 of the B.C. Recycling Regulation.

<sup>3</sup> NMC Producers are those producers with activity in BC, which are being represented by NMC, and fall under the BC Stewardship Plan. The number of NMC Producers has increased over the years, and reached 11 at the time of this audit (compared to 8 in 2017).

<sup>4</sup> The stipulations for volumes discarded through the residential stream are presented in Schedule A, *Calculation of Volumes Discarded through Residential Waste Stream*, of the agreement between the Province and participating producers. Generally, it includes PPP discarded as trash and collected for recycling at residential premises or public spaces in BC.



This internal audit did not constitute a legal determination on NMC's, and/or its BC members', compliance with the B.C. Recycling Regulation 449/2004, or with any agreement between the Ministry, NMC, and/or Producers.

## AUDIT APPROACH

Assessing the completeness and accuracy of NMC's reported tonnage information required BDO to reach out to individual Producers. In total, 11 Producers are included in NMC's reporting for 2019.

The main elements of BDO's work included:

- Gaining an understanding of, and evaluating, the design of the key processes and controls for managing and reporting the in-scope data used by NMC in reporting to the Ministry.
- Reviewing assessed risks through testing, on a sample basis, the in-scope data reported by NMC.
- Performing procedures such as interviews, inspection, observation, vouching to independent source documentation, and recalculating figures to obtain corroborating evidence to address assessed risks linked to the in-scope data.
- Evaluating the sufficiency and appropriateness of the evidence obtained.

Due to the unforeseen COVID-19 situation, all testing was conducted remotely. All necessary evidence was shared via email by NMC and individual Producers.

Specific activities included:

- Preparing a planning and scoping document.
- Confirming any changes to the prior year calculation methodology with all Producers:
  - Black Press
  - Glacier Media
  - Globe and Mail
  - Postmedia
  - Sing Tao
  - Times Colonist
  - Continental Group
  - Aberdeen
  - Ming Pao
  - Epoch Times
  - Georgia Straight
- Conducting testing with all Producers listed above, including obtaining supporting documentation for NMC reported totals, recalculations, and sample testing.

BDO would like to thank NMC and the Producers for their cooperation. Their ability to respond to our information, meeting, and other requests in a timely fashion allowed us to complete our audit in the timeframe required.

## INHERENT LIMITATIONS

Due to the nature of non-financial information, there are inherent limitations to this information, and it cannot be tested with the same level of precision and clarity as financial information. Further, there are varying approaches in how non-financial reporting can be tested and audited, whereas for financial reporting rigorous and standardized procedures have been established. The non-financial information tested as part of this audit was often based on internal sources of information, which cannot be relied on as heavily as third party information. Where available, BDO attempted to obtain third party evidence to support the non-financial data.





## SUMMARY OF KEY FINDINGS

This section summarizes BDO's key findings under the five (5) scope elements detailed in the Background section of this report. Note that, unless otherwise specified, the findings discussed in this section apply to the 2019 reported data.

### A. GROSS PRODUCTION VOLUME

While Gross Production Volume is not defined in the documents made available to BDO, including the Stewardship Plan and Recycling Regulation, BDO's understanding is that Gross Production Volumes represents the volume of production, in Metric Tonnes (MT), of all publications, regardless of whether copies entered in the residential stream.

In an effort to provide more details on the data used to report on Gross Production Volumes, NMC requested Producers to provide Gross Production Volumes disaggregated by category of packaging and paper products (PPP) for the year ended December 31, 2019. As such, BDO was able to confirm that the Total Gross Production Volumes reported by Producers for 2019 included, with the exception of two (2) Producers, the use of paper for newsprint and magazines, as well as the other PPP categories of packaging and paper products. The two (2) exceptions included:

- One (1) Producer did not report a total for gross production to NMC due to issues with their paper supplier's reporting system at the time of reporting. BDO was able to calculate a gross production volume through the data provided for the residential tonnage for all PPP categories. This calculation is reflected in Appendix A.
- One (1) Producer did not include their reported "Other Printed Materials" in their gross production. In an effort to align all Producer reporting, an adjustment for this is reflected in Appendix A.

BDO found that different methodologies were still used by Producers to report on Gross Production Volumes for newsprint and magazines<sup>5</sup>. More specifically:

- Producers with printing facilities generally reported Gross Production Volumes using an inventory calculation of paper purchased for their printing facilities (i.e., Opening Inventory + Purchases - Closing Inventory = Gross Production Volume), or a total amount of paper purchased during the year, due to minimal fluctuation in inventory. As a result, these Producers would have included paper spoilage in their calculations, while others would not have.
- Some Producers that do not have printing facilities calculated the weight of total copies received (i.e., copies printed by external printers or other Producers). In some cases, Producers obtained weight totals, including waste allocations, directly from printing facilities to support their calculations.

