

STEWARDSHIP PLAN

2021

Annual Report



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

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

What a year 2021 has been. At long last the pandemic began to wane and a sense of normalcy take hold again. New conflicts emerged in the world. Climate disasters extracted an ever-greater toll. And we saw divergence in our society unlike any in recent memory, with the added challenge of technology that gives anyone with an opinion and a keyboard an aura of legitimacy. I am at once thankful that newspapers and our incredible journalists remained steadfast mediators throughout, and anxious of a future society with fewer of them.

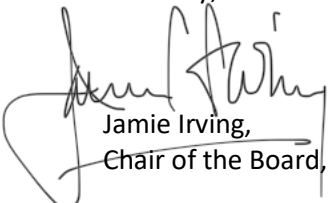
There is no getting around the drastic declines in traditional newspaper distribution. Our papers are fewer and thinner. This reality is starkly seen in this year's tonnage numbers and the trends leading up to them. Early in my career new publications would regularly enter the landscape, covering new regions, new issues, new opinions. But now our industry struggles to simply hold on to the content we have. We are committed to this, as are we to shifting our methods of communication to reach as many people as possible in a changing media and technology landscape. This is clearly more important than ever.

2021 has also seen some major shifts in recycling. This time last year the EPR policy paradigm was clearly starting to emerge in the United States, particularly for packaging. It's now fair to say is boiling like a hot kettle, with a number of states approving legislation and many more going through the challenging process of figuring things out. In many ways, even with a decade or more experience with packaging EPR here north of the border, we're still going through some of the same. When it comes to newsprint, provinces at the forefront of the policy movement have revisited the important role it plays in our society and how that may well justify a distinct role from packaging in our recycling systems.

This is an important time for newspapers in British Columbia. Our stewardship plan is nearing a transition phase and we are working with government on a vision for what happens next. This type of process is not without its challenges, but we are buoyed by our shared goals of a thriving professional news media and a successful newsprint recycling system.

We are pleased once again to report an exemplary recovery rate for newsprint in BC through the Recycle BC system. On behalf of News Media Canada I express my gratitude for their continued efforts. I also thank our membership for doing both the critical work of keeping our populace informed, while also working the front lines of recycling promotion and data tracking. Finally, I truly appreciate the commitment of so many British Columbians to support national, local and foreign language print news and look forward to delivering more of the quality journalism you expect in the coming year.

Sincerely,



Jamie Irving,
Chair of the Board, News Media Canada

Introduction

News Media Canada's (NMC) current Stewardship Plan was originally approved for a five year term. This has been extended by one year to now expire in December 2022. As such, the process of renewal began some time ago as we move toward the next stage of newsprint stewardship in BC, be that a similar system to the last six years, or something different. We encourage interested parties to monitor our website and subsequent reports, which will provide more information on where we end up.

The format and substance of this report is very much consistent with those previous. You will find information on all the requirements of the Recycling Regulation included, such as our distribution and recovery figures, public communications efforts, and an updated list of all our acting members.

For as long as NMC remains the active entity on newsprint stewardship in British Columbia, we will make all efforts to provide an avenue for publishers to extinguish their obligations and will remain open to any paper that wishes to join. Our Stewardship Plan is one of a very small number approved under Schedule 5 in BC and remains the only one for obligated newspaper producers. Appendix A specifically shows our 2021 list of subscribers. The list is similar to last year, albeit with name changes to certain titles due to mergers of local papers as well as rebranding. *Epoch Times* has dropped off the list this year.

Our collection system via Recycle BC has remained unchanged since our Plan was first approved. They continue to operate a robust collection network of depots and curbside systems throughout the province, all of which allow for the inclusion of our obligated newsprint material. We also continue our system of combined in-kind advertising and cash compensation via the Provincial Government as per the original agreement. As always, we refer readers to the RBC annual reports for further detail on their collection system and new developments over the course of the past year.

