



Small Changes. Big Impacts.

Sustainability Report 2021

abcrc 

Welcome

For more than 25 years, ABCRC has been the approved Collection System Agent for beverage containers in Alberta. ABCRC's commitment to operating one of the most innovative and sustainable beverage container recycling programs in North America is the driving force behind our ongoing success.

ABCRC makes sustainability an integral part of daily business operations, from collection through to processing, and we're proud to highlight our environmental, social and economic stewardship achievements for 2021 in this edition of our annual Sustainability Report. In doing so, we hope to inspire not just individuals, but other companies and governments as well, to take up the cause of global sustainability.

You can take the first step. Bring your own reusable straw to a restaurant, compost the paper towel in your office bathrooms, take your bottles to the depot, print to file instead of paper, reuse an old shirt as a rag or repair a piece of equipment rather than buying a new one. When everyone takes small, thoughtful actions, it can lead to big, positive impacts on global sustainability efforts.

abcrc 



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Executive Summary

Actions, no matter how small, can lead to sustained change. At ABCRC, we believe that by taking the lead and generating momentum for change, it can and will make a difference. That’s what sustainability is, and as the steward for beverage container recycling in Alberta, it’s something that has been a part of our culture for more than twenty-five years. As our province begins its transition to an Extended Producer Responsibility (EPR) model for recyclable materials, ABCRC is committed to continuing to develop and promote innovative solutions that ensure beverage containers are recycled in an efficient and responsible manner.

In 2021, ABCRC joined the Canada Plastics Pact (CPP). As a member of the Ellen MacArthur Foundation’s Global Plastics Pact network, the CPP is committed to uniting diverse leaders and experts in the national plastics value chain to collaborate and rethink the way plastics packaging is designed, used and reused or recycled to realize a circular economy for plastic in Canada. ABCRC has stepped forward to help in the CPP’s mission toward four bold, ambitious targets outlined in the [CPP’s Roadmap to 2025](#).





As Alberta’s steward for non-refillable beverage containers, sustainability has been a part of ABCRC’s culture for more than 25 years."

Ken White



At ABCRC, we believe that by taking on a leadership role and generating momentum on important sustainability initiatives we can meaningfully contribute to local, provincial and national sustainability goals."

Guy West

In addition to national work on plastics recycling with the CPP, ABCRC has been working to bring more transparency to the way in which we report our data. We’re currently in the process of analyzing how much material from a recycled beverage container is actually used to make other beverage containers and recycled products (called “target material”). This will give us more insight into current recycling processes and will allow us to explore innovative new options that produce even less waste.

2021 also saw ABCRC working with chemical recyclers to find better end-of-life solutions for problematic packaging that is in our system, such as drink pouches. Instead of using them as alternative energy sources (such as feedstock for fueling industrial furnaces and kilns), we are seeking alternatives that allow for the recovery of the various polymers involved to be used as recycled content for new packaging.

Always considering our economic, environmental and social actions, no matter what may be occurring in the world, is an important measure that we believe support ABCRC’s ongoing success. We look forward to 2022 and continuing projects that help contribute to a sustainable world.



Key Outcomes



Despite pandemic restrictions, ABCRC not only kept the beverage container recycling industry operating in 2021, but also **increased operational efficiencies** to process more beverage containers than ever before – a record **2.1 billion** of them!



With a return rate of 84%, Albertans diverted **90,502,320 kilograms** of material away from our landfills.



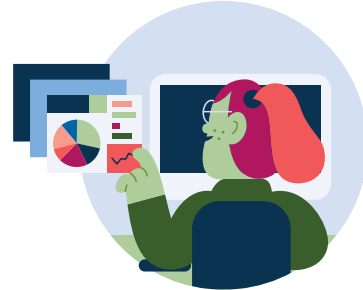
Employed 150 Albertans throughout 2021, balancing ever-changing pandemic health measures to keep employees safe while continually meeting operational demands.



With the infrastructure received through Community Champions Program grants, 84 Alberta communities and not-for profit groups **raised over \$1.7 million** in 2021 and kept **801,174 kilograms** of beverage containers from landfills.



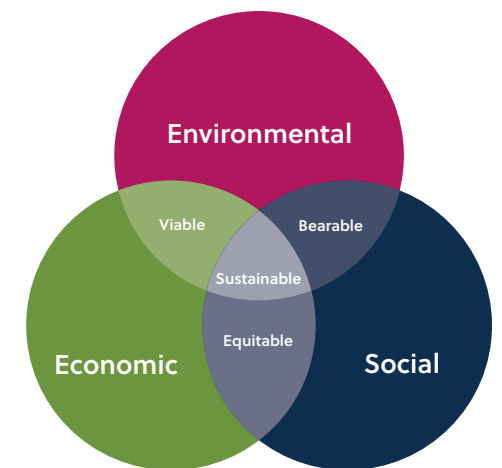
Provided 56 schools with teaching resources, recycling bins and promotional items that were used to educate students about beverage container recycling through the Alberta Depot School Program. As a result, 17,668 kilograms of material was kept out of Alberta's landfills.



An external Certificate of Recognition (COR) audit received a **score of 86%** and recognized key strengths of ABCRC's the Health and Safety Management System (HSMS), including management's commitment to the health and safety of employees, recognition and control of workplace hazards and comprehensive training programs for employees.

Introduction

As we begin to understand the impact that human beings have had on our straining planet, so too do we realize that we must take meaningful steps to save it. Sustainability, by definition, is the ability to meet our own current needs without compromising the ability of future generations to meet their needs – and right now, their future is in jeopardy.



A global movement that aims to create a thriving circular economy that benefits everyone within the limitations of our planet is gaining momentum, calling on humankind to make the transformations needed to stop, and hopefully reverse, the devastating effects of overpopulation and overconsumption.

In 2021, the UN issued its Sustainable Development Goals Report, in which 17 interconnected dimensions of sustainability – including health, well-being, social equality, economic prosperity, climate and ecosystems – were identified as necessary to making the transformational changes needed to make the Earth sustainable once again. But large sweeping changes need to start somewhere... and if history has taught us anything, it's that if we each do a little, we can accomplish a whole lot.

Every time an Albertan takes a beverage container to a bottle depot, they:

- Reduce waste in our landfills.
- Reduce greenhouse gas (GHG) emissions and the energy demand associated with producing new containers from raw materials.
- Reduce overall demand for raw materials by putting materials back into the economy for reuse.
- Take responsibility for what they purchase/consume in (responsible consumerism).
- Put money back into the economy, helping to create jobs for thousands of Albertans.

All of that... from one little beverage container. Now just think about all of the good we can do when we all work together to recycle all of our beverage containers!

As the operator of the largest common collection system for beverage containers in Canada, Alberta Beverage Container Recycling Corporation (ABCRC) is proud to take on a leadership role in the global sustainability movement. The beverage container recycling industry in Alberta, by its very nature, enables a sustainable circular economy. Its basis in extended producer responsibility (EPR) means looking beyond the take-make-waste business model to one that designs out waste and pollution and keeps products and materials in use for as long as possible.

Our commitment to sustainability doesn't stop at facilitating the efficient and responsible recycling of beverage containers, though. At ABCRC, we recognize that business and operating model transformation is necessary to become a truly sustainable organization. We are constantly re-examining our practices, systems and processes to find ways to shape new sustainable behaviors that will ensure lasting security and prosperity for our company and its employees, our community and ultimately our planet.

All of these efforts – those of individual Albertans, ABCRC and Alberta's recycling industry combined - have led to our province having one of the highest per capita return rates in North America year after year. See what we can do, Alberta, when we all work together? Congratulations – keep up the good work!



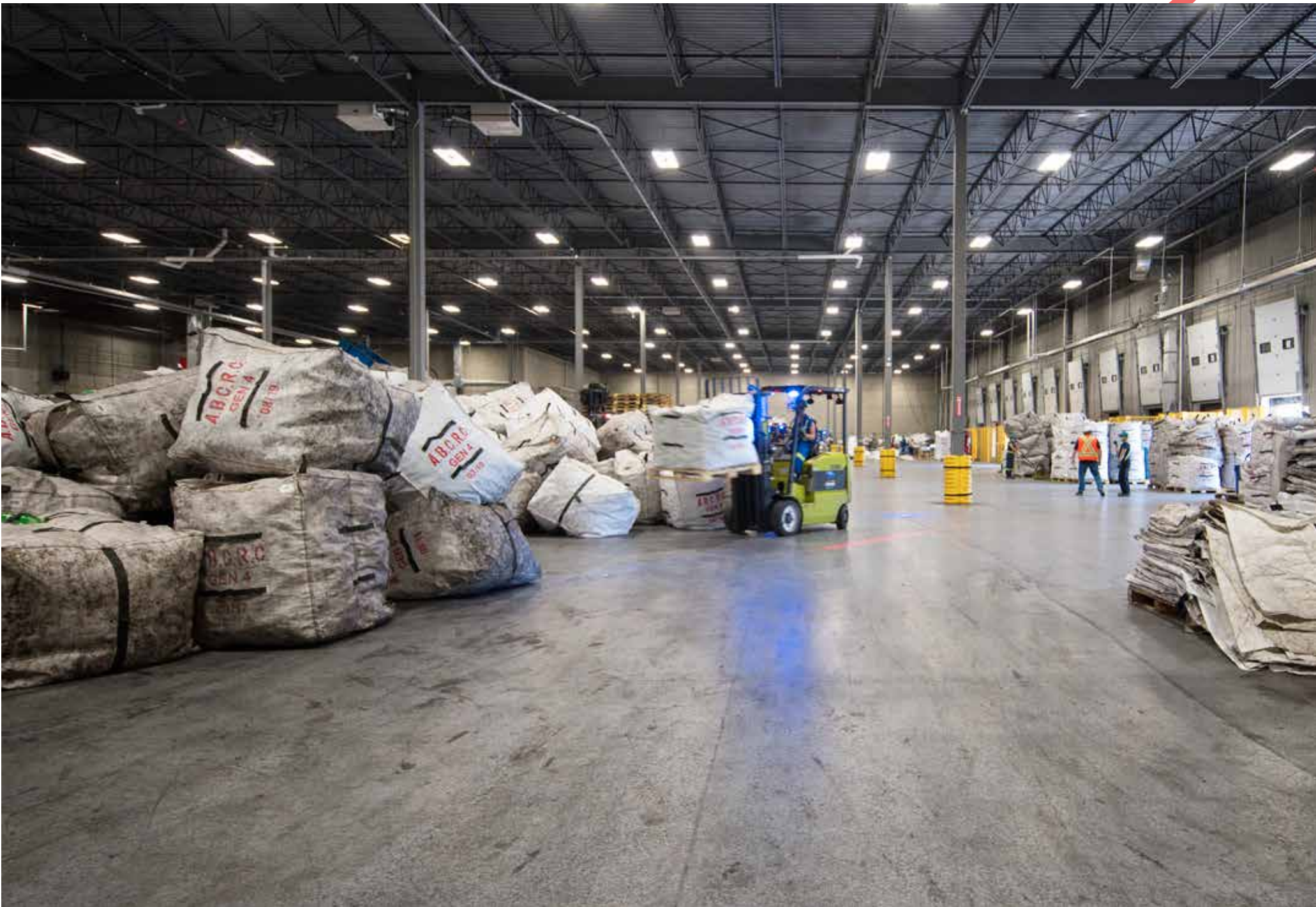
About ABCRC

ABCRC operates the largest deposit-based beverage container collection system in Canada based on the number of material types and the quantity of beverage containers recovered.

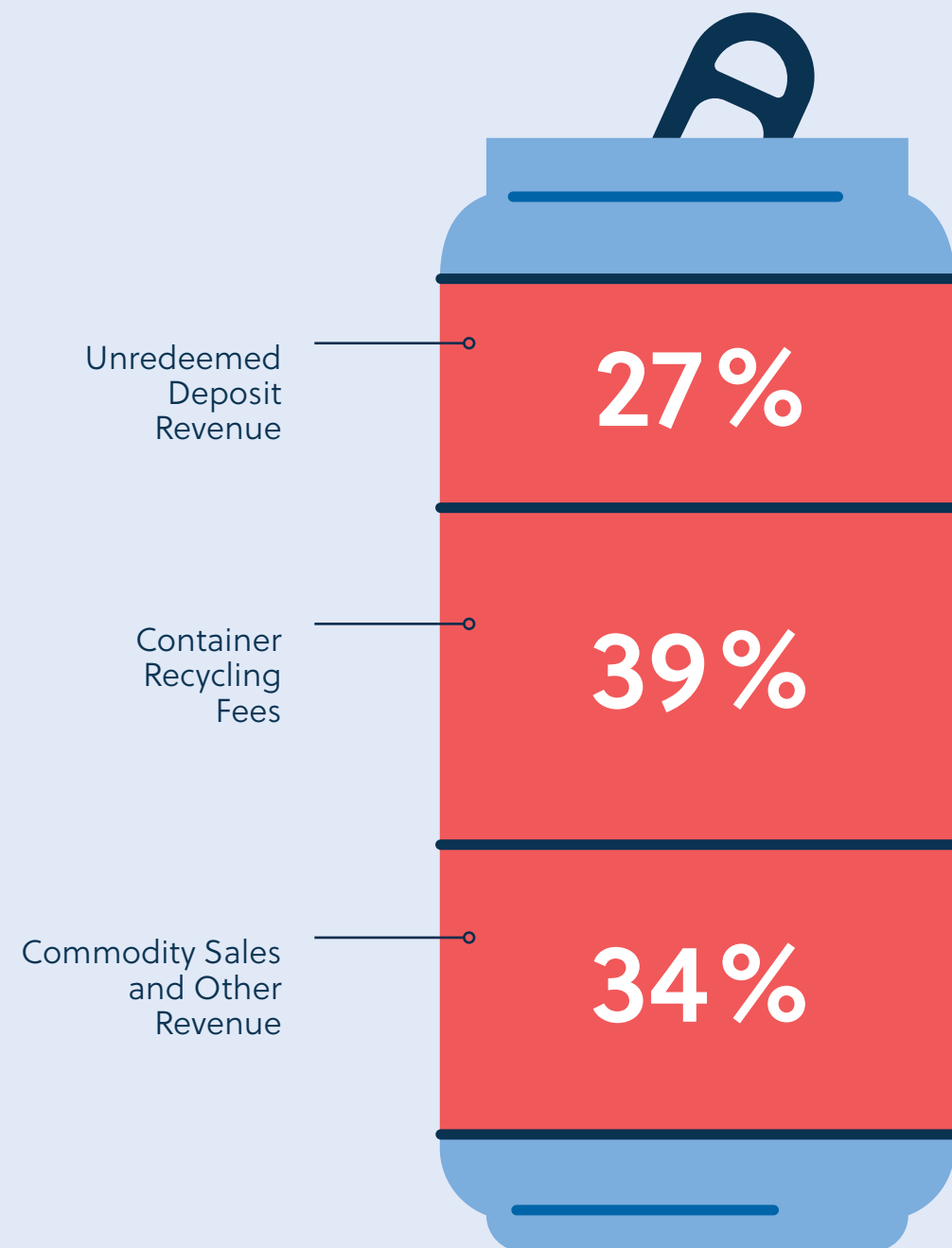
ABCRC operates with not-for-profit provisions as the appointed and approved agent for Alberta beverage manufacturers and distributors whose beverage containers are regulated. ABCRC does not receive any funding from government sources.



