

STEWARDSHIP PLAN

2022

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 President

Reflecting on 2022, I'm struck by the scope of content newspapers have covered, and how what's now newsworthy has change and expanded. It's gone far beyond the typical crime, election and arts reports, to stories covering battles of social values, free speech, and even the very concept of news. What people want to know about, and what they write old-fashioned letters to the editor about, is often not old fashioned at all. And this change is all occurring against a backdrop of highly disruptive technology in the form of artificial intelligence, and potentially transformational government regulation around the news - how it's distributed, what can and cannot be said, and how, if at all, it is paid for.

This period in history needs a robust and expanding professional news media to cover the immense volume and array of stories in our growing world. More than ever, we need journalists whose goal is to provide facts, details, and nuance, and who are not simply motivated by trying to shape opinion or perception, or advance a certain worldview in their afterhours time. News Media Canada and our members are as always committed to the former, however more challenging that goal may be.

Our Stewardship Plan is now six years old. In that time our volumes have gone down just shy of 60%. That's a pretty staggering number. There's no getting around that. Sitting down for a Saturday morning with a coffee and newspaper in hand is not the pastime for as many as it once was. Each generation is consuming news in different ways and in different volumes. And this is reflected in real-time with the contraction of our hard copy newspaper distribution, but also in the growth of our digital content.

When it comes to recycling, these changes have a big impact on how we move forward in BC under the Recycling Regulation. We are in a period of transition right now. Our original plan has run its course and we're working to sort out the next phase, but this is not without its challenges. The drastic reductions in newsprint volumes mean that certain options that we considered six years ago are no longer realistic. News Media Canada also believes that recent precedents in Canada and policy discussions in the United States mean that others that weren't considered acceptable, now should be. Our members have made a point of offering our opinion to this effect in many publications over the last year. I truly believe that in light of the social context I've talked about here, newspapers need a different approach to packaging in order to thrive. Whether that's an exemption like in Ontario, or something else that accounts for the unique nature and purpose of our product, we are eager to move forward.

I want to end with some sincere thank-yous. Foremost to the residents of BC who are the reason we've achieved consistently high recovery rates. To our members for trusting NMC to fulfill their obligations and for supporting the plan through advertising and promotion, as well as tracking and reporting necessary data. And to our counterparts with the Government of BC, who we continue to work with on a fair solution amenable to all, which recognizes the economics of the news publishing business and the vital role newspapers play in keeping British Columbias informed and engaged in the community.

Sincerely,



President and CEO, News Media Canada

Introduction

News Media Canada’s (NMC) stewardship program in British Columbia currently operates under the 2017 approved Stewardship Plan. The original term of this Plan was for five years, which was extended by the BC Government to the end of 2022. The Plan now operates on a monthly basis as discussions continue between NMC and provincial officials to determine the best and most agreeable way forward. NMC will provide updates in future releases once the outcome of these discussions is more certain.

The 2022 Annual Report again contains all information obligated under the Recycling Regulation. This includes the results from this year’s audit and government attestation report, and the subsequent recovery rate information. We also provide updated information on the make-up of the NMC Board, 2022 consumer awareness efforts, environmental impacts around newspaper, and an updated list of member producers and publications in Appendix A.

Members subscribing to the Plan for 2022 are largely consistent with last year, with a few changes of note. *Black Press Group Ltd.*, *Postmedia Network Inc.*, *Glacier Media Inc.*, and *TC Publications Ltd.* continue to be the core members in terms of residential volumes distributed. There were some minor changes to some titles under the *Glacier Media* banner this year. Also, late 2022 saw the reduction of printed titles from *Sing Tao Newspapers* from five to two, and the sale of *The Georgia Straight* resulting in a frequency reduction in print editions of that paper. Finally, after reporting no tonnages last year, *The Epoch Times* reported volume for 2022, which is included in our data calculations. All these changes are reflected in Appendix A. This year as in all previous, the NMC Plan is the only one approved in BC for newspapers, so all those obligated and wishing to extinguish their obligations may at any time reach out to us and join on.