NMC continues to act as the foremost trade association for newspapers in Canada. We provide public affairs, marketing, research, and other member services to publishers in BC and across the country. In 2021 NMC welcomed Paul Deegan as our new President and CEO following the departure of our long-time leader John Hinds. Jamie Irving remains Chair of the Board of Directors. As last year, our board currently consists of 16 members including our Chair, who are representatively drawn from across the country and newspaper media landscape.¹ All prior years' Annual Reports as well as our original Stewardship Plan are archived on NMC's website for reference.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

NMC engaged BDO Canada LLP for our 2021 audit, as we have in each of the four years prior. They were employed in February of 2022 and conducted their internal audit work between March 1, 2022 and May 10, 2022. The work was done in accordance with the Institute of Internal Auditors (IIA) Standards.

The format and methodology were consistent with previous audits to provide maximum continuity and ease of comparison. The key metrics and performance indicators are the same, namely, Gross Production Volume, Residential Production Volume, and disaggregated PPP numbers. Each of these metrics is publisher specific. We had 10 report their 2021 data, down from 11 in 2021 due to the loss of *Epoch Times*.

Key elements and methodology were the same as all previous years, with the remote nature of interviews and inquiries due to Covid-19 continuing for 2021 as in 2020. The goal of the audit was to gather the necessary in-scope data, adjust it as appropriate, and ensure the greatest possible accuracy and consistency between publishers.

All non-financial information has certain limitations and imprecision. The nature of the reporting methodology that relied directly on publishers means that internal information was used, which cannot be relied on with as much confidence as third-party verified data. Wherever possible, BDO worked to gather third-party evidence for support, however this was not always available.

BDO begins each of these audits by calculating the “Gross Production Volume” (GPV) for each publisher. This figure represents the total production tonnage for all PPP (paper and otherwise) of all member producers for the year, regardless of whether the material entered the obligated residential stream or not. These figures are therefore always the same or higher than Residential Production Volumes (RPV), which are by nature a subsection of them.

As they have been for each reporting year, BDO worked through a number of errors and omissions with the collection of GPV data. For example, in one case a producer reported only their newsprint volumes and BDO was able to calculate disaggregated volumes through the data provided for the residential tonnage for all PPP categories. In another case some calculation errors were identified and BDO obtained additional evidence to conduct recalculations. There were also a small number of data entry issues resulting in both over and under reporting of copies, as well as some instances of double-counting. All of these were rectified by BDO via adjustments (noted in the tables in the next section). Overall the attention to detail of BDO resulted in a good standard of accuracy, within the unavoidable limitations inherent in this type of exercise.

Our BC-wide data aggregation has historically been complicated by the existence of producers both with and without their own internal printing capabilities. This is a persistent issue that is unlikely to go away. It creates some difficulty in the sense that Gross Production Volumes (GPV) are not reported in the same way for both types of publishers. Those who do their own printing typically use a paper inventory method of calculation, whereas those who use external printers calculate on a copies basis. The result is that the former will inevitably include some paper spoilage, resulting in a relatively higher GPV.

“Residential Production Volume” (RPV) represents the denominator in the Recovery Rate calculation in the next section. It is the share of newspaper produced for residential customers. Although there are some small differences in how this is calculated, the general approach between publishers is as follows:

- Tabulate the total number of copies printed for each publication
- Subtract those copies not discarded through the residential stream such as:
 - Internal copies
 - Copies distributed to commercial and institutional settings like transit, hotels, and office/retail subscriptions
 - Returns
- Take the resulting as the residential total
- Translate those copies into a weight in Metric Tonnes

BDO tested different publishers' data on these calculations and the methods used to calculate weights and found that although not identical in every respect, the approaches and results were reasonable. They were also observed to be highly consistent with the methodologies used in the past. One challenge identified was a lack of awareness across all publishers as to what exactly is included and excluded from the residential stream. Part of this appeared to result from new individuals taking over these tracking responsibilities. NMC will work on improving staff education and consistency in this area. We will also do further work on standardization across publishers, which was identified as another issue.

BDO also looked at the disaggregated volumes of PPP from newspaper producers, including magazines and other bound periodicals, plastic film/laminates, other printed paper, and other packaging. Magazines were significant, the other categories much less so. The plastic and laminates category was again largely film sleeves used to protect newspapers in wet weather. The final table in the next section shows the detailed breakdown of these categories by publisher, with the appropriate adjustments.

Recovery Rate

The table below shows our recovery record over the past five years. 2021 came in at 84%, slightly lower than previous years but still well above the 75% target. We believe this figure is the most important by which to assess our Stewardship Plan. As always, it is derived by dividing the tonnage of residential newspaper recovered in BC throughout the reporting year, by the Residential Production Volume (RPV) from the BDO audit report.

