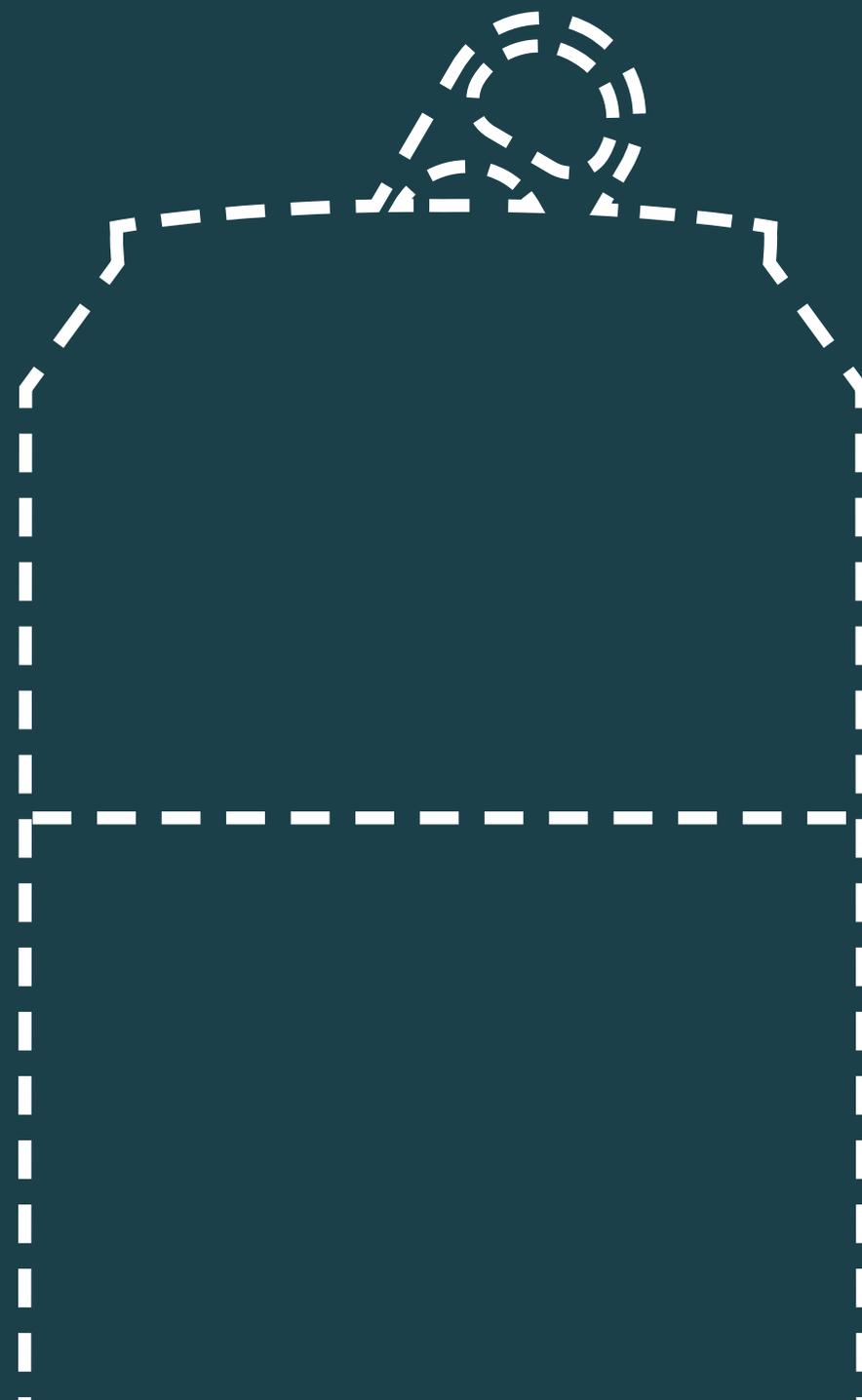


Leave No Trace

abcrc 

Sustainability Report 2022



A Message from our Director, Sustainability & Communications

ABCRC is proud to implement and support a sustainable circular economy for beverage containers in Alberta. Our business model relies on consumers to return their beverage containers so they can be repeatedly recycled back into the supply chain, and as the agent for beverage manufacturers in Alberta to collect and process those beverage containers, we remain committed to achieving not just a high recovery rate but also a high recyclability rate.

This year's report, aptly titled "Leave No Trace", highlights our ongoing commitment to sustainability and recyclability. We want to ensure that beverage containers are recovered, processed, and recycled in the most efficient and environmentally conscious way possible to maximize the amount of material reused and to minimize waste. Ideally, this means can-to-can and bottle-to-bottle – the highest tier of recycling. 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.

We are also energized by the increased focus on ESG reporting in recent years and have updated this year's report to improve ABCRC's transparency through more robust employment data, detailed governance information and ongoing efforts to operate in a responsible and transparent manner that ensures our corporation's long-term success while benefitting all stakeholders – Albertans, employees, shareholders and the environment.

Lori Koebel, MSL | Director, Sustainability & Communications



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Introduction

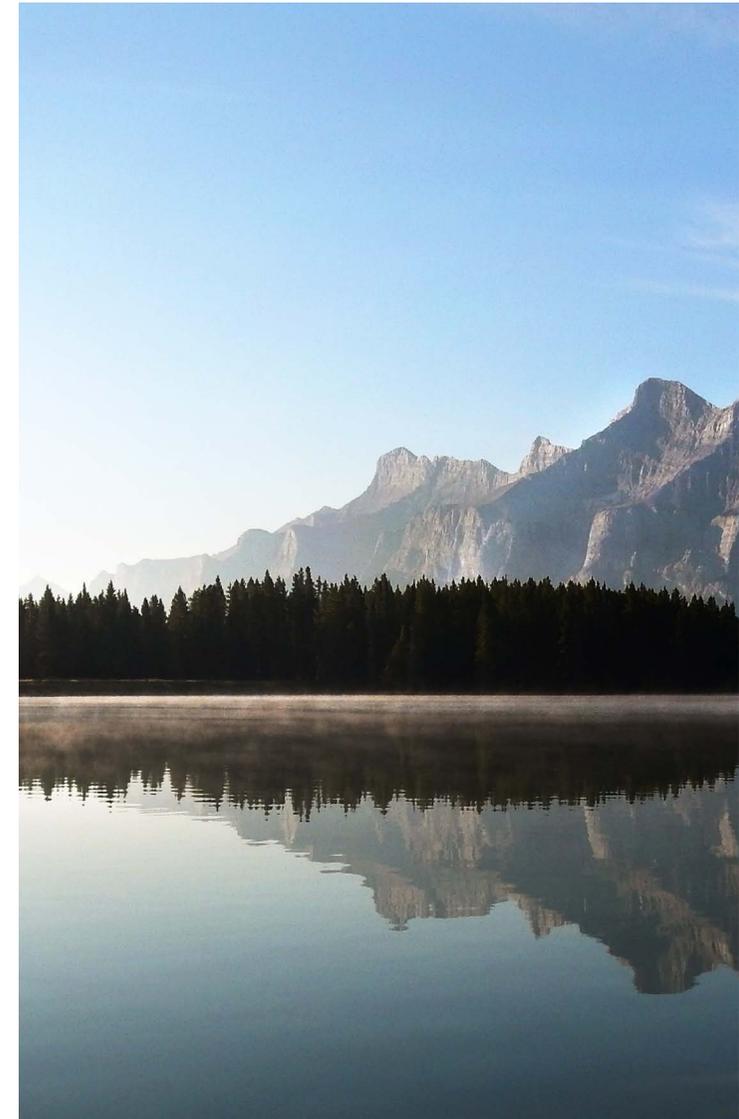
For more than 27 years, ABCRC has been the Collection System Agent appointed by beverage manufacturers in Alberta. Every year, we ensure that more than two billion non-refillable beverage containers are recycled in an efficient and responsible manner, making our program one of the most effective in North America. We believe that our commitment to sustainability is the driving force behind our success.

By definition, sustainability is the ability to meet our own current needs without compromising the ability of future generations to meet their needs. Circularity, also referred to as a "circular economy", is an alternative to the traditional linear (make-use-dispose) economy that we now realize is having a detrimental impact on the sustainability of our planet. In a circular economy, resources are kept in use for as long as is 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 raw material for new products.

Ultimately, there should be no trace of such materials left in our environment.

The beverage container recycling industry in Alberta, by its very nature, enables a sustainable circular economy. It's important to remember, though, that it's not just about how many used, non-refillable beverage containers are returned by Albertans... it's also what happens to them after they're separated into product streams and leave an ABCRC facility. We do our homework to ensure that our customers (recyclers) recycle or repurpose as much material from the beverage containers as possible. We also consider the cost and environmental impact of transporting those beverage containers to market.

In addition to our commitment to environmental stewardship through responsible management of the circular economy for beverage containers, ABCRC is also committed to social engagement and fiscal stability through responsible governance. All three align with the United Nations' Sustainable Development Goals (SDGs) to support Alberta communities and provide safe, stable, meaningful work to Albertans for many years to come. This holistic look at the recycling industry in Alberta is why ABCRC continues to be so successful in its beverage container recycling efforts - and that, after all, is what sustainability is all about.



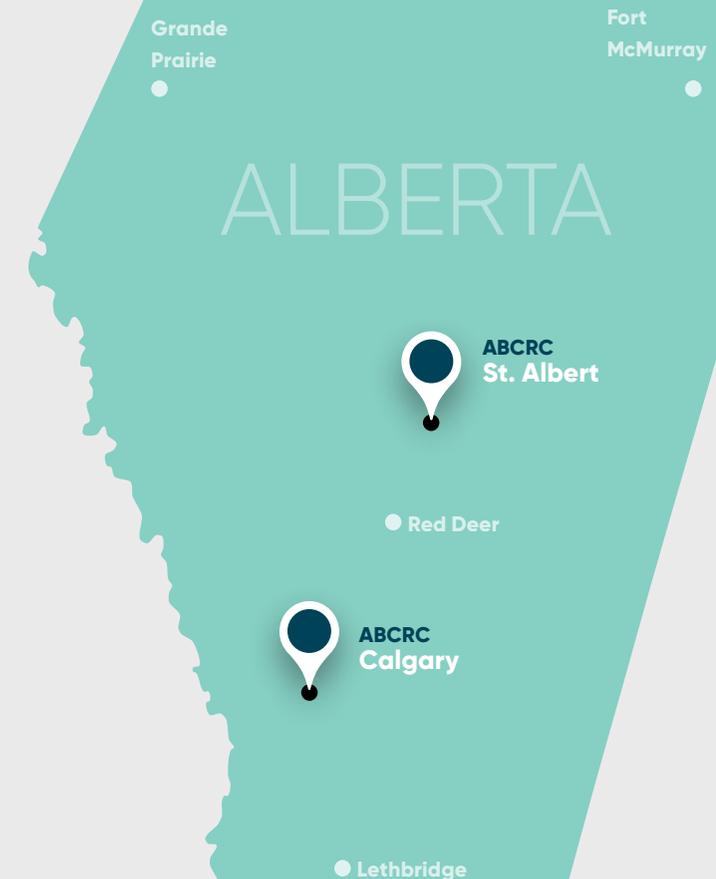
"Our goal is to responsibly steward recovered beverage containers, giving priority to circularity, to minimize their impact on the environment and to strengthen Alberta's economy."

– Guy West, President & CEO



ABCRC at a Glance

- **Largest** deposit-based system in Canada, with **150,000+** material types accepted
- More than **2 billion** beverage containers recovered annually, which diverts approximately **87,908,880 kg** of material away from landfills
- Headquartered in Calgary, Alberta, with **2 processing locations** (Calgary & St. Albert) and **160+ employees**
- Steward for **367 beverage** manufacturers and distributors
- Service **220+ independently owned** Alberta Depots
- Helped **142 Alberta communities**, not-for-profit groups and schools raise over **\$1.16 million** for their programs
- **Proud partner** of the Canada Plastics Pact (CPP)
- Celebrating **50 years** of beverage container stewardship in Alberta



Vision & Strategy

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

Our Objective

To meet or exceed the Government of Alberta's established beverage container return rate of 85%.

Our Mandate

To be the agent for the beverage manufacturers, to operate the Common Collection System, to be responsible for recycling beverage containers, to comply with the Regulation and BCMB bylaws and to promote the economic and efficient collection of beverage containers.

Our Mission

To minimize the environmental impact of non-refillable beverage containers in Alberta.

Our Vision

To be the most effective producer responsibility organization for non-refillable beverage containers in Canada.

Our Strategic Priorities

Provide effective and accountable **corporate governance**

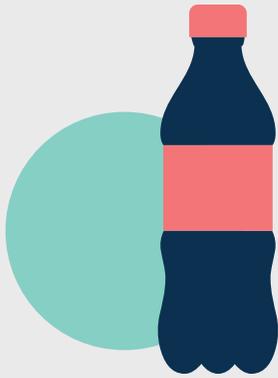
Communicate **ABCRC's effectiveness** to stakeholders

Ensure **responsible** fiscal and risk management

Improve **system performance**

Report ABCRC's environmental **impact** and mitigation improvements





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



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.

Canada Plastics Pact

Plastics are high-performing, lightweight, low-cost packaging that have become a vital part of our daily lives. Approximately 80% of plastic beverage containers are recycled in Alberta, but that rate is much lower for other types of single-use plastics, which end up in landfills. It's time to build a future in which plastics are treated as valued resources that never become waste.

The Canada Plastics Pact (CPP) is an industry-led collaboration platform that unites businesses, government, non-governmental organizations (NGOs) and other key stakeholders in the plastics value chain

behind a vision of establishing a circular economy for plastics packaging by 2025. 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.

ABCRC is a proud implementation partner of the CPP, partnering with other Canadian companies that are passionate about, and aligned with, a vision

for a plastics circular economy. Guy West, ABCRC's President & CEO, and Lori Koebel, ABCRC's Director, Sustainability & Communications, donate their time and efforts in an advisory capacity to lead and engage partners in the substantive work ahead and activate narratives to drive circular solutions for plastics packaging in Canada.

For further information, visit plasticspact.ca.