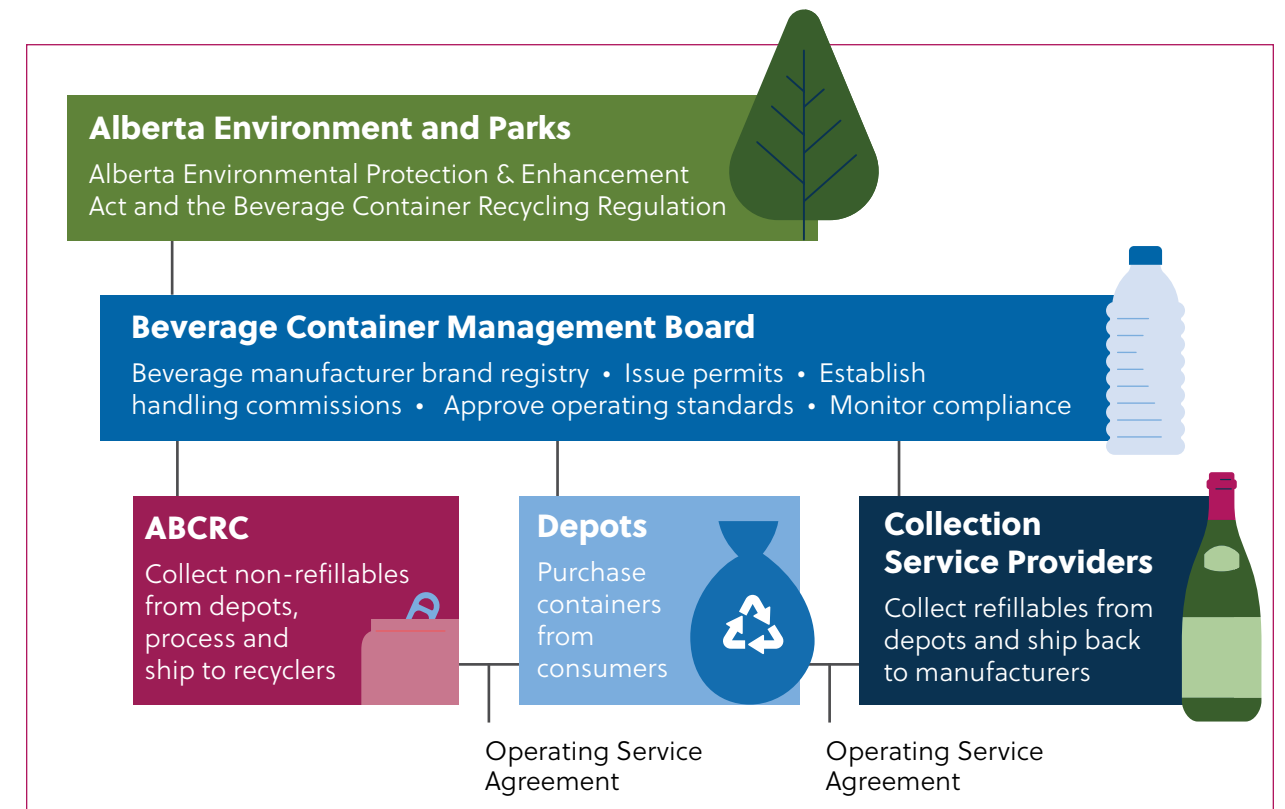
The funds to operate beverage container recovery in Alberta come from three sources: **unredeemed deposits** from beverage containers that have been purchased and not yet returned to a depot, **the sale of recovered material** to commodity markets and the **Container Recycling Fee (CRF)**.



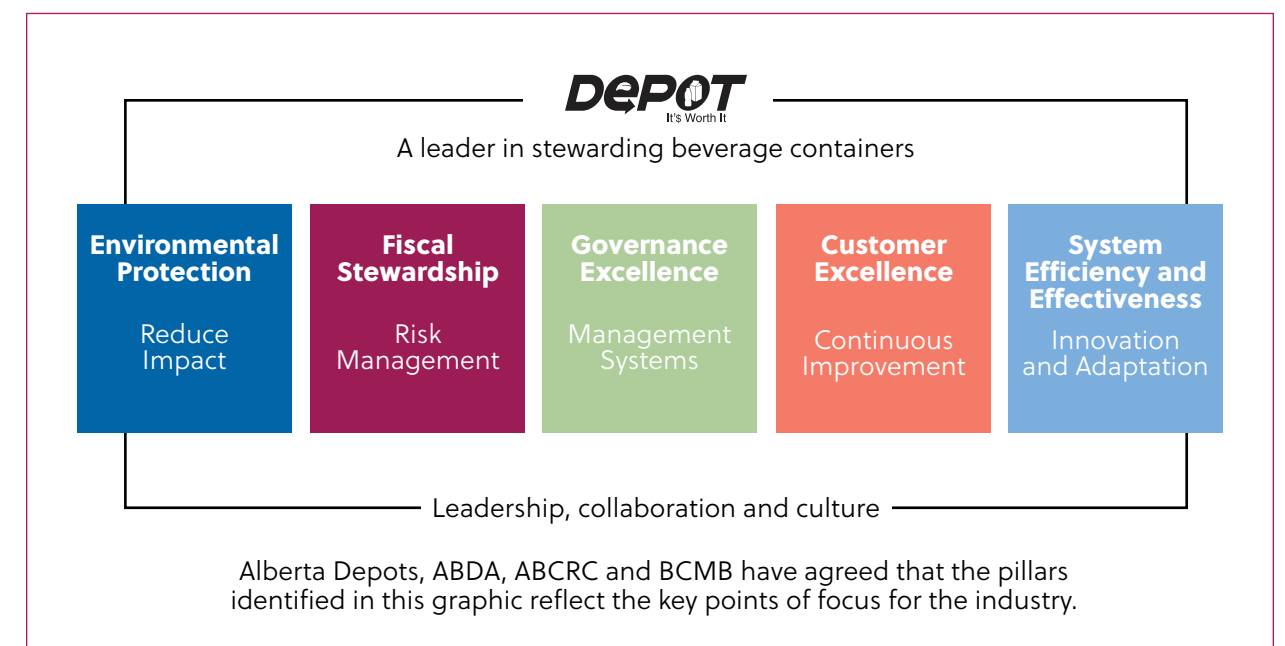
Revenue by Source



Regulatory Structure



Key Industry Focus



Vision and Strategy

ABCRC strives for continuous improvement by constantly examining its practices, working collaboratively with its stakeholders and encouraging innovation.

MISSION

To act on behalf of beverage manufacturers with respect to the operation of Alberta's Common Collection System.

VISION

To be the leading Extended Producer Responsibility organization that strategically focuses on improving the efficiency and effectiveness of the Common Collection System.

Strategic Priorities

In addition to its Mission and Vision, ABCRC operates according to several strategic priorities:

- 01 Provide effective corporate governance.
- 02 Communicate ABCRC's value to stakeholders.
- 03 Improve fiscal management.
- 04 Improve system efficiencies.
- 05 Improve the Common Collection System's environmental performance.

ABCRC Shareholders



ABCRC Board of Directors

(as at December 31, 2021)



KEN WHITE (Chairman)
Independent Director



NEIL ANTYMIS (Vice Chairman)
The Pepsi Bottling Group (Canada) Ltd.



CHERYL MCLAUGHLIN (Treasurer)
Refresco North America



TONY GUSIKOSKI
Lactalis Canada



NICHOLAS KISSEL
AB Gaming, Liquor & Cannabis Commission



SHANE BUCKINGHAM
Canadian Beverage Association



JEREMY CHORNEY
Beer Canada



RACHEL MORIER
The Beer Store & Brewers Distributor Ltd.



CAROLYN FELL
Canadian Beverage Association

ABCRC’s Board of Directors is committed to following effective, transparent and accountable governance practices to ensure that objectives are realized, resources are well managed and the interests of stakeholders are reflected in key decisions.

The Chairman is an independent director appointed by the eight other directors who are manufacturer-nominated shareholder representatives from beverage manufacturers. The Board has the option to appoint up to two independent Directors. ABCRC’s board includes an Audit Committee, a Governance Committee and a Public Affairs and Communications Committee, with some non-director shareholder members contributing to those committees.

Board of Director Expenses for the 2021 Fiscal Year	
EXPENSE	2021
INDEPENDENT DIRECTOR HONORARIA	\$25,758
PROFESSIONAL DEVELOPMENT	\$3,002
DIRECTOR EXPENSES	\$3,431
TOTAL	\$32,191

The nominated Directors, and non-director committee members, do not receive any remuneration for the time and talent they provide to ABCRC. Appointed independent Directors may receive honoraria.

ABCRC Executive Team

(as at December 31, 2021)



GUY WEST
President & CEO



KHURRAM DHEDHI
Vice President




LORI KOEBEL
Manager, Communications & Marketing

ABCRC’s management team is committed to providing effective leadership to ensure the continued success of the organization. ABCRC’s Board of Directors and its management are linked through the President & CEO; the President & CEO is directly supported by the Executive Team who are, in turn, supported by department managers and their teams.



Environmental Stewardship

The Life of a Beverage Container [Water Savings](#) [Off-Spec](#)
[Container Recovery](#) [Zero Waste Initiative](#) [Paperless Progress](#)
[Technology Updates](#) [Materials Usage](#) [Transportation Highlights](#)
[Depot Innovations](#) [Canada Plastics Pact](#) [Exploring New Markets](#)



In 1993, the Government of Alberta consolidated several pieces of legislation into the Environmental Protection and Enhancement Act (Alberta). This led to the evolution of the Beverage Container Recycling Regulation (the “Regulation”), which required manufacturers distributing beverages in containers to appoint a Collection System Agent (CSA) to operate a common collection system for those beverage containers. In 1994, ABCRC was incorporated and appointed as the CSA by Beverage Container Management Board (BCMB).

In the years since, Alberta has intensified its focus on protecting the environment. ABCRC endeavors to be an innovator and industry leader, not just by helping municipalities and the provincial government to meet their waste diversion goals, but also by reducing its own environmental footprint and operating in an environmentally conscious manner that exceeds the Regulation’s requirements.





The Life of a Beverage Container

Every beverage container you return goes through a recycling process to be used in the creation of new beverage containers and many other commercially useful products.



1 Manufacturing

Using new materials, or materials reclaimed following a container recycling process, the beverage container manufacturer produces containers, pours the beverages in, adds caps and labels and packs them for shipping. They are now ready for distribution and sale.



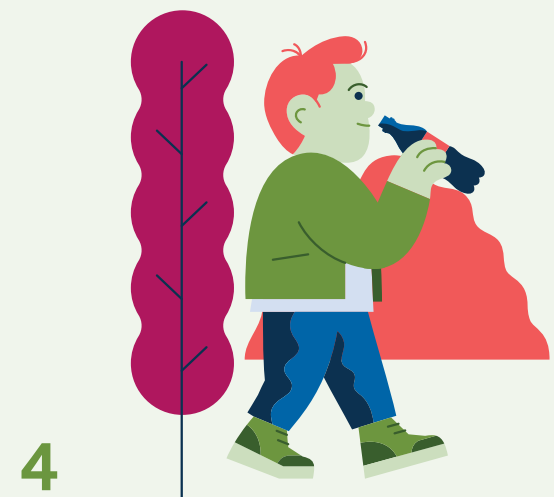
2 Sale to distributor or retailer

The distributor or retailer purchases the beverages (usually in bulk) and stocks their store shelves for the consumer to purchase.



3 Sale to consumer

The container is sold to a consumer, which includes a deposit fee and sometimes a Container Recycling Fee as part of the Alberta recycling process.



4 Consumption of beverage

Once the customer consumes the beverage, they are left to dispose of the empty container.



5 Beverage container disposal

For disposal, the consumer has two choices:
a. Initiate the beverage container recycling process for the empty container by taking it to an Alberta Depot.
OR
b. Place the container into the blue bin where it will be separated and returned to a depot or recycled with other plastic containers.



6 Beverage container processing

An Alberta Depot accepts the container for recycling and refunds the consumer the deposit paid in step 3. The container is shipped to a facility to be prepared for sale to recycling and commodity markets.



7 Recycled into useful materials

The beverage container is recycled into raw materials that are used to manufacture new beverage containers or other useful products.



Water Savings

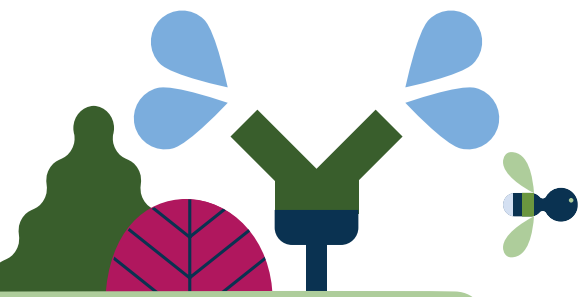
A climate-controlled landscape watering system that uses real-time weather data from specialized water management “weather stations” is installed at both of ABCRC’s processing facilities. The systems automatically adjust watering based on varying landscape needs to prevent over- and under-watering, considering slope, shading, root depth, soil moisture levels, plant type and precipitation rates.



In Calgary, ABCRC’s efficient system only watered on the 35 days that it was needed in 2021; this saved \$1,708 and approximately **615,000 litres of water** compared to benchmark estimations.

Off-Spec Container Recovery

Occasionally, manufacturers request help disposing of unused, defective or off spec beverage containers that have not been registered as part of Alberta’s Common Collection System. In 2021, ABCRC facilitated the recovery and recycling of more than 55,500 kilograms of such beverage containers by collecting them from manufacturers and shipping them to recycling customers. This a true example environmental stewardship, as there is no economic benefit to ABCRC – just a source of pride and a sense of purpose that the material stays out of our landfills.



Zero Waste Initiative

Every year, ABCRC finds ways to keep items used in everyday operations out of the landfill. For example, ABCRC balers discard small pieces of steel wire during the baling process that amounted to more than 1814 kg (4000 lbs) at each plant in 2021. ABCRC sends that scrap wire to Calgary Metal Recycling Inc. for recycling into new product. This initiative not only keeps all that waste from the landfill, but it also reduces CO2 emissions, since steel made from recycled scrap metal creates 80 percent fewer CO2 emissions than new steel does when produced from iron ore.

As well, events like our annual Zero Waste Barbecues are always consciously planned to ensure that the resources used (from décor to food to utensils) do not result in waste destined for a landfill. Our aim is to reduce what is used, reuse as much as possible, send as little as possible to be recycled and compost what remains. Although few events were held in 2021 due to pandemic restrictions, those that did go ahead followed all prescribed safety measures and social distancing requirements, and fun was had by all who attended.

Paperless Progress

By automating business processes and transitioning to more eco-friendly workflow solutions, companies increase efficiency, and ABCRC has seen the results first-hand in its efforts to “go paperless”. In July 2021, the invoicing module for ABCRC’s Enterprise Resource Planning (ERP) application, Microsoft Navision (NAV), was brought on line, allowing for fully digital invoice submission and processing. All suppliers are now required to submit invoices via e-mail to their ABCRC contact, who then uploads them to NAV to generate Purchase Orders (POs) for approval and payment.

It quickly became clear that quotes, invoices and POs had been the main source of printed material at ABCRC’s head office, as the large laser printer/copier had become all but idle. It was removed entirely in April 2021, and any remaining printing needs were directed to a smaller, more efficient printer.