There have been no changes to the collection model since our last report. Recycle BC continues to operate and in some cases expand the “PPP” collection network across British Columbia. Virtually all BC residents have access to some sort of newspaper collection service, be it curbside or depot. There have been no changes to the combined in-kind government advertising and cash payment model through which NMC members contribute to the costs of running the system. And as with the last five years, the Recycle BC website hosts their annual report containing much more detail on the operation of the collection system for anyone wishing to know more.

Paul Deegan currently services as NMC President and CEO, having completed his second year at the helm of our organization following the departure of long-time President John Hinds. We thank Paul for his service and leadership in 2022 and for maintaining much-needed stability for the association. At the time of writing Jamie Irving had just stepped down as Chair of the Board of Directors; we express our sincere thanks to Jamie for his work in recent years. The process of selecting a new Chair has now begun and the outcome will be reflected in our next report.

The remainder of the board currently consists of two executives and 10 members at large. The complete list is provided on the next page (and is also available, and updated regularly, on the NMC website¹). NMC endeavours to ensure the board is representative of our membership, a goal we believe has been achieved in its current make-up. Board members include both English and French publishers, spanning

¹ Refer to the NMC website for a complete and up-to-date list of directors: <https://nmc-mic.ca/about-us/board-of-directors/>

every corner of the country, with newspapers covering the full gamut of local, provincial, and national issues.

Board Executive

Neil Oliver (Vice-Chair/Treasurer), *Torstar Corporation*
Peter Kvarnstrom (Secretary), *Glacier Media Inc.*

Directors at Large

David Adsett, *Wellington Advertiser*
Sophie Gaulin, *La Liberté*
Sarah Holmes, *Gabriola Sounder*
Abbas Homayed, *Sudbury.com/Village Media*
Duff Jamison, *Great West Newspapers*
Mary Kemmis, *Black Press Media*
Pierre-Elliott Levasseur, *La Presse*
Sean Murray, *Advocate Printing & Publishing*
Marc-Nöel Ouellette, *icimédias, inc.*
Andrew Saunders, *The Globe and Mail*

All documents related to newspaper stewardship in BC, including both the original 2017 Stewardship Plan and all subsequent annual reports, are posted on the NMC website for public access.²

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

BDO Canada LLP has been retained for all of NMC’s internal annual tonnage audits since plan inception, a relationship that was continued for 2022. Our partnership with BDO over the years has ensured a high degree of consistency and ease of comparison, with the same methodology and presentation style being used in each of the last six years.

As always, the goal of the audit was to assess the accuracy and completeness of our newspaper tonnage figures in BC and adjust as appropriate where necessary to improve data quality and consistency. The period in scope was the entire calendar year 2022, covering 11 unique producers. Audit work was conducted between March and May 2023. The same data gathering and testing methods were used as in the past, with all being carried out remotely. Metrics were also consistent with previous years: Gross Production Volume (GPV), Residential Production Volume (RPV), and disaggregated PPP volumes.

There are certain inherent limitations in an audit such as this. Non-financial data like tonnages cannot be tested and audited in the same way as financial data and does not have the same established auditing rulesets. The audit also relied often on internal sources of information, which is not as reliable as third-party sourced data. Wherever possible, third-party evidence was obtained for additional support.

Other limitations included the sale of one publication within the reporting period. It was not possible to acquire data from the previous owner given the time passed since the transition of ownership. As a result historical averages were used to reasonably estimate missing data and the new owner was provided guidance on how to calculate their obligated tonnages, which they did. Finally, one producer did not provide supporting evidence by the deadline of the follow-up period. Again in this case certain tonnage volume estimates had to be made based on historical information.

The audit process began with the calculation of each producers’ “Gross Production Volume” (GPV). This is the total tonnage of all PPP categories produced, without any efforts to isolate residential volumes. BDO was able to test and verify the GPV figure for all 11 producers, working through some data issues with a few of them along the way and incorporating reasonable adjustments, reflected in the summary table later in this report. Due primarily to some publishers having their own printing facilities and others relying on external facilities, there remains some unavoidable inconsistency in reporting across producers. Specifically, the GPV calculations for the former rely on opening and closing inventory numbers, which inevitably include some paper spoilage, whereas the latter include only finished copies received from the printer. This discrepancy has been present since NMC first started reporting and has been challenging to address, however NMC will continue to work with our members on standardization and further guidance on measurement techniques.

