



INTEREST RATES

MARKET RATES

Rate	Change	Rate	Change	Rate	Change
1.00%	-0.01%	1.00%	-0.01%	1.00%	-0.01%
2.00%	-0.01%	2.00%	-0.01%	2.00%	-0.01%
3.00%	-0.01%	3.00%	-0.01%	3.00%	-0.01%
4.00%	-0.01%	4.00%	-0.01%	4.00%	-0.01%
5.00%	-0.01%	5.00%	-0.01%	5.00%	-0.01%
6.00%	-0.01%	6.00%	-0.01%	6.00%	-0.01%
7.00%	-0.01%	7.00%	-0.01%	7.00%	-0.01%
8.00%	-0.01%	8.00%	-0.01%	8.00%	-0.01%
9.00%	-0.01%	9.00%	-0.01%	9.00%	-0.01%
10.00%	-0.01%	10.00%	-0.01%	10.00%	-0.01%



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): 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.

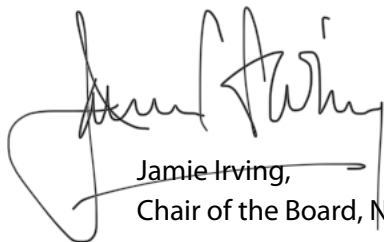
News Media Canada remains committed to providing the information that British Columbians want to know and that ensures the continued functioning of our democracy. With that in mind, we are well aware of the changing form the delivery of that information is taking. Those who have followed these reports 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 déjà-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/under-reporting; 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 RPs. This is reflected in the small number and magnitude of adjustments for this metric. In the few instances where there were issues with RPs, 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: $10,409 \text{ MT recovered} / 11,531.39 \text{ MT produced} \times 100\% = 90\%$

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, it 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

<i>CATEGORIES OF PPP</i>	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Postmedia</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
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												
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 PRINTED 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 PACKAGING												
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 Westminister Record, June 10, 2021 and Tri-City News, June 10, 2021

New West Record THURSDAY, June 10, 2021 15

PLEASE RECYCLE THIS NEWSPAPER.

coverNewWest with a shop-local focus

Local issue: Manish Patel is the manager of Palash Indian Kitchen in Queensborough, one of the local businesses that took part in the first round of the #RecoverNewWest campaign. The second phase is now underway. PHOTO: JENNIFER GAUTHER, RECORD FILE

as to offer," said Blair... the city's man-... of economic devel-... and communica-... "There are so many... sines that provide... standing shopping... es online and in-... me. You don't have to go... to find something new... interesting. This is the... to support local and... your shopping done all..."

This round of the #Re-... coverNewWest cam-... paign includes a contest... ning through June, that... ludes a chance to win... and prizes of \$1,000... gift cards for NewWest... sines. Participants can also... or win additional... bly prizes from local... sines by sharing a... ate of how they sup-... port local businesses... bar own public Face-... book, or Insta-... gram, or using the... DiscoverNewWest... For more infor-... mation, visit www.covernewwest.ca.

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BC Notaries

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Tuesday, June 22nd • 7-8:30pm

Skin & Stress
Join Dr. Kay Wong, ND to learn about self-care tips for managing your skin and stress.

Free event. Register online at choicesmarkets.com/events. Details to join seminar will be available by email once sign-up is completed.
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NEED EXTRA CASH?
We are looking for carriers to deliver newspapers on Thursday!

CARRIERS NEEDED FOR UPCOMING ROUTES IN NEW WESTMINSTER

ROUTE#	QTY	BOUNDARIES
21000001	114	Royal St, Johnston St, Fenlon St, Peninsula St, Ester Ave.
22000303	106	7th Ave, 8th Ave, 18th St, 19th St, Bowler St, 20th St.
20300309	98	16th St, Edinburgh St, Hamilton St, 15th, 14th St, 8th Ave.
20500508/7508	153	4th Ave, 8th St, Ash St, 7th St, 6th St.
20500509	133	3rd Ave, 8th St, Ash St, 6th St, Queens Ave.