Annual Recovery Rates	
2017	96%
2018	93%
2019	102%
2020	90%
2021	84%

The 2021 figures are calculated as per the following:

- Residential Production Volume of PPP as per the BDO report: 10,249.73 MT
- Recovered Tonnage Attestation for NMC material from Recycle BC: 8,581 MT
- Recovery Rate: 8,581 MT recovered / 10,249.73 MT produced X 100% = 84%

The same disclaimer as in past reports is important to note here: only the newsprint distributed and reported by our members is included in the numerator. The denominator, however, includes anything collected by Recycle BC, which could include commercial material, out-of-province material, and material from exempt or non-compliant publications. As a result, NMC acknowledges that the recovery rate may be over-estimated due to certain unavoidable data and audit challenges. However, we believe that this discrepancy is slight at most, considering the small influence of these factors relative to the overwhelming majority of obligated newsprint that our members account for in the province.

Consistent with all previous years, the precise data reported by publisher and material is reproduced in the tables on the following two pages.

2021 Tonnages

<i>GROSS PRODUCTION VOLUMES (GPV)</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>Georgia Straight</i>	<i>Total</i>
Reported GPV for 2021	6,268.00	1,992.00	712.04	2,981.24	850.45	1,436.41	214.03	269.86	1,033.74	38.62	15,796.39
Adjustments	(3,157.10)	(460.18)	(100.64)	2.46	-	-	-	0.03	-	-	(3,715.43)
Revised 2021 Estimates	3,110.90	1,531.82	611.40	2,983.70	850.45	1,436.41	214.03	269.89	1,033.74	38.62	12,080.96

<i>RESIDENTIAL PRODUCTION VOLUMES (RPV)</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>Georgia Straight</i>	<i>Total</i>
Reported RPV for 2021	3,113.27	1,395.78	611.39	2,119.24	525.39	1,390.94	214.03	256.05	592.62	28.73	10,247.44
Adjustments	0.84	0.18	0.01	3.33	-	-	-	(1.27)	(0.80)	-	2.29
Revised 2021 Estimates	3,114.11	1,395.96	611.40	2,122.57	525.39	1,390.94	214.03	254.78	591.82	28.73	10,249.73

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Georgia Straight	Total
I) NEWSPRINT											
Reported in 2021	2,733.50	1,342.07	590.78	2,092.26	383.84	1,366.31	212.90	256.05	395.15	28.73	9,401.59
Adjustments	-	0.19	-	3.33	-	-	-	(1.27)	(0.06)	-	2.19
Revised 2021 Estimates	2,733.50	1,342.26	590.78	2,095.59	383.84	1,366.31	212.90	254.78	395.09	28.73	9,403.78
II) MAGAZINES											
Reported in 2021	-	49.75	17.16	28.98	141.55	15.75	1.13	-	184.39	-	436.71
Adjustments	378.58	-	-	-	-	-	-	0.38	12.36	-	391.32
Revised 2021 Estimates	378.58	49.75	17.16	26.98	141.55	15.75	1.13	0.38	196.75	-	828.03
III) PLASTIC FILM AND LAMINATES											
Reported in 2021	-	3.95	3.24	-	-	5.85	-	-	-	-	13.04
Adjustments	2.04	(0.01)	-	-	-	-	-	-	-	-	2.03
Revised 2021 Estimates	2.04	3.94	3.24	-	-	5.85	-	-	-	-	15.07
IV) OTHER PRINTED PAPER -											
Reported in 2021	378.58	-	0.21	-	-	3.03	-	-	13.09	-	394.91
Adjustments	(378.58)	-	-	-	-	-	-	-	(13.09)	-	(394.67)
Revised 2021 Estimates	-	-	0.21	-	-	3.03	-	-	-	-	3.24
V) OTHER PACKAGING											
Reported in 2021	1.19	-	-	-	-	-	-	-	-	-	1.19
Adjustments	(1.19)	-	-	-	-	-	-	-	-	-	(1.19)
Revised 2021 Estimates	-	-	-	-	-	-	-	-	-	-	-

Communication and Consumer Awareness

Stewardship Plan members have done an exceptional job of continuously promoting newspaper recycling ever since our Plan was approved. We of course have unique access to advertising space via our publications themselves. When someone is reading one of our papers, they will get a clear and in-the-face reminder of what to do with it when finished, not a small recycling number buried on the bottom of a bottle or under a lid somewhere.

