



ALBERTA BEVERAGE CONTAINER
RECYCLING CORPORATION

2024 Annual Report in Compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act

May 8, 2025



This Report is submitted by Alberta Beverage Container Recycling Corporation (ABCRC) to address the legal requirements of subsections 11(1) and 11(3) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”)¹.

This Report relates to the financial year ending **December 31, 2024**, for ABCRC and provides the required information to address the steps taken by ABCRC during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by ABCRC or of goods imported into Canada by ABCRC.

A. Structure, Activities and Supply Chains

ABCRC is incorporated under the *Business Corporations Act* (Alberta)² and operates within not-for-profit provisions. ABCRC’s business number is 894430446.

ABCRC has been appointed by participating beverage manufacturers in the Province of Alberta to collect non-refillable registered containers from depots and to recycle them as required under the *Beverage Container Recycling Regulation* (Alberta).³ ABCRC’s supply chain starts with the participating Alberta depots who collect recyclable refillable and non-refillable beverage containers from consumers throughout Alberta. ABCRC processes the collected beverage containers and ships them to various end-markets located in Alberta, British Columbia, the United States and South Korea to be recycled into new products. ABCRC also considers its organizational boundary to include its transportation suppliers, who are wholly independent of ABCRC but significant to overall organizational performance.

The beverage container recycling system in Alberta is overseen by the system’s regulator, the Beverage Container Management Board (BCMB), which is accountable to Alberta’s Ministry of Environment and Protected Areas. The BCMB approves ABCRC, on behalf of beverage manufacturers, to act as the agent for the operation of the common collection system for the recovery and recycling of empty, non-refillable registered beverage containers; the BCMB approves the Alberta Beer Container Corporation (ABCC) to be the collection system provider for the recovery of refillable beer containers. The Alberta Bottle Depot Association (ABDA) represents all the independent depot owners in Alberta that collect refillable and non-refillable beverage containers from consumers.

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. There are three standing Board committees: Governance, Audit and Public Affairs & Communications (PAC). Each committee has a mix of Directors and nondirector 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 regarding human relations issues and policy modifications. The Audit Committee makes decisions to ensure transparency and accountability,

¹ *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c. 9

² *Business Corporations Act*, RSA 2000, c B-9

³ *Beverage Container Recycling Regulation*, Alta Reg 101/1997

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, and provide a culture of honesty and integrity. 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.

B. Policies and Due Diligence Processes

ABCRC's policies and due diligence processes relate substantially to its environmental initiatives, followed by its social and governance initiatives. ABCRC is committed to social engagement and fiscal stability through responsible governance. All three align with the United Nations' Sustainable Development Goals (SDGs). In addition, ABCRC's standing Board committees allow ABCRC to continually analyze their policies and due diligence, perpetuating and improving ABCRC's policies and due diligence processes.

1. ABCRC Policies

ABCRC embraces ethical and moral business practices. A documentation project completed in 2022 saw a complete update of ABCRC's Policy Manual that addressed inconsistencies and information gaps and resulted in easy-to-understand, consistently formatted documents. These policies and their resulting actions are continually evaluated and revised to reduce our environmental footprint, maintain safe and fair working environments, and promote a more circular economy.

Some key policies that ABCRC has implemented include:

- **Board Oversight** - Provides operating parameters for the Board, including skills diversity requirements and nomination guidelines.
- **Internal Controls** – Outlines the policies and procedures instituted to help protect ABCRC from internal threats such as errors, theft and mismanagement.
- **Privacy Protection** - Commits to protecting the privacy of employees and the public in accordance with the *Personal Information Protection Act (Alberta)*.⁴
- **Code of Conduct & Ethics** - Establishes the framework to ensure that all ABCRC employees and directors act in accordance with employment standards and ABCRC's core values.
- **Whistleblower Provisions** - Provides a way to anonymously report financial, human resources, legal (including any infractions of Alberta's employment standards that prohibit forced or child labour), 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.

⁴ *Personal Information Protection Act, SA 2003, c P-6.5*



- **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 Financial Management** - Ensures that ABCRC operates in a fiscally responsible manner that ensures the continued operation of the common collection system.

2. ABCRC Sustainability Reporting

Each year, ABCRC publishes a Sustainability Report (<https://www.abcrc.com/sustainability/>) that identifies embedded responsible business conduct policies and management systems used by ABCRC. These Sustainability Reports provide transparency, including for employment data, detailed governance information, ongoing efforts to operate in a responsible manner, and detail the results of ABCRC's efforts to implement change, set goals and monitor success.