RECYCLE THIS PAPER

DRIVERS WANTED

Do you have ...

- ✓ a reliable vehicle?
- ✓ strong driving skills in all weather?
- ✓ a motivated attitude?
- ✓ desire to earn good money?

Call or email Russ at
rblake@glacierdelivery.ca
or 604 369 2465

GLACIER DELIVERY SERVICES

RECYCLE THIS PAPER

ADVERTISING POLICIES
All advertising published in this newspaper is accepted on the premise that the merchant and service offered are accurately described and widely sold to buyers at the advertised prices. Advertisers are aware of these conditions. Advertising that does not conform to these standards or that is deceptive or misleading, unless knowingly accepted. If any reader encounters non-compliance with these standards we ask that you inform the Publisher of this newspaper and The Advertising Standards Council of B.C. (ASCBC) AND ERRORS. The publishers do not guarantee the insertion of a particular advertisement on a specified day or at all although every effort will be made to meet the wishes of the advertiser. Further, the publishers do not accept liability for any loss of damage caused by an error or inaccuracy in the printing of an advertisement beyond the amount paid for the space actually occupied by the portion of the advertisement in which the error occurred. Any correction of charges will be made in the next available issue. The Publisher/Printer is not responsible for any one incorrect insertion with liability limited to that portion of the advertisement affected by the error. Request for adjustments or corrections on charges must be made within 30 days of the ad's expiration. For best results please check your ad for accuracy the first day it appears. Reprints made only after 7 business days notice.

How to write a classified ad that works.

Writing an effective classified ad is easy when you use these time-tested principles.

- Use a keyword. Start your ad with the item for sale, service offered or the job title.
- Be descriptive. Give customers a reason to respond. Advertisers who have found that the more information you provide, the better the response.
- Limit abbreviations. Use only standard abbreviations to avoid confusion and misinterpretations.
- Include price. Always include price of the item for sale.
- How to respond. Always include a phone number (with area code) and/or street and email address.

Photo contest looks to boost local economy

Images will be used by the city to help promote the city

JANIS CLEUGH
jcleugh@tricitynews.com

What was your best scene of Coquitlam during the COVID-19 pandemic? Did you reach the top of the Crunch? Were you at a park regularly with your social bubble? What about trying out a new eatery? As the provincial health restrictions ease this summer, the city's tourism division is calling for photos as part of its new Capture Coquitlam campaign.

The aim of the drive is two-fold, said tourism manager Eric Kalnins: To build excitement about what Coquitlam has to offer as the world re-opens, and to spur the local economy. "This is a transition time for us," Kalnins told the Tri-City News. "We noticed that, during the past year, many people were tagging us on social media to show us where they went to in Coquitlam. "We'd like to build on that and have other residents and visitors share their experi-

ences of Coquitlam, too." For Capture Coquitlam the public is invited to submit their pictures showing the best of the municipality, via the Tourism Coquitlam webpage at visitcoquitlam.ca/capturecoquitlam. As well, photos can be tagged on social media using the hashtag #CaptureCQ.

ERIC KALNINS

Get 0% for 84 on select 2021

PLEASE RECYCLE THIS NEWSPAPER.

Example of Ad run in Postmedia's The Province newspaper, June 13, 2021

SOCCER
ATHLETICS
TENNIS
HOCKEY

69-71
72
73
75-77

contact us


SUBSCRIPTION OR DELIVERY INQUIRIES?
Customer service: 604-605-7381
Outside Lower Mainland: 1-800-663-2662
Fax: 604-605-2914
Email: circservice@sunprovince.com
Hours: Weekdays 5:30 a.m. - 5 p.m.; Saturday and Sunday 7 a.m. - noon (Automated Customer Service available 24 hours)

NEWSROOM: 604-605-2030
ADVERTISING: sunprovince.com
Classified advertising/obituaries: 604-605-7355
classifieds@sunprovince.com
Display Advertising: 604-605-2043

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Please recycle this newspaper.