After starting the campaign with a single, rather simple ad, some years ago NMC developed a full suite of much more interesting and effective promotional pieces. They came in many colours and sizes, including both text and purely pictogram forms. This gave our wide variety of titles the flexibility to use whichever worked for them at any given time. This ad campaign has remained very popular with our local papers in particular. The Black Press, Glacier Media, and Aberdeen papers, for example reported using them weekly through every edition in 2021. This means any time someone picked up the *Peachland View* or *New Westminster Record* this past year, they were exposed to ads positively encouraging recycling.

We also had new content created this year that was used by our larger dailies. They utilized some more catchy, colourful, and current pieces featuring blue box and planet earth pictograms. These pieces were published extensively with *The Globe and Mail*, for example, reporting 103 editions throughout 2021 featuring these ads. The *Vancouver Sun* and *Province*, both of Postmedia Network, also ran this set of ads repeatedly. Examples from actual papers are included on the next two pages to give an idea of how they looked when presented to our readers.

A review by BDO as part of their annual audit also look at the Stewardship Plan commitment to “continue ongoing recycling promotion in BC newspapers”. Their audit found that some producers included the promotional pieces in all their publications, with others just in select ones. One experienced a gap from January to March 2021, however this was due to staffing and operational challenges and resumed through the remainder of the year. Overall, their report concluded the Stewardship Plan requirement regarding recycling promotion was well met.

Most schools in B.C., Alberta remain open despite rising COVID-19 cases

KELLY CRYDERMAN
PRATYUSH DAYAL CALGARY

Students at Athabasca's three schools were sent home at the beginning of the month and will stay there to do remote learning until at least April 19. The northern Alberta town with a population of 3,000 is grappling with one of the largest school-related outbreaks in the province - with at least 101 infections linked to Edwin Parr Composite School.

And more contagious variant cases have been confirmed at the Grades 7-12 school.

"We were shocked at how quickly this COVID spread at our one school," said Neil O'Shea, the superintendent at the Aspen

View school division.

"Based at the speed at which this travelled, we felt we needed to do something."

But in Alberta and British Columbia, where COVID-19 variant case numbers are rising, the full closing of a school is the exception rather than the norm. The situation in Canada's western-most provinces has so far stood apart from hot spots in other provinces such as Ontario, Quebec and Saskatchewan, where many boards have closed - or are preparing to close - whole districts of schools amid Canada's third wave.

In contrast, chief medical officers in both Alberta and B.C. have indicated that schools are the one of the last places they want to shut down, because of the benefits they provide to students and their families.

"We see cases go up when children are not in school, and that is often because they have unstructured time and children need school. We know it is a safe place for them," B.C. Provincial Health Officer Bonnie Henry said.

But teachers' unions say their members aren't getting the protections they need, or being vaccinated quickly enough. And the debate over what needs to happen is still playing out - with some parents and teachers expressing grave concerns about children continuing to attend full-time, in-person classes.

On Saturday, Alberta Premier Jason Kenney announced an in-school rapid screening test program will expand to 300 more schools but the Alberta Teachers' Association decried the move as too little, too late. ATA president Jason Schilling said it's "mind-boggling" that Alberta teachers are still being excluded from current provincial priority groups for vaccines.

"The government should be looking hard at Scenario 2 in their reopening strategy, which calls for a blend of at-home and in-school learning with reduced class sizes," he said.

COVID-19 case counts in both Alberta and B.C. are high and likely to go higher. The rate of total active cases in Alberta was 310 per 100,000 population as of Sunday, according to federal data - the highest rate in the country. In B.C., the number of cases was 189 per 100,000, not far off from Ontario's rate of 210 per 100,000.

In B.C., broad information about schools is hard to come by, but between March 29 and April 4, the province's Centre for Disease Control said 68 schools had at least one exposure notice issued. Variant cases are leading to hospitalizations in B.C. but schools are still largely open for in-class learning. Last week, Dr. Henry said it will be about one month before a COVID-19 variant known as B.1.1.7 makes up 60 per cent of new cases in B.C.

