



News Media Canada Médias d'Info Canada

STEWARDSHIP PLAN

2018 ANNUAL REPORT

Required Information Page

Stewardship plan approval date: October 19, 2017

Product category: Schedule 5 – Printed Paper and Packaging [Newsprint]

Stewardship agency and/or program name: News Media Canada

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Stewardship program website: None

Stewardship plan website: <https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/>

Annual report website: <https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/>

Table of Contents

Message from the President.....	3
Introduction	4
Recovery Rate and Third-Party Audit.....	5
2018 Tonnages	6
Communication and Consumer Awareness.....	8
Environmental Performance and Changing Markets.....	10
Looking Forward	10
Conclusion.....	11
Appendix A – List of Current Members as of 2018 Annual Report.....	12

Message from the President

On behalf of News Media Canada and our members, it is with great pleasure to present our second ever annual report for newspaper stewardship in BC. 2018 was no doubt a very tumultuous year for the recycling industry in North America and indeed the entire world. Never before has modern recycling encountered the challenges, nor the intense media spotlight as it has over the past year. And although what's happened has not been easy for the recycling industry, NMC believes it's critical that the issues be widely reported so all British Columbians can be informed, and we are immensely proud of the work done by our members in this regard.

In spite of the challenges the recent market changes have created for many materials, we are happy that our product – recovered newsprint – has weathered the storm relatively well. Through our agreement with the BC Government and Recycle BC, the province's sole stewardship agency for Packaging and Printed Paper, newsprint collection and recycling has continued uninterrupted through the province-wide system. And because there are stable markets for newsprint, through Recycle BC we can provide the much-needed assurance that it has continued to be responsibly recycled as British Columbians expect.

Our stewardship plan continues to grow in a number of important respects. We were pleased to welcome three new members in 2018. We've also expanded our efforts across both old and new members to promote the recycling of our product, and recycling more generally. And even despite a slight decrease in tonnage distributed in 2018, our recovery rate remains well above the 75% threshold, sitting at an outstanding 93% for 2018.

We truly appreciate British Columbians' ongoing support for print news and your commitment to recycling that is key to our stewardship success.

Sincerely,

A handwritten signature in black ink that reads "John Hinds". The signature is written in a cursive, flowing style.

John Hinds

President & Chief Executive Officer, News Media Canada

Introduction

This is the second annual report released by News Media Canada (NMC) for our British Columbia Stewardship Plan under Schedule 5 of the Recycling Regulation. The first was for 2017, following plan approval in October of 2017. This report incorporates plan performance and data for the year 2018, as well as additional information on efforts so far in 2019 and those planned for the future.

The system for newsprint recycling in BC is unique in several ways. To start, BC is the only jurisdiction in North America that requires industry to fully fund and operate a recycling system for Printed Paper and Packaging, or PPP. As a PPP product, newsprint of course falls under this category. The PPP collection and recycling system is run by Recycle BC (formerly MMBC), through a comprehensive system of curbside and depot collection, servicing all but a few communities across the province. As Recycle BC's is a large-scale, sophisticated program, we suggest readers refer to their annual report as well for additional information, some of which is related to newsprint.

NMC fulfills our obligations under the Regulation through an agreement with the BC Government, who maintains a direct relationship with Recycle BC. As a reporting and advertising medium, newspapers fulfill a critical role in keeping the public informed and governments have long used newspapers to communicate important information and messaging. This need has allowed us to provide this service in the form of in-kind advertising for government, which translates into partial funding for Recycle BC to collect our material through their centralized system.

Similar to what works in other provinces, this system has been successful in BC as well because it allows newspapers to meet our recycling obligations while ensuring the sustainability of our work in a challenging and ever-changing media environment. We've had excellent results in our first two years of data collection and reporting and we see no reason that this won't be the case in the future.

Our Stewardship Plan is open to both NMC members and non-members. The intention behind this was to ensure that all newspapers had the opportunity to join and benefit by getting into compliance with the regulation. We firmly believe that this continues to benefit our publisher members, non-members, and the overall recovery of newsprint in BC.

As a result of this open policy we've also grown year after year, with an additional three publications added to our membership in 2018 (the complete, up-to-date list of members is included in Appendix A):

- The Georgia Straight
- The Epoch Times
- Ming Pao

The program continues to be administered by News Media Canada on behalf of members, which include most applicable BC publications. We are governed by a 15-person board, made up of diverse representatives from across the country.¹ The NMC head office is still based out of Toronto, lead by our longstanding CEO John Hinds. And our website remains the host of all important documents related to our product stewardship activities.²

¹ The current board of directors is posted on our website here: <https://nmc-mic.ca/about-us/board-of-directors/>

² These documents can be found at this link: <https://nmc-mic.ca/public-affairs/newspapers-and-recycling/bc-stewardship/>

Recovery Rate and Third-Party Audit

High material recovery for newsprint in BC continues to be a significant achievement of our Stewardship Plan. Newspaper has a long history of recycling in BC, having been the original material collected at the residential curbside. Residents have been recycling newsprint since the early 1980's and are good at it. And unlike a lot of newer materials, it does not pose much confusion for the blue box user. These factors helped achieve a recovery rate of 93% for 2018, just slightly below the 96% recovery achieved last year.