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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.
 - 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 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, North Island Gazette
- Prince Rupert, 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 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
- Chemainus Valley Courier
- Real Estate Victoria
- Kootenay Extra
- Glacier Media Inc.
 - Business in Vancouver
 - Western Investor
 - Real Estate Weekly
 - Alaska Highway News
 - The Mirror
 - Northern Horizon
 - Prince George Citizen
 - Vancouver is Awesome
 - North Shore News
 - Burnaby Now
 - New Westminster Record
 - Richmond News
 - Delta Optimist
 - Tri-City News
 - Bowen Island Undercurrent
 - Squamish Chief
 - Whistler Pique
 - 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
 - Columbia Valley Pioneer
- Continental Newspapers
 - The Daily Courier

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



News Media Canada

Médias d'Info Canada



Internal Audit of Non-Financial Information

News Media Canada
May 14, 2021

BDO CANADA LLP | RISK ADVISORY SERVICES



May 14, 2021

Mr. John Hinds
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RE: Internal Audit Report of Non-Financial Information

BACKGROUND

News Media Canada (NMC) is a trade association for newspaper publishers in Canada. The association provides public affairs, marketing and research, and other member services to publishers across the country.

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 product¹ (PPP) category must provide an approved Extended Producer Responsibility Plan². To meet the requirements of the BC Recycling Regulation, the BC members of 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. Recycle BC is a not-for-profit organization responsible for the collection, sorting and responsible recycling of residential package and paper products in BC.

To verify the tonnage information tracked by NMC, BDO Canada LLP (BDO) was engaged on February 19, 2021 by NMC to conduct an internal audit on NMC Producer³ data for the year ended December 31, 2020. The objective of this audit was to assess the accuracy and completeness of NMC reported figures.

Specific data in the scope of this internal audit included:

- a) Gross Production Volume for the Producers;
- b) Residential⁴ Production Volume for Producers;
- c) Gross and residential production disaggregated by category of packaging and paper products (PPP);
- d) Names of the newspapers to which the information relates; and
- e) Performance measurement in NMC's Stewardship Plan regarding ongoing promotional pieces.

The period in scope for the audit was the year ended December 31, 2020. In total, 11 Producers were included in the scope of this audit.

¹ 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.

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

³ 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).

⁴ 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.



BDO carried out the internal audit work between March 16th, 2021 and May 7th, 2021 and submitted the initial findings (Appendix A) to NMC on May 14th, 2020. This internal audit was conducted in accordance with the Institute of Internal Auditors (IIA) Standards.

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 2020.

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 COVID-19 protocols in place at the time of the audit, all testing was conducted remotely. All necessary evidence was shared electronically 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 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 2020 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 respective Producer publications, regardless of whether copies entered in the residential stream. It also includes the total volume for the other categories of packaging and paper products (PPP), regardless of whether they entered in the residential stream.

Through testing, BDO was able to confirm that the Total Gross Production Volumes reported by Producers for 2020 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 only reported Newsprint gross production to NMC. BDO was able to calculate a gross production volume disaggregated by category of PPP 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 Paper" in their gross production. In an effort to align all Producer reporting, an adjustment for this is reflected in Appendix A.

Through testing, BDO also identified other errors that impacted Gross Production Volumes, including:

- Two (2) Producers used 2019 data for part of their calculations, which resulted in over reporting of Gross Production Volumes. BDO worked with the Producers to recalculate the weight for these publications based on 2020 data. This adjustment is reflected in Appendix A.
- One (1) Producer omitted some commercial printing as part of their calculation, under the assumption that it would be reflected in another Producer's totals. BDO confirmed that this was not the case and worked with the Producer to recalculate this printing as part of their totals. This adjustment is reflected in Appendix A.
- Two (2) Producers had some data entry errors in number of copies entered for the calculations, which resulted in both over and under reporting. BDO recalculated the impact of these errors using the source data and extrapolated the errors where adequate. Resulting adjustments are reflected in Appendix A.