Roadmap to 2025

The Canada Plastics Pact partners are aligned on four clear, actionable targets for 2025 to eliminate the plastics we don't need and to ensure that the plastics we do need can be reused, recycled or composted to be kept in the economy and out of the environment:

TARGET 1

Define a **list of plastic** packaging that is to be designated as problematic or unnecessary and take measures to eliminate them.

TARGET 2

100% of plastic packaging is designed to be reusable, recyclable or compostable.

TARGET 3

50% of plastic packaging is effectively recycled or composted.

TARGET 4

30% recycled content across all plastic packaging.

Commitment to UN Sustainable Development Goals

ABCRC is supportive of and committed to the United Nations (UN) Sustainable Development Goals (SDGs) as a pathway to bring about sustainable development that addresses shared global challenges. ABCRC has been aligned with the ambition of the UN SDGs since their inception through our sustainable business model, established in 1994. We continually evaluate our policies and actions to reduce our environmental footprint, maintain safe and fair working environments, and promote a more circular economy. Our efforts in these areas have often contributed to sustainable practices for the rest of the industry in Alberta; for example, initiating and implementing the transition to paperless waybills and invoicing.

Our current company policies, goals, and actions most closely support UN SDGs 3, 5, 8, 11, 12 and 13. In 2022, we decided to further our commitment to the UN SDGs by hiring a consultant to evaluate our data collection and reporting efforts to identify gaps and opportunities. Some of the resulting recommendations for improvement can be seen in this year's report, while others will be developed and reported on in the years to come.

**SUSTAINABLE
DEVELOPMENT GOALS**

3 GOOD HEALTH AND WELL-BEING



ABCRC focuses on employee health and wellness by ensuring fair and safe working conditions, as well as the provision of extended health care benefits and an employee assistance program (EAP).

More on [pages 27 and 29](#).

11 SUSTAINABLE CITIES AND COMMUNITIES



ABCRC supports communities, schools and other not-for-profit organizations with recycling infrastructure, fundraising opportunities and educational resources to help them further reduce landfill waste and embrace sustainability.

More on [pages 24, 25 and 26](#).

5 GENDER EQUALITY



ABCRC is committed to creating an equitable business that offers bias-free opportunities. We ensure and celebrate diversity, equity and inclusion at all levels.

More on [page 28](#).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



This is at the core of what we do! As a purpose-driven organization, ABCRC is committed to maintaining and expanding the circular economy for non-refillable beverage containers across North America.

More on [pages 18, 36 and 37](#).

8 DECENT WORK AND ECONOMIC GROWTH



ABCRC focuses on providing meaningful and gainful employment to Albertans through sustainable, responsible and transparent business practices.

More on [pages 27 and 34](#).

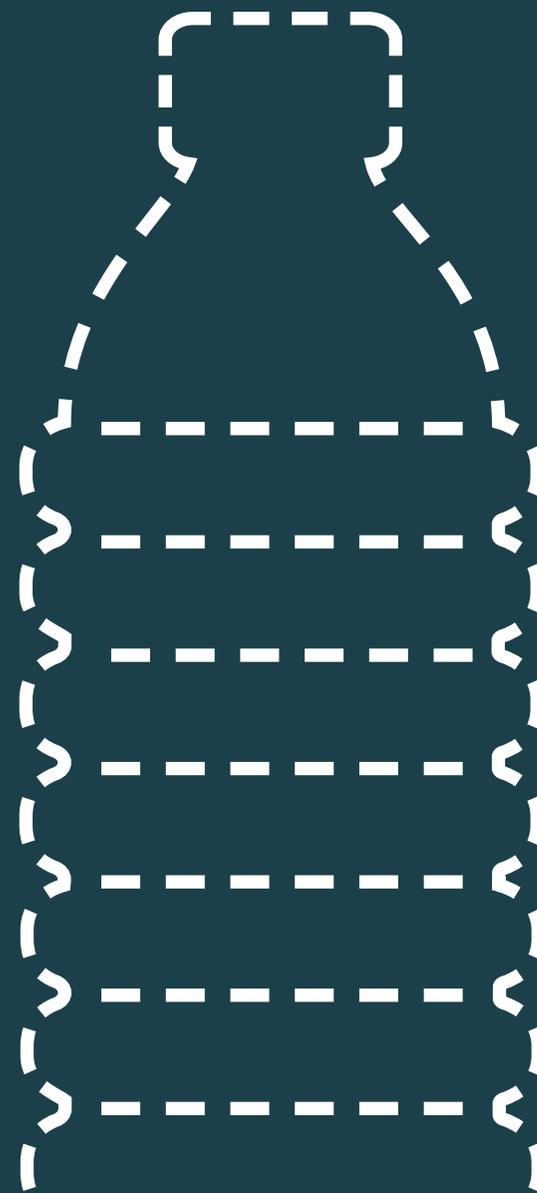
13 CLIMATE ACTION



As a part of many sustainability organizations, and by setting an example ourselves, ABCRC strives to improve education and increase awareness about climate change mitigation and reduction.

More on [pages 13, 25 and 26](#).

Environmental Stewardship



ABCRC's Sustainability Journey

The concept of manufacturer responsibility is more than 50 years old in Alberta... and it started with beverage containers! In the 1970s, most non-refillable beverage containers were still being disposed of as waste, and the Government of Alberta decided to do something about it. They created legislation to prohibit littering and promote the recycling of beverage containers, setting the stage for the successful deposit/refund-based beverage container collection system we have today.

1971 - 1972

- The Government of Alberta institutes a 2¢ refund on beverage containers. Under The Beverage Container Act (Alberta) of 1971, beverage containers were identified as either glass bottles or metal cans.
- The Litter Act (Alberta) of 1972 identifies "containers, bottles, cans or parts thereof" as litter, and institutes penalties for littering offences in Alberta.

1992

The Government of Alberta consolidates 18 acts of legislation, including the Litter Act and the Beverage Container Act, and introduces the Environmental Protection and Enhancement Act (Alberta) of 1992, in which the requirement for a common collection system for beverage containers is established.

1995

ABCRC is appointed by beverage manufacturers to operate the common collection system on their behalf.

2000

Merlin Plastics establishes Alberta operations, which allows ABCRC to sell plastic beverage containers to an Alberta purchaser (rather than to U.S. purchasers).

2006

ABCRC launches its first consumer awareness campaign to promote that tetra brik and gable top beverage containers are refundable at Alberta's depots.

1997

- Government of Alberta passes Regulation 101/97, the Beverage Container Recycling Regulation, under the Environmental Protection and Enhancement Act (Alberta). It required a collection system agent (CSA) to run the common collection system for non-refillable beverage containers and a designated administrative organization to act as the system regulator (replacing Alberta Environment).
- The new system becomes operational in December, with Alberta's Beverage Container Management Board (BCMB) as the regulator, the Alberta Bottle Depot Association (ABDA) representing the depot network, and the manufacturers establishing ABCRC as their CSA.
- Beverage containers with refund values are expanded to include tetra brik and non-dairy gable top beverage containers.

2003

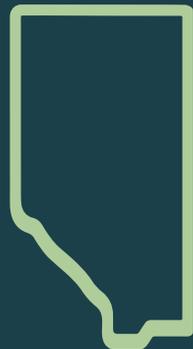
ABCRC initiates a formal Health & Safety program for its facilities.

1994

Alberta Beverage Container Recycling Corporation (ABCRC) is incorporated and establishes beverage container processing facilities in Calgary and Edmonton.

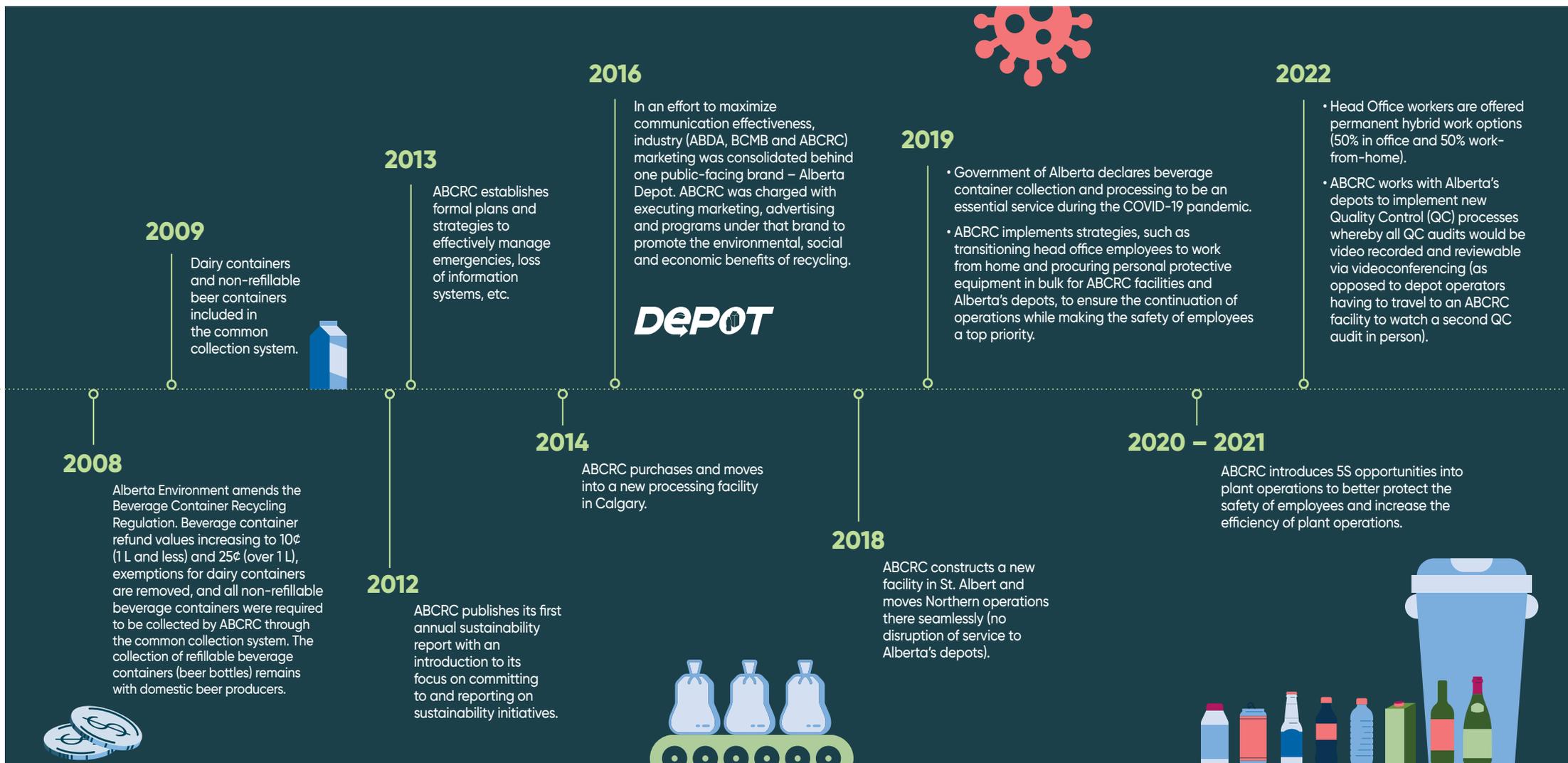
1989

The Government of Alberta increases beverage container refund values to 5¢ (1 L and less) and 20¢ (over 1 L).



ABCRC's Sustainability Journey

Over the years, the government, the recycling sector and the public have continued to intensify their focus on protecting the environment, and ABCRC continually rises to the challenges presented.



Sustainability Leadership

ABCRC endeavours to be an innovator and industry leader, finding new ways to encourage Alberta's citizens to meet the provincial government's waste diversion goals and operating transparently in an environmentally responsible manner that reduces our own environmental footprint while meeting – or exceeding – the Regulation's requirements.

We are not just committed to promoting and supporting the sustainability of the beverage container recycling industry in Alberta, though;

rather, we strive to be an industry leader throughout Canada and across North America. We actively encourage governments and non-governmental organizations (NGOs) to set science-based targets, invest in the technologies, materials and resources necessary to reduce beverage container waste, and market sustainability concepts to encourage the public to actively engage in recycling. In 2022, we carried out the following activities to improve transparency and urge action.



Appointed a Director of Sustainability & Communications to drive ESG leadership and sustainability efforts at ABCRC.



Joined other businesses as a Canada Plastics Pact (CPP) partner. [See page 8 for details.](#)



Hired an ESG consultant to evaluate our sustainability reporting and provide recommendations for improvement. [See page 9 for details.](#)



Engaged in research with an independent third party to determine the recyclability of beverage containers. [See page 18 for details.](#)



Accepted a seat on the CSA Group's **National Plastics Recycling Standards Committee** to help define standard recycling terms and definitions for Canada.



Operational Efficiencies

ABCRC routinely evaluates our processes, operations and systems. Projects are undertaken to increase efficiency, reduce waste and lower the overall environmental impact of our business by replacing equipment, updating processes or just rethinking the way we do things. Projects completed in 2022 to increase efficiencies and reduce costs include:



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 2022, ABCRC facilitated the recovery and recycling of more than **96,391 kg** of such beverage containers by collecting them from manufacturers and shipping them to our recycling customers. This a true example of 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.



Decommissioned 11 computer hardware servers, replacing them with cloud servers. That's an approximate energy savings of **77.1 MWh** per year going forward!



The Depot Relationship Manager's frequent visits to Depots has reduced hotshot runs and streamlined supply shipping, contributing to a savings of **\$5380** in 2022 (compared to 2020 baseline numbers).



Events like our annual Zero Waste BBQs are always consciously planned to be eco-friendly, locally sourced and sustainable. This year's efforts included **100% compostable** items like plates, cutlery kits, straws and napkins, as well as sugarcane clamshell take-away containers for leftovers. The table centrepieces were made from locally sourced flora and arranged on 100% compostable/recyclable bases.



Calgary's climate-controlled landscape watering system saved approximately **615,000 litres** of water (and \$1,708) compared to benchmark estimations.



Water is used in beverage container recovery processes. To reduce the amount of municipally treated water used, both ABCRC facilities have **10,000-gallon** rain barrels installed that collect and store rainwater. That non-potable water is then used for a variety of purposes, such as floor washing and machine maintenance.