BDO identified one (1) Producer that has not included all their subscriptions for the period in their calculations. BDO worked with the Producer to recalculate the weight for these publications. This adjustment is reflected in Appendix A.

While more information was provided in the calculation of gross production with the addition of the disaggregation by PPP, the differences in methodology used remain, and as such, BDO was unable to conclude on the accuracy and completeness of the Total Gross Production Volume reported by NMC. Since the Gross Production Volume figure does not factor in the calculation of amounts owed/paid to the Ministry, Gross Production Volumes based on different methodologies were not requested. A lack of guidance, or definition in calculating Gross Production Volume, provided to Producers led to these inconsistencies.

<sup>5</sup> Note that differences in methodologies used to calculate Gross Production Volume were mostly due to the different types of operations, and printing models, used by Producers. Some Producers have their own printing facilities across BC, while others outsource the printing of their publications to other participating Producers, or to other printers, which were not included in the scope of this audit (external printers). Even Producers that have their own printing facilities may have some of their publications printed by other Producers, or external printers, due to factors such as cost, or location.



Consistent with the prior year internal audit, BDO identified instances where there was double reporting of figures in the Total Gross Production figures reported by NMC. These errors arose because of instances where both Producers reported the gross production of particular volumes when one Producer prints publications on behalf of another Producer. This resulted in an overstatement in the consolidated tonnage figure reported by NMC.

For the sake of consistency, and to avoid duplication, BDO reported the Gross Production Volume as the total weight of each Producer's own newsprint and magazines plus total residential production of other PPP categories. A summary of changes identified by BDO, with respect to the Gross Production Volume calculation is provided in Appendix A.

To ensure Producers use a consistent approach in calculating and reporting on Gross Production Volume, and to allow for accuracy and completeness testing, it is recommended that the Ministry and NMC establish a standard definition and methodology for calculating Gross Production Volumes. This would include confirming again whether all PPP categories are to be included in the Gross Production Total, and whether waste paper and materials (e.g., covers and plugs) should be included. It should also clarify if publications printed for other Producers, should be included or not.

## **B. RESIDENTIAL PRODUCTION VOLUME**

The Residential Production Volume represents the share of newspaper produced by Producers for residential customers. Producers pay dues to the Ministry based on their Residential Production Volume, and the Producers use this volume to calculate the recycling recovery rate, as per the Stewardship Plan.

While the specific approach for calculating the Residential Production Volumes differed slightly for each Producer, the methodology used was generally consistent with Schedule A of the agreement between the Province and participating producers, which outlines the *Calculation of Volumes Discarded through Residential Waste Stream*.

At a high level, the methodology used by Producers included:

- Starting with the total number of copies printed for each publication.
- Removing the allocation for copies considered not discarded through the residential waste stream as per Schedule A, including:
  - internal copies (copies not distributed after production)
  - copies distributed to hotels/motels, airlines/railways, subscribers located in office buildings, and copies distributed to persons entering Skytrain Stations
  - returns (copies collected by the Producer that were not sold or distributed) from commercial vendors or newspaper boxes
- Using the resulting total as the number of residential copies.
- Using a calculation to translate the number of residential copies into weight in metric tonnes (MT).

While the methodology aligns with the requirements of Schedule A, the actual calculation of the number of residential copies and of the Residential Production Volume is complex and is for most Producers a manual process pulling from various sources of information.

BDO conducted testing for the calculation of residential copies for Producers and found the calculations to be reasonable in all material aspects.

For the weight calculation, the majority of Producers used different formulas to best estimate the weight in MT. BDO conducted testing for the weight calculation and found the approaches to be reasonable.



There remains confusion among the Producers regarding the interpretation and application of the stipulations of Schedule A when identifying which publications should be considered as part of the residential stream. For example:

- One (1) Producer identified copies sent to libraries and to a City Hall as non-residential, deeming them as subscribers in office buildings, which can be excluded as per Schedule A. As there is no definition of “office building” in Schedule A, we accepted this approach; clarification may be needed to address this in the future. Note this was also flagged in prior year.
- One (1) Producer had not included residential subscriptions in their calculations. These were recalculated and are now reflected in Appendix A.