As noted in the Sustainability Report, 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's policies, goals and actions most closely align with UN SDGs 3, 5, 8, 11, 12 and 13. In 2022, ABCRC furthered its commitment to the UN SDGs by hiring a consultant to evaluate its data collection and reporting efforts to identify adverse impacts in operations, supply chains and business relationships.

C. Forced Labour and Child Labour Risks

While there is no evidence of any forced labour or child labour abuses in any of ABCRC's direct supply chains, ABCRC is aware of the potential of risk with tier one (direct) suppliers that abuses could occur among the independent depot owners or carriers in Alberta that collect refillable and non-refillable beverage containers from consumers and transport them to ABCRC.

While some of the work at the depots requires minimal skill, thereby creating the potential for workers to be exploited or to be underaged, the risk of modern slavery remains low because (a) the depots are independently owned and operated outside of ABCRC's control, (b) regulated by the BCMB and (c) required to comply with all applicable laws of the Province of Alberta and the Government of Canada. Likewise, carriers are (a) independently owned and operated and (b) required to comply with all applicable laws of the Province of Alberta and the Government of Canada.

The following is a list of steps that ABCRC takes to prevent and reduce the risk of forced/child labour being used in their business:

- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily.
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour.
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains.



- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour.

ABCRC is aware that certain regions and countries are generally known to carry a higher prevalence of modern slavery than Alberta. Notably, ABCRC has consulted open-source intelligence on this issue such as the *Walk Free Global Slavery Index*⁵. The majority of ABCRC's supply chain operates within Alberta and British Columbia, where the possibility of modern slavery occurring is low.

ABCRC currently has end-markets located in the United States of America, South Korea and Japan. In 2024, product was shipped to large, established US buyers: Continuous Materials (www.continuusmaterials.com), Schupan Recycling (www.schupan.com), and Sustana (www.sustanasolutions.com). Based on our due diligence with respect to their operations, all three companies are established and reputable organizations and represent a low risk of modern slavery occurring.

Of the 144 shipments of gable top containers initiated by ABCRC in 2024, 30 shipments were destined for South Korea or Japan, while the remaining 114 shipments were delivered to the US. From our review of the *Walk Free Global Slavery Index*, South Korea has similar characteristics to those of the US with respect to prevalence of and vulnerability to modern slavery. ABCRC is implementing steps to require that the broker that sells goods to South Korean end-customers declare and confirm that those goods are not being sent to companies that use child or slave labour. Already, shipments to Japanese destinations note the following: "No Child Labour / Forced Labour per Bill S-211 in Canada." Japan is one of the ten countries with the lowest prevalence of modern slavery, along with strong governance and strong government responses to modern slavery.

Overall, ABCRC's entire supply chain carries a low prevalence of modern slavery.

D. Remediation Measures

ABCRC has assessed that its activities and supply chains do not carry a material risk of forced labour or child labour being used; therefore, remediation is not applicable at this time.

E. Remediation of Loss of Income

ABCRC has assessed that its activities and supply chains do not carry a material risk of forced labour or child labour being used; therefore, remediation is not applicable at this time.

F. Training

ABCRC focuses on providing meaningful and gainful employment to Albertans through sustainable, responsible, and transparent business practices. ABCRC is proud to provide stable, meaningful, and gainful employment for a diverse group of more than 160 Albertans.

Upon hiring, all employees are mandated to read and sign-off on ABCRC's *Harassment, Workplace Violence & Discrimination Policy*, which remediates against discrimination and

⁵ *Global Slavery Index 2023*. walkfree.org. November 3, 2023.



harassment, while maintaining fair treatment and respect, and ABCRC's *Code of Conduct & Ethics* policy, which expressly states that no ABCRC director, officer or employee should "take unfair advantage of anyone through illegal conduct, forced/child labour, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice". Because there is no risk of forced or child labour within ABCRC, no further training is required.

G. Assessing Effectiveness

ABCRC has taken no action to assess its effectiveness in preventing and reducing risks of forced labour and child labour in its activities and supply chains.

Approval and Attestation

This Report is approved by ABCRC's Board of Directors via its standard corporate practices and procedures.

In accordance with the requirements of the *Act*, and in particular section 11 thereof, I, in the capacity of President & CEO, attest that I have reviewed the information contained in this Report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the *Act*, for the reporting year listed within this report.

I have the authority to bind Alberta Beverage Container Recycling Corporation.



Signature

May 8, 2025

Date

Guy West
President & CEO
Alberta Beverage Container Recycling Corporation