"ABCRC routinely evaluates our operations to increase efficiency, reduce waste and lower the overall environmental impact of our business."

– Khurram Dhedhi, Vice President, Operations



Materials Usage

Purchasing new material for operational purposes is an unavoidable cost of running a successful business. At ABCRC, purchases are tracked not just by our Finance department to ensure fiscal responsibility, but also from an environmental perspective. We track how many kilograms of new materials were purchased to support our operation each year, along with the offset created when we repair, repurpose or recycle as much of those materials as possible when they are no longer useful.

Materials Purchased

- New blue mega bags used for transporting glass have been found to be much hardier than their predecessors, so none needed to be purchased in 2022.
- 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.
- Pallets, which are key to shipping and receiving beverage containers, remained hard to source. When a supply was found, additional were purchased for future needs.

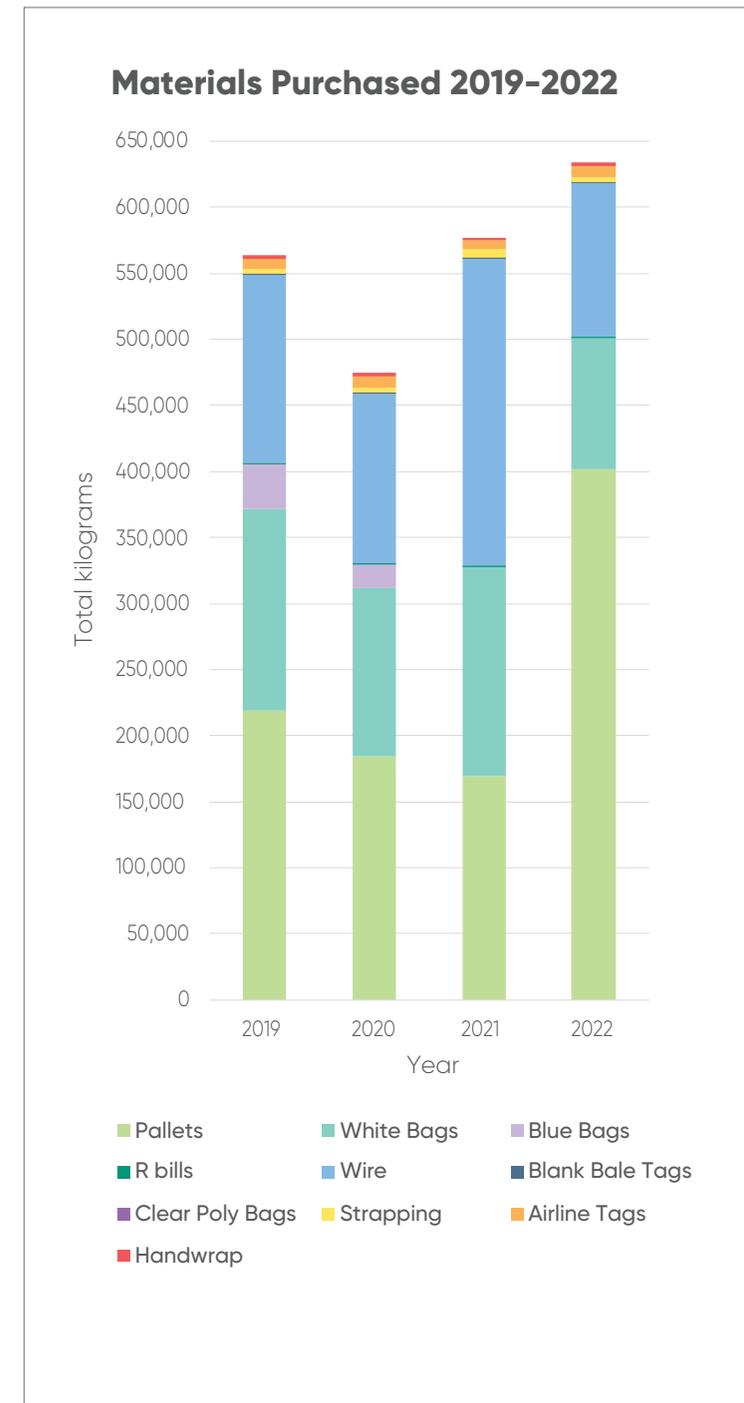
Materials Repaired In-house

The impact of the global pandemic began to recede in early 2022, but the supply chain didn’t rebound immediately. Pallets remained hard to source, so ABCRC placed more focus on repairing broken ones. A new position was created at each of our processing centres for a person who could rebuild pallets from damaged ones, along with performing other general maintenance duties throughout the facility.

	Calgary	St. Albert
New pallets purchased	10,361	6,142
Broken pallets sent for repair	18,182	0
Repaired pallets received	11,109	27,494
Pallets repurposed	7,073	8,261

Materials Sent for Recycling

- 4,954 kg of steel wire pieces discarded during the baling process were sent to a scrap metal recycler in 2022. This doesn’t just keep metal out of the landfill; it also reduces CO₂ emissions, since steel made from recycled scrap metal creates 80% fewer CO₂ emissions than new steel production from iron ore.
- 130,678 kg of damaged white and blue bags were shipped to Merlin Plastics in 2022, where they were processed and returned to the circular economy for the manufacturing of other plastic products.



Our Carbon Footprint

Business Travel

One of the few environmental positives that arose during the global pandemic was the advancement of video conferencing and other remote technologies that allowed us to work from home to stay safe and stop the spread of Covid-19. They allowed many companies, including ABCRC, to continue with business operations. What was novel, though, is that when we could travel again, many chose not to (or at least not as much). Thus, in 2022, business travel remained below pre-pandemic levels, with the exception of company-owned vehicles, since the Depot Relationship Manager regularly visited depots throughout Alberta.

Employee Commuting

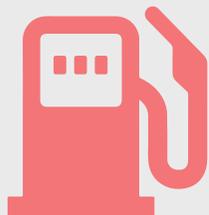
In 2022, ABCRC implemented a permanent hybrid working option to head office employees whose jobs allowed them to work from home as effectively as they could in the office. 12 employees exercised this option in 2022, working from home an average of 27% of the time; this meant 34,002 fewer kilometers travelled, or a CO₂ emission savings of approximately 8511.8 kg (per www.epa.gov).

One of these 12 employees owns a hybrid electric vehicle (HEV). This vehicle operates on a combination of electricity and gasoline, with the driver stating that gas only tends to be used on long trips, not during a typical commute. When operating on electricity only, the HEV does not generate any tailpipe emissions, meaning that CO₂ emissions are almost net zero even when they do commute to the office. Since the Government of Canada regulations will require at least 60% of new vehicles sold in Canada to be electric (zero emission) by 2030, it can be reasonably expected that ABCRC employee commute emissions will continue to decrease as employees replace their older vehicles in the years to come.

Natural Gas
22,128 GJ



Diesel Fuel
6,364 L



Water
4,812 m³



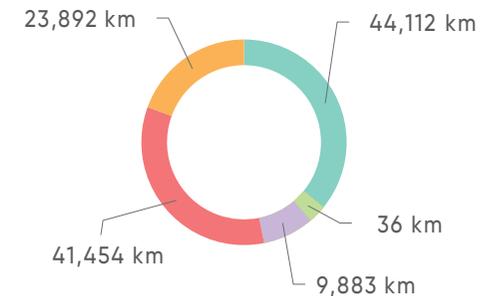
Waste
154,220 kg



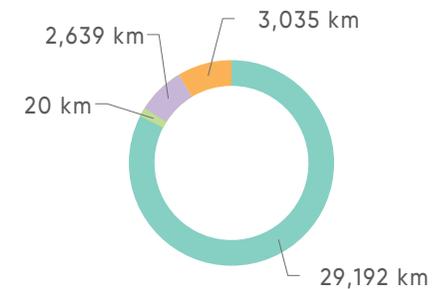
Electricity
2608 MWh



2022 Employee Travel



2022 Director Travel



- Air
- Taxi/Transit/Ride Share
- Rented Vehicles
- Company-owned Vehicles
- Personal Vehicles

Transportation Highlights

Logistics & Statistics

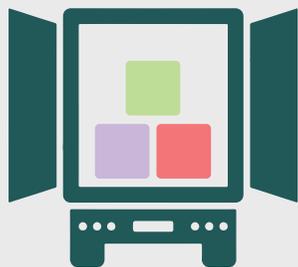
Transporting beverage containers across a province as large as Alberta and beyond requires an extensive and flexible transportation and logistics system. ABCRC relies on commercial truck transportation as the most appropriate solution for carrying beverage containers as efficiently as possible through the recycling supply chain. In 2022, 33,872 loads of beverage containers were transported approximately 3,199,858 km to ABCRC.

For transportation to and from more than 220 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 122,265 kilograms since 2020.

The Benefits of Compaction

In 2022, six 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 common, as their high compaction ratio (3:1) reduces transportation and processing costs (fuel, labour and maintenance), resulting into fewer CO₂ emissions overall.



1,393 fewer trailer loads



66,151 fewer km travelled

61,000 kg of CO₂ emissions reduced

34,371 kg of baler CO₂ emissions reduced



A Novel Idea

In October 2022, an established Alberta-based carrier announced, with only a month's notice, that they were going out of business. ABCRC was unable to locate a replacement for the depot routes impacted by that carrier's closure, which could have threatened the viability of those depots.

In response, ABCRC purchased the carrier's assets and created a new trucking company as a subsidiary of ABCRC. In 2023, we'll be developing a strategy to identify how ABCRC can provide carrier services in an effective and sustainable manner.

Prioritizing Recyclability

The beverage container recycling industry in Alberta, by its very nature, enables a sustainable circular economy. Beverage containers are collected and sorted by material stream through one of more than 220 Alberta Depots across the province; they are then transported to ABCRC where they are baled (or, in the case of glass, broken into cullet) for shipment to end-markets.

Keeping beverage containers separate from the other types of recyclable materials means that the resulting product streams are “clean” when they are shipped to the end market (not mixed with other materials that can contaminate the purity of the material stream). This makes ABCRC’s product very desirable to end markets, allowing us choice in who we sell it to, with a preference for local (western Canadian) markets when feasible. The clean streams also help manufacturers – many of whom have committed to a minimum of 30% recycled content by 2030 – increase the amount of recycled content in their beverage containers.

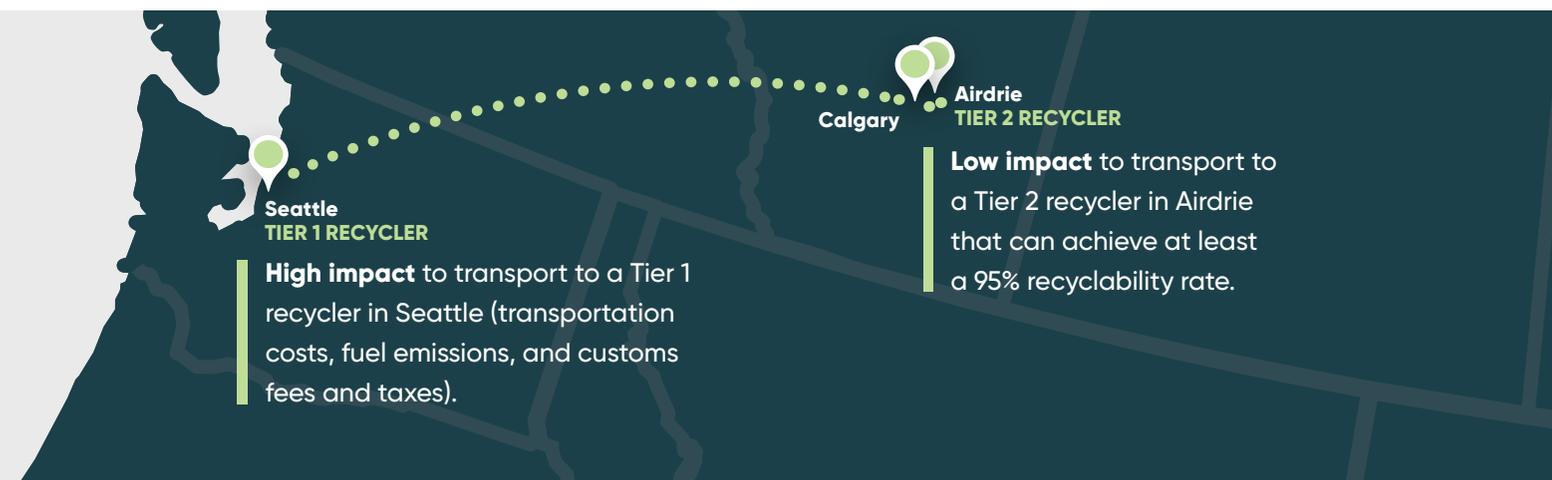
It’s important to remember that it’s not just about how many used, non-refillable beverage containers are returned by Albertans – what we refer to as the “return rate” – but also what happens to those beverage containers after they’re separated into product streams and leave an

ABCRC facility. We try to ensure that Alberta’s beverage containers are sent to end markets that recycle or repurpose as much material from them as possible – what we refer to as having a high “recyclability rate”.

ABCRC participated in a joint project with the BCMB that looked at calculating the recyclability of each material stream. The project reviewed target (recyclable) versus non-target (waste) 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. 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.

Beverage containers with the highest recyclability rates are those that are recycled with little to no waste in the process of converting one beverage container into another beverage container – the highest tier of recycling – but the benefit of recyclability must be balanced with the cost and environmental impact of transporting those beverage containers to end market.

Environmental and economic impact of glass cullet transportation.