In 2019, BDO was unable to reconcile a NMC reported tonnage with supporting documentation from Producers. More specifically:

- One (1) Producer, due to a recent change in ownership and staffing, was unable to explain the differences between NMC reported totals and those provided through supporting documentation. As such, BDO recalculated the residential tonnage based on the data provided, and validated the total with the Producer. This revised total is reflected in Appendix A.
- One (1) Producer was unable to explain differences between the current data in their reporting system, and the supporting documentation (e.g., press orders, and number of pages published online). As such, BDO calculated the aggregated error from the sample tested and extrapolated to the population. This adjustment is reflected in Appendix A.

Other errors found by BDO through testing were primarily due to human error while manually inputting figures or formulas into spreadsheets or reporting systems, and did not lead to material impacts on total Residential Production Volumes. Errors led to both over, and under reporting.

Based on the above, BDO concludes that Producers would benefit from a standardized approach to calculating the weight of Residential Production Volume, and some further clarity on what is to be included in the residential stream to support the proper application of Schedule A.

Revised Residential Production Volumes, including adjustments for errors identified by BDO through testing, are included in Appendix A.

### **C. RESIDENTIAL PRODUCTION VOLUME DISAGGREGATED BY PPP**

Five (5) PPP categories are used to breakdown the total Gross and Residential Production Volume. Categories as reported by NMC include:

- i) Newsprint
- ii) Magazines, and other bound periodicals
- iii) Plastic film and laminates
- iv) Other Printed Paper - subscription letter & envelopes
- v) Other Packaging

Methodology and reasoning for the disaggregation by PPP category for Residential and Gross Production Volume was not consistent across all Producers. The findings by PPP category are as follows:

#### **i) Newsprint**

Newsprint was included by all Producers. The exact methodology to identify residential copies differed for each Producer, however, the general approach included obtaining the total number of copies printed, and removing copies deemed as not included in the residential stream, as per Schedule A. Gross newsprint production methodology also differed based on the Producer, primarily based on whether they print their own publications, or outsource to a printer. One (1) Producer had not included subscriptions into their calculations. An adjustment to correct this



error has been included in Appendix A. Newsprint was included as part of Gross Tonnage Volume in 2019, in line with prior years.

**ii) Magazines and Other Bound Periodicals**

The methodology to calculate the Residential or Gross Production Volume of Magazines generally aligned with that of Newsprint. Magazines were included as part of Gross Tonnage Volume in 2019.

**iii) Plastic Film and Laminates**

While, the majority of Producers still do not provide a consideration for Plastic Film and Laminates, including plastic newspaper sleeves, three (3) Producers included a total to their reporting in 2019. The reasoning provided by Producers for not including an amount for plastic sleeves included:

- Some Producers use biodegradable bags, and as such, according to Producers, these are not expected to be recycled and are therefore excluded.
- Other Producers mentioned that those delivering the publications are responsible for deciding whether they wish to use plastic sleeves, as such the Producers would have no way of tracking the use of plastic bags without requiring reporting by third parties.

Of those that reported weight for plastic, one (1) Producer used estimates to identify the approximate volume of plastic sleeves used by carriers. Others used their purchase numbers for 2019 as the basis for the reported totals. Plastic Film and Laminates were included as part of Gross Tonnage Volume in 2019.

**iv) Other Printed Paper - Subscription Letter & Envelopes**

There have been no changes in 2019 as to how Other Printed Paper is reported by Producers. A number of Producers have mostly free publications that do not generate letters or other forms of renewal correspondence. As such, according to Producers, their use of Other Printed Paper is anticipated to be trivial (less than 1 MT) and as such is not tracked. Those that reported other printed paper did so based on a separate calculation. One (1) Producer had not included other printed paper as part of their reporting to NMC, but was calculated through BDO's audit work. Other Printed Paper was reported as part of Gross Production Volume in 2019.

For one (1) of the Producers that reported Other Printed Paper in 2019, it was noted upon further review that these included specialty publications that were most similar to magazines and Other Bound Periodicals. BDO reclassified these totals under Magazines and Other Bound Periodicals to align with other Producers. These adjustments are reflected in Appendix A.

**v) Other Packaging**

One (1) Producer reported using other packaging in 2019. Upon further review, it was noted that the other packaging was actually plastic sleeves. BDO reclassified these totals under the plastic film and laminates category to align with other Producers. This adjustment is reflected in Appendix A.

Based on testing conducted, some manual reporting errors were identified, and are presented in Appendix A.