In addition to invoices, many other administrative tasks that once required printed copies are now easily created, shared and stored electronically. Older paper records from all departments continue to be scanned and stored electronically; once uploaded, those papers are securely shredded and recycled. And with the implementation of the Ceridian Dayforce Human Capital Management (HCM) system, all of ABCRC’s time-off and overtime requests are now paperless.

Technology Updates

To continually reinforce its commitment to being a forward-thinking environmental steward, ABCRC reviews all of its equipment, systems and processes regularly to identify areas that could become more efficient. Older equipment and systems are often replaced when reviews indicate that newer technologies could provide economic benefits and a reduction in ABCRC’s environmental footprint.

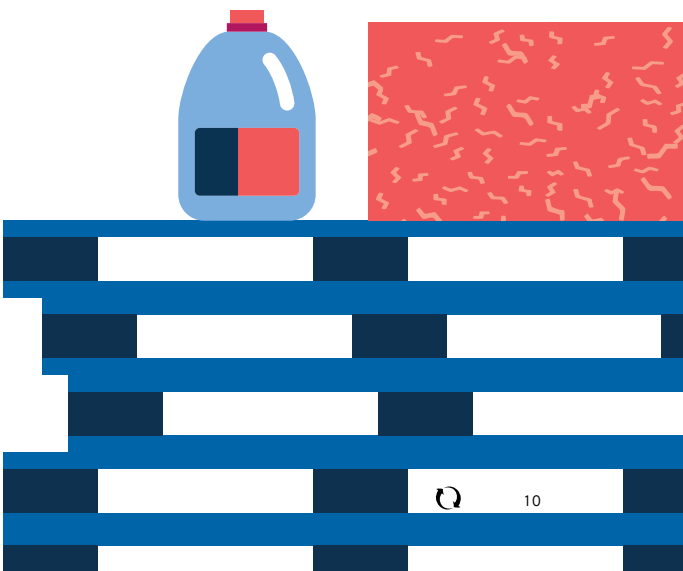
In 2021, battery powered pallet jacks were replaced at both plants with ride-on pallet jacks, and the benefits were substantial. The quick charge electric batteries in the new pallet jacks can simply be plugged into the charging station when not in use, reducing downtime and labour time/costs. As well, the new ride-on electric pallet jacks produce fewer emissions and are ergonomic, resulting in fewer sprain/strain injuries than ever before and a marked improvement in the receiving process.

In St. Albert, a wastewater system upgrade was undertaken in 2021, in which effluent pumps with a flow rate of 0.75 L/min were replaced with new ones that flow at a rate of 2.5 L/min. The new effluent pumps move plant discharge through the system faster, allowing pumps and piping to better stand up to the discharge’s caustic nature. In Calgary, 14 of the plant’s in-ground dock restraints (used to hold trailers safely in place during offload) were replaced in 2021. Unlike the old restraints, the new ones are equipped to hold trailers with low tailgates. And, since they are installed above the ground, they ensure worker safety year-round as they will not freeze in the winter or become inoperative during muddy spring melts.

Materials Usage

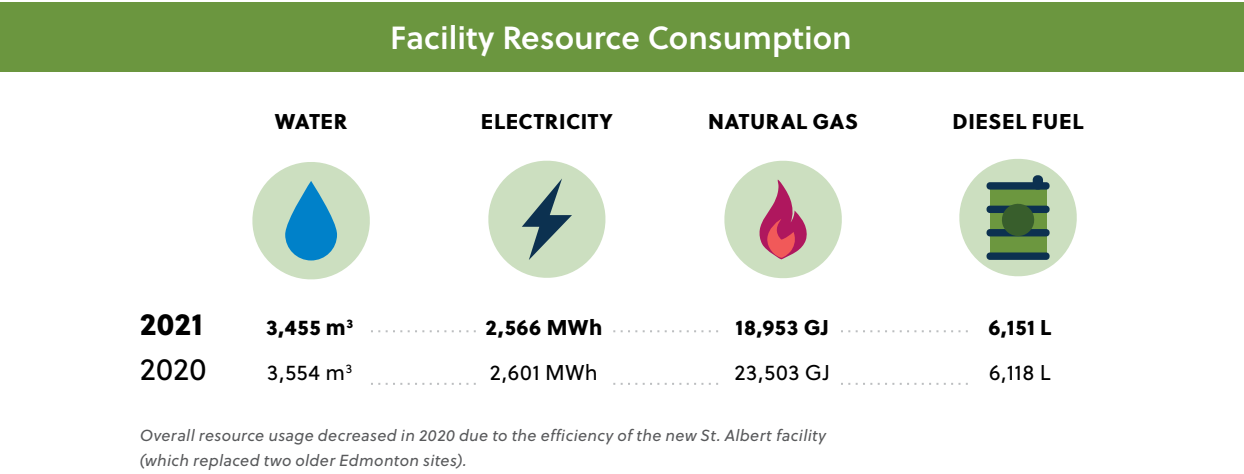
The pandemic created unprecedented world-wide supply chain challenges. While people staying home increased the overall demand for goods, labour shortages caused by pandemic lock-downs and illness quarantines prompted production cutbacks. When companies were able to produce goods, shipping containers were in short supply; those that managed to ship their goods ran into shipping route closures and blockages, congestion at ports due to a lack of dock workers and even more shipping delays due to a lack of truck drivers.

Still, ABCRC persisted, finding ways to manage global supply chain constraints. Baling wire and strapping were extremely hard to source, so when a supply was finally found, extra was purchased to ensure that there was enough in inventory for future use. Wooden pallets – a small but critical part of the supply chain that allows shippers to stack, store and move large quantities of goods at a time – were in even shorter supply due to skyrocketing lumber prices. When ABCRC realized that they would not be able to purchase as many new pallets as needed, they sent broken ones out for repair instead. Approximately 75 percent were deemed repairable and returned to ABCRC, while the remainder were sent to a recycler to be ground down to sawdust and used elsewhere.



	CALGARY	ST. ALBERT
NEW PALLETS RECEIVED	3,084	4,106
BROKEN PALLETS SENT FOR REPAIR	16,696	17,747
REPAIRED PALLETS RECEIVED	12,297	14,419
PALLETS REPURPOSED	4,399	3,117

Any additional purchases of pallets, however, were offset by efficiencies found elsewhere. New blue mega bags used for transporting glass have been found to be much harderier than their predecessors, so no bags needed to be purchased in 2021. As well, due to more Depots transitioning to ABCRC’s electronic eRbill system, fewer paper Rbills (shipping manifests) are needed each year. We look forward to eliminating paper Rbills entirely in the near future.



Materials Usage Table – Total Weight (kg)			
ITEM	2021	2020	2019
WHITE BAGS	158,757	127,006	152,756
BLUE BAGS	0	17,960	34,375
RBILLS (PAPER)	53	149	191
WIRE	232,952	128,935	142,905
BLANK BALE TAGS	168	160	156
CLEAR POLY BAGS	268	559	499
PALLETS	168,886	184,684	218,609
STRAPPING	7,620	4,491	4,264
AIRLINE TAGS	6,738	8,189	7,721
HANDWRAP	1,274	2,577	2,205
TOTAL	576,717 kg	474,440 kg	563,681 kg





Tracking Our Carbon Footprint			
	MODE OF TRAVEL	2021	2020
EMPLOYEES	AIR	10358 km	12,477 km
	TAXI/TRANSIT/RIDE SHARE	39 km	65 km
	RENTED VEHICLES	13701 km	12,835 km
	COMPANY-OWNED VEHICLES	39,011 km	24,216 km
	EMPLOYEE-OWNED VEHICLES	18,738 km	21,430 km
DIRECTORS	AIR	0 km	6,034 km
	TAXI/TRANSIT/RIDE SHARE	0 km	120 km
	RENTED VEHICLES	0 km	0 km
	OWNED VEHICLES	1371 km	331 km

Travel continued to be reduced overall in 2021 due to Covid-19 pandemic restrictions. However, due to the new position of Depot Relationship Manager, which conducts visits to the 220+ depots throughout Alberta, kilometres driven for company owned vehicles has returned to pre-pandemic levels.

Transportation of Products from Depots to ABCRC

KILOMETRES DRIVEN



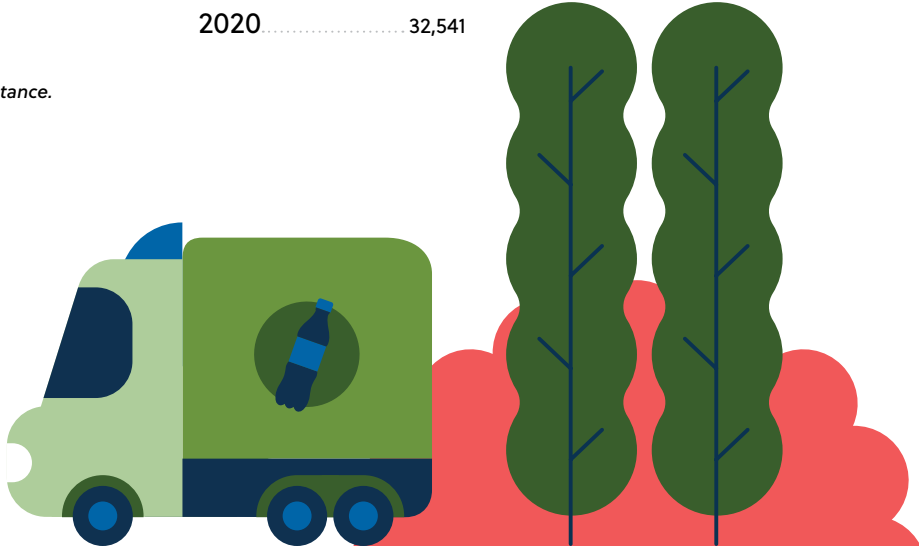
2021 3,304,942
2020 3,182,358

NUMBER OF LOADS



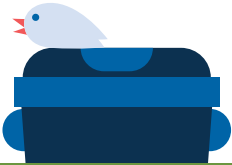
2021 34,020
2020 32,541

Mileage adjusted to account for depot relocation and travel distance.



Transportation Highlights

Transporting beverage containers across a province as large as Alberta and beyond requires an extensive and flexible transportation and logistics system. ABCRC relies on truck transportation as the most appropriate solution for carrying beverage containers as efficiently as possible through the recycling supply chain, but can quickly adapt when required. For example, in November and December 2021, natural disasters in British Columbia saw vital road-to-port links severed for weeks when record-breaking rainfall triggered flooding and mudslides. ABCRC quickly pivoted, though, and moved product to processors and ports by rail until roads re-opened to vehicle traffic.



For transportation to and from 221 Alberta Depots, ABCRC leverages back-haul carriers (i.e., trucks that are returning to Calgary and St. Albert that would otherwise have been empty) as much as possible to reduce our environmental footprint, and several of the carriers that ABCRC contracts are members of the SmartWay Transport Partnership (SmartWay), run in Canada by Natural Resources Canada (NRCan). SmartWay helps businesses move goods efficiently and competitively while reducing fuel costs and emissions by helping carriers and shippers to benchmark their operations, track fuel consumption and improve their overall performance. One company that has adopted SmartWay technologies and processes that mitigate its carbon footprint is Manitoulin Transport, which has successfully reduced CO2 emissions from transporting beverage containers for ABCRC by 202,233 kilograms since 2016.

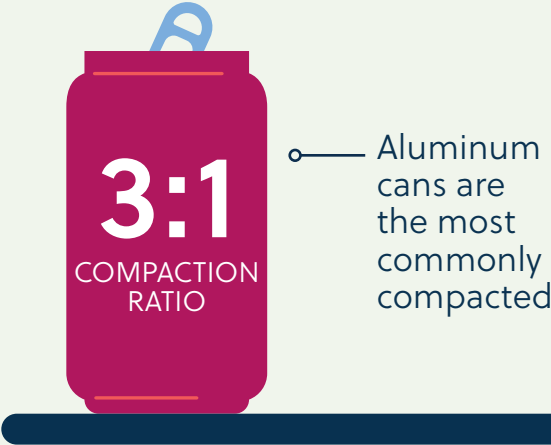
Transportation of Products from ABCRC to End Destination			
MATERIAL TYPE	DESTINATION	2021 KILOMETRES DRIVEN	2020 KILOMETRES DRIVEN
GABLE TOP	NORTH AMERICA*	305,357	348,204
TETRA PAK	NORTH AMERICA	254,670	229,993
ALUMINUM	UNITED STATES	2,659,247	2,558,163
GLASS	ALBERTA	166,624	170,183
PET	ALBERTA	114,344	105,951
HDPE	BRITISH COLUMBIA	205,246	213,120
OTHER PLASTICS - RIGID	ALBERTA	26,244	25,827
OTHER PLASTICS - FLEX	BRITISH COLUMBIA	2,233	2,081
BAG-IN-BOX	BRITISH COLUMBIA	10,821	10,714
BI-METAL	ALBERTA	1,897	1,907
TOTAL		3,746,685 km	3,666,143 km

* In 2021, some Gable Top was shipped to overseas destinations from the port of Vancouver, incurring CO2 emissions of approximately 72,720 kg. However, some of this energy was offset by a more efficient way to load ocean freight.

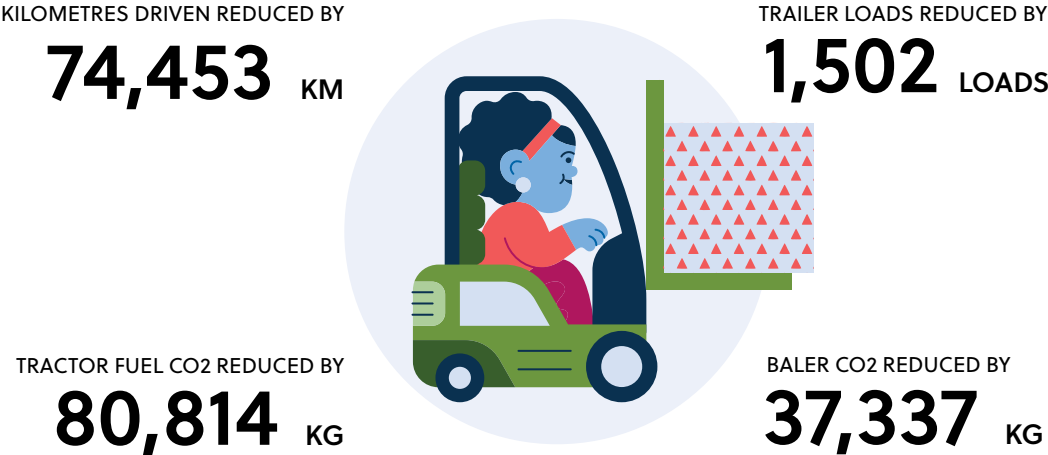
Depot Innovations

Like ABCRC, Alberta Depots are continually looking for ways to increase process efficiencies while still actively and sustainability contributing to the circular economy. Many depots have now converted to a Point of Return (POR) System for electronic bills of lading (eRbills), and some have become fully automated, counting and/or sorting beverage containers via bar codes. This reduces customer wait times, provides better accuracy in bag content counts and allows for the use of automated cash machines that scan the barcode on receipts and quickly dispense customer refunds.

In 2021, eight depots chose to compact beverage containers before sending them to ABCRC. While each depot reaches an agreement with ABCRC with respect to which material streams they compact, aluminum cans are the most commonly compacted, as their high compaction ratio (3:1) results in reduced transportation costs.