The “Residential Production Volume” (RPV) is simply a calculation of exclusively residential material distributed, as only it is covered by the Recycling Regulation. This number is necessary to calculate dues owed to the Ministry of Environment, as well as a percentage recovery rate.

Producers follow the same general steps to come up with their respective RPVs:

- Calculate the total number of copies printed for each title
- Deduct copies considered not discarded through the residential stream:
 - Internal copies
 - Copies distributed to commercial and institutional settings like airports, transit hubs, commercial accommodations, and office/retail subscriptions

- Returned copies
- Use the resulting total as the number of residential copies distributed
- Use a calculation to translate those copies into a weight in Metric Tonnes

The actual calculation processes for the above can be complex and do vary from producer to producer, in part because they use different sources for the information. For this reason, BDO made efforts to test and verify both the copy counts and weight calculations and found them to be reasonable in all material aspects. Again however, BDO noted that future reporting would benefit from a more standardized approach and further clarity on what should be included in the residential stream. Some of the challenges here were identified as due to staff turnover and new individuals taking responsibility for reporting, a likely unavoidable issue. Regardless, NMC will endeavor to address these persistent issues as best we can to facilitate smoother audits in future years.

Five PPP categories are used to breakdown the total RPVs into more detail:

- Newsprint
- Magazines and other bound periodicals
- Plastic film and laminates
- Other printed paper – subscription letter & envelopes
- Other packaging

Naturally, all producers reported generating newsprint. Most producers also reported magazines, which equated to about 10% of newsprint in terms of volume. Three reported plastic films, totalling just under 10 tonnes. Four reported other printed paper, at just 3.21 tonnes. And none reported any “Other Packaging”.

The BDO report acknowledges improvements made to the NMC template since 2019 providing greater clarity for disaggregated PPP reporting. However a degree of confusion still exists, for example around reporting of plastic newspaper sleeves and NMC acknowledges that further instruction to members would be beneficial. The tables on pages 9 and 10 show the detailed breakdown of the five categories of PPP by publisher, along with their respective GPV and RPV tonnages, both before and after adjustments.

Recovery Rate

This section provides both the 2022 recovery rate and all previous years' rates for comparison. 2022 finished with a percent recovery of 73%, which is below our previous results but still a solid outcome relative to other PPP material categories. The 2017 to 2022 average is 90%, a testament to the success of our plan over its lifespan.

Annual Recovery Rates	
2017	96%
2018	93%
2019	102%
2020	90%
2021	84%
2022	73%

Every year, the recovery rate is calculated by dividing tonnes recovered by obligated tonnes distributed. The information on tonnes recovered comes directly from an attestation sent to NMC by the BC Government, using information provided by Recycle BC. The tonnage of residential newspaper distributed comes from the Residential Production Volume (RPV) in the BDO audit report for the same period.

The 2022 figures are calculated as follows:

- Residential Production Volume of PPP as per the BDO report: 9,503.83 MT
- Recovered Tonnage Attestation for NMC material from Recycle BC: 6,889 MT
- Recovery Rate: $6,889 \text{ MT recovered} / 9,503.83 \text{ MT produced} \times 100\% = 73\%$

It's important to note that the denominator in this equation encompasses only the newsprint that subscribing members of our plan report for the annual audit. Other newsprint or newsprint-like material that makes its way into the residential sphere, such as from exempted, non-compliant, or out-of-province producers, is inevitably included in the recovered stream as well. This means that the numerator, and by extension the recovery rate, may be somewhat inflated. This reality is unavoidable given the nature of the system and accounting limitations, however we believe any impacts from it to be modest in effect. The next section provides detailed tonnage data, before and after adjustments, directly from this year's BDO report.