Generally, Producers remain unclear on what should be included in each PPP category and how it should be reported. As a result, the majority of Producers simply use the same methodology as in the prior years. It was concluded again this year that Producers may benefit from further instructions on how to consistently address certain categories, such as plastic. NMC has made some improvements to its reporting template that has allowed for greater clarity on Gross Production Volumes disaggregated by PPP category. Still, additional general guidelines (i.e., definitions of what to include in each category) would also be beneficial to ensure consistency in reporting.



#### D. NAMES OF THE NEWSPAPERS

Most Producers produce several publications (newsprint and/or magazines). BDO was asked to review the list of publications included in the Gross and Residential Production Volumes to ensure completeness.

Based on testing conducted and information gathered through interviews and questionnaires, the following was observed:

- Gross Production Volumes for certain Producers, as reported by NMC, included allocations for publications printed that are outside of the scope of this audit (i.e., publications not owned by any of the 11 participating Producers). Where possible, adjustments were made in Appendix A to the Gross Production Volumes to address this issue.
- Residential Production Volumes include only data for publications owned by the participating Producers. The list of publications included in the Producer's calculations aligned with prior year reporting, except where publications were no longer in circulation, and was deemed complete.

#### E. PROMOTIONAL PIECES

BDO was asked to review information relating to the performance measure in NMC's Stewardship Plan, dated September 2017, regarding the inclusion in 2019 of promotional pieces. The Stewardship Plan states that Producers will "continue ongoing recycling promotion in BC newspapers" in 2019. Specific promotional pieces for this purpose were provided to eight (8) of the Producers by NMC in March 2018, and to three (3) additional Producers in early 2019.

The majority of Producers have included promotional pieces in their publications and included them throughout the year. Note that since the promotional pieces were used as fillers for some Publications, their inclusion was not always tracked as it depended on the system used to track insertions.

Some Producers included the promotional pieces in all their publications, while others included them in select publications throughout the year.

- One (1) Producer failed to renew their bookings for 2019, and the oversight was identified in July 2019. As such, promotional recycling pieces were only included in the second half of the year.
- Some Producers only received the promotional pieces in early 2019 (i.e., three new Producers that were added in 2019 as part of the audit of 2018 tonnage). BDO noted that promotional pieces were generally included starting in March 2019 for these producers.

Based on the testing performed, and in the absence of further guidance on the definition of "ongoing" in the Stewardship Plan, BDO concludes that recycling promotion was ongoing in BC newspapers in 2019 for Producers as a whole, with the majority having included promotional pieces throughout the year.

### CONCLUSION

Generally, Producers made efforts to report appropriate totals for the in-scope non-financial information reported by NMC. Errors identified were due primarily to manual data input in complex spreadsheet models.

BDO concluded:

- **Gross Production Volumes** - In 2019, all PPP categories were considered in the Gross Production Volumes. However, due to the remaining identified duplication and a lack of definition and guidance for the calculation and reporting of Gross Production Volumes, the reported totals are not complete and accurate, and should not be relied upon or interpreted in tandem with Residential Production Volumes.



- **Residential Production Volumes** - BDO found that the specific methodology for calculating Residential Production Volumes varied by Producer. Where used, estimates were found to be reasonable; however, errors were identified through testing. In cases where samples selected were representative of the population, errors identified were extrapolated. A need for further clarification of what must be included in the residential stream totals, based on Schedule A, would be required to ensure consistent reporting. Testing did not identify other errors than those listed in Appendix A.
- **Disaggregated Volumes by PPP** - Producers did not use a consistent approach to reporting on PPP categories. Due to a lack of specific and formal guidance on what should be included, BDO could not conclude on the completeness of the reported totals for plastic. Testing did not identify other errors than those listed in Appendix A. All categories of PPP were included in Gross and Residential Tonnage in 2019.
- **Names of Newspapers** - Testing did not identify any errors related to the number of publications included in the Residential Production Volumes other than those listed in Appendix A. Note that the Gross Production Volumes reported by NMC included printing of publications that are outside of the participating Producers.
- **Promotional Pieces** - All Producers included promotional pieces in their publications in 2019. However, the frequency of inclusion differed by Producer.

BDO noted improvements in the NMC reporting template to provide PPP categories for Gross Production Volumes, which encouraged Producers to include all totals in the Gross Production totals. However, BDO identified again this year that further guidance for Producers would encourage consistency on how tonnage information is calculated, including a need for definitions for how to calculate Gross Production Volumes and decisions on how to approach the disaggregation of PPP categories.