The recovery rate is stated as a percentage of the newsprint collected through the Recycle BC system, versus that distributed into the residential market by our members. Calculating this figure is an important requirement of the Recycling Regulation.

In April of 2019, BDO Canada LLP was engaged to conduct an audit on PPP tonnage information from Plan members for 2018. The audit produced figures on the distribution of applicable residential PPP. The same firm was used for our previous audit, so they are very familiar with product stewardship in BC, particularly around newsprint.

The key metric in our recovery calculations is something called "Residential Production Volume". This is the tonnage of PPP distributed by our members into the residential market, exclusively. It's an important distinction because the Recycling Regulation covers only residential material, while excluding anything distributed to commercial, industrial, or institutional premises. Newspapers are of course consumed across all building types, which requires gross volumes to be adjusted using the following process for each member.

- Begin with the total number of copies printed per publication
- Remove from the above any copies that are not discarded through the residential waste stream such as:
 - Internal copies
 - Copies distributed to non-residential customers such as hotels/motels, airlines/airports, office buildings, and street-side distribution such as transit stations
 - Unsold returns from retailers
- Use the resulting total to determine the number of residential copies
- Translate this total number of units into a total weight in Metric Tonnes

Although the vast majority of our material is newsprint, we also break it down further into more detailed categories as our members are responsible for some other PPP that is measured as well:

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

The two pages to follow show our 2018 tonnages of PPP, split up by both our member publishers, and the aforementioned material categories. Where necessary, figures were adjusted by BDO to be as accurate and consistent as possible.

2018 Tonnages

<i>GROSS PRODUCTION VOLUMES (GPV)</i>	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Postmedia</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
Reported GPV for 2018	12,946.00	4,352.00	1,187.26	5,116.75	2,250.05	2,609.29	698.63	522.27	1,898.18	288.42	365.08	32,233.93
Adjustments	(7,600.38)	(963.90)	-	1,926.65	(26.05)	-	-	(24.49)	(7.00)	2.67	-	(6,692.50)
Revised 2018 Estimates	5,345.62	3,388.10	1,187.26	7,043.40	2,224.00	2,609.29	698.63	497.78	1,891.18	291.09	365.08	25,541.43

<i>RESIDENTIAL PRODUCTION VOLUMES (RPV)</i>	<i>Black Press</i>	<i>Glacier Media</i>	<i>Globe and Mail</i>	<i>Postmedia</i>	<i>Sing Tao</i>	<i>Times Colonist</i>	<i>Continental Group</i>	<i>Aberdeen</i>	<i>Ming Pao</i>	<i>Epoch Times</i>	<i>Georgia Straight</i>	<i>Total</i>
Reported RPV for 2018	5,278.09	3,041.32	905.31	4,637.70	1,373.17	2,317.31	523.08	489.51	1,098.34	288.42	213.11	20,165.36
Adjustments	8.34	7.01	-	(66.40)	-	-	-	(22.96)	0.02	(7.73)	17.08	(64.64)
Revised 2018 Estimates	5,286.43	3,048.33	905.31	4,571.30	1,373.17	2,317.31	523.08	466.55	1,098.36	280.69	230.19	20,100.72

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continenta I Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
I) NEWSPRINT												
Reported in 2018	4,348.83	3,031.89	872.26	4,542.08	867.52	2,232.37	500.76	466.20	1,083.15	281.77	213.11	18,439.94
Adjustments	(13.71)	(155.49)	-	(66.40)	-	-	-	(21.88)	(384.69)	(7.73)	17.08	(632.82)
Revised 2018 Estimates	4,335.12	2,876.40	872.26	4,475.68	867.52	2,232.37	500.76	444.32	698.46	274.04	230.19	17,807.12
II) MAGAZINES												
Reported in 2018	929.26	-	28.50	95.62	505.65	65.24	22.32	23.31	15.19	6.65	-	1,691.74
Adjustments	13.71	159.79	-	-	-	-	-	(1.09)	384.71	-	-	557.12
Revised 2017 Estimates	942.97	159.79	28.50	95.62	505.65	65.24	22.32	22.22	399.90	6.65	-	2,248.86
III) PLASTIC FILM AND LAMINATES												
Reported in 2018	-	9.43	4.22	-	-	4.18	-	-	-	-	-	17.83
Adjustments	8.34	2.71	-	-	-	11.35	-	-	-	-	-	22.40
Revised 2018 Estimates	8.34	12.14	4.22	-	-	15.53	-	-	-	-	-	40.23
IV) OTHER PRINTED PAPER -												
Reported in 2018	-	-	0.33	-	-	15.53	-	-	-	-	-	15.86
Adjustments	-	-	-	-	-	(11.35)	-	-	-	-	-	(11.35)
Revised 2018 Estimates	-	-	0.33	-	-	4.18	-	-	-	-	-	4.51
V) OTHER PACKAGING												
Reported in 2018	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revised 2018 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