2022 Tonnages

*Historical average information used to estimate these figures

<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>TC Pub. Ltd.</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 2022	6,038.74	2,188.00	682.21	2,400.27	512.99	1,385.12	171.59	263.71	864.63	29.79	10.10*	14,547.14
Adjustments	(2,877.52)	(743.13)	-	-0.01	-	-	-	0.15	-	(0.79)	9.81*	(3,611.50)
Revised 2022 Estimates	3,161.22	1,444.87	682.21	2,400.25	512.99	1,385.12	171.59	263.86	864.63	29.00	19.91	10,935.65

<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>TC Pub. Ltd.</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 2022	3,177.62	1,325.40	540.97	1,754.75	309.19	1,385.12	171.59	250.07	544.28	29.79	10.10*	9,498.87
Adjustments	(1.54)	(3.31)	-	(0.01)	-	-	0.01	0.13	3.91	(0.79)	6.56*	4.96
Revised 2021 Estimates	3,176.08	1,322.09	540.97	1,754.74	309.19	1,385.12	171.60	250.20	548.19	29.00	16.66*	9,503.83

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	TC Pub. Ltd.	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
I) NEWSPRINT												
Reported in 2022	2,714.14	1,261.31	522.36	1,732.68	211.11	1,352.48	170.50	250.07	379.93	29.79	10.10*	8,634.46
Adjustments	-	(3.31)	-	(0.01)	-	-	-	(0.13)	(0.07)	(0.79)	6.56*	2.52
Revised 2022 Estimates	2,714.14	1,258.00	522.36	1,732.67	211.11	1,352.48	170.50	250.20	379.86	29.00	16.66*	8,636.98
II) MAGAZINES												
Reported in 2022	-	63.88	15.44	22.07	98.08	22.97	1.09	-	151.16	-	-	374.69
Adjustments	461.94	0.01	-	-	-	-	-	-	17.17	-	-	479.12
Revised 2022 Estimates	461.94	63.89	15.44	22.07	98.08	22.97	1.09	-	168.33	-	-	853.81
III) PLASTIC FILM AND LAMINATES												
Reported in 2022	-	0.21	2.93	-	-	6.70	-	-	-	-	-	9.84
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revised 2022 Estimates	-	0.21	2.93	-	-	6.70	-	-	-	-	-	9.84
IV) OTHER PRINTED PAPER -												
Reported in 2022	463.48	-	0.24	-	-	2.97	-	-	13.20	-	-	479.89
Adjustments	(463.48)	-	-	-	-	-	-	-	(13.20)	-	-	(476.68)
Revised 2022 Estimates	-	-	0.24	-	-	2.97	-	-	-	-	-	3.21
V) OTHER PACKAGING												
Reported in 2022	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revised 2022 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

Communication and Consumer Awareness

Our Stewardship Plan commits members to carry out ongoing recycling promotion throughout the year. As an advertising medium, newspapers are perfectly positioned to promote the recycling of our product direct to the reader. This is something we've done for decades, albeit with a bit more consistency and vigour since we became officially obligated to do so.

We have never failed to deliver on the communication requirement and 2022 was no different. All of our producer members included promotional pieces in their publications in 2022, using the different suites of ads developed since the Plan was approved six years ago. This includes many sizes, styles, and colours of ads. This variety makes it easy to slot them in where space is available and to place the messaging in different sections from edition to edition – from the community pages to the classifieds – to maximize exposure to different readers.

The BDO audit report again did an analysis of our recycling promotion efforts alongside the annual review of tonnage data. They confirmed that all producers participated, albeit the frequency of inclusion differed somewhat by producer. Some papers with *Glacier Media*, for example, included ads in every weekly edition. In some cases multiple ads were featured in the same edition (two examples provided in the following section from the *New Westminster Record*, for example, ran in the same edition). Other publications ran with similar frequency, whereas some featured ads only in select editions. In one case a paper had been acquired in the last quarter of the year and was not immediately aware of the promotion requirement. They have since been brought up to speed and are now running the ads regularly.

The next two pages provide some real-life examples of the content we are running. They include promotions from multiple publishers/titles, from large and small towns, in various sections, and in both English and Chinese language papers. They clearly show the breadth of exposure we are able to accomplish through the hard work and commitment of our diverse membership.