The Three Tiers of Recycling

TIER 1	<h2 style="margin: 0;">Bottle-to-Bottle Recycling</h2> <p style="margin: 0; font-size: 14px;">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.</p>						
	<p>ALUMINUM</p> <p>Representing almost half (49.6%) of all beverage containers sold in Alberta, aluminum cans also have the highest return and recyclability rates. Alberta pools aluminum with nine other provinces in Canada, shipping approximately 2 billion cans (30 million kg) annually to the United States, where it is smelted into huge aluminum sheets, which beverage manufacturers then use to create more aluminum cans. Up to 99% of the weight shipped is recycled, with the remainder being moisture and contaminants. This means that aluminum cans are truly circular – they can be used over and over again almost infinitely!</p>	<p>CLEAR PET</p> <p>Clear plastic (PET) beverage containers like water and soda bottles are recycled into new, food-grade PET plastic. Merlin Plastics (Calgary) ships the clear plastic to their California plant for further processing, which allows for the plastic to be used in new bottles.</p>			<p>HDPE NATURAL</p> <p>Innovative technology for recycling HDPE natural (like white plastic milk jugs) into food-grade plastic has just been introduced by Merlin Plastics. In their BC facility, the natural plastic is further processed to be used in new jugs.</p>		
TIER 2	<h2 style="margin: 0;">Bottle-to-Product Recycling</h2> <p style="margin: 0; font-size: 14px;">The beverage container is mechanically recycled into another product, including non-food/non-beverage containers. While every effort is made to keep the material in the economy, moisture, wastage (substandard material, caps, corks, dust and/or other contaminants) and degradation of the material (downcycling) is unavoidable.</p>						
	<p>COLOURED & OTHER PLASTIC</p> <p>Processed in Calgary, Alberta, approximately 80% of these containers become flakes and pellets that are used to make non-food grade containers and other products that use recycled plastics. Plus, 98% of plastic lids and caps are recycled into new products, which is why in Alberta we say "Leave 'em on!" The remaining 2% are used as an alternative fuel source (Tier 3).</p>	<p>GLASS</p> <p>Broken into small pieces (cullet) and shipped to a processor for cleaning and recycling in Airdrie, Alberta, where it is pulverized into a sand-like material and sold as a raw material to companies that make fibreglass home insulation.</p>	<p>TETRA BRIK</p> <p>Once one of the hardest products to recycle, containers like juice boxes are now shipped to the U.S., where 99% of the weight shipped is recycled. The fibre is extracted and used in the manufacturing of paper products, while the residual aluminum and plastics are used in drywall and roofing tiles.</p>	<p>GABLE TOP</p> <p>Paper-type 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.</p>	<p>CERAMICS</p> <p>Ceramics pre-date the regulatory requirement for recycling, and there are very few still in circulation. Since 2021, approximately 225 kg has been accumulated. It is being stored in-house until there is enough volume to ship, then it will be turned into aggregate to use for pavement.</p>	<p>BI-METAL</p> <p>Smelted down for recycling into construction rebar, car parts and grinding rods for mining.</p>	<p>BAG-IN-BOX</p> <p>At Merlin plastics, bag-in-box containers are shredded, allowing the LDPE-nylon bladders to be easily separated from the outer cardboard box. The cardboard is sent to be recycled into mixed cardboard (OCC) and paper products, the rubber spout is removed and the bladder is processed to into recycled resin to be used in pots and planks.</p>
TIER 3	<h2 style="margin: 0;">Advanced Recycling</h2> <p style="margin: 0; font-size: 14px;">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 (waste-to-energy). While this process is the least desirable because it uses heat, acids and solvents that produce 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 original, which eliminates downcycling.</p>						
	<p>DRINK POUCHES</p> <p>The LDPE in juice pouches – about half of their total material – is extracted by Merlin Plastics and used in a similar manner to that of bag-in-box containers (Tier 2). The remaining material is recovered for energy through gasification (incineration), and then used as an alternative to coal to power cement kilns.</p>						

Materials Recycled 2022

MATERIALS RECYCLED		CUSTOMER	LOCATION	TOTAL KM DRIVEN	RECYCLING TIER (Details on page 16)	RECYCLABILITY RATE (% of weight shipped)	SALES VOLUME (Units - 000s)	REDEEMED VOLUME (Units - 000s)	RETURN RATE (%)	DIVERTED FROM LANDFILL (Metric tonnes)
Aluminum		• Novelis • Schupan Recycling	United States	2,626,643	Tier 1	98.0%	1,232,184	1,074,285	87.19%	14,560.55
Plastics	Polyethylene Terephthalate (PET) Clear	Merlin Plastics	Alberta	115,208	Tier 1	99.3%	730,904	548,057	79.44%	13,868.12
	Hi-Density Polyethylene (HDPE) Natural		British Columbia	175,854	Tier 1					6,840.01
	Polyethylene Terephthalate (PET) Green		British Columbia	26,103	Tier 2					
	Other Plastics		Alberta	2,356	Tier 2					
Glass		Vitreous Glass Inc.	Alberta	163,523	Tier 2	97.4%	146,926	128,337	87.35%	47,108.00
Polycoat	Tetra Brik	• ICF Global, Inc. • Recycled Materials Management (on behalf of Continuous)	North America	261,692	Tier 2	99.3%	86,986	64,842	74.54%	5,072.55
	Gable Top*	• Paper Tigers • Recycled Materials Management (on behalf of Continuous) • 2719973 Ontario Inc.	North America	384,828	Tier 2	63.8%	131,962	93,356	70.74%	
	Drink Pouches	Merlin Plastics	British Columbia	10,917	Tier 3	53.1%	21,642	9,461	43.72%	223.36
	Bag-in-Box Bladders	Merlin Plastics	British Columbia		Tier 2	90.3%	2,001	929	46.43%	
Bi-Metal		General Recycling Industries Ltd.	Alberta	2,789	Tier 2	98.2%	3,693	2,739	74.17%	236.28
Ceramics		Stored in-house (to be shipped in 2023)	Alberta	0	Tier 2	100%	0	0	0%	0
TOTAL				3,769,913			2,356,298	1,922,006		87,908.88

* In 2022, some Gable Top was shipped to overseas destinations from the port of Montreal, incurring CO₂ emissions of approximately 24,498 kg.

Social Engagement



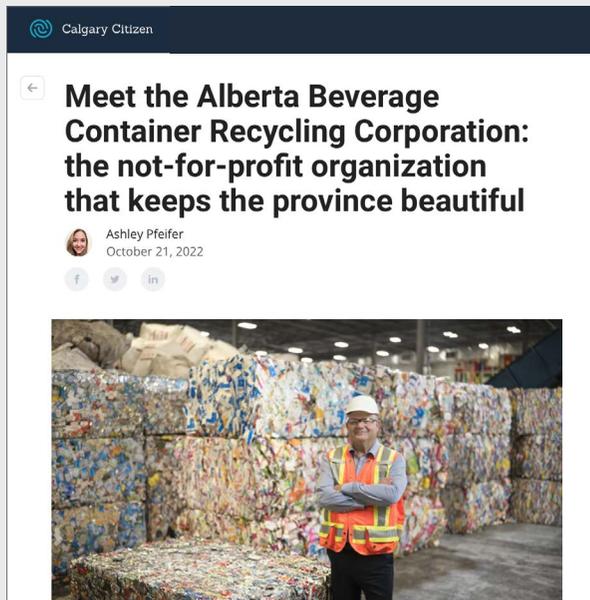
Stepping into the Spotlight

For 27 years, ABCRC has been working behind the scenes on behalf of beverage manufacturers to collect the beverage containers that Albertans return to depots for refund and ensure that they remain in the circular economy rather than going to landfills. Working alongside more than 220 independently owned Alberta Depots, ABCRC operates the largest common collection system for beverage containers in Canada, helping to recycle more than 150,000 different types of regulated, non-refillable beverage containers sold in Alberta.

Given that the expectations being placed on beverage manufacturers have expanded in recent years – increasing recovery rates, achieving recycled content standards and supporting various provincial and federal government initiatives to minimize the impact of beverage containers on the environment – we decided that it was time for us to be more transparent about the role that we play on behalf of beverage manufacturers and the way in which we are trying to fulfill our responsibilities. So, in 2022, ABCRC stepped into the spotlight.

Highlighting our role as a convener, collaborator and connector in Alberta's beverage container recycling sector, we embarked on a journey to show Albertans that collecting and recycling beverage containers is just the start of what we do. We lead the industry's efforts to increase awareness of what containers can be returned to a depot for recycling, we provide infrastructure to schools, municipalities, provincial parks and rest stops to facilitate the recovery of containers from out-of-home consumption, and we partner with various charities throughout the province who use beverage container donations as a means to generate operating revenues for their great work.

As with all ABCRC operations, we continually track our campaigns and initiatives to determine their effectiveness and adjust as needed to further their reach. And every year, we proudly report all of our efforts to Albertans, the government and the industry regulator, sharing our performance highlights and the details of how we manage the effective and sustainable operation of the common collection system.



Guy West interviewed by reporter Ashley Pfeifer, [Calgary Citizen](#).



Lori Koebel interviewed by Adriana Zhang, [CTV Morning Live](#).



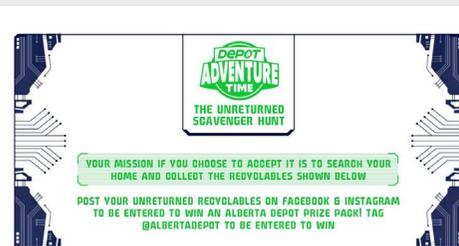
Advertising & Marketing Highlights

Working with our agency partners, we launched “Contain the Unreturned” in July 2022, which focused on containers with low return rates, such as bag-in-box, tetra brik, gable top, coloured plastic and drink pouches. Assigning human characteristics to each container type through animation, a QR code app, several mini-campaigns and a dedicated landing page engaged Albertans to better remember, identify and return low performing containers to a depot. More than a campaign, Contain the Unreturned was a “mission” assigned to all Albertans. It was a call to identify “The Unreturned” – the 400 million empty beverage containers that get lost on their way to the depot each year.



Depot Drop Campaign Launch

The Unreturned campaign launch included a larger-than-life, 9 m tall, interactive Plinko-style game. Players identified low-performing containers and used them as their game pieces for a chance to win a weekend trip for two on the Rocky Mountaineer railroad.



Scavenger Hunt

“Your mission, if you choose to accept it, is to help Alberta contain The Unreturned.”

Using a downloadable PDF, this social media campaign challenged players to POST their recyclables to be entered to win an Alberta Depot prize pack.



Behind the Depot

This in-depth look at what happens to beverage containers after they're dropped off at the depot aimed at humanizing the depots. It introduced Albertans to the individuals behind the counter using social media reels and stories.



Mini Bottle Drive

A call to return empties to the depot and upload a photograph of the receipt to be entered to win one of five \$2000 cash prizes. Open to teams and not-for-profits, it aimed to drive low-performer returns and bring back bottle drives as a sustainable post-Covid fundraising option.

Corporate Sponsorships

ABCRC's philanthropic efforts include corporate sponsorships, monetary contributions and infrastructure donations that reflect our strategic priorities and our desire to help our fellow Albertans whenever we can.



Recycling Impacts

Co-sponsored exhibit with the Telus World of Science Edmonton, entitled *OUT OF THE DEPTHS: THE BLUE WHALE STORY*, to educate visitors about the impact of plastic pollution on the world's oceans and how beverage container recycling can help reduce damage to marine life.



Infrastructure Donations

Donated infrastructure to several organizations to facilitate out-of-home collection efforts:

- Parkland Community – 12 bins
- Two Wheel Sunday Motorcycle Association – 8 bins
- St. Albert Children's Festival – 40 bins
- Cerebral Palsy Golf Tournament – 144 reusable collection bags



Alberta Emerald Awards

ABCRC sponsored the Alberta Emerald Foundation (AEF) Emerald Award's "Education: School or Classroom" grant, which recognizes leadership and creativity in educating young Albertans about environmental matters. This aligns with ABCRC's goal of ensuring that the next generation will care for our province and seek out innovations to help advance environmental efforts.



Advocating for Circular Economies

ABCRC supports the Recycling Council of Alberta's (RCA's) mission to promote, facilitate and advocate for a circular economy in Alberta through waste reduction and resource conservation. ABCRC is sponsoring the RCA's annual conference – an event that brings together like-minded industry stakeholders in a collaborative environment – through 2025.

Sustainability Initiatives

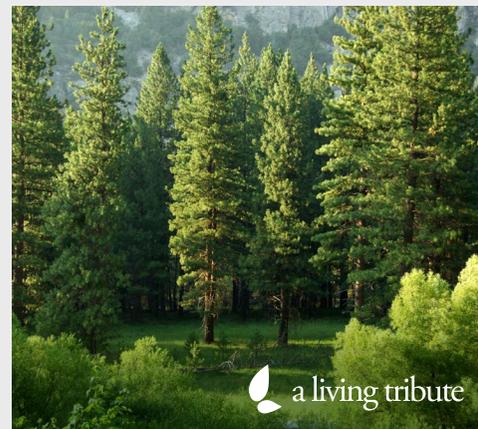
ABCRC believes that sustainability and responsibility should be reflected in an organization's own practices. To that end, we continually review and refine our corporate initiatives to ensure that they align with our sustainability goals.



Embracing Re-use

ABCRC attended tradeshows in 2022 like the Alberta Craft Brewing Convention, the RCA annual conference and the Alberta Municipalities Trade Show, representing the corporation rather than the industry for the first time.

For our public debut, old booth assets were refurbished. These educational games teach players about types of containers that can be returned to a depot for refund and what those containers are recycled into.



Tree Planting

Ordered 28 eco-friendly, ethically/sustainably sourced (natural or recycled materials) corporate clothing items from TENTREE® and they planted 2800 trees in return. Also planted two trees for each of the 125 guests invited to our annual Zero Waste BBQ through alivingtribute.org.



Sustainable Fundraising Support

Fundraising through recovery and recycling is right up our alley! We provided beverage container bins, bin liners and/or reusable collection bags to schools and not-for-profit groups like the Calgary SPCA and Nellie Carlson School to support sustainable fundraising. These organizations invest the funds raised back into their programs, and more beverage containers are kept out of our landfills. It's a win-win!



Zero Waste Purchasing

ABCRC worked with eco-friendly companies to accommodate smaller promotional items and corporate attire orders. We no longer overstock (make unnecessary bulk purchases) to save money. And under the new program, if it's not ethically sourced, sustainable, reusable, compostable or recyclable, then we don't buy it.

Community Programming

In addition to corporate sponsorships, donations and initiatives, programming has been instrumental in encouraging community involvement in beverage container recycling by providing infrastructure and education since 2004. Participation in the programs has declined over the last few years, though, and after a thorough evaluation it was decided that Alberta Depot programming was no longer sustainable in its current form, as it was not having the effect it once had in increasing Alberta's beverage container recovery rates.