BDO found that different methodologies continue to be used by Producers to report on Gross Production Volumes for newsprint and magazines⁵. 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.

⁵ 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.

- 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.

Due to the continued use of different methodologies for the calculation of Gross Production Volumes, BDO is 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 continues to lead to these inconsistencies.

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 volume 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 wastepaper 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 in 2020 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 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 continues to be 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.

Producers generally applied a consistent approach to prior years in their interpretation and application of the stipulations of Schedule A when identifying what volume of publications should be considered as part of the residential stream. However, there remains a lack of awareness of Schedule A, especially when new individuals take responsibility for reporting these totals to NMC at each individual Producer. This results in confusion around what should be excluded or included as part of the residential stream.

For example:

- One (1) Producer had not included residential subscriptions in their calculations. The Producer was also not aware of Schedule A, and the reasoning behind which copies should be included or excluded. BDO worked with the Producer to recalculate the residential newsprint total, and 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.

Based on the above, BDO concludes this year again 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 Volumes. 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 continues to not be consistent across all Producers, but generally consistent with prior year reporting. 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 2020, 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 both Gross and Residential Tonnage Volumes in 2020.
- 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, four (4) Producers included a total to their reporting in 2020. The reasoning provided by Producers for not including an amount for plastic sleeves included:
 - o Some Producers use biodegradable bags, and as such, according to Producers, these are not expected to be recycled and are therefore excluded.
 - o 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 2020 as the basis for the reported totals. Plastic Film and Laminates were included as part of Gross Tonnage Volume in 2020 for all but one (1) Producer. BDO adjusted the Gross Production Volume for this Producer to include the plastic film and laminate total, to ensure consistency in reporting across Producers. This adjustment is reflected in Appendix A.

- iv) **Other Printed Paper - Subscription Letter & Envelopes** - There have been no changes in 2020 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. Other Printed Paper was reported as part of Gross Production Volume in 2020 for most producers. Where the total was not included, BDO made an adjustment to include them in the gross production totals. These adjustments are included in Appendix A.

For two (2) of the Producers that reported Other Printed Paper in 2020, 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 2020. 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. Since 2019, 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 inquiry, 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, regarding the inclusion in 2020 of recycling promotional pieces. The Stewardship Plan states that Producers will "continue ongoing recycling promotion in BC newspapers" in 2020. Specific promotional pieces for this purpose were provided to eight (8) of the Producers by NMC in March 2018, and to the remaining three (3) in scope 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 included recycling ads from January to March, 2020, but failed to renew their bookings for the remainder of the year. As such, promotional recycling pieces were only included in Q1 for 2020. Per inquiry with the Producer, they have since reinstated the recycle ads which are now running again on a regular basis.

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 2020 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.

BDO concluded:

- **Gross Production Volumes** - In 2020, all PPP categories were considered in the Gross Production Volumes for the majority of Producers. 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 2020

- **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 2020. However, the frequency of inclusion differed by Producer.

Overall, 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 continue to show 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.



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Partner, Risk Advisory Services
BDO Canada LLP

Vancouver, British Columbia
May 14, 2021

APPENDIX A - BDO ESTIMATES OF REVISED REPORTING

The following table presents 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.

2020 REVISED ESTIMATES - ALL PRODUCERS

GROSS PRODUCTION VOLUMES (GPV)	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Post Media</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
Reported GPV for 2020	6,779.17	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	3397.37	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)	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Post Media</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
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	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Post Media</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
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 & LAMINATES												
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 PRINTED 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 PACKAGING												
Reported in 2020	3.18	-	-	-	-	-	-	-	-	-	-	3.18
Adjustments	(3.18)	-	-	-	-	-	-	-	-	-	-	(3.18)
Revised 2020 Estimates	-	-	-	-	-	-	-	-	-	-	-	0.00