Examples of recent ads run in the Agassiz-Harrison Observer (June 16, 2023) and the Nanaimo News Bulletin (June 21, 2023):

www.agassizharrisonobserver.com Agassiz-Harrison Observer Friday, June 16, 2023 A19

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HEAT, AIR, REFRIGERATION Service & Installation • Furnaces • Central Air Conditioning • Hot Water Heaters Service • Gas Fireplaces KDW Heating 604-798-2971 kdwhairingservicesandrepair.com 786-2422888	PAINTING & DECORATING PAUL'S PAINTING & HOME IMPROVEMENTS WCB - Liability - Covid 19 Compliant • Senior's 5% discount • Interior / Exterior paint • Wallpaper • Kitchen / Bathroom • Cabinet refinishing • Reno's Call Paul 604 997 8353	ROOFING & SKYLIGHTS ROOF CLEANING Siding, soffits and gutters Instant Results! www.roofcleaning.ca 604-888-7776	SCRAP CAR REMOVAL Cash For Cars \$\$\$ WE PICK UP DIRECT! PAY ON THE SPOT! WE BUY: CRUISERS, SUVs, TRUCKS, VANS, CARS, MOTORHOMES, PICKUPS, METAL, RECYCLING LTD. THE VALLEY'S MOST TRUSTED METAL RECYCLER 604 814 4186	

Rentals Appl/Camds for Rent Heather Ridge Apartments 4533 Mcintosh Dr. Chilliwack Resident Mgr Pearl 604-793-7999 • Royal Oak Menor	Rentals Appl/Camds for Rent YONGE APARTMENTS 3202 YONGE Resident Mgr Maureen A.S. Seniors ready to rent Call Pearl 604-793-7999 Call 604-848-1834	Transportation Cars - Domestic 2018 Toyota Rav 4 Limited 1 Owner, 2 yrs, loaded with extras, 56k kms, Backup, sunroof, Bluetooth, alloy wheels, 5.9L I6, 200hp, 18" wheels, 604-278-1782	Transportation Trucks & Vans 1997 Chevy 1500 Large 8ft. Hg. with 4.3 V6, 700K, approx 1 ton equipment, truck tires with 25000 roadkil, New tires, AC, power windows, 5700000, Call 604-793-0160	Legal Notices LEGAL NOTICE Notice is hereby given that on June 23 rd , 2023, at Loon Mini Storage, 43903 Industrial Hwy, Chilliwack will sell the contents of the lockers listed below: 303 Cheley Loranger 548 Roland Blanch 641 Derek Gulke 1204 Adam Engelman 2318 Ron Graves 2502 Suzanne Point These lockers will be up for auction via BidKestore June 23 rd - June 27 th , 2023.	Legal Notices WAREHOUSE LIEN Reliable Training Center Ltd (Agassiz-Chilliwack Div) located at Victor Drive East, Rossdale will auction the following vehicles on June 23, 2023 for non-payment. 2007 CHRYSLER PT CRUISER VIN 3NAT48B275247 Dealer: Tristar Canada Amount owing: 3,452.20 2012 SUBARU OUTBACK VIN 4S4BFGAC2C200366 Dealer: Kevin Williams Amount owing: 1,915.50 2007 CHRYSLER 300 VIN 2C3K65277662005 Dealer: James Pothmey Amount owing: 1,753.43 1996 FORD WINDSTAR VIN 2FMDU44182C1716 Dealer: Dick Mory Electric Amount owing: 1,171.38 1999 VOLKSWAGEN BEETLE VIN 3WV9P29K930002206 Dealer: Kevin Williams
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Environmental Performance

Since our plan was approved, the total volume of residential newsprint distributed in British Columbia by our members has consistently decreased. Literally every year has seen lower volumes than the one before, with a total decrease across six years of just under 60%. The table below shows the yearly tonnages and percent decreases, and there's no question the numbers are stark, and telling.

Year	Annual Tonnage	% Decrease
2017	23,516.28	X
2018	20,100.72	-14.5%
2019	16,520.16	-17.8%
2020	11,531.39	-30.2%
2021	10,249.73	-11.1%
2022	9,503.83	-7.2%
Overall	-14,012.45	-59.6%

Publications are becoming thinner, with smaller page sizes and reduced distribution frequency. A perfect example is a recent change to the *New Westminster Record* of *Glacier Media*. Despite already becoming a lot thinner in recent years, in 2022 the paper shrank its page size to become even more compact. Below is the before and after of the layout, with the newer version notably smaller.