In Alberta, cohorts or grades typically get sent home for remote learning rather than whole schools. Alberta Education Minister Adriana LaGrange said the province is working closely with Chief Medical Officer of Health Deena Hinshaw, monitoring variant cases, and is addressing school outbreaks on a "case-by-case basis."

But the ATA notes that nearly one-in-five Alberta schools are recording cases, on alert and outbreak status. James Talbot, an Edmonton Zone Medical Staff Association co-chair who is also a professor at the University of Alberta's school of public health, said many doctors are calling for the government to move to first wave-type restrictions, "and that would involve closing schools."

"We're hearing a discussion happen behind-the-scenes about when the correct time to do that is."

In B.C., Dr. Henry has said the highest risks is in the city of Surrey, where B.C. is recording the highest transmission rates. But they have implemented new safety plans. And unlike Alberta, B.C. has prioritized teachers among other essential workers for vaccinations.

Still, teachers in Surrey are calling for stronger measures owing to rising variant case numbers, including a mix of remote and in-person learning, mandatory masks for everyone in kindergar-

ten to Grade 12 and the timeline to vaccinate sped up.

Almost 11,000 school-based staff in Surrey have already been immunized, but Rani Senghara of the Surrey District Parents Advisory Council worries that it might not be enough. She's hearing from many parents who are worried about the spreading variants, and are calling for the closing of schools.

"We're right now with the highest numbers we've ever been," she said. "Just because they got their vaccines, the Surrey school teachers, they're not fully protected."

Teri Mooring, president of the B.C. Teachers' Federation, said the lack of public access to school-based COVID-19 data is adding to the teachers' stress, as they already are "very desperately trying to find ways to get themselves vaccinated."

Parent Lama Alsaafin has received a number of COVID-19 exposure notices for her daughter, 15, studying at Semiahmoo Secondary in Surrey. But any school closing will be difficult for Ms. Alsaafin's son, 13, who is on the autism spectrum and needs both the classroom experience and his teacher's assistant.

"It's a no-win case here. If they're staying at home, they're not doing well in academics. If they're going to school, they're going to be exposed to the risk again."



Premier defends proposed application fee for FOI requests, cites those coming from opposition parties

VICTORIA

British Columbia's premier is defending a proposed \$25 fee for non-personal freedom-of-information requests despite pushback from groups including one trying to access data on COVID-19 exposures at schools.

John Horgan says there's been an "extraordinary proliferation" of requests from opposition parties, though his own party did the same before it formed government.

However, he says it doesn't make sense to ask a deputy minister who may receive 6,000 e-mails a month to disclose that information monthly, rather than asking for documents that would support certain decisions.

He says voluntary disclosure is the best way forward and that B.C. would not be alone in charging a fee that applicants are expected to pay in other jurisdictions.

Citizen's Services Minister Lisa Beare introduced a bill this week proposing a "modest" charge for anyone filing applications asking for information held by the province.

Ryenta Martins, spokeswoman Safe Schools Coalition BC, says lack of timely and complete

information has prompted volunteers in the parent-run group to file freedom-of-information requests for all 60 school districts starting about a month ago.

However, she says parents shouldn't be required to pay for information on health and safety in public schools, and applicants couldn't afford to pay \$25 for each request for information that is not available on health authorities' websites.

"We're asking for electronic copies of all records of confirmed cases of COVID-19 by school for the requested school districts," she says.

"All they're putting up is the school and the applicable dates, so we don't know if that's 30 cases per school or one case per school. There's no idea really, no picture of what is happening in our education system for cases. And that really is important to families who have other health concerns, who have to be a little more careful or who just don't want to take that risk."

Information and privacy commissioner Michael McEvoy has also criticized the proposed fees, calling them a barrier for those seeking information that should be readily available.

"I am unable to understand how this amendment improves accountability and transparency when it comes to public bodies that operate in a free and democratic society. Nor is it necessary, since [the Freedom of Information and Protection of Privacy Act] already authorizes public bodies to charge access fees, to help defray the costs of responding to requests," he says in a release.

Mr. McEvoy says people want greater accountability from governments and public institutions, and that includes access to information about decisions that affect their lives.