Environmental Benefits of Depot Compaction



Canada Plastics Pact

The Canada Plastics Pact (CPP) is an industry led collaboration platform that unites businesses, government, non-governmental organizations and other key stakeholders in the plastics value chain behind a vision of establishing a circular economy in Canada and North America. In 2021, ABCRC proudly became a member of the CPP, partnering with other Canadian companies that are passionate about, and aligned with, a vision for a circular economy for plastics.

By aligning with the Ellen MacArthur Foundation’s global Plastics Pact network and the New Plastics Economy’s common vision of a circular economy for plastics, CPP partners commit to fundamentally rethinking the way plastic packaging is designed, used and reused to ensure that plastic waste is kept in the economy and out of the environment with clear, actionable targets.

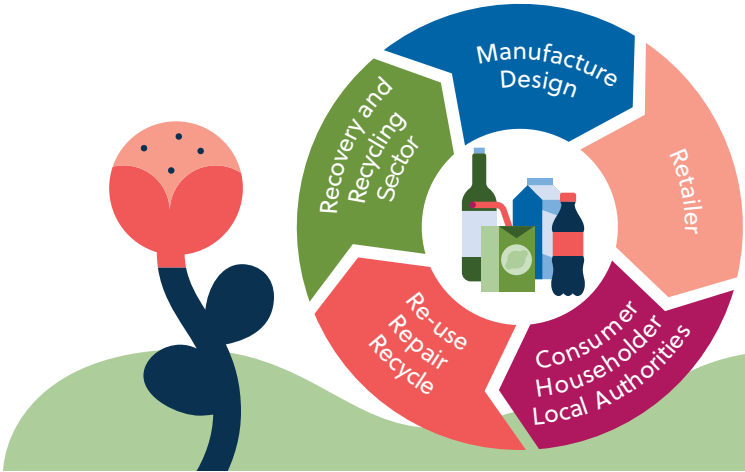
The CPP has developed a vision for a circular economy for plastics packaging in Canada and assembled the collective will to drive rapid, unprecedented change by 2025. ABCRC’s President & CEO, Guy West, is a member of the CPP’s Advisory Council, which leads and engages partners in the substantive work ahead. For further information, visit www.plasticspact.ca.

Exploring New Markets

When discussing beverage container recovery, it’s important to remember that it’s not just about how many used, non-refillable beverage containers are returned by Albertans, but also what happens to those beverage containers after they’re separated into product streams and leave an ABCRC facility. At ABCRC, we do our homework to ensure that Alberta’s beverage containers are sent to markets that recycle or repurpose as much material from them as possible. This is the basis of a circular economy - looking beyond the take-make-waste business model to one that keeps products and materials in use for as long as possible.

Beverage containers are collected and sorted by material stream through one of 221 Alberta Depots across the province, and then transported to ABCRC for processing. ABCRC bales the product (with the exception of glass, which is pulverized) for shipping to end-markets. Keeping beverage containers separate from the other types of recyclable materials means that the resulting product streams are “clean” – not mixed with other materials that can contaminate the purity of the material stream. This makes ABCRC’s product very desirable to end markets and allows us choice in who we sell it to – with a preference for local (Canadian) markets when feasible. The clean plastic streams also help the goal of increasing recycled content in beverage containers, with many large manufacturers having committed to a minimum of 30 percent recycled content by 2030.

Circular Economy



A circular economy is an alternative to a traditional linear (make-use-dispose) economy. In a circular economy, resources are kept in use for as long as feasible, with the maximum possible value being extracted during that time. These resources are then recovered at the end of their service life and recycled for continued use or regenerated into new products and materials.



Tiers of Beverage Container Recycling		
TIER	DESCRIPTION	EXAMPLES
TIER 1: BOTTLE-TO-BOTTLE RECYCLING	There is little to no waste in the process of converting one beverage container into another beverage container, making this mechanical recycling process the most desirable for its circularity.	<ul style="list-style-type: none">• Representing almost half (49.6%) of all beverage containers sold in Alberta, aluminum cans also have the highest return rate at 88.1%. Alberta pools aluminum with nine other provinces in Canada, shipping approximately 2 billion cans (30 million kg) annually to a U.S. company that smelts the aluminum into huge sheets, which beverage manufacturers then use to create more aluminum cans. This means that aluminum cans are truly circular – they can be used over and over again infinitely!• Innovative technology for recycling clear plastic (PET) beverage containers like water and soda bottles into food-grade PET has just been introduced. Merlin Plastics currently ships the clear PET in Calgary to their California plant for further processing, and that additional step allows for the clear PET to be used in new bottles.
TIER 2: BOTTLE-TO-PRODUCT RECYCLING	The beverage container is mechanically recycled into another product, including non-food/non-beverage containers. While still keeping the material in the economy, wastage and degradation of the material (down-cycling) is unavoidable.	<ul style="list-style-type: none">• Glass is broken into small pieces (cullet) and shipped to a processor, Vitreous Glass Inc., in Airdrie, Alberta. Vitreous pulverizes it into a sand-like material and sells it as a raw material to companies that make home insulation. See the Market Spotlight for more detail about this innovative Alberta company.• Plastic water or soda bottles (PET) are processed in Calgary, Alberta, while milk jugs (HDPE) are shipped to British Columbia. In both cases, they are processed into flakes and pellets that are used to make non-food grade containers and other products that use recycled plastics. Even the plastic lids on these containers are recycled into new products, which is why in Alberta we say “Leave ‘em on!”• Paper-type (gable top) products like milk cartons are shipped to the U.S., where they’re shredded and made into other paper products, like toilet paper and tissues.• Once one of the hardest products to recycle, Tetra Brik (like juice boxes) are now shipped to the U.S., where they’re made into drywall and roofing tiles, with very little wastage.
TIER 3: ADVANCED RECYCLING	The chemical structure of a beverage container is broken down to produce substances that are used as raw materials for the manufacturing of other products. While this process is the least desirable because the process uses acids and solvents and produces chemical by-products, it is also more tolerant of contamination in the material stream, costs less than mechanical recycling, and yields material identical to the originals, eliminating downcycling.	<ul style="list-style-type: none">• Drink pouches, such as juice pouches and the inner bladders from bag-in-box drinks, have been hard to recycle historically. However, Canadian cleantech company Enerkem is working on a new process in which the pouches are cryogenically frozen and ground into small pieces that are fed into a chemical recycling process to extract the plastic polymers.

Market Spotlight: Vitreous Glass

Vitreous operates a waste glass processing plant in Airdrie, Alberta. The plant gathers post-consumer waste glass from Western Canada, pulverizes it into a sand-like material, removes contaminants and sells the final product to manufacturers of fiberglass building insulation for use as a raw material in their Alberta production facilities. The fibreglass insulation from these facilities is then sold for housing starts in western Canada and the northwestern United States.

Vitreous purchases broken glass (cullet) from three main suppliers, of which ABCRC is the largest. ABCRC represents 60-70 percent of Vitreous’ total volume, depending on the year. What Vitreous considers most important, though, is the cleanliness of the feedstock cullet that comes from ABCRC, which allows them to produce a superior product.

Darcy Forbes, Vice President & COO, Vitreous Glass Inc., writes:

“The waste ratio of all our material last year was 2.25% by weight. Of this, 1.34% went to landfill (non-glass material) and 0.91% (fines) went to a compost facility. This is one of the best ratios in the industry, and it has everything to do with the cleanliness of our feedstock [from ABCRC] due to the source separated collection via the deposit system. Our facility cannot process the ‘glass’ material that comes from the curbside (blue bin) program due to [its] contamination levels.”

Locally owned and operated, Vitreous Glass helps to contribute to ABCRC’s sustainability efforts in keeping valuable materials, such as recycled glass, in local circular economy markets.



What Vitreous considers most important is the cleanliness of the feedstock cullet that comes from ABCRC, which allows them to produce a superior product.

Materials Recycled 2021

In 2021, ABCRC participated in a joint project with BCMB that looked at how much material is being recycled from each container stream. The project reviewed target (recycled) versus non-target materials, with a goal of determining how much material comes from each beverage container type. This means that rather than reporting on containers on a per unit basis, ABCRC will be able to more accurately report on the amount of material being placed into recycling markets from non-refillable beverage containers.

This project also looked at better defining terms, such as “recycling” and “recovery”, which will help to better align ABCRC’s definitions with national and global definitions. Target materials are defined within the project as the material ABCRC is recovering or recycling, such as PET, aluminum and glass, with non-target materials being things like glue, labels and paint. Initial project findings are proving to be very interesting; those findings, along with the new data reporting structure that results, will be shared in ABCRC’s 2022 Sustainability Report.



Materials Recycled 2021

MATERIAL TYPE		CUSTOMER	RECYCLING DETAILS	SALES VOLUME (UNITS - 000s)	REDEEMED VOLUME (UNITS - 000s)	RETURN RATE (%)	DIVERTED FROM LANDFILL (METRIC TONNES)
ALUMINUM		<ul style="list-style-type: none">NovelisSchupan RecyclingKripke Enterprises (on behalf of Arconic)	<ul style="list-style-type: none">Recycled back into aluminum cans95 -99% of weight shipped is recycled, with the remainder being moisture and contaminants	1,247,199	1,098,455	88.10%	14,955.07
PLASTICS	<ul style="list-style-type: none">Polyethylene Terephthalate (PET) - Clear	Merlin Plastics	<ul style="list-style-type: none">Recycled into new plastic bottles	862,907	701,725	81.30%	20,886.58
	<ul style="list-style-type: none">Hi-Density Polyethylene (HDPE)Polyethylene Terephthalate (PET) - Green		<ul style="list-style-type: none">Recycled into pellets for use in manufacture of new non-food bottles98% of caps recycled with 2% used as alternative fuel source				
	<ul style="list-style-type: none">Other plastics		<ul style="list-style-type: none">80%+ of bottles recycled with less than 20% being sub-standard material or contaminants				
GLASS		Vitreous Glass Inc.	Further pulverized for fiberglass manufacturing: 95% recycled with 5% waste including caps, corks and dust	151,799	133,799	88.10%	49,105.86
POLYCOAT	<ul style="list-style-type: none">Tetra Brik	<ul style="list-style-type: none">ICF Global, Inc.Recycled Materials Management (on behalf of Continuus)	<ul style="list-style-type: none">Fibre extracted and used in the manufacture of paper productsResidual aluminum and plastics used in drywall and roofing tiles98% by weight recycled	126,430	89,094	70.47%	5,137.75
	<ul style="list-style-type: none">Gable Top	<ul style="list-style-type: none">Paper TigersRecycled Materials Management (on behalf of Continuus)RicovaAce Fibres	<ul style="list-style-type: none">Fibre extracted and used in the manufacture of paper products80% by weight recycled	87,337	64,809	74.21%	
	<ul style="list-style-type: none">Drink Pouches	Merlin Plastics	<ul style="list-style-type: none">Energy recovery through gasification (incineration) due to low volumes and scarce end markets, then used as an alternative fuel source for coal to power cement kilnBoxes are recycled as old corrugated cardboard	20,223	8,610	42.60%	254.11
	<ul style="list-style-type: none">Bag-in-a-Box	<ul style="list-style-type: none">Merlin Plastics (Bladders)Waste Management (Cardboard)		2,051	1,009	49.20%	
BI-METAL		General Recycling Industries Ltd.	<ul style="list-style-type: none">Smelted down for recycling into construction rebar, car parts, and grinding rods for mining95% of weight is recycled with 5% contaminants or moisture	3,530	2,855	80.90%	162.95
CERAMICS		Pilot project (stored in house, to be shipped in 2022)	<ul style="list-style-type: none">Ceramics pre-date regulatory requirement for recyclingVery few still in circulationApproximately 227 kg (500 lbs) currently stored in-house until enough volume accumulated, then will be turned into aggregate to use for pavement	0	0	0.00%	0
CONSOLIDATED TOTALS:				2,501,476	2,100,356		90,502.32



Social Stewardship

ABCRC Corporate Engagement **Employment During a Pandemic**
Health and Safety Management Advertising and Marketing
School Recycling Program Community Champions Program



ABCRC's main purpose is to effectively recycle collected beverage containers into useful product streams and away from landfills while supporting Alberta communities. ABCRC's social stewardship is key to that purpose; establishing recycling programs, supporting community initiatives and supporting local employment opportunities all create a foundation that supports ABCRC's goal of continually improving recycling rates in Alberta.

The Government of Alberta's established goal for diverting beverage container waste from landfills is 85 percent. Awareness and encouragement of recycling are fundamental to ABCRC's success in meeting this goal. Our advertising campaigns and community programs help municipalities and other partners to engage Albertans in recycling. As with its other operations, ABCRC is continually tracking its social programs and advertising to determine their effectiveness and further their reach.

ABCRC also believes that community involvement should be reflected in an organization's own practices. ABCRC is proud to contribute to the province's economy by providing a diverse group of Albertans with meaningful work and generating economic value through its operations.

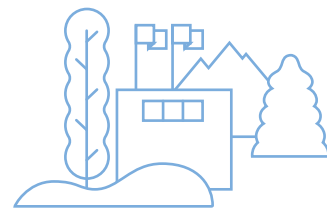


ABCRC Corporate Engagement

Part of being a socially responsible company is the notion of giving back to society. Each year, ABCRC strives to support not-for-profit organizations, charities and local community organizations in Alberta.

A focus on supporting environmental education, particularly for children and youths, aligns with ABCRC's goals to teach young Albertans about the importance of caring for the environment, thereby building a generation of Albertans that will continue to care for our province and seek out innovations to help advance environmental efforts. To this end, ABCRC sponsored the Alberta Emerald Foundation (AEF) Emerald Award "Education: School or Classroom" grant, which recognizes leadership and creativity in educating students of all ages about environmental matters. The recipient can use the grant to develop new, creative projects that innovate and educate... and maybe even change the world!

ABCRC is proud to have been a long-time supporter of the Recycling Council of Alberta's (RCAs) mission to promote, facilitate and advocate for a circular economy in Alberta through waste reduction and resource



Each year, ABCRC strives to support not-for-profit organizations, charities and local community organizations in Alberta.

conservation. ABCRC has committed to sponsoring the RCA's annual conference – an event that brings together like-minded industry stakeholders in a collaborative environment – through 2025.

Employment During a Pandemic

ABCRC is proud to employ a diverse group of more than 150 Albertans that contribute a wealth of expertise to the maintenance and operation of the Common

Collection System. Throughout the Covid-19 pandemic, ABCRC found itself in the position of being an essential service. Health measures were quickly put in place to keep employees safe while they continued working to meet operational demands.

Protocols to facilitate better social distancing were established, such as staggered start/end times for shifts, and any office employees who could work from home were set up with remote access. For those employees who continued working on site, ABCRC provided hand sanitizer and masks to ensure their comfort and safety. These measures, and the incredible resilience and teamwork among our staff, all contributed to keeping ABCRC in operation through 2021 without any service disruptions, which in turn kept Alberta's economy moving... one beverage container at a time.

Health and Safety Management

ABCRC's commitment to employee health and safety never wavers. In response to some small deficiencies identified in an internal audit, ABCRC established a Health & Safety Action Plan, which committed time and resources to correcting issues and establishing a

comprehensive corporate Health & Safety Management System (HSMS). The HSMS was put to the test in early 2021 when it underwent an external Certificate of Recognition (COR) documentation audit.

ABCRC was proud to achieve a score of 86 percent on that audit, which reflected the efforts and resources directed to the HSMS in 2020. The audit recognized key strengths of the HSMS, including management's commitment to the health and safety of employees, recognition and control of workplace hazards and comprehensive training programs for employees. As was expected, some areas for improvement were identified, such as reporting, communication and oversight, but we welcomes the opportunity to further develop our HSMS in those areas.