The New Westminster Record, Before and After Page Resizing



When we talk about environmental impact, the reality is that this reduction in material generated is the single most significant impact that we have had, and it has been major. A 60% volume reduction over six years is enormous, far greater than any other Schedule 5 product category. This was not exactly by design. The nature of our material, and what makes it distinct from everything else under Schedule 5, is that it is a product and not packaging and that our business has been inextricably linked to distributing more of it, not less. Whereas making packaging lighter and more efficient has been a way to improve a company's bottom line, the same thing in our industry has traditionally made us worse off. Fortunately, what also makes us unique is that our product can take a non-physical state in the form of digital content. And this is where our members have been pivoting hard in recent years, catering to readers' preferences and convenience, as well as taking advantage of advertising opportunities in this lucrative space. This helps us sustain our businesses and professional journalism more generally.

Over the last few years, a number of our members have also begun more efficiently harnessing their distribution networks. This has been accomplished through delivery of non-newspaper products and items using the same network, essentially delivering more with the same resources. This has allowed, in some cases, for newspapers to be delivered with a lower environmental impact on average.

When it comes to the make up of our newspapers themselves, namely paper and ink, we have maintained our efforts over the course of this Stewardship Plan. Vegetable based inks are consistently used by all members across publications, as are sustainably sourced paper products using recycled content where available. Relative to the composite and petroleum based packaging that accompany newsprint under Schedule 5, our material is far ahead in terms of both production impacts and end-of-life recyclability.

All the while reducing our environmental impact in terms of volumes, we have maintained exemplary recovery performance. Our lowest recovery rate since we started tracking (73% this year), would be the envy of pretty much any other product category, especially plastics, which tend to command much of the attention when it comes to recycling. We have been able to remain a consistent top-performer, in spite of distributing a lot less of our product. Simply put, our readers know how and are committed to recycling their papers.

Looking Forward

NMC acknowledges that uncertainty has surrounded the BC Stewardship Plan for some time now, certainly longer than we had anticipated or hoped. By this time next year, however, we are hopeful that a plan to take newspaper into the next stage of its stewardship journey in BC will be in place. Unlike other product categories, newsprint and the news industry more generally are going through a pronounced transformation right now. This makes forecasting a five-year plan difficult and takes certain options that might once have been pursued, off the table. At the same time, however, it may present new options as well.

NMC would like to thank the BC Government, our members, and readers for their patience as we navigate plan renewal. We have confidence that a workable and reasonable solution for everyone is possible and look forward to presenting one in the coming months in anticipation of our next annual report.

Appendix A – List of Members and Publications for the 2022 Annual Report

2022 subscribers to the NMC Stewardship Plan are listed below. The list is divided into company names, with specific publications beneath in each subsection. Only hard copy print publications are listed as only these are relevant to the Stewardship Plan.

There are a few minor changes this year. *The Epoch Times* has again been included, as they reported tonnage under the plan in 2022. There are also a few title additions under *Glacier Media*. *Sing Tao Newspapers'* titles condensed in late 2022, which is noted on the list. And finally, *The Georgia Straight* was sold in late 2022, and has since reduced, but not eliminated its hard copy distribution.

- 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
 - Bridge River Lillooet News
 - 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
 - Westender
 - Western Investor
 - Whistler Pique

- Sing Tao Newspapers (Canada 1988) Ltd.
 - From January 1, 2022 to August 27, 2022
 - Canadian City Post
 - Star Magazine
 - Sing Tao Daily
 - Sing Tao Property Guide
 - Sing Tao Weekly Magazine
 - From September 2, 2022
 - Canadian City Post

- Sing Tao Headline

- Continental Newspapers Ltd.
 - Okanagan Advertiser
 - The 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
 - Ming Pao Property Gold Pages
 - Ming Pao Saturday Magazine
 - Ming Pao Weekly

- The Epoch Times Western Canada Society
 - The Epoch Times

- Vancouver Free Press Publishing Corp. acquired in late 2022 by Overstory Media Group
 - The Georgia Straight



News Media Canada
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Internal Audit of Non-Financial Information

News Media Canada
May 29, 2023

BDO CANADA LLP | RISK ADVISORY SERVICES



May 29, 2023

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 Recycling Regulation (B.C. Reg. 449/2004), a producer that uses a commercial enterprise to sell, offer for sale, or distribute, in B.C., a product of the packaging and paper product¹ (PPP) category must provide an approved Extended Producer Responsibility Plan². To meet the requirements of the B.C. Recycling Regulation, the BC members of NMC submitted a Stewardship Plan to the B.C. Ministry of Environment and Climate Change Strategy (the “Ministry”) on September 29, 2017.