THE CANADIAN PRESS

Examples of new ads run in The Province and Vancouver Sun: May 6 and October 22, 2021

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CONCEPTS SUDOKU

BY MIKE COHEN

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5							7	3	
	2		4						
5									6
		1	4					9	
									7
	7	8	1	6					2

Sweet Mother's Day Crepes!

- Ingredients:** 1 cup flour, 2 eggs, 1/2 cup milk, 1/4 tsp salt, 2 Tbsp butter, 1/4 tsp vanilla.
- Instructions:** 1. In a bowl, combine the flour, salt, and eggs. 2. Add the milk and vanilla. 3. Whisk until smooth. 4. Melt the butter in a pan. 5. Pour the batter into the pan and cook until golden brown.

Liberals pick Mountie as Surrey South candidate

CELIA STURKO

The Honourable Jean Chrétien has named Celia Sturko as the Liberal candidate for Surrey South in the upcoming federal election. Sturko is a former Mountie and has worked in various capacities for the federal government.

THIS WORK IN HISTORY 1885

Proposal aimed to line waterfront with brutalist concrete highrises

By John R. ...



The proposal would have transformed the waterfront into a dense urban area with tall, brutalist concrete highrises. The design was controversial and ultimately rejected in favor of a more traditional waterfront development.

CONSERVATIONS THAT MATTER

STAY AT HOME

The idea of staying at home during the COVID-19 pandemic has been a key message. This section discusses the challenges of staying at home and the role of government in supporting citizens.

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THANK YOU FOR RECYCLING

WATER

High Quality Water

Low Cost

Quality

Maynard's INTERNATIONAL ART & SCULPTURES

INTERNATIONAL ART & SCULPTURES

TIMED ONLINE AUCTION

BIDDING OPENS MONDAY, JUNE 28th

BIDDING CLOSING: FRIDAY, JULY 9th

1617 Burrard Avenue West, Vancouver, BC V6J 3K3

PHOTOGRAPHY

STYLING

HAIR

BEAUTY

MAKEUP

FASHION

DESIGN

INTERIOR

EXTERIOR

LANDSCAPE

Environmental Performance and Market Update

Although down slightly from previous years, NMC remains very proud of our 84% Recovery Rate for 2021. This is well above our required collection target of 75%, and far higher than that achieved by our counterparts in packaging. This is especially the case when it comes to plastics. This 84% and the exemplary figures in past years solidify that newsprint is a top environmental performer among PPP materials under Schedule 5.

Our minimal environmental impact goes beyond just how much gets collected in a truck. Collection eventually transfers to processing, and you'd be challenged to find a material recovery facility that complains about newsprint quality or ease of processing. It is well suited to modern technology such as rotary disk screens and optical sorters, unlike many other materials which cause endless headaches for local processors. And it is consistent and predictable, having not changed at all in decades. This is important because it's easy for residents to recognize and doesn't require processing operations to constantly change their sorting categories and procedures to adapt to an ever-changing stream, a costly and inefficient practice typical of much current PPP.

And newsprint always has a place to go. There is consistent demand for our material, either on its own, or as a mixed residential papers grade. It is not plagued by the demand instability that causes many other materials to pile up because of a change in the market. Favourable prices and recycled content standards continue to ensure that there is demand for recovered newsprint as a substitute for virgin pulp. And with the ability to be recycled over and over multiple times, it is a true circular material.

Newsprint is certainly not immune to all market challenges. The Covid-19 pandemic and more recent economy-wide labour shortages have affected everyone including the recycling sector. Inflation is at record highs, particularly with respect to energy and transportation costs. Clearly, this has a significant impact on program costs and service delivery for recycling, which is heavily reliant on transportation. We hope to see these challenges ease in the coming year, both through reduced dependence on fossil fuels and stabilization of prices and the labour market.

Looking Forward

This time next year we'll know what the future is going to look like for newsprint stewardship in BC. A number of important factors will determine where we end up. As one of the only materials in the PPP category whose volumes are decreasing, newsprint is unique. As one of the only materials in the PPP category that is a product rather than packaging, newsprint is unique. And as the only material that delivers a critical social and democratic good, newsprint is unique.