The concentrated efforts of ABCRC's Health & Safety team also resulted in reduced injuries and claim costs in 2021. The number of recordable incidents decreased, as did lost time claims: from five claims in 2020 to only two in 2021. The reduction in lost-time claim costs and the overall improvement in the HSMS translated into a 14 percent reduction in Workers Compensation Board (WCB) premiums for 2022.



Advertising and Marketing

As we entered 2021, yet another wave of Covid-19 was limiting depot visitation and reducing Alberta's return rate. It was important that we addressed this issue before it resulted in longer-term impacts, especially for new and younger Albertans who hadn't yet formed the habit of returning their empties at an Alberta Depot.



We wanted to highlight that taking beverage containers to a Depot is better than ever and that Albertans are helping to achieve environmental goals that are beneficial to us all.

Working with our agency partners, we launched “Depot Adventure Time”, a recycling variety show that takes the ordinary (trips to the Depot, individual beverage containers and average Albertans) and makes it extraordinary. The creative marriage of puns and nostalgic childhood games provided memorable imagery on containers bound for the blue bin versus those refundable at the Depot. Every segment had its own characters and story to tell, but they all belonged to and bolstered each other, like a variety show about beverage container recycling. We wanted to highlight that taking beverage containers to a Depot is better than ever and that Albertans are helping to achieve environmental goals that are beneficial to us all.

By building boundless range into our 2021 marketing strategy, we were able to target our audiences based on their interests and behaviours within a single unified campaign that communicated four key ideas that further ABCRC's goal to increase the rate of return for beverage containers sold in Alberta:

1. CALL TO RETURN
The joy of getting your deposit back.
2. TWO BILLION CONTAINERS
Help Alberta Reach a Major Milestone.
3. THE JOURNEY
Circular economy and circularity of plastics.
4. EDUCATION
Which containers can be returned to a Depot for refund.

City commuters and newcomers on road trips were served billboards of iconic Alberta landscapes as boardgames. Internet users and on line students were met with made-for-digital 8-bit banner ads. Carpoolers and podcast enthusiasts were treated to understated radio spots that really made a statement. Convenience shoppers quenching their thirst on-the-go were reminded of where to take their empty container right at the point of purchase through efficient and memorable comic panels in the style of Saturday morning newspapers.

All the campaign tactics worked together to demonstrate that taking beverage containers to the Depot is easier – and better – than ever. More than a campaign, Depot Adventure Time was a call to action—a call to celebrate Alberta's proud history of excellent return rates and for Albertans to chase a new high score.





School Recycling Program

The Alberta Depot School Program is a proven way to get elementary students involved in – and excited about – beverage container recycling. Students collect beverage containers from inside the school and from the community, school staff log into the on line program portal to report beverage container counts, the containers are taken to a local Alberta Depot for refund and the school puts the money toward the programs of their choice.



The winner, Huntsville School, received \$1000 for their creative efforts.

During the 2020/2021 school year, 56 schools received \$79,499 in funding for new recycling infrastructure, including outdoor storage bins, classroom collection bins, hallway collection bins and bin liners. This garnered \$36,891 in funding for those schools during the 2020/2021 school year and kept 17,668 kg of waste out of Alberta’s landfills... and that’s just for one year! Because the infrastructure is theirs to keep, participating schools can continue to raise funds, educate students and protect our environment for years to come.

In 2021, the program also launched a new video game to its range of teaching tools, as well as the first annual “Paint Your Bin” contest to further reinforce the connection between the school program infrastructure and the students who use it. The winner, Huntsville School, received \$1000 for their creative efforts.

School Program Spotlight: Huntsville School

Huntsville School is a K-12 school located in Iron Springs, Alberta, . They participated in the Alberta Depot School Program for the first time in 2020/2021, requesting an outdoor bin to house their collected beverage containers along with classroom and hallway bins and liners.

The Grade 6 and 7 students laid out a design for the bin decoration and when it arrived, they did all of the painting themselves. The front of the bin shows the school logo, books and the school’s name resembling a sign that hung in the old school that was saved when the new school opened this year. The third side of the bin has a more elementary feel, as they are a K-12 school. The crowning touch is the German words on the bin, showing a love for their community and its history.

For their efforts, Huntsville school won the Alberta Depot School Program’s inaugural “Paint Your Bin” contest in June 2021. They did a wonderful job representing their entire school and their school values, and the bin is beautiful as well! They received \$1000, which they put directly back into the school to fund a 9 Square in the Air® game for the Physical Education program. Mr. Kevin Holland, Huntsville teacher writes:

“It was a real hit and can be used with all our students from K-12. As a result of your contest, we have a beautifully painted recycling container and a piece of equipment that will be used by our students for years to come. Thanks again!”

Huntsville school exemplifies the goals of the Alberta Depot School Program: to encourage students to learn about recycling, use that knowledge to actively help their school and community and foster what will hopefully become lifelong habits of reducing, reusing and recycling.

Alberta Depot School Program Award Recipients		
Each September, a prize is awarded to the schools that collected the most beverage containers per student during the previous school year. In September 2021, each of the 10 winning schools received a prize of \$1,000.		
ALBERTA SCHOOL	TOTAL BEVERAGE CONTAINERS COLLECTED	CONTAINERS COLLECTED PER STUDENT
ÉCOLE ROCKY ELEMENTARY SCHOOL	28,182	115.98
LIVING TRUTH CHRISTIAN SCHOOL	5,334	104.59
CLANDONALD	1,836	87.42
CORONATION SCHOOL	22,710	87.01
SWAN HILLS SCHOOL	20,241	72.29
ROCKY CHRISTIAN SCHOOL	7,506	70.15
VERMILION ELEMENTARY SCHOOL	16,108	57.12
C. W. SEARS SCHOOL	18,070	55.09
KIHEW ASINĪY EDUCATION CENTRE	6,981	51.33
CAROLINE SCHOOL	16,609	47.45





TOTAL PARTICIPATING SCHOOLS

56

ENVIRONMENTAL
BENEFIT FROM RECYCLING

17,668 KG



NEW RECYCLING INFRASTRUCTURE
INTRODUCED

389 BINS



ECONOMIC BENEFIT
FROM REFUNDED DEPOSITS

\$ 36,890.65



TOTAL BEVERAGE CONTAINERS
COLLECTED BY PARTICIPANTS

345,460

School Program 2020-2021 Highlights

ABCRC is proud of all the schools that participate in the Alberta Depot School Program and the positive impact they make on the world around them when they actively recycle. One container at a time, their collective efforts contribute in big ways: from helping to fund their own school programs to encouraging recycling in their communities and keeping waste out of our landfills.

Video Game Launch

In November of 2021, the Alberta Depot School Recycling Program launched a new, educational video game: The Recyclers: A Dumpster in Disguise. In addition to teaching students how materials can be recycled and reused instead of going into the landfill, the game offers kids a chance to interact with The Recyclers in a virtual reproduction of ABCRC’s collection system plant operations.

Game players help The Recyclers find and defeat Dumpster — the monster from space sent to pollute planet earth — in fun and engaging ways. And with hundreds of thousands of possibilities and combinations, game play is never the same twice! Players are challenged at the end of the game to continue their recycling adventures in their schools, homes and communities to help keep planet earth clean, green and safe from Dumpster and his fellow polluters!



Community Champions Program

The Alberta Depot Community Champions Program (CCP) offers grants of up to \$20,000 for Alberta municipalities and non-profit organizations to purchase recycling infrastructure. CCP start-up support helps to educate the public about the benefits of recycling, and the bins (indoor and outdoor) that the grants fund make out-of-home opportunities for recycling more accessible and convenient to use. This not only keeps beverage containers out of landfills, but also provides important financial and social benefits to participating communities when the collected beverage containers are returned for refund.

In 2021, 84 CCP grants totaling \$1.14 million were given to a variety of qualifying organizations across Alberta. Even program partners (infrastructure suppliers) are impressed by the growing community participation in this unique program and are showing their support for the CCP.

Kristen Richardson, TRUE Advisor, Clean River Recycling Solutions quotes:

"I'm thrilled by how many applications and interest there has been this year... Your program is highly effective and unparalleled in the industry."

Each year, Goodwill diverts over 16 million kilograms of waste from local landfills thanks to innovative recycling, repurposing and reuse programs. These include repurposing furniture in the Repair For Good program, reusing textiles by upcycling them into cleaning cloths and creating plastic benches from plastic items donated to Goodwill by partnering with Albertan companies like Full Circle Plastics. In 2020, with help from a CCP grant from ABCRC, Goodwill was able to recycle more beverage containers, which led to a very innovative project entirely made of donated plastic, the Bee Hotel, helping solitary pollinators thrive in Edmonton.

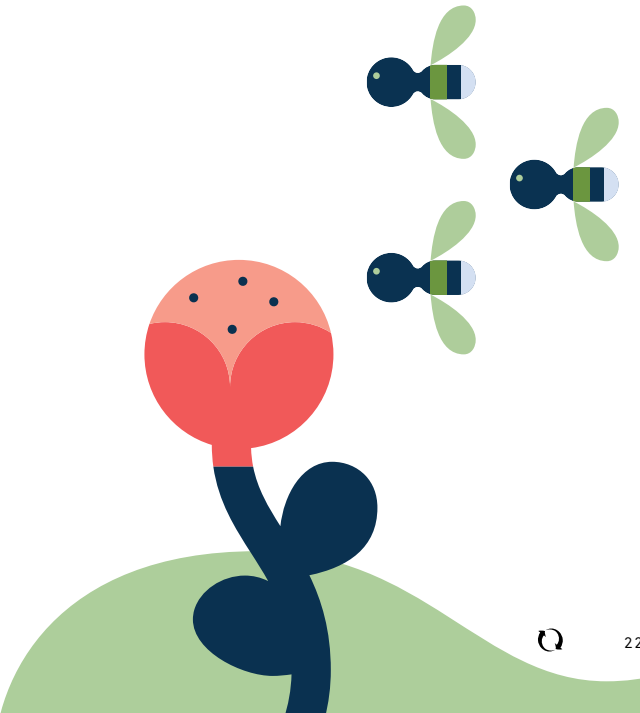
Efforts like these at Goodwill help create a lasting impact in our province and will provide meaningful employment opportunities for Albertans for years to come.

Doug Roxburgh, Manager of Brand Integrity and Marketing, Goodwill Industries of Alberta said:

"With the grant we received, we were able purchase recycling bins for refundable beverage containers. This includes the containers placed in all of our retail locations, lunchrooms, donation centres and more. Our collection rate for refundable beverage containers according to our waste audits is 100 percent and this [is] all thanks to ABCRC."

Community Champion Spotlight: Goodwill Industries of Alberta

Since 1963, through the power of work and the dignity of a job, Goodwill Industries of Alberta has been making a difference in the lives of Albertans with disabilities. Along with this mission, Goodwill has also created sustainability initiatives to create a positive impact in our community and on our environment.



Community Champions Program 2021 Highlights



AMOUNT RAISED
THROUGH REFUNDED DEPOSITS

\$ 1,736,877.55



ENVIRONMENTAL
BENEFIT FROM RECYCLING

801,174 KG



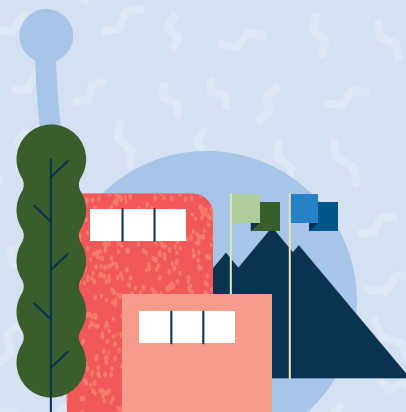
NEW RECYCLING INFRASTRUCTURE
INTRODUCED

835 BINS



TOTAL BEVERAGE CONTAINERS
COLLECTED BY PARTICIPANTS

15,665,340



TOTAL PARTICIPATING
COMMUNITIES/SITES

84

List of 2021 Community Champions Program Grant Recipients



- Adoption Options
- Alberta Animal Rescue Crew Society
- Alexander First Nation Capital Projects
- Amisk Community School
- Canadian Adaptive Snowsports (CADS) Association - Calgary
- Calgary Food Bank
- Calgary Police Foundation
- Calgary Roller Derby
- Camp Evergreen Mennonite Brethren Ministries Sundre
- Camp Nakamun
- Castle Mountain Community Association
- Cherry Canyon Ag. Society
- City of Camrose
- City of Chestermere
- City of Fort Saskatchewan
- City of Leduc
- City of Lloydminster
- Connect Calgary Baptist Church
- Cremona and District Agricultural Society
- Delburne and District Golf and Recreation Society
- Distress Centre Calgary
- Evergreen Park
- Forestburg Arena and Multiuse Facility
- Forestburg Riding Arena
- Forestburg School
- Fort Edmonton Park
- Fort McMurray 468 First Nation
- Goodwill Industries of Alberta
- Gull Lake Baptist Summer Camp
- Jasper National Park of Canada
- KidSport Society of Calgary
- Kihew Asiniy Education Centre
- Kinsmen Club of Coaldale
- Lac La Biche Mission Historical Society
- Lac Ste. Anne County
- Lake Bonavista Homeowners Association Ltd.
- Little Warriors
- MacEwan University
- McKenzie Lake Residents Association
- Medicine Hat Young Mens Family Christian Association
- Megan's Rescue Efforts Society
- Missing Children
- Misty Ridge Ski Club
- Municipality of Crowsnest Pass
- Nordegg Community Association
- Onchaminahos School
- Pawsitive Match Rescue Foundation
- Recycle For Life Inc
- SAIT
- Salem Acres Bible Camp Association
- Sangudo Sports Grounds Society
- Scouts Canada
- Southern Alberta Bible Camp
- Spray Lakes Sawmills Family Sports Centre
- St Benedict School
- St Mary's School
- Stettler District Agricultural Society
- Stollery Children's Hospital Foundation
- Sundance Lake Residents Association Ltd.
- Swan River First Nation
- The Alex
- The Alex -The Community Kitchen
- The City of Beaumont
- The Father's House
- The Hastings Lake Lutheran Bible Camp Association
- The Kids with Cancer Society
- The McMahon Stadium Society
- The Mustard Seed Calgary
- Town of Canmore
- Town of Fort Macleod
- Town of Morinville
- Town of Redwater
- Town of Rocky Mountain House
- Town of Smoky Lake
- University of Calgary
- Vecova Centre for Disability Services and Research
- Village of Carbon
- Village of Donald
- Westwoods Recreational and Agricultural Society
- Wheatland County
- Winnifred Stewart Association
- Youth Central Society
- Youth Empowerment and Support Services
- YWCA Calgary