The B.C. 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 B.C. 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 by NMC to conduct an internal audit on NMC Producer³ data for the year ended December 31, 2022. The objective of this internal audit was to assess the accuracy and completeness of NMC’s 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, 2022. In total, 11 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 fiber, 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.

The internal audit was carried out from March to May 2023. The initial findings were submitted (Appendix A) to NMC on May 26, 2023. 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 2022.

The main elements of the audit 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.

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, which included the following:
 - Black Press
 - Glacier Media
 - Globe and Mail
 - Postmedia
 - Sing Tao
 - Times Colonist
 - Continental Group
 - Aberdeen
 - Ming Pao
 - Georgia Straight
 - Epoch
- 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. It would be worth noting; however, that one of the Producers did not follow up on requests for the final stage of testing, which presented challenges during sample testing.

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, third-party evidence was obtained to support the non-financial data.

One (1) Producer was newly acquired in 2022, and during the acquisition no tonnage data or historic information regarding newspaper (or like) production was transferred from the previous owner. As a result, we could not validate tonnage data with third party evidence such as invoices, production reports, fiscal samples of published newspapers, etc. Data presented to NMC by the prior owner was used for the determination of only one (1) quarter worth of reporting. A simple calculation was used based on historic averages to calculate the tonnage of Q2 and Q3, and guidance was provided to this Producer to calculate Q4 Tonnage. Overall, the reported tonnage for this Producer is based on a combination of actuals reported data and an estimation based on historic values which represents the decreased tonnage reported over the past four (4) years. Based on review of the tonnage data provided and method used by this Producer to estimate tonnage data it was determined to be reasonable.

One (1) Producer failed to provide supporting evidence after the initial tie outs were completed. Tonnage volume estimates were made for reporting based on the assumptions gathered from the past four (4) years. Based on review of the tonnage data provided and method used by this Producer to estimate tonnage data it was determined to be reasonable.

SUMMARY OF KEY FINDINGS

This section summarizes 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 2022 reported data.

A. GROSS PRODUCTION VOLUME

While Gross Production Volume is not defined in the documents made available during the audit, including the Stewardship Plan and Recycling Regulation, the 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 PPP, regardless of whether they entered in the residential stream.

Through testing, it was confirmed that the Total Gross Production Volumes reported by Producers for 2022 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.
- One (1) Producer only reported two (2) quarters of reporting due to a transfer of ownership and the loss of data. BDO calculated the remaining two (2) quarters of reporting utilizing a depreciation model to determine the Gross Production for the producer. BDO further worked with the producer to determine reporting practices and requirements for future reporting.

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

- Three (3) Producers had some data entry errors with respect to the number of copies entered for the calculations, which resulted in both over and under reporting. These errors were extrapolated and reflected as “Adjustments” 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 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 where, for example, Producer A and Producer B reported the gross production of the same product (or volumes) in the scenario where Producer A prints publications on behalf of Producer B. 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 2022 included:

- Starting with the total number of copies printed for each publication.

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 B.C., 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.

- 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 2022.
- iii) **Plastic Film and Laminates** - While, the majority of Producers still do not provide a consideration for Plastic Film and Laminates, including plastic newspaper sleeves, three (3) Producers included a total to their reporting in 2022. 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 2022 as the basis for the reported totals. Plastic Film and Laminates were included as part of Gross Tonnage Volume in 2022 for two (2) Producers.

- iv) **Other Printed Paper - Subscription Letter & Envelopes** - There have been no changes in 2022 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 2022 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 2022, 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** - Through our testing it was determined that no other packaging was used during 2022. This number has been slowly declining over the course of the last five (5) years.

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

Included in the scope of the internal audit was to review information relating to the performance measure in NMC's Stewardship Plan, regarding the inclusion in 2022 of recycling promotional pieces. The Stewardship Plan states that Producers will "continue ongoing recycling promotion in B.C. newspapers" in 2022.

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 acquired the paper during the last quarter of the year and was not aware of the requirement to publish promotional pieces. BDO worked with the producer to ensure that recycling adds will be published going forward.
- One (1) Producer does not publish promotional pieces in one of the papers being published, this is consistent with prior years.