The key figure can be found in the bottom-right cell of the Residential Production Volume table: 20,100.72 Metric Tonnes. This is the total adjusted tonnage of PPP across all plan members for 2018, and acts as the denominator in the Recovery Rate calculation. The numerator is 18,704 Metric Tonnes of PPP collected, which is the figure reported by the BC Government on behalf of Recycle BC for our applicable tonnage. Together these results work out to a 93% Recovery Rate.³

This is an excellent result, and one that we have achieved even while growing our membership. As new members come on their tonnages get added to those distributed under the plan, with no commensurate impact on tonnages collected, at least in the short term. This type of growth should therefore translate into a decreasing Recovery Rate, which we have mostly managed to avoid. We of course hope to continue to grow in this manner.

Communication and Consumer Awareness

Ongoing communication is an important element of our Stewardship Plan, and one that aligns perfectly with our product and business. Throughout 2018 and beyond, NMC has continued to use its newspaper communication platform to support and promote recycling in communities around BC.

This year, we included a review of recycling promotion activity as part of our annual audit. It was confirmed that once again, our members have made consistent and significant efforts to promote recycling through newspaper advertising. All eight of our publishers who were members at the start of the year included promotional pieces throughout 2018. Some members with multiple publications included promotions in all of them, whereas others just in select papers.

To cite a few examples, two of BC’s most prominent daily papers, the Vancouver Sun and Province, ran the following number of ads in 2018:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
The Vancouver Sun	26	23	27	25	26	26	25	25	25	26	26	25	305
The Province	26	23	26	26	26	25	26	26	26	26	26	25	305

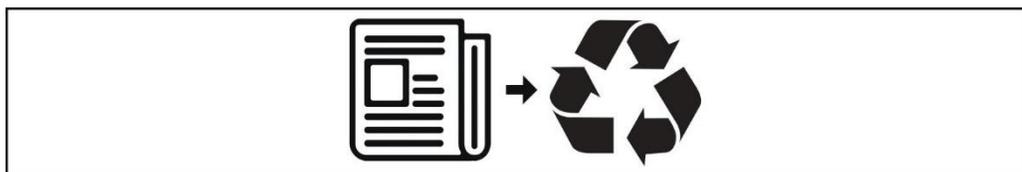
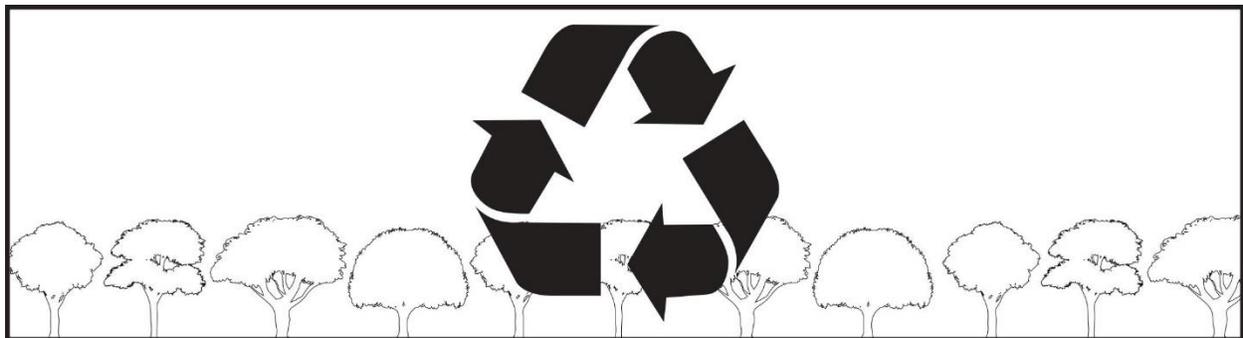
The Globe and Mail also ran between 4 and 8 recycling ads per month between March and December of 2018. From among our community newspapers, examples include Aberdeen who ran weekly ads from late March to the end of December, Black Press who ran weekly and twice weekly ads depending on frequency of publication, and Glacier Media who ran an ad in near every addition of every paper for most of the year. This concerted effort helped get the message across to customers to always recycle their papers after reading. The three new members that came on board later in the year did not do any promotions in 2018, however have already begun doing so for 2019.