Recently, the province of Ontario acknowledged this unique nature and role of newsprint in granting it an exemption to the stewardship regulation there. We hope this option will receive similar consideration here in BC as the future vision is being crafted. There are a variety of options available to move forward, including the current model, the aforementioned exemption, and other new ideas not tried before. News Media Canada has presented several possible approaches and looks forward to working through them with the BC Government and stakeholders to achieve the best possible outcome.

Conclusion

2021 marks five consecutive years of the News Media Canada BC Stewardship Plan meeting and exceeding its recovery goals. Newspaper started as the most recovered material in the first curbside recycling programs in this province. Fast forward three decades and newsprint remains one of, if not the most recycled materials in the mix. And this shows no sign of stopping. Each and every year newsprint has achieved exceptional recovery rates, far outperforming plastics and packaging. Providing a critical good to British Columbias – reliable information on what’s going on in the world around them – and being able to do so with limited impact on the environment, brings great pride to every one of our member stewards. On behalf of News Media Canada, thanks to everyone who has helped make the last five years such a success.

Appendix A – List of Current Members and Publications as of 2021 Annual Report

The list below shows all current Stewardship Plan members. The specific publications are listed under each company name; only those that print on paper are listed, with online-only titles omitted. As compared to last year, there are a few minor title changes. As well, please note *Epoch Times* (Epoch Times Western Canada Society), is no longer a subscriber to our plan as of 2021 and as a result no longer appears on this list.

- Postmedia Network Inc.
 - Vancouver Sun
 - 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
 - Chemainus Valley Courier
 - 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
- Kootenay Extra
- 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 Northern View
- Princeton, The Similkameen Spotlight
- Quesnel, Cariboo Observer
- Real Estate Victoria
- 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
- Glacier Media Inc.
 - Alaska Highway News
 - Bowen Island Undercurrent
 - Burnaby Now
 - Business in Vancouver
 - Coast Reporter
 - Delta Optimist
 - New Westminster Record
 - North Shore News
 - Northern Horizon
 - Powell River Peak
 - Prince George Citizen
 - Real Estate Weekly
 - Richmond News
 - Squamish Chief
 - The Dawson Creek Mirror
 - Tri-City News
 - Vancouver is Awesome
 - Western Investor
 - Whistler Pique
- Sing Tao Newspapers (Canada 1988) Ltd.
 - Canadian City Post
 - Sing Tao Daily
 - Sing Tao Etel Directory
 - Sing Tao Real Estate Guide
 - Sing Tao Weekly Magazine
- Continental Newspapers Ltd.
 - Okanagan Advertiser
 - The Daily Courier, aka Kelowna Daily Courier
 - The Okanagan Saturday
 - The Penticton Herald
 - Westside Weekly

- Aberdeen Publications Ltd. Partnership
 - Columbia Valley Pioneer
 - Kamloops This Week
 - Merritt Herald
 - Peachland View
 - The Local
 - Times Chronicle

- TC Publications Ltd. Partnership
 - Victoria Times Colonist

- Ming Pao Newspaper (Canada) Ltd.
 - Canadian Chinese Express
 - Healthy Living Weekly
 - Ming Pao Daily News
 - Ming Pao Gourmet Supplement
 - Ming Pao Property Gold Pages
 - Ming Pao Saturday Supplement
 - Ming Pao Sunday Supplement

- Vancouver Free Press Publishing Corp.
 - The Georgia Straight



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Internal Audit of Non-Financial Information

News Media Canada
May 16, 2022

BDO CANADA LLP | RISK ADVISORY SERVICES



May 16, 2022

Mr. Paul Deegan
President and Chief Executive Officer
News Media Canada
37 Front Street East, Suite 200
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RE: Internal Audit Report of Non-Financial Information

BACKGROUND

News Media Canada (“NMC” or the “Association”) 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 28, 2022 by NMC to conduct an internal audit on NMC Producer³ data for the year ended December 31, 2021. The objective of this internal 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 internal audit was the year ended December 31, 2021. In total, 10 Producers were included in the scope.

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 1, 2022 and May 10, 2022 and submitted the initial findings (Appendix A) to NMC on May 12, 2022. 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, 10 Producers are included in NMC's reporting for 2021.