Both the Alberta Depot School Recycling Program and the Community Champions Program were officially closed in 2022, and the search is now underway to develop new ways to find more convenient ways for Albertans to return beverage containers when not at home (out-of-home capture), as well as ways to educate and inspire those who don't know that their containers can be returned. It's time to find the 15-17% of beverage containers that continue to go missing every year! We hope to announce new programming in 2023.

ABCRC is proud of all the Alberta schools, communities and not-for-profit organizations that participated in our programs over the last 18 years and made a positive impact on the world around them. Their collective efforts contributed in big ways: from helping to fund school programs and community initiatives to encouraging people of all ages to keep waste out of our landfills by recycling. We encourage these schools and communities to continue their recycling journey by finding new and innovative ways to collect even more beverage containers.



Top 10 schools
awarded
\$1,000 prizes
for most
containers
collected
per student:

- Grand Trunk High School
- Coronation School
- Huntsville School
- Living Truth Christian School
- Caroline School
- Ecole Rocky Elementary School
- CW Sears Elementary School
- Rocky Christian School
- Vermilion Elementary School
- Harry Gray Elementary School

- **46 participating schools**
2021/2022 school year
- 96 grants to participating
communities/organizations in 2022
totaling **\$1,168,460**
- New recycling infrastructure
introduced (bins) **844**
- **3,737,588 total beverage
containers** collected by
program participants
- Economic benefit to Alberta schools
and communities from refunded
deposits **\$445,540**
- Environmental benefit from recycling:
191,152 kg of waste kept from
Alberta's landfills

Human Resources

ABCRC is proud to contribute to the province's economy by providing stable, meaningful and gainful employment for a diverse group of more than 160 Albertans. They contribute a wealth of expertise to the maintenance and operation of the Common Collection System and kept ABCRC in operation through 2022 without any service disruptions, which in turn kept Alberta's economy moving... one beverage container at a time.

Our comprehensive benefits include:



Medical, dental,
and vision care benefits



Employee Assistance
Program (EAP) for
mental health resources
and counseling



Retirement
savings plans



Life and disability
insurance coverage

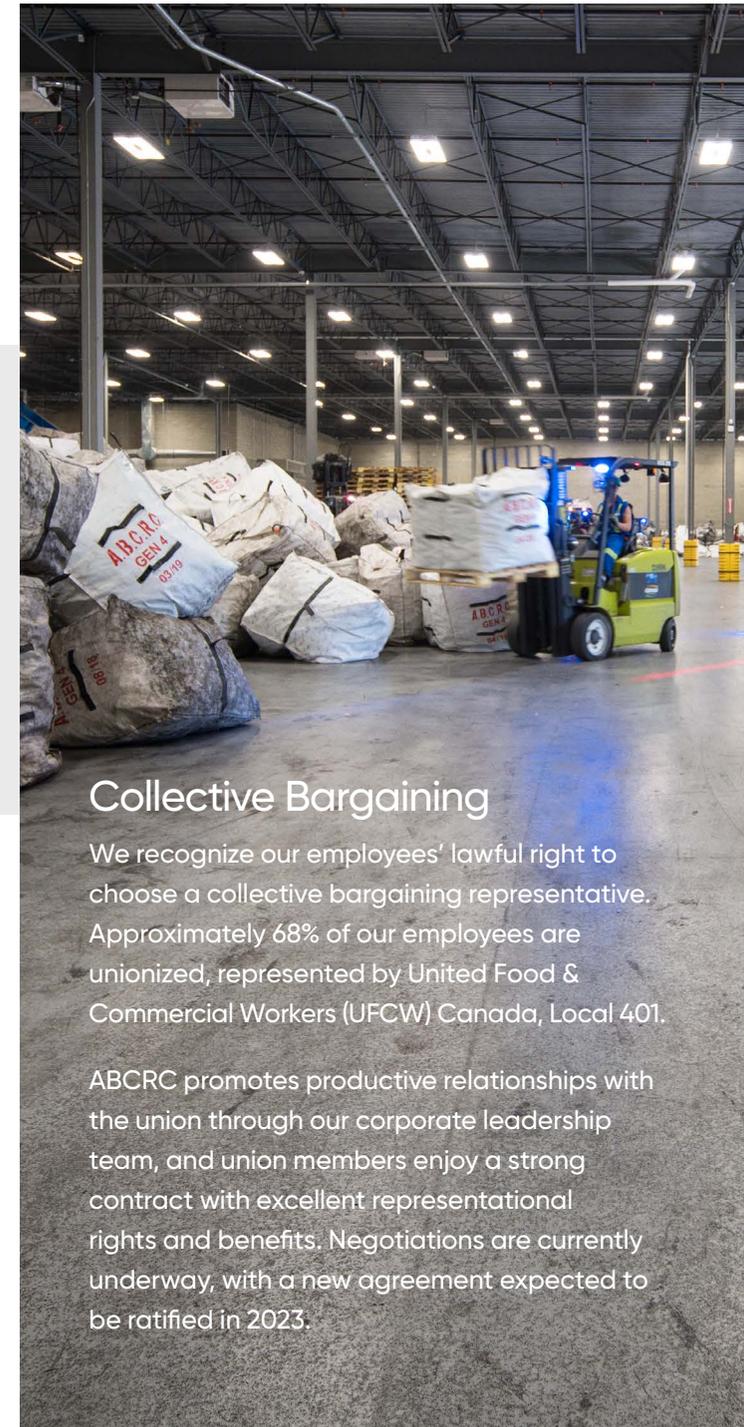


Exclusive offers,
cashback and
discounts

Our Human Resources (HR) team continually works to drive the organization forward by attracting, developing, engaging, and retaining local talent. ABCRC values each and every employee, and strives to keep them safe, happy and healthy.

ABCRC offers compensation to its salaried employees not just monetarily, but through benefits, work-life balance options and wellness resources, as well. Our benefit packages are intended to help employees live healthy, fulfilling lives in and out of the workplace and help them to make the right decisions to set them up for future personal and financial health.

In addition, employment with ABCRC offers many value-added benefits to employees, such as employee recognition and awards programs, telecommuting options, paid vacation, education reimbursement, qualified leave for life's unexpected events, personal "flex" days that can be used for appointments or volunteering and tuition reimbursement. These programs are meant to help employees maintain a healthy everyday work-life balance while empowering them to make the best decisions for their futures.



Collective Bargaining

We recognize our employees' lawful right to choose a collective bargaining representative. Approximately 68% of our employees are unionized, represented by United Food & Commercial Workers (UFCW) Canada, Local 401.

ABCRC promotes productive relationships with the union through our corporate leadership team, and union members enjoy a strong contract with excellent representational rights and benefits. Negotiations are currently underway, with a new agreement expected to be ratified in 2023.

Employment Statistics

ABCRC is an equal opportunity employer. We are focused on achieving equality through transparent hiring practices – which include public job postings, interviewing all qualified applicants and then selecting the best candidate – and fair and equitable compensation (equal pay for equal work).

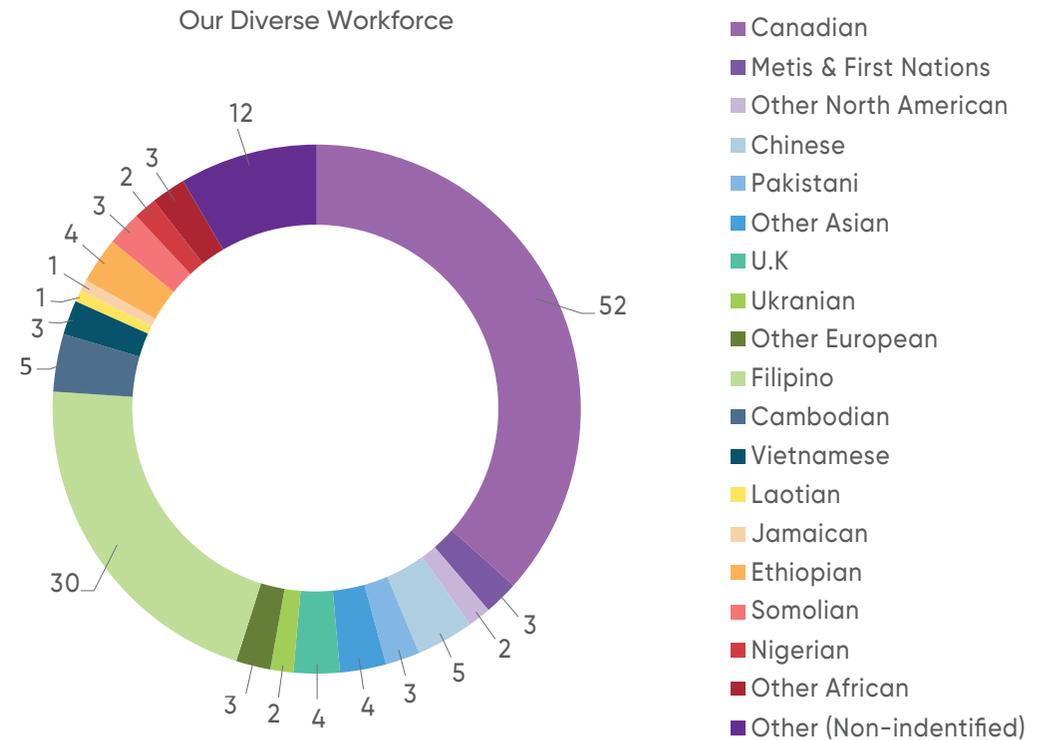
Gender Breakdown 2022



Note: While ABCRC is committed to gender equality in all roles, plant floor (union) employees are predominantly male due to the physical demands of processing tasks.

Workplace Diversity 2022

We strive to create an environment that embraces cultural diversity, is free from discrimination and harassment and is grounded in respect. Our cultural diversity survey garnered excellent results: 142 of 160 employees responded.



Health & Safety

ABCRC's commitment to employee health and safety never wavers. ABCRC's comprehensive corporate Health & Safety Management System (HSMS) includes identification and control of workplace hazards, comprehensive training programs for employees and procedural and safety documentation, all working in tandem to ensure that risks are minimized and healthy working conditions are maintained.

Our workforce is continuously aware of health and safety risks, fully engaged in minimizing the risk of injuries and trained on proper, up-to-date safety procedures. Operations holds monthly Safety Meetings to share and learn from incidents and discuss safety improvements. As well, the use and maintenance of Personal Protective Equipment (PPE) is an important health and safety tool. ABCRC allocates significant financial resources to provide employees with a selection of PPE to use while working.

The concentrated efforts of ABCRC's Health & Safety team also resulted in reduced claim costs in 2022 – from \$56,760 in 2021 down to just \$16,389. While the total number of recordable incidents increased from 8 in 2021 to 13 in 2022, most (10) were less severe in nature, requiring only modified work accommodations for employees rather than time off. Overall, this translated into a 5.25% reduction in Workers Compensation Board (WCB) premiums for 2023.



Responsible
Governance



ABCRC Shareholders



Regulation & Oversight

The beverage container recycling system in Alberta, as mandated by the Beverage Container Recycling Regulation, is overseen by the system's regulator, the Beverage Container Management Board (BCMB), and is accountable to Alberta's Ministry of Environment and Parks. The BCMB approves Alberta Beverage Container Recycling Corporation (ABCRC) to be the agent for the non-refillable collection system and the Alberta Beer Container Corporation (ABCC) to be the collection system provider for refillable beer containers. The Alberta Bottle Depot Association (ABDA) represents the 221 independent depot owners in Alberta that collect refillable and non-refillable beverage containers from consumers. All four

organizations – BCMB, ABCRC, ABCC and ABDA – work collaboratively to ensure efficient collection and processing of used beverage containers within the province.

ABCRC operates with not-for-profit provisions as the appointed and approved collection system agent (CSA) for Alberta beverage manufacturers and distributors whose beverage containers are regulated. ABCRC's shareholders appoint representatives to ABCRC's Board of Directors to ensure the effective governance of one the most innovative and sustainable beverage container recycling programs in North America.

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



Beverage Container Management Board



Alberta Beverage Container Recycling Corporation



Alberta Depot Network and the Alberta Bottle Depot Association

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



Beverage Manufacturers



Retailers



Consumers



Commodity Markets

"ABCRC's Board of Directors is proud that Alberta is home to one the most innovative and sustainable beverage container recycling programs in North America."

– Ken White, Chairman, ABCRC Board of Directors



ABCRC's Executive Team

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.



Guy West, MBA
President & CEO



Khurram Dhedhi, MBA, BEng, LSSMBB
Vice President, Operations



Sam Nasr, MMSc, CPA, CFA
Vice President, Finance



Lori Koebel, MSL
Director, Sustainability
& Communications



ABCRC Board of Directors

ABCRC is governed by its Board of Directors. The ABCRC Board is made up of eight shareholder nominated directors, as well as one independent director that is collectively nominated by the other eight directors. The Board 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.

There are three standing Board committees: Governance, Audit and Public Affairs & Communications (PAC). Each committee has a mix of Directors and non-director representatives, who are nominated by shareholders to provide different perspectives and expertise to the committees.

- The Governance Committee continually assesses and improves ABCRC's approach to corporate governance. They make recommendations for appointments to the Board and committees, the President & CEO's compensation, human relations issues and policy modifications.
- The Audit Committee makes decisions to ensure transparency and accountability, minimize the cost of operating the common collection system, promote and encourage effective stewardship of the common collection system, strive for continuous improvement in operations,

maintain a safe and healthy environment for employees, provide a culture of honesty and integrity, and ensure each container type (material/size) is self-funding.

- The PAC Committee develops strategies and policies with respect to public affairs and communications with all stakeholders of ABCRC and to enhance relations between ABCRC and its stakeholders.

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

Board of Director Expenses for the 2022 Fiscal Year

Independent Director Honoraria	\$ 29,373
Professional Development	\$ 14,896
Director Expenses	\$ 46,365
Total	\$ 90,634



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

Policies & Ethics

ABCRC embraces ethical and moral business practices. Two documentation projects, started in 2020, were completed in 2022: an entirely new Standard Operating Procedure (SOP) Manual and a complete update of our Policy Manual. Both projects addressed inconsistencies and information gaps, and resulted in easy-to-understand, consistently-formatted documents.