In the absence of further guidance, BDO found that Producers have been using a consistent approach year-over-year for their individual reported totals. However, some Producers have been showing a greater number of unsupported discrepancies in their totals. While the aggregate of these errors is not material for residential tonnage, it leads to greater questioning of the overall approach for their calculations. Additional work with these Producers may be warranted to support improved reporting in future years.

Appendix A includes BDO estimates of revised tonnage reported based on adjustments from errors identified during testing.

Our report has been prepared solely for the purposes of NMC to reconcile amounts reported by Producers and for NMC to share with the Ministry. Our report is not intended to be, and should not be used, for any other purpose. Our duties in relation to this report are owed solely to NMC, and accordingly, we do not accept any responsibility for loss incurred by any other party acting or refraining from acting based on this report.

DocuSigned by:  
  
7B1157DAB70E49C...

Pierre Taillefer, CPA, CA, CISA, CFE  
Partner, Risk Advisory Services  
BDO Canada LLP

Vancouver, British Columbia  
May 29, 2020





## APPENDIX A - BDO ESTIMATES OF REVISED REPORTING

The following table present the reported information from NMC, and revised estimates from BDO, based on adjustments from testing conducted. In cases where the samples selected were representative of the full population, errors identified were extrapolated. In cases where errors were found in samples selected that were not representative of the full population, such errors were not extrapolated. Additional errors may exist that are not included in the adjustments below.

### 2019 REVISED ESTIMATES - ALL PRODUCERS

GROSS PRODUCTION VOLUMES (GPV)	Black Press	Glacier Media	Globe and Mail	Post Media	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported GPV for 2019	11,848.21	0.00	1,129.04	5,534.85	1,672.93	2,025.37	547.01	450.81	1,649.23	267.53	292.45	25,417.43
Adjustments	(7,268.92)	2,745.25	-	-	0.22	-	-	0.67	(0.23)	16.44	-	(4,506.57)
Revised 2019 Estimates	4,579.29	2,745.25	1,129.04	5,534.85	1,673.15	2,025.37	547.01	451.48	1,649.00	283.97	292.45	20,910.86

RESIDENTIAL PRODUCTION VOLUMES (RPV)	Black Press	Glacier Media	Globe and Mail	Post Media	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported RPV for 2019	4,509.17	2,451.66	821.42	3,426.40	1,129.80	1,914.07	437.86	419.57	945.12	261.39	190.25	16,506.71
Adjustments	(9.48)	10.74	-	(6.87)	-	-	-	0.61	(14.54)	13.70	19.29	13.45
Revised 2019 Estimates	4,499.69	2,462.40	821.42	3,419.53	1,129.80	1,914.07	437.86	420.18	930.58	275.09	209.54	16,520.16

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Post Media	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
I) NEWSPRINT												
Reported in 2019	3,776.61	2,325.27	793.78	3,348.28	713.30	1,862.49	421.36	416.37	583.64	253.72	190.25	14,685.07
Adjustments	(6.12)	10.74	-	(6.87)	-	-	-	0.12	(0.07)	4.21	19.29	21.30
Revised 2019 Estimates	3,770.49	2,336.01	793.78	3,341.41	713.30	1,862.49	421.36	416.49	583.57	257.93	209.54	14,706.37
II) MAGAZINES												
Reported in 2019	-	123.97	23.44	78.12	416.50	41.19	16.50	3.20	345.86	7.67	-	1,056.45
Adjustments	721.78	-	-	-	-	-	-	0.49	(14.48)	(0.01)	-	707.78
Revised 2019 Estimates	721.78	123.97	23.44	78.12	416.50	41.19	16.50	3.69	331.38	7.66	-	1,764.23
III) PLASTIC FILM & LAMINATES												
Reported in 2019	-	2.42	3.89	-	-	7.08	-	-	-	-	-	13.39
Adjustments	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Revised 2019 Estimates	7.42	2.42	3.89	-	-	7.08	-	-	-	-	-	20.81
IV) OTHER PRINTED PAPER												
Reported in 2019	725.14	-	0.31	-	-	3.31	-	-	15.62	-	-	744.38
Adjustments	(725.14)	-	-	-	-	-	-	-	0.01	9.50	-	(715.63)
Revised 2019 Estimates	-	-	0.31	-	-	3.31	-	-	15.63	9.50	-	28.75
V) OTHER PACKAGING												
Reported in 2019	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Adjustments	(7.42)	-	-	-	-	-	-	-	-	-	-	(7.42)
Revised 2019 Estimates	-	-	-	-	-	-	-	-	-	-	-	-