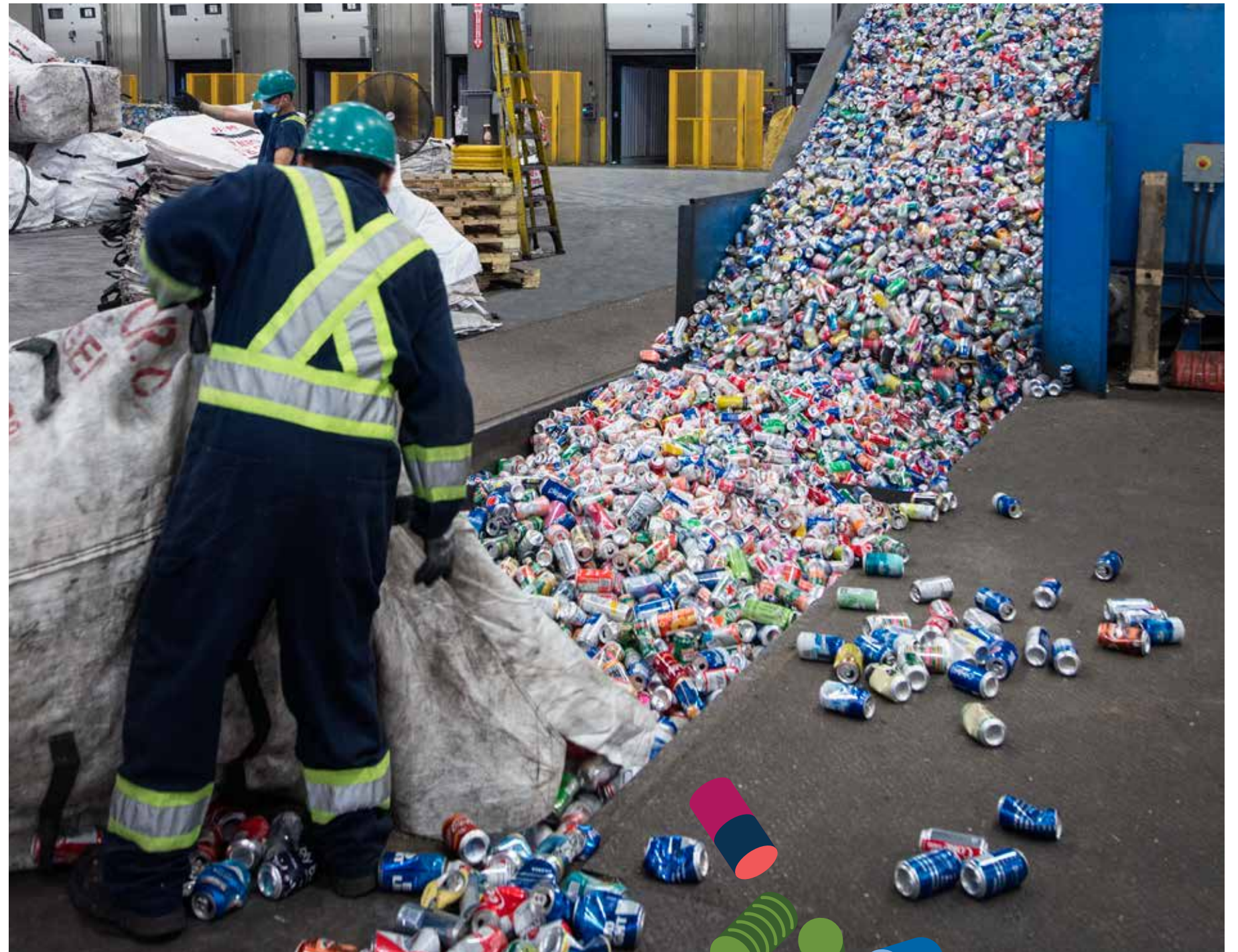
Economic Stewardship

What is the CRF? Operational Efficiencies at ABCRC
Industry Relations Quality Control, Quality Service
How Does the Money Flow System Costs

Alberta is home to one the most innovative and sustainable beverage container recycling programs in North America. Because ABCRC maintains a self-sustaining recycling system, outside economic factors cause minimal fluctuations in operating costs, with little impact to the consumer. The combination of the Container Recycling Fee, unredeemed deposits and the sale of recycled scrap material supports the costs associated with collecting, handling, transporting and processing empty beverage containers.

Alberta's return rate is consistently one of the highest in the country, even during economic downturns and the Covid-19 pandemic. ABCRC recycles a broader range of containers than any other Canadian deposit program, yet continues to be a low-cost operator by comparison. This is done, in part, by maintaining good relationships with commodity buyers and provincial partners, as well as continuously improving operational efficiency.

As well, ABCRC takes cost management seriously. ABCRC is continuously focusing its efforts to better mitigate risk, improve the quality and accuracy of manufacturer sales reporting, and achieve its targets for net assets and reserves to ensure the ongoing financial sustainability of the Common Collection System.



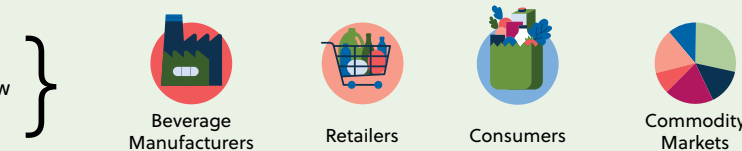
How Does the Money Flow?



Three industry partners collaborate to ensure a sustainable Common Collection System in Alberta



Outside of the industry participants, money and Beverage Containers flow among these four key groups



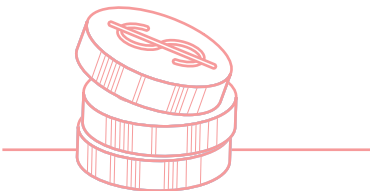
In addition to the CRF, a deposit is paid on all beverage containers sold in Alberta. There are two different minimum deposit amounts:

10¢ beverage containers designed to hold 1 litre or less

25¢ beverage containers designed to hold over 1 litre

What is the CRF?

Each year, ABCRC’s Board of Directors reviews the cost of recovery for each container type for the previous year. The actual cost of recovery is compared to the revenue from unredeemed deposits and the sale of processed material; the deficit that results is the basis for the next year’s Container Recycling Fee (CRF). In September 2021, ABCRC’s Board approved a modulated fee structure that adjusts CRFs to account for low return performance. Effective February 1, 2022, any container type that isn’t performing at 80 percent or above will now have a calculated CRF that helps promote better return rates for that container. This system better ensures the self-funding principle for each different container type; low-performing containers will no longer benefit from the high return rates of other, better performing beverage containers.



Beverage manufacturers are required to pay the established CRF for every non-refillable beverage container they produce.

Return Rate Over Time											
YEAR	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
RETURN RATE	84.0%	81.8%	84.9%	85.6%	85.1%	85.7%	84.8%	82.7%	81.7%	81.6%	82.8%



Operational Efficiencies at ABCRC

ABCRC has been meeting the needs of Alberta’s continually growing beverage container recycling industry for more than 26 years. Beverage container volume in Alberta has now risen to more than two billion per year, and ABCRC continually streamlines its operations to increase productivity.

Human Resources

In 2021, a new, cloud-based Human Capital Management (HCM) system was implemented within ABCRC. Ceridian Dayforce is a real-time platform that combines human resources, payroll, benefits and workforce management in a single application. ABCRC employees

now have easy access to pay, tax, vacation and, for some employees, schedule information via the mobile Dayforce app. In addition, managers can now review and approve employee time off and overtime requests and access employee records, all in one place.

Health and Safety

ABCRC is committed to ensuring the health and safety of all employees, and the use of Personal Protective Equipment (PPE) is an important tool in meeting that commitment. As such, ABCRC allocates significant financial resources to provide employees with a selection of PPE to use while working. In 2021, after usage data was collected and analyzed, ABCRC was able to reduce costs by negotiating with suppliers for better prices, streamlining the number of products offered and reducing on-hand quantities.

Plant Operations

ABCRC made several improvements in 2021 that resulted in better processing capability and significant economic savings.

- Key performance indicators (KPIs) were set in 2021 that greatly improved programs, processes and documentation. The indicators also gave managers the means to better set expectations with staff and assess performance.
- Dayforce brought with it the ability to track labour metrics as a cost down to the employee and their plant task. This feeds into NAV and ABCRC’s business intelligence software, Microsoft Power BI, which helps support operational decision-making for labor requirements and equipment usage.
- Thanks to a preventative maintenance program instituted in 2020, ABCRC equipment was kept in good working order, reducing downtime and repair costs.
- The Depot Relationship Manager’s frequent visits to Depots has reduced hotshots and streamlined supply shipping, contributing to a savings of \$5500 in 2021 (over 2020).
- The 5S system of organization, introduced to plant operations in 2020 to make work more efficient, effective and safe, was put on pause during the pandemic. 2021 saw the project regain some momentum, with expected completion in 2022. Loosely translated from the original Japanese as Sort, Set in Order, Shine, Standardize and Sustain, the 5S system focuses on putting everything where it belongs and keeping the workplace clean, which makes it easier for people to do their jobs without wasting time and energy and with less risk of injury.
- Receiving times decreased thanks to the purchase of ergonomic ride-on pallet jacks, which allowed staff to offload trailers more efficiently and safely. In Calgary, the average trailer offload time (using the old pallet jacks) for the first six months of 2021 was 56.73 minutes. With the new pallet jacks, the offload time dropped to 49.74 minutes on average.

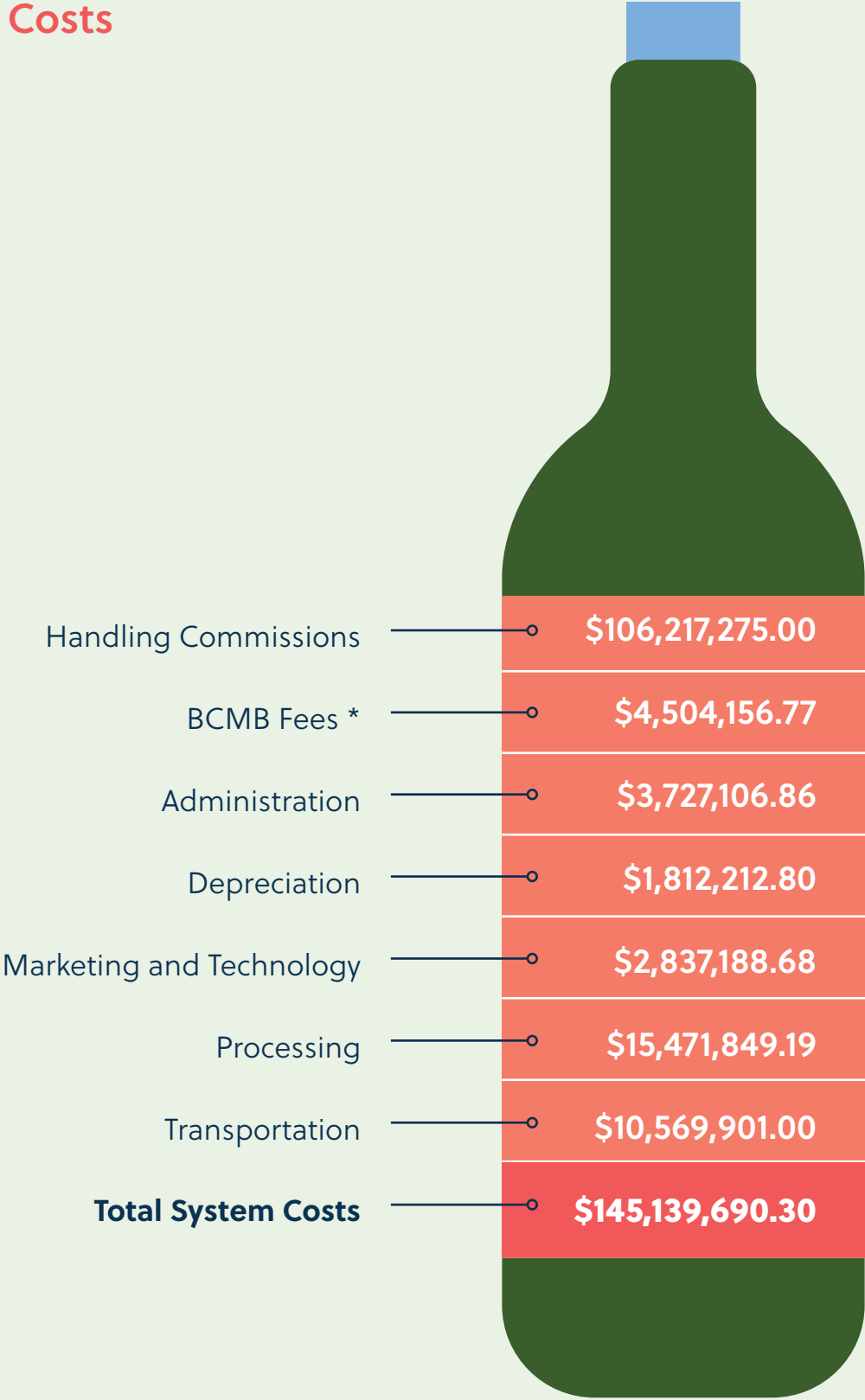


Economic Value	
DIRECT ECONOMIC VALUE GENERATED	AMOUNT
NET REGULATED DEPOSIT REVENUE	\$42,308,027.36
CONTAINER RECYCLING FEES	\$60,543,018.33
SALE OF PROCESSED MATERIALS AND OTHER REVENUE	\$52,380,226.00
TOTAL ECONOMIC VALUE GENERATED	\$155,231,270.69
DIRECT ECONOMIC VALUE DISTRIBUTED	AMOUNT
OPERATING COSTS	\$131,368,420.00
EMPLOYEE WAGES AND BENEFITS	\$10,934,081.62
COMMUNITY INVESTMENTS	\$2,837,188.68
TOTAL ECONOMIC VALUE DISTRIBUTED	\$145,139,690.30
ECONOMIC VALUE GENERATED 2021 – RETAINED EARNINGS	\$10,091,580.39

Consolidated Cost Per Container over Time											
YEAR	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
COST PER CONTAINER	\$0.070	\$0.070	\$0.068	\$0.067	\$0.066	\$0.065	\$0.064	\$0.064	\$0.060	\$0.060	\$0.060



System Costs



* BCMB fees increased in 2021 due to a new fee structure. Historically, the fees were based upon recovered containers and were split equally between ABCRC and the depots, but effective January 1, 2021, fees became based upon reported sales volumes, the depots' portion was removed from the cost of handling commissions and the full expense was borne by ABCRC.



Cost Per Container			
CONTAINER	TOTAL EXPENDITURE	RECOVERED VOLUME (UNITS)	COST PER CONTAINER
 CONSOLIDATED	\$146,231,068.54	2,100,354,229	\$0.07
 ALUMINUM	\$46,157,640.59	1,098,454,631	\$0.04
 PLASTIC	\$62,841,076.07	701,724,516	\$0.09
 GLASS	\$19,667,712.38	133,798,885	\$0.15
 POLYCOAT	\$17,088,351.12	163,521,278	\$0.11
 BI-METAL	\$476,288.37	2,854,919	\$0.17

Industry Relations

The Alberta Depot network consists of 221 depots that are owned by diverse individuals from differing geographical areas across this huge province. As one can imagine, it’s sometimes difficult to bring everyone together on the same page, but ABCRC is always trying to find ways to improve relations. Since 2013, ABCRC has used Quality Monitoring System (QMS), an interface created by BCMB, to centralize communication within the industry, monitor and resolve issues, create reports, recognize trends and help identify opportunities for improvement. As well, ABCRC’s Depot Relations Manager regularly visits Alberta’s depots, focusing on personal relations, dispute resolution and management of supplies and inventory.

In 2021, ABCRC and the Alberta Beer Container Corporation (the agent for refillable beer bottles) offered an additional payment to Depots in recognition of the impacts and struggles some faced due to the pandemic, instead of decreasing handling fees. Effective July 1, 2021, the BCMB Board established a two-year pilot program whereby every depot received a Depot Viability Fee on the first 1.5 million containers shipped after that date to a maximum of \$11,250. The cost of these payments was \$2.4 million in the first six months. The impact of this new fee had resulted in BCMB resetting the regular handling commission fees paid by ABCRC downward so that the net cost of the new program was effectively zero. Effective January 1, 2022, the maximum payment to each depot for the 2022 calendar year will be increased to \$22,500.