Our SOPs address operational, financial, health, safety and/or environmental risks in any ABCRC department. They provide clear, chronological instructions, written in plain language, on how to complete a process correctly and consistently.

Our policies align with federal and provincial legislation; they also support many United Nations Sustainable Development Goal (SDG) actions on issues.

Some key policies include (but are not limited to):

- **Board Oversight**
Provides operating parameters for the Board, including skills diversity requirements and nomination guidelines.
- **Privacy Protection**
Commits to protecting the privacy of employees and the public in accordance with the province of Alberta's Personal Information & Privacy Act (PIPA).
- **Code of Conduct & Ethics**
Establishes the framework to ensure that all ABCRC employees and directors act in accordance with employment standards and our core values.
- **Whistleblower Provisions**
Provides a way to anonymously report financial, human resources, legal, environmental and/or unsafe activities that may involve criminal conduct or violate ABCRC's Code of Conduct.
- **Risk Management**
Identifies, assesses, addresses and monitors potential and emerging risks that could pose a threat to ABCRC's operations.
- **Document Management**
Provides parameters for business document life-cycle management.
- **Health & Safety**
Establishes a risk assessment and prevention framework to ensure that all ABCRC employees can work in a safe and healthy environment.
- **Harassment, Workplace Violence & Discrimination**
Creates an environment that embraces diversity, is free from discrimination and harassment, and is grounded in fair treatment and respect.
- **Security Protocols**
Protects ABCRC personnel, facilities and systems from internal and external threats.
- **Accountable Finance Management**
Ensures that ABCRC operates in a fiscally responsible manner that ensures the continued operation of the common collection system.



Effective Operations



ABCRC has been meeting the needs of Alberta’s continually growing beverage container recycling industry for more than 27 years. Beverage container volume in Alberta has now risen to more than two billion per year and ABCRC recycles a broader range of containers than any other Canadian deposit program, yet we continue to be a low-cost operator by comparison.

Alberta’s return rate is consistently one of the highest in the country, even during economic downturns. This is due, in part, to factors such as the continued recycling commitments of Albertans, ABCRC’s good relationships with commodity buyers and provincial partners, and the fact that the beverage container recycling system in Alberta is self-sustaining. Outside economic factors cause minimal fluctuations in operating costs, with little impact to the consumer.

Still, ABCRC takes cost management seriously to ensure the ongoing financial sustainability of the Common Collection System. We continually focus on streamlining operations to lower costs and increase productivity, finding ways to better mitigate risk, improving the quality and accuracy of manufacturer sales reporting and achieving asset and reserve targets.

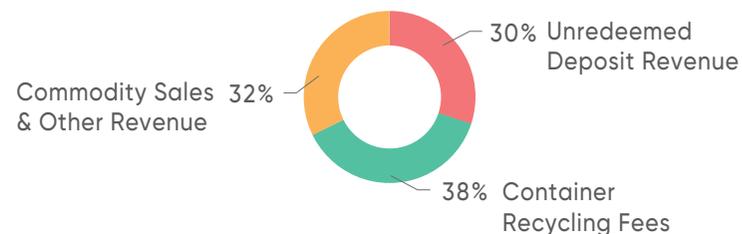
Return Rate Over Time										
YEAR	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
RATE	82%	83%	85%	86%	85%	86%	85%	82%	84%	83%

Self-Funding System

ABCRC does not receive any funding from any level of government. 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). This combination supports the costs associated with collecting, handling, transporting and processing empty beverage containers, which amounted to \$0.06 per beverage container (on average) in 2022 .

Fiscal transparency is a key element in the effective management of ABCRC's finances. ABCRC strives for rational financial decision-making that keeps the common collection system not just self-sustaining, but continually improving. Best accounting practices, annual financial audits, and the publication of our financial statements in this annual report keep ABCRC accountable, while ensuring that reliable data can be used to inform, monitor, report and evaluate our progress.

Revenue by Source



What is the CRF?

Each year, for each container type, ABCRC's Board of Directors reviews the actual cost of recovery for the previous year, then compares those costs 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). This exercise identifies beverage containers with low return performance (below 80%) and allows a CRF to be set for the following year that helps promote better return rates for that container type. This modulated fee system better ensures the self-funding principle for each different container type, since low-performing containers do not 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. They might pass this fee on to the retailers who sell their product; those retailers, in turn, might pass this fee on to consumers when they set their prices. If retailers choose to pass on the fee, they can either include the CRF in the sale price of the beverage or they can add it to the cost of the beverage afterward (shown separately on sales receipts).

"ABCRC strives for rational financial decision-making that keeps the common collection system not just self-sustaining, but continually improving."

– Sam Nasr, Vice President, Finance



How does the money flow?



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

-  Beverage containers designed to hold 1 litre or less
-  Beverage containers designed to hold over 1 litre



Industry Relations

ABCRC strives to meet or exceed agreed-upon service levels that reflect the policies outlined in the service agreements between ABCRC, 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 Alberta's more than 220 depots are helpful, respectful and transparent.

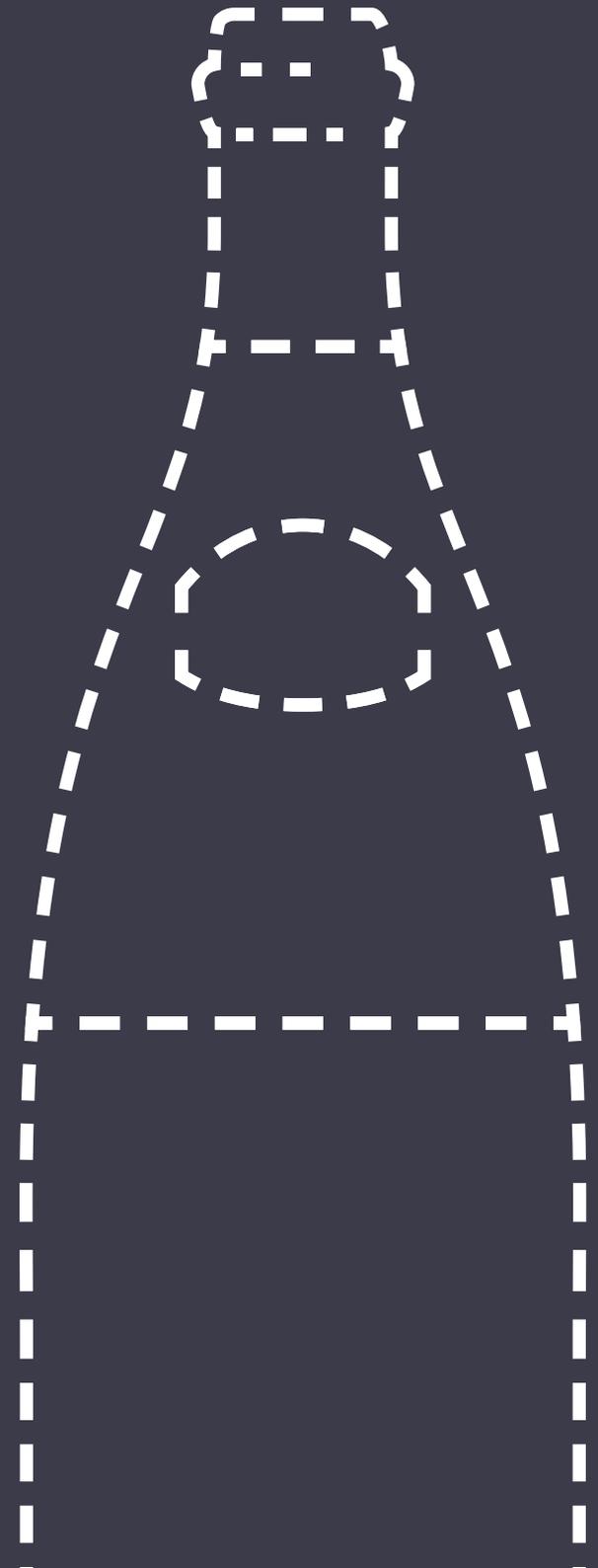
ABCRC operates a rigorous quality control (QC) program, in which 2% of bags received (approximately 1,500 incoming bags per plant, per month) are randomly selected for recount by the system or receivers or targeted if a recurring issue is noted. Depots can challenge observed discrepancies by the end 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 the BCMB, which has a progressive-action process for depot compliance; the 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 that saw cameras installed around one of ABCRC's automated QC counting machines. As expected, this eliminated the need to quarantine bags with a discrepancy, since the camera footage could simply be checked to confirm, saving time, labour and space on ABCRC's part. From the depots' perspective, video QC allows for immediate video review and feedback to ABCRC, eliminating the travel time and costs associated with meeting with ABCRC to resolve the dispute. In 2022, all parties agreed that the pilot project was a success, and the process has begun to add cameras to all existing QC counting machines and tables, as well as add five new Tomra automated counting machines to each plant (expected completion in 2023).

Just as depots are held responsible for the quality of the loads sent to ABCRC, ABCRC is accountable to the BCMB and must pay compliance fees when service level expectations are not met. We're proud to say, though, that no compliance fees were issued to ABCRC in 2022!



Financial Statements



Independent auditor's report

To the Shareholders of Alberta Beverage Container Recycling Corporation

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, 2022 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, 2022;
- 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 10, 2023

Statement of Financial Position

AS AT DECEMBER 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash and cash equivalents	63,630,537	31,928,511
Accounts receivable (note 3)	34,490,051	36,563,304
Prepaid expenses	1,074,280	691,360
	99,194,868	69,183,175
Due from related party (note 3 & 11)	2,253,276	–
Tangible capital assets (note 4)	14,307,619	15,836,515
	115,755,763	85,019,690
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (notes 3 and 5)	44,459,913	44,988,176
Share capital (note 7)	700	700
Net assets		
Investment in tangible capital assets	14,307,619	15,836,515
Innovation and research (note 8)	3,037,289	–
Unrestricted net assets	53,950,242	24,194,299
	71,295,150	40,030,814
	115,755,763	85,019,690
Commitments (note 10)		

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, 2022

	2022 \$	2021 \$
Revenue		
Regulated deposits	276,799,388	276,331,872
Container recycling fees	68,937,853	60,543,018
Deposits refunded	(224,626,340)	(234,023,846)
	121,110,901	102,851,044
Sale of processed containers	56,374,331	52,095,613
Other income and expenses	1,088,342	138,577
Gain on foreign exchange	1,421,189	146,036
	179,994,763	155,231,270
Regulated expenses		
Handling commissions	105,837,392	106,217,275
Beverage container management board fees	4,517,040	4,504,157
	110,354,432	110,721,432
Expenses		
Warehouse	16,494,595	15,471,847
Transportation	12,303,005	10,569,901
Administration	4,306,391	3,727,107
Marketing and communication	3,563,186	2,837,189
Amortization	1,708,818	1,812,213
	38,375,995	34,418,257
Surplus (Deficiency) of revenue over expenses	31,264,336	10,091,581
Net assets - Beginning of year	40,030,814	29,939,233
Net assets - End of year	71,295,150	40,030,814

Statement of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2022

Cash provided by (used in)

	2022 \$	2021 \$
Operating activities		
Surplus of revenue over expenses	31,264,336	10,091,581
Items not affecting cash and cash equivalents		
Amortization	1,708,818	1,812,213
Gain on disposal of tangible capital assets	(14,708)	–
Gain on foreign exchange	(1,421,189)	(143,036)
	31,537,257	11,760,758
Changes in non-cash working capital		
Accounts receivable	2,073,253	(943,483)
Prepaid expenses	(382,920)	59,439
Accounts payable and accrued liabilities	(528,263)	2,313,777
	32,699,327	13,190,491
Investing activities		
Purchase of tangible capital assets	(165,214)	(430,547)
Due from 2466886 Alberta Ltd.	(2,253,276)	–
Effect of foreign currency fluctuations on US dollar denominated cash and cash equivalents	1,421,189	143,036
	(997,301)	(287,511)
Increase in cash and cash equivalents during the year	31,702,026	12,902,980
Cash and cash equivalents – Beginning of year	31,928,511	19,025,531
Cash and cash equivalents – End of year	63,630,537	31,928,511
Represented by		
Cash	9,916	414,371
Cash equivalents	63,620,621	31,514,140
	63,630,537	31,928,511

Notes to Financial Statements

DECEMBER 31, 2022

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 it from taxes under Section 149(1)(l) of the Income Tax Act (Canada), 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

A financial asset or a financial liability is initially recognized when the Corporation becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished. The Corporation initially measures financial assets originated or acquired and financial liabilities issued or assumed in an arm's length transaction at fair value. These financial assets and liabilities are subsequently measured at amortized cost, except for equity investments quoted in active markets and derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in the statement of operations and changes in net assets. Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and due from related party. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment

terms, cost is determined as the sum of undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Company in the transaction.

Transaction costs on financial assets and liabilities measured at amortized cost are adjusted against the carrying value of the related asset or liability and then recognized over the expected life of the instrument using the straight-line method. Transaction costs on equity investments quoted in active markets are recognized immediately 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 writedowns of capital assets are recognized as expenses in the statement of operations and changes in net assets. Writedowns are not subsequently reversed.

Notes to Financial Statements

DECEMBER 31, 2022

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.

Effective January 1, 2022, the Corporation changed its estimates of timing of future container return rates and associated costs. The new estimates are based on a data analysis and predictive model undertaken by a third party consultant. Liability for unreturned containers has decreased in 2022 by \$3,625,479. This change has been applied prospectively.

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 as 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

Transactions with participants are considered related party transactions because all participants are represented on the Corporation's Board of Directors, which makes strategic decisions.

Of the Corporation's total revenue, 64.95% (2021 – 66.26%) 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, 2022, the accounts receivable balance included \$31,849,225 (2021 – \$29,195,379) due from the Participants in the normal course of business.

As at December 31, 2022, due from 2466886 AB is \$2,253,276. This was driven by the cash injected to fund the incorporation cost of 2466886 AB and its assets acquisition. The Corporation has conducted business transactions with 2466886 AB in 2022 for \$179,698 (2021 – \$nil).