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
 - 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 2021 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 2021 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 calculate Gross Production accurately, BDO worked with the producer to obtain additional evidence and recalculated the Gross Production. 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 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.
- One (1) Producer underreported Gross Production due to an error in tracking publishing days. BDO worked with the Producer and recalculated the Gross Production volume. An adjustment for this is 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.
- 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

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.

requested. A lack of guidance, or definition in calculating Gross Production Volume, provided to Producers continues to lead to these inconsistencies.

Consistent with prior year internal audits, 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 2021 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.

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.
- 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 2021.
- 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 2021. 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 2021 as the basis for the reported totals. Plastic Film and Laminates were included as part of Gross Tonnage Volume in 2021 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 2021 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 2021 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 2021, 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 2021. 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 10 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 2021 of recycling promotional pieces. The Stewardship Plan states that Producers will "continue ongoing recycling promotion in BC newspapers" in 2021. Specific promotional pieces for this purpose were provided to eight (8) of the Producers by NMC in March 2018, and to the remaining two (2) 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 did not include recycling ads for Q1 (January to March 2021) as a result of staffing and operational challenges, BDO confirmed that promotional ads were run throughout the remainder of the year (April to December 2021).

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 2021 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 2021, 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 2021
- **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 2021. 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.

A handwritten signature in black ink, appearing to read 'John Asher', written over a horizontal line.

John Asher, CPA, CA, CIA, CISA, CITP
Partner, Risk Advisory Services
BDO Canada LLP

Vancouver, British Columbia
May 14, 2022

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.

2021 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>Georgia Straight</i>	<i>Total</i>
Reported GPV for 2021	6,268.00	1,992.00	712.04	2981.24	850.45	1,436.41	214.03	269.86	1,033.74	38.62	15,796.39
Adjustments	(3,157.10)	(460.18)	(100.64)	2.46	-	-	-	0.03	-	-	(3,715.43)
Revised 2021 Estimates	3,110.90	1,531.82	611.40	2983.70	850.45	1,436.41	214.03	269.89	1,033.74	38.62	12,080.96
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>Georgia Straight</i>	<i>Total</i>
Reported RPV for 2021	3,113.27	1,395.78	611.39	2,119.24	525.39	1,390.94	214.03	256.05	592.62	28.73	10,247.44
Adjustments	0.84	0.18	0.01	3.33	-	-	-	(1.27)	(0.80)	-	2.29
Revised 2021 Estimates	3,114.11	1,395.96	611.40	2,122.57	525.39	1,390.94	214.03	254.78	591.82	28.73	10,249.73
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>Georgia Straight</i>	<i>Total</i>
I) NEWSPRINT											
Reported in 2021	2,733.50	1342.07	590.78	2,092.26	383.84	1,366.31	212.90	256.05	395.15	28.73	9,401.59
Adjustments	-	0.19	-	3.33	-	-	-	(1.27)	(0.06)	-	2.19
Revised 2021 Estimates	2,733.50	1342.26	590.78	2,095.59	383.84	1,366.31	212.90	254.78	395.09	28.73	9,403.78
II) MAGAZINE											
Reported in 2021	-	49.75	17.16	26.98	141.55	15.75	1.13	-	184.39	-	436.71
Adjustments	378.58	-	-	-	-	-	-	0.38	12.36	-	391.32
Revised 2021 Estimates	378.58	49.75	17.16	26.98	141.55	15.75	1.13	0.38	196.75	-	828.03
III) PLASTIC FILM & LAMINATES											
Reported in 2021	-	3.95	3.24	-	-	5.85	-	-	-	-	13.04
Adjustments	2.04	(0.01)	-	-	-	-	-	-	-	-	2.03
Revised 2021 Estimates	2.04	3.94	3.24	-	-	5.85	-	-	-	-	15.07
IV) OTHER PRINTED PAPER											
Reported in 2021	378.58	-	0.21	-	-	3.03	-	-	13.09	-	394.91
Adjustments	(378.58)	-	-	-	-	-	-	-	(13.09)	-	(391.67)
Revised 2021 Estimates	-	-	0.21	-	-	3.03	-	-	-	-	3.24
V) OTHER PACKAGING											
Reported in 2021	1.19	-	-	-	-	-	-	-	-	-	1.19
Adjustments	(1.19)	-	-	-	-	-	-	-	-	-	(1.19)
Revised 2021 Estimates	-	-	-	-	-	-	-	-	-	-	-

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