Quality Control, Quality Service

ABCRC strives to meet or exceed agreed-upon service levels that reflect the policies outlined in the service agreements between ABCRC, the Alberta Bottle Depot Association (ABDA) and individual depots. To this end, ABCRC is constantly updating our policies and procedures to ensure that our economic and operational interactions with all Alberta Depots are helpful, respectful and transparent.

ABCRC operates a rigorous quality control (QC) program, in which 2–2.5 percent of bags received (approximately 1,500 incoming bags per plant, per month) are randomly selected for recount by the system or receivers or targeted if a recurring issue is noted. Depots can challenge observed discrepancies by the end of their next business day and book a review appointment within five ABCRC business days of that challenge being lodged. When needed, ABCRC also works with BCMB, which has a progressive-action process for depot compliance; BCMB may request that ABCRC target a depot that they have concerns about and can impose penalties over and above ABCRC deductions based upon audit results.

To improve QC accuracy, a pilot project was initiated in 2020 that saw cameras installed around one of ABCRC’s automated QC counting machines. The expectation was that this would eliminate the need to quarantine bags with a discrepancy, since the camera footage could simply be checked to confirm; this would save time, labour and space on ABCRC’s part. From the depot’s side, it would also eliminate the need for resolution appointments, saving them time and travel. Overall, the pilot project showed that cameras in the QC area translate to cost savings for everyone, and in 2021 the depot trial portion of the project began. Four depots were selected to review videos and provide feedback on both the videos and the current process, and ABCRC is preparing to add cameras to all QC counting machines and tables, as well as five new Tomra automated counting machines to each plant.

Just as depots are held responsible for the quality of the loads sent to ABCRC, ABCRC is accountable to BCMB and must pay compliance fees when service level expectations are not met. We’re proud to say, though, that few compliance fees were issued to ABCRC in 2021!





Financials Statements

Independent Auditor's Report Statement of Operations and
Changes in Net Assets Statement of Financial Position
Statement of Cash Flows Notes to Financial Statements

Independent Auditor's Report

OUR OPINION

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Beverage Container Recycling Corporation (the Corporation) as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at December 31, 2021;
- the statement of operations and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Calgary Alberta
May 11, 2022

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	2021 \$	2020 \$
Assets		
Current assets		
Cash and cash equivalents	31,928,511	19,025,531
Accounts receivable (note 3)	36,563,304	35,619,821
Prepaid expenses	691,360	750,799
	69,183,175	55,396,151
Tangible capital assets (note 4)	15,836,515	17,218,181
	85,019,690	72,614,332
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 3 and 5)	44,988,176	42,674,399
Share capital (note7)	700	700
Net assets		
Investment in tangible capital assets	15,836,515	17,218,181
Unrestricted net assets	24,194,299	12,721,052
	40,030,814	29,939,233
	85,019,690	72,614,332
Commitments (note 9)		

Approved by the Board of Directors

Director

Director



The accompanying notes are an integral part of the financial statements.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	2021 \$	2020 \$
Revenue		
Regulated deposits	276,331,872	269,207,745
Container recycling fees	60,543,018	58,333,976
Deposits refunded	(234,023,846)	(221,230,162)
	102,851,044	106,311,559
Sale of processed containers	52,095,613	31,721,136
Other income and expenses	138,577	256,366
Gain (Loss) on foreign exchange	146,036	(263,199)
	155,231,270	138,025,862
Regulated expenses		
Handling commissions	106,217,275	103,742,944
Beverage container management board fees	4,504,157	1,434,064
	110,721,432	105,177,008
Expenses		
Warehouse	15,471,847	13,966,697
Transportation	10,569,901	9,827,706
Administration	3,727,107	4,932,831
Marketing and communication	2,837,189	2,928,172
Amortization	1,812,213	2,094,916
	34,418,257	33,750,322
Surplus (Deficiency) of revenue over expenses	10,091,581	(901,468)
Net assets - Beginning of year	29,939,233	30,840,701
Net assets - End of year	40,030,814	29,939,233

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Cash provided by (used in)	2021 \$	2020 \$
Operating activities		
Surplus (Deficiency) of revenue over expenses Items not affecting cash and cash equivalents	10,091,581	(901,468)
Amortization	1,812,213	2,094,916
(Gain) Loss on foreign exchange	(146,036)	263,199
	11,757,758	1,456,647
Changes in non-cash working capital		
Accounts receivable	(943,483)	(3,203,556)
Prepaid expenses	59,439	55,497
Accounts payable and accrued liabilities	2,313,777	(436,248)
	13,187,491	(2,127,660)
Investing activities		
Purchase of tangible capital assets	(430,547)	(565,129)
Effect of foreign currency fluctuations on US dollar denominated cash and cash equivalents	146,036	(263,199)
Increase (Decrease) in cash and cash equivalents during the year	12,902,980	(2,955,988)
Cash and cash equivalents – Beginning of year	19,025,531	21,981,519
Cash and cash equivalents – End of year	31,928,511	19,025,531
Represented by		
Cash	414,371	373,549
Cash equivalents	31,514,140	18,651,982
	31,928,511	19,025,531

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

1 NATURE OF BUSINESS

Alberta Beverage Container Recycling Corporation (the Corporation) is incorporated under the Business Corporations Act (Alberta). The Corporation has a not-for-profit provision, which exempts the Corporation from taxes under Section 149(1) (l) of the Income Tax Act, subject to certain requirements.

The Corporation has been appointed by participating beverage manufacturers (the Participants) in the Province of Alberta to collect non-refillable registered containers from depots and cause them to be recycled as required under the Beverage Container Recycling Regulation. The Corporation's guiding principles require that container recycling fees are determined so that each container type is self-funding.

2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies.

REVENUE RECOGNITION

Container recycling fees and regulated deposits are recognized on the sale of product by the Participants. Revenue arising from the sale of processed containers is recognized when shipped.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the amounts held in current and money market accounts maintained by the Corporation. Any amount included as cash and cash equivalents will have a maturity of 90 days or less from inception.

FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in net assets.

With respect to financial assets measured at cost or amortized cost, the Corporation recognizes in the statement of operations and changes in net assets an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations and changes in net assets in the period the reversal occurs.

TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized using the straight-line method over their estimated useful lives as follows:

Warehouse building	20 years
Plant equipment	5 and 10 years
Warehouse building improvements	remaining life of the warehouse building
Computer and communication equipment	3 years
Leased land improvements	term of lease
Leasehold improvements	term of lease
Office equipment	5 years
Vehicles	5 years

Assets not yet in use are not subject to amortization until development is complete.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets are recognized as expenses in the statement of operations and changes in net assets. Write-downs are not subsequently reversed.

LIABILITY FOR UNRETURNED CONTAINERS

The amount recorded as a liability for unreturned containers is based on management's estimates of future container return rates and associated costs and is included in accounts payable and accrued liabilities.

FOREIGN CURRENCY

Monetary items denominated in foreign currency are translated into Canadian dollars at exchange rates in effect at the statement of financial position date, and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Foreign exchange gains and losses are included in the statement of operations and changes in net assets against the line item they relate to.

USE OF ESTIMATES

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Specific items subject to estimation include the allowance for doubtful accounts, estimated useful lives and potential impairment of tangible capital assets, liability for unreturned containers and accrued liabilities.

These estimates are reviewed periodically and as adjustments become necessary, they are reported in the statement of operations and changes in net assets in the year in which they become known. Actual results could differ from those estimates.

3 RELATED PARTY TRANSACTIONS

Of the Corporation's total revenue, 66.26% (2020 – 77.02%) is from the deposits and fees charged and collected by Participants in the selling of their beverages in non-refillable containers.

As at December 31, 2021, the accounts receivable balance included \$29,195,379 (2020 – \$29,394,672) due from the Participants in the normal course of business.

As at December 31, 2021, the accounts payable and accrued liabilities balance included \$1,496,576 (2020- \$1,336,293) payable to the Participants in the normal course of business.

These transactions have been recorded at the exchange amount, which represents the amount of consideration established and agreed to by the related parties.

4 TANGIBLE CAPITAL ASSETS

2021	Cost \$	Accumulated amortization \$	Net \$
Land	3,831,850	–	3,831,850
Warehouse building	6,993,805	2,769,057	4,224,748
Plant equipment	9,614,086	5,246,913	4,367,173
Warehouse building improvements	3,867,553	1,516,807	2,350,746
Computer and communication equipment	2,302,432	2,121,365	181,067
Leased land improvements	743,033	591,432	151,601
Leasehold improvements	820,990	363,128	457,862
Office equipment	407,455	400,236	7,219
Vehicles	41,762	7,857	33,905
Assets not yet in use	230,344	–	230,344
	28,853,310	13,016,795	15,836,515

2020	Cost \$	Accumulated amortization \$	Net \$
Land	3,831,850	–	3,831,850
Warehouse building	6,993,805	2,403,353	4,590,452
Plant equipment	9,488,261	4,407,633	5,080,628
Warehouse building improvements	3,867,553	1,261,442	2,606,111
Computer and communication equipment	2,266,162	1,992,516	273,646
Leased land improvements	743,033	516,233	226,800
Leasehold improvements	820,990	226,566	594,424
Office equipment	407,455	397,037	10,418
Vehicles	8,400	4,548	3,852
	28,427,509	11,209,328	17,218,181

Tangible capital assets (Computer and communication equipment) not yet in use of \$230,344 (2020 - \$nil) are not subject to amortization until development is complete.

5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

LIABILITY FOR UNRETURNED CONTAINERS

Included in accounts payable and accrued liabilities is the amount for a liability of \$39,852,130 (2020 –\$39,179,723) that the Corporation has accrued for. The liability is based on the deposit refunds, handling commissions, and Covid relief gift and that relate to the estimated number of containers that have been sold by the Participants as at December 31, 2021. These amounts are expected to be paid after year-end, based on expected return rates.

Management has estimated this liability based on existing knowledge, and changes in future conditions may require a material change in the recognized amount of this liability.

6 OPERATING LINE OF CREDIT

The operating line of credit was reactive in August 2021 by the decision of the executive management team. The line of credit limit is \$5M. Nil was withdrawn as of December 1, 2021.

The operating line of credit was reactive in August 2021 by the decision of the executive management team. The line of credit limit is \$5M. Nil was withdrawn as of December 1, 2021.

AUTHORIZED, UNLIMITED NUMBER

Class A shares without nominal or par value. The shares have voting rights but no dividend rights.

Class B shares without nominal or par value. The shares have no voting rights but have dividend rights. The Class B shares may only be issued with the unanimous consent of the holders of the Class A shares.

The authorized share structure results in the Corporation being a not-for-profit corporation as long as no Class B shares are issued and profits are restricted to the operations of the Corporation.

Issued and outstanding	2021 \$	2020 \$
700 Class A shares	700	700

8 FINANCIAL INSTRUMENTS

CREDIT RISK

The Corporation is exposed to credit risk on its accounts receivable from its customers. The majority of the accounts receivable are in respect of container recycling fees and regulated deposits. The Corporation generally extends unsecured credit to the Participants and, therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by the size and reputation of the companies to which they extend credit, and the net aged accounts receivable balance greater than 60 days is not material to the financial statements as a whole.

LIQUIDITY RISK

The Corporation’s objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements.

INTEREST RATE RISK

The Corporation is exposed to interest rate risk on its cash and cash equivalents. Due to the short-term nature of the financial instruments, management believes this risk is not significant. A change of 25 basis points in interest rates would have increased (decreased) the excess of revenue over expenses and changes in net assets, for the year ended December 31, 2021 by \$25,229 (2020 – \$2,254).

FOREIGN CURRENCY RISK

The Corporation undertakes revenue and purchase transactions in foreign currency and is subject to gains and losses due to fluctuations in foreign currency exchange rates. Gains and losses due to foreign currency based transactions are not expected to be material to the financial statements. As at December 31, 2021, the Corporation had a net exposure to U.S. currency of CA\$796,939 (2020 – CA\$4,602,811) represented by US\$628,600 (2020 – US\$3,615,151), and the Corporation has no option or any forward commitments to sell additional U.S. currency. A change of 1% in the foreign currency rate would have increased (decreased) revenue, for the year ended December 31, 2021, by \$6,286 (2020 – \$36,152).

9 COMMITMENTS

The Corporation has lease commitments for a St. Albert plant, the adjacent piece of land to the Calgary plant and other small operating lease agreements, which are expiring at various dates.

The land lease agreement for Calgary expires in December 2023 and the Corporation has the option to extend the term of the lease for ten years. The lease for the St. Albert new facility is expiring in February 2029 with two five-year options expiring in February 2034 and February 2039.

Future minimum lease rental payments aggregate to \$29,333,941 and the annual lease payments or the next five years and thereafter are as follows:

2022	\$ 1,771,637
2023	\$ 1,774,981
2024	\$ 1,740,401
2025	\$ 1,655,736
2026	\$ 1,655,736
Thereafter	\$ 20,735,450
	<hr/>
	\$ 29,333,941

10 COVID-19

In March 2020, the World Health Organization declared the Covid-19 outbreak a worldwide pandemic. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include restrictions on events and gatherings, the implementation of travel bans, quarantine periods and physical distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have introduced significant monetary and fiscal relief programs designed to stabilize economic conditions; however, the situation is dynamic and the success of these interventions is not currently determinable. Management has assessed the financial impact of Covid-19 as at December 31, 2021, including the collectability of receivables, valuation of assets and assessment of provisions. To date, the current economic challenges have no significant impact on operations of the Corporation. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Corporation are not known at this time. The Corporation will continue to monitor the impacts of the pandemic on the community that it serves and its employees and continue to adjust to the volatile situation.



Appendices

Active Manufacturers Glossary of Terms



Active Manufacturers

Active manufacturers are those who reported at least one container sold during 2021.