As at December 31, 2022, the accounts payable and accrued liabilities balance included \$1,696,480 (2021 – \$1,496,576) payable to the Participants in the normal course of business.

4. TANGIBLE CAPITAL ASSETS

2022	Cost \$	Accumulated amortization \$	Net \$
Land	3,831,850	-	3,831,850
Warehouse building	6,993,805	3,134,323	3,859,482
Plant equipment	9,549,581	5,944,615	3,604,966
Warehouse building improvements	3,867,553	1,771,632	2,095,921
Computer and communication equipment	2,302,432	2,192,779	109,653
Leased land improvements	743,033	666,097	76,936
Leasehold improvements	820,990	498,961	322,029
Office equipment	407,455	403,414	4,041
Vehicles	41,762	16,289	25,473
Assets not yet in use	377,268	-	377,268
	28,935,729	14,628,110	14,307,619

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

Tangible capital assets not yet in use of \$377,268 (2021 – \$230,344) are not subject to amortization until development is complete.

Notes to Financial Statements
DECEMBER 31, 2022

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

LIABILITY FOR UNRETURNED CONTAINERS

Included in accounts payable and accrued liabilities is the amount for a liability of \$36,226,651 (2021 – \$39,852,130) that the Corporation has accrued for. The liability is based on the deposit refunds, handling commissions and COVID relief gift that relate to the estimated number of containers that have been sold by the Participants as at December 31, 2022. These amounts are expected to be paid after year-end, based on expected return rates.

Management has estimated this liability based on a data analysis and predictive model undertaken in late 2022 by RIVR Solutions Ltd

6. OPERATING LINE OF CREDIT

The operating line of credit was reactivated in August 2021 by the decision of the executive management team. The line of credit limit is \$5,000,000. \$nil was withdrawn as at December 31, 2022.

7. SHARE CAPITAL

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	2022 \$	2021 \$
700 Class A shares	700	700

8. INTERNALLY RESTRICTED FUND

INNOVATION AND RESEARCH

Management has internally restricted an amount of \$3,037,289 (2021 – \$nil) as Innovation and Research funds. The funds will be used to launch recycling and awareness campaigns that promote the recovery of containers. The campaign will target low performing containers, specifically polycoat, plastics, and bi-metal.

9. 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, 2022, by \$110,495 (2021 – \$25,229).

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. As at December 31, 2022, the Corporation had a net exposure to U.S. currency of CA\$3,619,595 (2021 – CA\$796,939) represented by US\$2,672,471 (2021 – US\$628,600), and the Corporation has no option or any forward commitments to sell additional U.S. currency.

Notes to Financial Statements

DECEMBER 31, 2022

10. 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 \$28,401,729 and the annual lease payments for the next five years and thereafter are as follows:

2023	\$ 2,005,367
2024	\$ 1,970,067
2025	\$ 1,886,122
2026	\$ 1,775,512
2027	\$ 1,684,947
Thereafter	\$ 19,079,714
	<u>\$ 28,401,729</u>

11. 2466886 ALBERTA LTD.

In 2022, Baseline Transport Ltd. (Baseline), a third party, decided to shut down due to operational and financial challenges. To avoid disruption in the Corporation's transportation needs, the Corporation incorporated a new trucking company on October 20, 2022, 2466886 AB, a wholly owned subsidiary controlled by the Corporation. 2466886 AB acquired Baseline's assets (trailers, tractors and spare parts) in October 2022 for cash consideration of \$2,056,000.

2466886 AB is an NPO that provides carrier services exclusively for the Corporation, from depots to the Corporation's locations. 2466886 AB's financial accounts have not been consolidated in the Corporation's financial statements, which is in accordance with the Corporation's accounting policy. 2466886 AB and the Corporation signed an Equipment Rental Agreement on November 8, 2022.

The breakdown of the assets purchased by 2466886 AB is as follows:

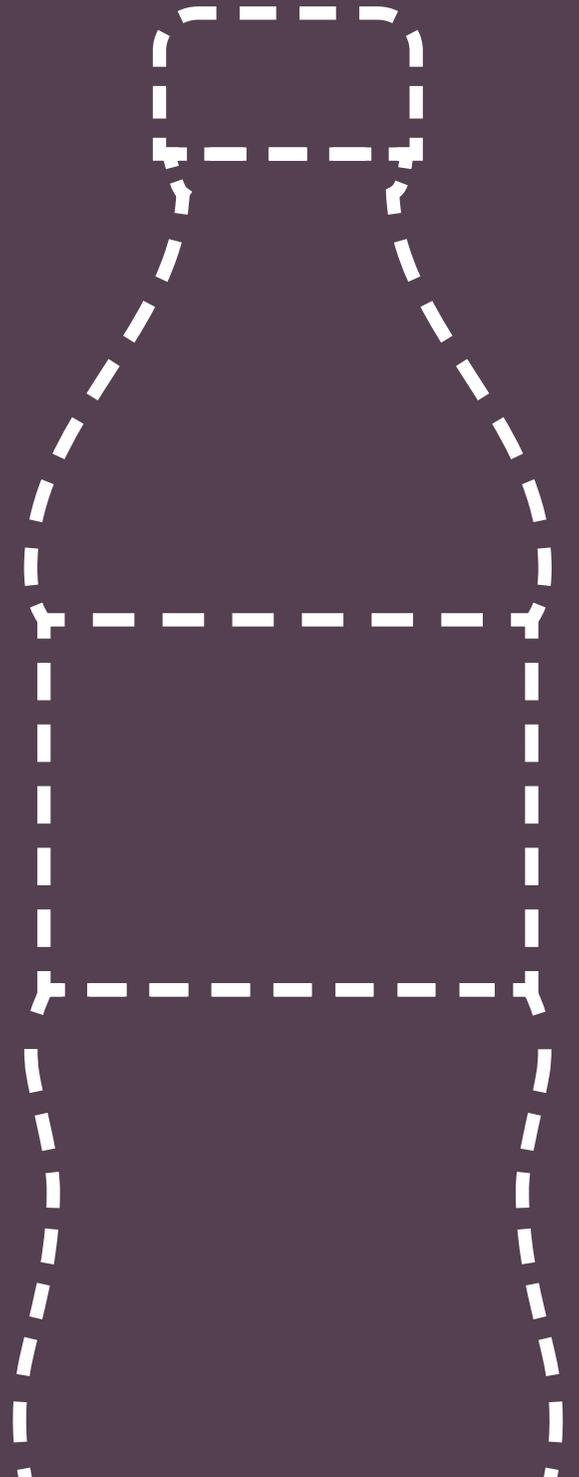
Trailers	\$ 1,533,000
Tractors	\$ 463,000
Parts	\$ 60,000
	<u>\$ 2,056,000</u>

Due from 2466886 AB as at December 31, 2022 was \$2,253,276. 2466886 AB will gradually repay the balance due to the Corporation. The amount due is non-interest bearing and has no specified terms of repayment.

Financial summaries of 246686 AB as at December 31, 2022 are as follows:

Financial position	
Total assets	2,243,817
Total liabilities	2,253,276
Total net assets	(9,459)
	<u>2,243,817</u>
Results of operations	
Total revenue	2,243,817
Total expenses	2,253,276
Deficiency of revenue over expenditures	(9,459)
Statement of cash flows	
Cash flows provided by (used in) operating activities	(99,280)
Cash flows provided by (used in) investing activities	(1,996,000)
Cash flows provided by (used in) financing activities	2,253,276
Change in cash during the year	157,996

Appendices



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 depots operating in Alberta.

Beverage Container Management Board (BCMB)

Established as a management board under Alberta's Environmental Protection and Enhancement Act, the 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

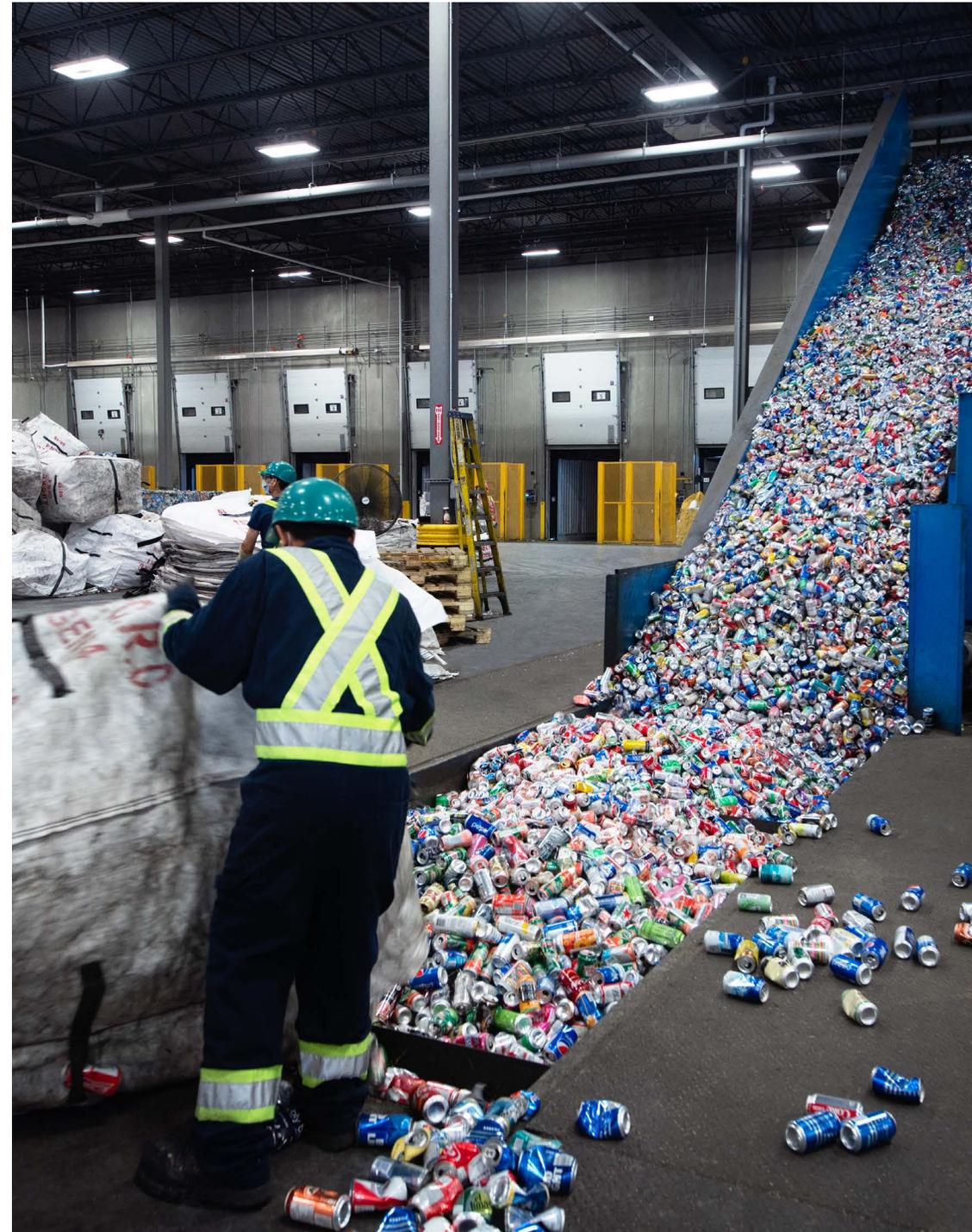
A circular economy is an alternative to a traditional linear (make-use-dispose) economy, in which resources are kept in use for as long as feasible, with the maximum possible value being extracted during that time. The resources are then recovered at the end of their service life and recycled for further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



Glossary of Terms

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.

Low-density polyethylene (LDPE)

Also known as Plastic #4, LDPE is a flexible, lightweight type of plastic commonly used in drink pouches.

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.

Regulation

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



Active Manufacturers

Active manufacturers are those who reported at least one container sold during 2022.