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 B.C. newspapers in 2022 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.

The following lists the findings of the internal audit:

- **Gross Production Volumes** - In 2022, 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** - It was 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 2022.

- **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.
- **Promotional Pieces** - All Producers included promotional pieces in their publications in 2022. However, the frequency of inclusion differed by Producer.

This year, BDO has once again recognized the importance of providing clearer guidance to Producers in order to ensure consistency in calculating tonnage information. Specifically, there is a need for defining how to calculate Gross Production Volumes and making decisions regarding the breakdown of PPP categories.

In the absence of such guidance, BDO has observed that Producers have maintained a consistent approach in reporting their individual totals. However, certain Producers still exhibit unsupported discrepancies in their reported figures. Although these errors do not significantly impact residential tonnage, they raise concerns about the overall calculation methodology. It may be necessary to collaborate further with these Producers to enhance future reporting accuracy.

Appendix A contains BDO's estimates of revised tonnage based on adjustments made to address identified errors during testing.

Please note that this report has been exclusively prepared for the purpose of reconciling reported amounts by Producers on behalf of NMC and sharing them with the Ministry. It is not intended for any other use. Our responsibilities are solely owed to NMC, and therefore, we disclaim any liability for losses incurred by other parties based on the content of this report.



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May 29, 2023

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.

2022 REVISED ESTIMATES - ALL PRODUCERS												
	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	TC Pub. Ltd.	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
GROSS PRODUCTION VOLUMES												
Reported GPV for 2022	6,038.74	2,188.00	682.21	2,400.27	512.99	1,385.12	171.59	263.71	864.63	29.79	10.10*	14,547.14
Adjustments	-2877.52	-743.13	-	-0.01	-	-	-	0.15	0.00	-0.79	9.81*	-3611.50
Revised 2022 Estimates	3,161.22	1,444.87	682.21	2,400.25	512.99	1,385.12	171.59	263.86	864.63	29.00	19.91*	10,935.65
RESIDENTIAL PRODUCTION VOLUMES												
Reported RPV for 2022	3,177.62	1,325.40	540.97	1,754.75	309.19	1,385.12	171.59	250.07	544.28	29.79	10.10*	9,498.87
Adjustments	-1.54	-3.31	-	-0.01	-	-	0.01	0.13	3.91	-0.79	6.56*	4.96
Revised 2022 Estimates	3,176.08	1,322.09	540.97	1,754.74	309.19	1,385.12	171.60	250.20	548.19	29.00	16.66*	9,503.83
Categories of PPP												
i) Newsprint												
Reported 2022	2714.14	1261.31	522.36	1732.68	211.11	1352.48	170.50	250.07	379.93	29.79	10.10*	8,634.46
Adjustments	-	-3.31	-	-0.01	-	-	-	0.13	-0.07	-0.79	6.56*	2.52
Revised 2022 Estimates	2714.14	1258.00	522.36	1732.67	211.11	1352.48	170.50	250.20	379.86	29.00	16.66*	8,636.98
ii) Magazines, and other bound periodicals												
Reported 2022	-	63.88	15.44	22.07	98.08	22.97	1.09	-	151.16	-	-	374.69
Adjustments	461.94	0.01	-	-	-	-	-	-	17.17	-	-	479.12
Revised 2022 Estimates	461.94	63.89	15.44	22.07	98.08	22.97	1.09	-	168.33	-	-	853.81
iii) Plastic film and laminates												
Reported 2022	-	0.21	2.93	-	-	6.70	-	-	-	-	-	9.84
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revised 2022 Estimates	-	0.21	2.93	-	-	6.70	-	-	-	-	-	9.84
iv) Other Printed Paper - subscription letter & envelopes												
Reported 2022	463.48	-	0.24	-	-	2.97	-	-	13.20	-	-	479.89
Adjustments	-463.48	-	-	-	-	-	-	-	-13.20	-	-	-476.68
Revised 2022 Estimates	-	-	0.24	-	-	2.97	-	-	-	-	-	3.21
v) Other Packaging												
Reported 2022	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revised 2022 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

* Figures provided by the Producer were based on estimates calculated using historical averages.