1117750 Alberta Inc. o/a Serengeti Edmonton | 1226309 Alberta Ltd. dba Community Natural Foods | 1272227 Ontario Inc. o/a CDC Foods | 1281875 B.C. Ltd. o/a BLK International LLC | 1612133 Alberta Ltd. o/a The Right Water Bottling Co. | 1629321 Ontario Inc./ITFC Importers & Distributors | 1735221 Alberta Ltd. | 1768466 Alberta Ltd. o/a YEG Exotic Pop | 1841082 Alberta Ltd. | 1963677 Alberta Inc. dba Appointed Consulting | 1991248 Alberta Ltd. | 2018457 Alberta Ltd. / Tamarack Jack's | 2028708 Alberta Ltd. | 2127367 Alberta Ltd. | 2226621 Alberta Ltd. o/a Fairwinds Farm Ltd | 3620905 Canada Ltd o/a Beverage International Distributor | 52 North Beverages Ltd. | 598316 Alberta Ltd./Culligan Bottled Water | 9129-0213 Quebec Inc. o/a Sober Carpenter Brewery | 98951 Canada Inc./Fort International | 996660 Ontario Limited (Molisana Imports) | A. Bosa & Co. Ltd. | A. Lassonde Inc. | A.M.G. Medical Inc. | Abbott Laboratories Co. | Acklands-Grainger Inc. | Advantage Solutions Inc. | Afod Ltd. | Agropur Cooperative | AGT CLIC Foods Inc. | Alberta Gaming & Liquor Commission | All Market Inc. | Alpine Water Store Ltd. | Altra Foods Inc. | Amazon.com.ca, Inc. | Amway Canada Corporation | Anchor Foods International Ltd. | Ancient Brews Corporation Inc. | Annex Ale Project Limited | AquaTerra Corporation | Arctic Chiller Ltd. | Arizona Beverages of Canada, ULC | ASEA Enterprises ULC | Avalon Dairy Ltd (267338 BC Ltd.) | Awakened Living Inc. o/a The Light Cellar | Baby Gourmet Foods Inc. | Bass Pro-Shops Canada ULC | Beckett's Tonics Canada Inc. | Best Brands Marketing | Beverage World Inc. | BIDMEXICO International Inc. | Bio-K Plus International Inc. | BioSteel Sports Nutrition Inc. | Black River Juice Company Inc. | Blackbird Cold Brew Coffee Inc. | Bolthouse Farms/Fresh Logistics | Boocha Beverages Inc. | Bow Valley BBQ Inc. | Brauerei Fahr Inc. | Breakthru Beverage Canada Inc. | Brother Choice Foods Ltd. | Brutus Beverages Inc. | Bucha Brew Ltd. | Buderim Ginger Ltd. | Bulk Barn Foods Limited | Bull's Head Beverages Inc. | C&C H2O Inc. | C.B. Powell Limited | Cabela's Retail Canada Inc. | Calgary Co-operative Association Limited | Calkins & Burke Ltd. | Campbell's Soup | Canada Dry Motts Inc. | Canada Pure Water Co. Ltd. | Canadian Choice Wholesalers | Canadian Tire | Canda Six Fortune Enterprises Co. LTD | CannaLife USA Ltd. | Canterbury Coffee Corporation | Car-Net Import & Export Corp. | Cascade Wines Ltd | Casseroles Cora Inc. | Central City Brewers & Distillers Ltd. | Cheribundi, Inc. | Chero Zinda Foods Ltd. | Cherry Pit Inc. | Chevalier Star Trading Co., Ltd. | Clearly Food & Beverage Company Ltd. | Coca-Cola Canada Bottling Limited | Concord Sales Ltd. - B.C. | Confluence Distilling | Consuming Ventures Inc. | Core Blanc Group Inc. | Core-Mark International, Inc. | Corinthian Distributors Ltd. | Costco Wholesale Canada Ltd. | Country Fresh Water (835318 Alberta) | Cows Inc. | Craftwork Spirits & Beverages Ltd. | Crossmark Canada Inc./Select Brand Distributors | Culligan of Canada ULC | Cupper's Coffee Co. (1999) Inc. | Curve Distribution Services Inc. | Danone Inc. | Dattani Wholesalers | De Simone Farms Ltd. | Distribution Missum | Dole Packaged Foods Co. | Dollar Tree Stores Canada | Dollarama LP | Dong Phuong Group Partnership | Donia Farms Foods Ltd. | Double D Beverage Co. | Dovre Import & Export Ltd. | Dream Products Inc. | DSI Food Corporation | E.D. Smith Foods, Ltd. | Earth Water International Ltd. | Earth's Own Food Company Inc. | Eau Claire Distillery Ltd. | Ecotrend Ecologics Ltd. | Edelweiss Imports Ltd. | Edoko Food Importers Ltd. | Elco Fine Foods Ltd. | Emme Foods Enterprise Co., Ltd. | EON Water Kefir Co. Corporation | ESKA Inc. | Excelsior Foods Inc. | Far East North America Food Ltd. | Farming Karma Fruit Company Ltd. | Favuzzi International Inc. | Federated Coop Ltd. | Ferma Import And Export | Fernie Alpine Springs Inc. | Fiji Water Canada Ltd. | Flow Water Inc. | Fok's Trading (Canada) Ltd. | Foxtail International Beverages Ltd. | French's Food Company Inc., The | Fresh Squeeze Inc., The | Freshfresh Alberta Ltd | Fukuda Trading Co. Ltd. | Fundy Drinks Ltd | Galvanina Canada Ltd. | General Mills Canada Corporation | General Nutrition Centers | Genesis Marketing Group Inc. | Genki Foods | Glencar Food & Beverage Inc. | Global Reach Confections & More Inc. | Good Taste of Britain 1995, A (671086 AB) | Gordon Food Service Canada Ltd. | Gourmet Trading Co. | Grace Foods Canada Inc. | Great Canadian Water Company Ltd. | Greenworld Food Express Inc. | Grimmway Enterprises, Inc. | Grizzly Paw Pub & Brewing Company Ltd., The | Guru Beverage Inc. | Hain Celestial Canada Inc. | Han Ka Export-Import Ltd. | Happy Days Dairies | Happy Planet Foods Inc. | Harays Natural Inc. | Harmless Harvest, Inc. | Heart Smart Foods Ltd. | Hell's Basement Brewery Inc. | High Roller Energy Incorporated | Hilary's Salesmaster Inc. | Hillsboro Corp Inc. o/a True Buch Kombucha | Hongdao Business Development Ltd. | Horizon Distributors | HP Hood LLC | Hudson's Bay Company | Hung Gay Enterprises Ltd. | Hutch + Howl Inc. | I.D. Foods Corporation | Ice River Springs Water Co. Inc. | Icy Mountain Water Co. | IKEA Canada Limited Partnership | Ikkuma Inc. | Inform Brokerage Inc. | Iovate Health Sciences International Inc. | Italtasta Limited | ITN Food Corporation | J.M. Smucker Company, The | Jardin Foods Ltd. | Jasmine Mediterranean Foods | JC Bunny

Bunny Trading Co. Ltd. | Jet Trading Co Ltd. | Jeunesse Global Marketing Ltd. | JFC International (Canada) Inc. | Johanna Foods Inc. | Johnny B Sweet Inc. | Joriki Inc. | JR Beverages Ltd. | Juice Because Ltd. | Jus Dose Inc. | KO & C Enterprises, Ltd. | Kohl & Frisch Limited | Korea Food Trading Ltd. | Kraft Heinz Canada ULC | La Mexicana Variety Store | La Molienda Foods Inc. | Labatt Brewing Company Ltd. | Laboratoires C.O.P. Inc. | Lactalis Canada Inc. | Laiterie Chalifoux Inc. | LC Beverages Ltd | Left Coast Naturals | Lekiu Distributors Ltd. | Lekker Food Distributors | Les Aliments Unique Foods (Canada) Inc. | Les Boissons Fermentées et Gazéifiées Gutsy Inc. | Les Celliers Associes | Les Produits Alimentaires Duran Inc. | Loblaw Companies Ltd. | London Drugs Ltd. | Loop Juices Inc. | Lowe's Companies Canada, ULC | Lucky's Speed Sauce Inc. | Malinda Distributors Inc. | Mamma Chia | Mark Anthony Group Inc. | Martelli Foods Inc. | Marten Brewing Company Ltd. | Martin-Brower of Canada Ltd | McBritty Holdings Ltd O/A BritGrocer | MCBSW Creative Services Inc. | McClelland Premium Imports Incorporated | McKesson Canada Corporation | Mead Johnson Nutrition (Canada) Co. | Mexican Family Store | MGA Management Ltd. | Minute Maid Company, The | Mobu Kombucha Inc. | Molson Canada 2005 | Monashee Spring Water Distributors Ltd. | MoodWater Corp. | Morgan Williams West Inc. | Morinda Canada Co. | Mother Dairy | Murray Market National Inc. | N.A.I.M. Canada Inc. o/a AIM Canada | Nanton Water & Soda Ltd. | National Dry Company Limited | Nationwide Natural Foods 2000 Inc. | Natural Assembly Ltd. | Naturo Group Investments Inc. | Nestle Canada Inc. | New Level Brewing Company Ltd. | Noble Meadows Farm | North Hydration Ltd. | North West Company LP, The | Northern Bottling (Weekly payment) | Nutrifresh West Ltd. | Nutrition Zone Products Inc. (736027 Alberta Ltd.) | Ocean Spray International Inc. | One For The Road Brewing Company Incorporated | Orana Canada Inc. | P.A. Fine Foods & Distributors Ltd. | Pacific Bottleworks Company | Pak National Foods Ltd. | Paradise Mountain Organic Estate Coffee Ltd. | Paraiso Tropical Ltd. | Party Armor Canada Inc. | Peavey Industries LP | Pepsi Bottling Group (Canada) Co. | Phillips Brewing Company Ltd. | Phoenicia Group Inc. | Pic a Pop Inc./Canadian Gold Beverages (2012) | Pilotsfriend West Inc. | Pinnacle Distribution Inc. | PKE Water Store & More | Pom Wonderful | Pratts Ltd. | Precision Design & Manufacturing | Premier Brands, Ltd. | Premium Near Beer Ltd. dba Partake Brewing | Pulp & Press Juice Company Inc. | Pure Maple Water Company Ltd. | Pure Water Oasis 2013 | Purearth Organics Inc. | Puresource Inc. | Rajdoot Imports Ltd. o/a United Distributors of Canada | RE7 Global Industries Inc. | Read Group Holding Inc. | Red Apple Stores ULC | Red Bull Canada Ltd. | Red Crown Ventures Ltd. | Refresco Canada Inc. | Reinhart Foods Limited | Remedy Drinks Canada Inc. | Ribstone Creek Brewery Inc. | Ripple Foods, PBC | Ripple FX Water Inc. | Rise Kombucha Inc. / Kombucha Rise Inc. | Roar Beverages Canada Corp. | Rock Ridge Dairy Ltd. | Rocky Mountain Roasters Ltd. | Rocky Mountain Tisane Ltd. | ROK H2O Ltd. | Rona Inc. | Rosa Foods, Inc. | Royal Import & Export Ltd. | Rubicon Food Products Ltd. | Rviita Inc. | RW Consumer Products Ltd. | S S Piping & Fabrication Inc. | S.J. Decoys & Other Treasures Ltd. o/a Dovetale Collections | SA Meat Shops Inc. | Safari Meat Shops Inc. | Santa Maria Foods Corp. | Saputo Dairy Products | Save-On-Foods Limited Partnership | Seoul Trading Corp. | Sequel Naturals ULC | Sexy AF Ltd. | Shoppers Drug Mart | Sky Blue Water | Sleeman Breweries Ltd. / Les Brasseries Sleeman Ltee. | Smucker Foods of Canada Corp. | Soltice Trading International, Inc. | Southern Glazer's Wine and Spirits of Canada, LLC. | Sparkmouth Drinks Co. Ltd. | Star Marketing Ltd. | Starbucks Coffee Company | Steve & Dan's Fresh B.C. Fruit Ltd. | Sun Orchard, LLC | Sunrise Markets Inc. | Sunshine Blends Inc. | Sunterra Quality Food Markets Inc. | Superior Natural ULC | Supplying Demand, Inc. | Sweet Fusion/Yuzda Investments Inc. | Syc Brewing Co | Sysco Food Services of Calgary | T & T Supermarket Inc. | T-Brothers Food and Trading Ltd. | TDL Group Limited, The | Temple Lifestyle Inc. | Terra International Food Inc. | TFB & Associates | TFI Foods Ltd./Les Aliments Ltee | Thai United Food Trading Ltd. | The Canadian Trade House Ltd. | The Dandy Brewing Company Ltd. | The Functional Beverage Group Inc. | Thirstea Beverages Ltd. | Thomas, Large & Singer Inc. | Ti Foods (Thai Indochine Trading Inc.) | Tonsell International Inc. | Tree of Life Canada, ULC. | Triple Jim's Food Products | Triton Water Canada Holdings Inc. | Trivita Living, Ltd. | Troubled Monk Brewery Ltd. | Ultima Foods Inc. | UNFI Canada Inc. - Grocery West | Universal Impex Corporation o/a Cool Runnings Foods Ltd. | Uno Foods Inc. | Untapped Trading Incorporated | Usana Canada Co. | Uva Collections Inc. | Van Dyk's Health Juice Products Ltd | Vancouver Water Enterprises Canada Co., Ltd. | Veritiv Canada, Inc. | Village Brewery Ltd. | Vins Philippe Dandurand Ltee / Philippe Dandurand Wines Ltd. | Vital Green Farms | Waisa Mama Organic Beverage Co. Inc. | Wallace & Carey Ltd. | Wal-Mart Canada Inc. | Water Pure & Simple - Minilake Dist. | Water Pure & Simple - Westlock | Watson Enterprises Inc. | Weil's Food Processing Ltd. | Well Juicery | Western Mandate Food Services Inc. | Whistler Water Inc. | Wholesome Nourishments Inc. (Happy Belly Kombucha) | Wild Brewing Company | Wild Folk Inc | Wild Tea Kombucha | Wine Alliance Inc. | Wismettac Asian Foods, Inc. | Ying Fat Food | Young Living Canada ULC | YYoung Water Limited | Zevia, LLC



Glossary of Terms

Alberta Beverage Container Recycling Corporation (ABCRC)

A stewardship corporation operating within not-for-profit provisions. As the CSA for beverage manufacturers, ABCRC operates the Common Collection System and promotes the economic and efficient collection of beverage containers in Alberta.

Alberta Bottle Depot Association (ABDA)

Industry representative for 221 depots operating in Alberta.

Beverage Container Management Board (BCMB)

Established as a management board under Alberta’s *Environmental Protection and Enhancement Act*, BCMB regulates Alberta’s beverage container recycling system and leads the development of policies and programs that further enable the recycling of beverage containers in Alberta.

Beverage Container

A used, non-refillable container, as defined by the Regulation, previously sold and distributed in the province of Alberta.

Circular Economy

A circular economy is an alternative to a traditional linear (make-use-dispose) economy, in which resources are kept in use for as long as feasible, with the maximum possible value being extracted during that time. The resources are then recovered at the end of their service life and recycled for further use or regenerated into new products and materials.

Collection System Agent (CSA)

The agent appointed by manufacturers/distributors of beverages sold in Alberta to act on their behalf as operator of the Common Collection System.

Common Collection System

A container collection system that does not distinguish beverage containers of similar size and material from each other based on the manufacturer of the container.

Container Recycling Fee (CRF)

A fee that beverage manufacturers are required to pay to ABCRC that covers the net costs of recovering and processing beverage containers.

Deposit

Money paid at the time of beverage purchase that is refunded to consumers upon the return of empty beverage containers.

Depot

One of 221 independently owned and operated collection sites that refund deposits to consumers, then count, sort and assemble shipments of beverage containers for recycling.

Extended Producer Responsibility (EPR)

An environmental policy approach in which a producer’s responsibility for a product (e.g., automobiles), product category (e.g., electronics) or waste stream (e.g., packaging) is extended to the post-consumer stage of that product’s life cycle.

High-Density Polyethylene (HDPE)

Also known as Plastic #2, HDPE is a type of plastic commonly used in beverage containers like milk jugs, water bottles and juice boxes.

Polyethylene Terephthalate (PET)

Also known as Plastic #1, PET is a type of clear plastic that is most commonly used in water bottles and other beverage containers.

Quality Monitoring System (QMS)

An electronic interface that centralizes communication within the beverage container recycling industry.

Regulation

The Beverage Container Recycling Regulation under Alberta’s *Environmental Protection and Enhancement Act* (EPEA).





Thank you

ABCRC would like to acknowledge all the employees, program participants, community members and industry partners who are committed to beverage container recycling in Alberta and were willing to contribute their expertise for this report. Thank you, everyone. Your insights and diligence made this 2021 Sustainability Report possible.

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