117750 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 | 1629321 Ontario Inc. o/a ITC Importers & Dist. | 1735221 Alberta Ltd. | 1768466 Alberta Ltd. o/a YEG Exotic Pop | 1833709 Alberta Ltd. o/a Lina's Italian Market | 1841082 Alberta Ltd. | 1963677 Alberta Inc. dba Appointed Consulting | 2018457 Alberta Ltd./Tamarack Jack's | 2028708 Alberta Ltd. | 2127367 Alberta Ltd. | 2226621 Alberta Ltd. o/a Fairwinds Farm Ltd. | 2325217 Alberta Ltd o/a Peeled Beverages | 3620905 Canada Ltd. o/a Beverage International Distributor | 598316 Alberta Ltd./Culligan Bottled Water | 9129-0213 Quebec Inc. o/a Sober Carpenter Brewery | 98951 Canada Inc. o/a Fort International | 996660 Ontario Limited o/a Molisana Imports | A Good Taste Of Britain 1995 | A. Bosa & Co. Ltd. | A. Lassonde Inc. | A.M.G. Medical Inc. | Abbott Laboratories Co. | Acklands-Grainger Inc. | Advantage Solutions Inc. | Afic Exim (Canada) Corp | Afod Ltd. | Agropur Cooperative | AGT CLIC Foods Inc. | Alberta Gaming & Liquor Commission | Alimentation Biodev Inc. | 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. | Awakened Living Inc. o/a The Light Cellar | B & B Lotus Art Gallery Ltd. | Bass Pro Shops Canada ULC | Beckett's Tonics Canada Inc. | Best Brands Marketing | Better Start Naturals Inc. | Beverage World Inc. | BIDMEXICO International Inc. | Bio-K Plus International Inc. | BioSteel Sports Nutrition Inc. | Black Bird Cold Brew Coffee Inc. | Black River Juice Company Inc. | Bolthouse Farms | Boochoa Beverages Inc. | Bow Valley BBQ Inc. | Brauerei Fahr Inc. | Brother Choice Foods Ltd. | Bucha Brew Ltd. | Bulk Barn Foods Limited | Bull's Head Beverages Inc. | C&C H2o Inc. | C.B. Powell Ltd. | Cabela's Retail Canada Inc. | Calkins & Burke Ltd. | Campbell Company Of Canada | Canada Dry Mott's Inc. | Canadian Choice Wholesalers | Canadian Tire | Canadian Trade House Ltd., The | Canda Six Fortune Enterprise Co. Ltd. | Canterbury Coffee Corporation | Car-Net Import & Export Corp. | Cascade Wines Ltd. | Casseroles Cora Inc. | Cheribundi, Inc. | Chero Zinda Foods Ltd. | Cherry Pit Inc. | Chevalier Star Trading Co., Ltd. | Clearly Food & Beverage Company ULC | Coca Cola Canada Bottling Limited | Collective Arts Brewing Limited | Confluence Distilling | Consuming Ventures Inc. | Core Blanc Group Inc. | Core-Mark International, Inc. | Corinthian Distributors Ltd. | Costco Wholesale Canada Ltd. | Country Fresh Water | Cows Inc. | Crossmark Canada Inc. | Culligan of Canada ULC | Cupper's Coffee Co. (1999) Inc. | Dandy Brewing Company Ltd, The | Dattani Wholesalers | De Simone Farms Ltd. | Distribution Missum Inc. | Dole Packaged Foods Co. | Dollar Tree Stores Canada | Dollarama L.P. | Dong Phuong Group Partnership | Donia Farms Foods Ltd. | Double D Beverage Co. | Double V Trading Ltd. | Dovre Import & Export Ltd. | Dream Products Inc. | DSI Food Corporation | Earth Water International Ltd. | Earth's Own Food Company Inc. | Eau Claire Distillery Ltd. | Ecotrend Ecologics Ltd. | Edelweiss Imports Ltd. | Edoko Food Importers 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 & Export | Fernie Alpine Springs Inc. | Fiji Water Canada Ltd. | Flow Water Inc. | Fok's Trading (Canada) Ltd. | Foxtail International Beverages Ltd. | Fresh Squeeze Inc, The | Freshfresh Alberta Ltd. | Fukuda Trading Co. Ltd. | Functional Beverage Group Inc., The | Genesis Marketing Group Inc. | Genki Foods | Gia Foods Ltd. | Gldn Hour Inc. | Glencar Food & Beverages Inc. | Global Reach Confections & More Inc. | Gordon Food Service Canada Ltd. | Gourmet Trading Co. | Grace Foods Canada Inc. | Gradient Beverages Corp | Great Canadian Water | Company Ltd. | Great Impex Inc. | Greenworld Food Express Inc. | Grizzly Paw Pub & Brewing | Company Ltd., The | Grolsch Canada Inc. dba Asahi Canada | Guru Beverage Inc. | Happy Days Dairies Ltd. | Happy Planet Foods Inc. | Harays Natural Inc. | Heart Smart Foods Ltd. | Hell's Basement Brewery Inc. | Hilary's Salesmaster Inc. | Hillsboro Corp Inc. o/a True Buch Kombucha | Hongdao Business Development Ltd. | Horizon Distributors | House of Sher 2018 Ltd. | Hp Hood LLC | Hudson's Bay Company | I.D. Foods Corporation | Ice River Springs Water Co. Inc. | Icy Mountain Water Co. Ltd. | IKEA Canada L.P. | Ikkuma Inc. | Inform Brokerage Inc. | ITN Food Corporation | Jardin Foods Ltd. | Jasmine Mediterranean Foods | JC Bunny Bunny Trading Co., Ltd. | Jet Trading Co. Ltd. | Jeunesse Global Marketing Ltd. | JFC International (Canada) | Johanna Foods Inc. | Joriki Inc. | Jr Beverages Ltd. | Jus Dose Inc. | Kartel Coffee Inc. | 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. | Lambda Investments Ltd. | Lc Beverages Ltd. | Left Coast Naturals | Lekiu Distributors Ltd. | Lekker Food Distributors Ltd. | Les Aliments Unique Foods (Canada) Inc. | Les Produits Alimentaires Duran Inc. | Loblaw Companies | London Drugs Ltd. | Loop Juices Inc. | Lowe's Companies Canada, ULC | Lucky's Speed Sauce Inc. | Malinda Distributors Inc. | Mango-Solon-Grace International Market | Mark Anthony Group Inc. | Martelli Foods Inc. | Marten Brewing Company Ltd. | Martin Brower of Canada Ltd. | McBritty Holdings Ltd. o/a BritBrocer | MCBSW Creative Services Inc. | McClelland Premium Imports Incorporated | McKesson Canada Corporation | Mead Johnson Nutrition (Canada) Co. | Mexican Family Store | Minute Maid Company, The | Mobu Kombucha Inc. | Mode Juice Co. | Molson Canada 2005 | Monashee Spring Water Distributors Ltd. | Moodwater Corp. | Morgan Williams West Inc. | Morinda Canada Co. | MTI - Mobitech International Inc. | Murray Market National Inc. | Nanton Water & Soda Ltd. | National Dry Company Ltd. | 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 | Nutrifresh West Ltd. | Ocean Spray International Services, Inc. | Oceanic Distributors | One For The Road Brewing Company Incorporated | Orana Canada Inc. | P.A. Fine Foods & Distributors Ltd. | Pacific Bottleworks Company | Pacific West Distribution Wholesale Inc. | Pak National Foods Ltd. | Paradise Mountain Organic Estate Coffee Ltd. | Paraiso Tropical Ltd. | Peavey Industries LP | Pepsi Bottling Group (Canada) Co. | Philippe Dandurand Wines Ltd. | Phillips Brewing Company Ltd. | Phoenicia Group Inc. | Pilotsfriend West Inc. | Pinnacle Distribution Inc. | PKE Water Store & More | Pom Wonderful | Pratts Wholesale (Sask.) Ltd. | Precision Design & Manufacturing | Premier Brands, Ltd. | Premium Impex Inc. o/a Premium Foods | Premium Near Beer Ltd. | Pulp & Press Juice Company Inc. | Purearth Organics Inc. | Puresource Inc. | Rajdoot Imports Ltd. | Read Group Holding Inc. | Red Apple Stores ULC | Red Bull Canada Ltd. | Red Crown Ventures Ltd. | Refresco Canada Inc. | Reinhart Foods Ltd. | Remedy Drinks Canada Inc. | Repete Functional Food Corp | Reyesh Ltd. | Ribstone Creek Brewery Inc. | 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. | Royal Import & Export Ltd. | Rubicon Food Products Ltd. | Rumble Nutrition Ltd. | Rviita Inc. | RW Consumer Products Ltd. | S S Piping & Fabrication Inc. | S.J. Decoys & Other Treasures o/a Dovetale | SA Meat Shops Inc. | Safari Meat Shops Inc. | Santa Maria Foods Corp. | Saputo Dairy Products Canada G.P. | Save-On-Foods Limited Partnership | Seoul Trading Corp. | Shoppers Drug Mart Inc. | Silver Swallow Inc. | Sky Blue Water Inc. | Sleeman Breweries Ltd./Les Brasseries Sleeman Lte | Smucker Foods of Canada Corp. | Southern Glazer's Wine and Spirits of Canada, LLC | Soylent Nutrition Inc. | Sparkmouth Drinks Co. Ltd. | Star Marketing Ltd. | Steve & Dan's Fresh B.C. Fruit Ltd. | Sun Orchard, LLC | Sunrise Markets Inc. | Sunshine Blends Inc. | Sunterra Quality Food Markets Inc. | Superasia Wholesale Distributors Ltd. | Superior Natural ULC | Supplying Demand, Inc. | Sweet Fusion o/a 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 Ltd. | TFI Foods Ltd. | Thai United Food Trading Ltd. | Thomas, Large & Singer Inc. | Tokushin Enterprises Ltd. | Tonsell International Inc. | Tory Manywoods Gallery 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 | Uno Foods Inc. | Untapped Trading Incorporated | Usana Canada Co. | Uva Collections Inc. | Van Dyk's Health Juice Products Ltd. | Veritiv Canada Inc. | Verka Food International Ltd. | Village Brewery Ltd. | Waisa Mama Organic Beverage Co. Inc. | Wallace & Carey Ltd. | Wal-Mart Canada Inc. | Wang's International Foods Enterprise Ltd. | Water Pure & Simple - Minilake Dist. Ltd. | Water Pure & Simple - Westlock | Watson Enterprises Inc. | Well's Food Processing Ltd. | Well Juicery | Whistler Water Inc. | Wholesome Nourishments Inc. o/a Happy Belly | Wild Brewing Ltd. | Wild Folk Incorporated | Wild Tea Kombucha | Wine Alliance Inc. | Wismettac Asian Foods, Inc. | Ying Fat Food Products Ltd. | Young Living Canada ULC | YYoung Water Ltd. | Zevia, LLC

Reporting Framework

This report has been prepared in accordance with Global Reporting Initiative (GRI) standards and highlights Alberta Beverage Container Corporation's (ABCRC's) relevant ESG actions and progress between January 1, 2022 and December 31, 2022.

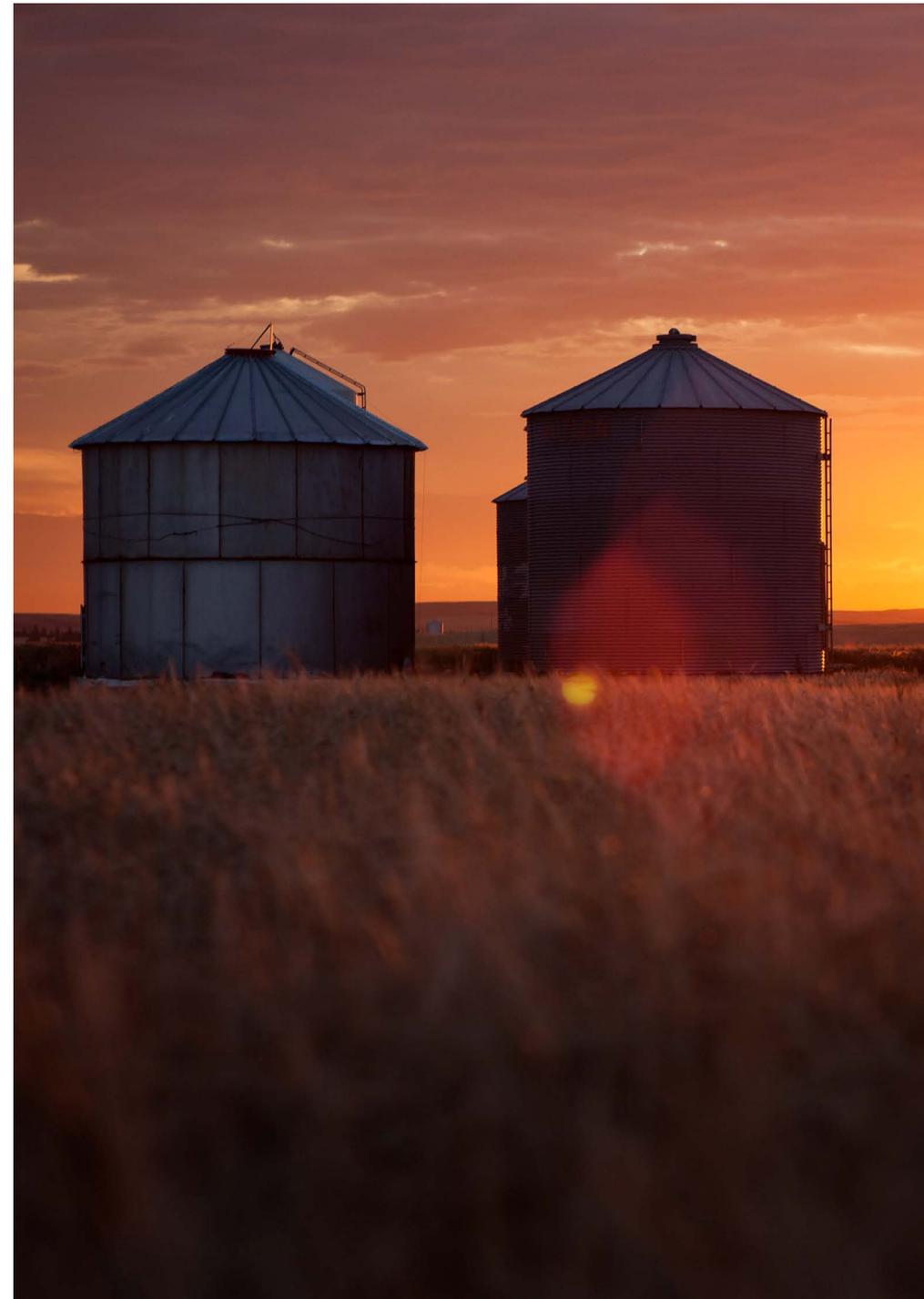
ABCRC operates solely within the Canadian province of Alberta as a provincial product stewardship corporation, incorporated under the Business Corporations Act (Alberta) and operating within not-for-profit provisions. ABCRC acts as the agent for beverage manufacturers in the province of Alberta to collect non-refillable beverage containers from 221 independently owned depots located throughout Alberta. Processing activity is conducted in ABCRC-operated facilities located in St. Albert and Calgary.

The report includes all entities over which ABCRC exercises control and/or that generate significant sustainability impacts. ABCRC also considers its organizational boundary to include its transportation suppliers, who are wholly independent of ABCRC but significant to overall organizational performance.

The Financial Statements for 2022 presented herein were audited by PwC Canada in March 2023 and approved by ABCRC's Board of Directors in May 2023.

This report contains forward-looking statements based on the Corporations' current assumptions, expectations, and projections about future events. Although ABCRC believes that the expectations reflected in these forward-looking statements are reasonable as of the date of publication, any number of risks and uncertainties could cause actual results to differ materially from any such statement. ABCRC does not have any re-statements or significant changes from previous reports to disclose.

In 2021, the UN issued its United Nations Global Compact Principles and Sustainable Development Goals (SDGs) report, in which 17 interconnected dimensions of sustainability – including health, well-being, social equality, economic prosperity, climate and ecosystems – were identified as necessary to fueling the transformational changes needed to make the Earth sustainable once again. This report references those SDGs.



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 2022 Sustainability Report possible.

As well, a special thank you to Monica Gutierrez, Calgary graphic designer and art director, for once again marrying her creative vision with our reporting needs. She brings ABCRC and our commitment to sustainability to life in this report.

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