Our strategy with advertising is for NMC to develop and provide content directly to members so they can easily run the ads in their papers, and to change the recycling awareness and advertisements at least yearly. We have recently developed some new, refreshed ads that will be run throughout the year.

³ As in the last report, NMC acknowledges that the total tonnage collected likely includes some material distributed by members outside of our plan.

The new ads include options for 100% image-based communication. This was an important change we made to previous content using a combination of words and images, because a number of our members produce non-English language papers. These publishers may find the new ads are more appropriate for non-English papers. The ads have been made available in multiple colours and sizes, so publishers have the option to use whichever work the best for them and report their usage back to NMC for tracking purposes.

Here are some examples of the new content now being used:



We also encourage each of the publishers to supplement these adverts with their own local information, including traditional advertising as well as coverage of recycling-related issues.

Environmental Performance and Changing Markets

We would again like to emphasize the outstanding recovery rate of newsprint as our key environmental achievement. 93% recovery means all but a tiny portion of BC newsprint is being properly recycled, with a minimal amount burdening the province's disposal infrastructure and polluting our environment. We also continue to be leaders in sustainability of our product, which is singular, wholly recyclable, and recycled content-rich.

Looking back at 2018, one thing that sticks out is the resiliency of recovered newsprint as a commodity on the recycling markets. In the 2017 Annual Report we included an extensive section on regulatory changes in China in particular. One year later, these changes have had an unprecedented impact on the market, creating massive ripple effects throughout the recycling industry. Chinese imports continue to be highly restricted, with the stated objective of eliminating them altogether by 2020. And capacity from other international markets is not sufficient to accommodate those materials that once went to China. Throughout all this, however, newsprint has fared much better than most all other PPP commodities.

Although its value is not what it once was, newsprint continues to be purchased consistently by international markets in countries like China and Korea who maintain a significant reliance on newspapers for communication. Indeed, for countries outside North America that have not as quickly transitioned to digital media, print-based communication remains very strong, and requires recycled feedstocks.

The significant volumes of newspaper that remain in the residential mixture also present the opportunity for systems to collect newsprint separately or sort it out of mixed papers at a processing facility. This is an important strength of our material because in these unique times, sorted materials are more stable and sought-after than mixed paper, for example, which has been shut out of some markets altogether.

In addition to export markets, some North American mills are also reprocessing our product, driven in part by desire for recycled content. These local outlets are important to diversify the market and we both hope and expect more to come online in the future as North America is forced to become more self-reliant in how it deals with waste materials. This transition will not be without challenges, but in the long-term will be a positive that will no doubt deliver many important environmental benefits.

Looking Forward

The newspaper industry as a whole continues to transition to a digital platform, with commensurate declines in print distribution. In 2018, for example two Glacier publications – the TriCity News and the Burnaby Now – have reduced their publications from twice to once weekly. At the same time, other papers are becoming thinner. This is a large part of why our tonnage actually went down slightly this year as compared to last, in spite of our adding multiple new members. But regardless of changes to the industry, NMC remains committed to representing our members and supporting quality journalism and news media in BC and across Canada.

Overall, we are happy with plan performance in 2018 and the efforts and adjustments we made following 2017. That said, there were a number of further improvements suggested by our auditor that we will be pursuing this year.

Our members made strides in improving tracking and reporting of tonnages, however the auditor highlighted that some challenges with consistency still remain. For example, it was noted that for improved accuracy and completeness, the Ministry and NMC should work to standardize definitions and methodologies for calculating Gross Production Volumes. Issues existed in this area largely because some publishers have their own printing operations and calculate based on net paper consumption, whereas others use outsourced printers and calculate based on copies printed. This is something we hope to improve on in concert with the BC Government.

NMC will also be working on improved consistency of tracking non-newsprint PPP materials, and practices for parsing out residential material from total distribution. Both of these were mentioned by our auditor as needing further refinement, in part to reduce the amount of adjusting that they did this year (noted in the tables on pages 7 and 8). In terms of material categories, we will focus on standard guidelines around tracking of plastic film, which may be used to wrap newspapers during wet weather and is currently managed quite differently between certain members. We will also be working on our consumer definitions to address the issue of differentiating residential material. These and all practices around reporting and meeting plan our requirements will be particularly stressed for our new members in order to get them quickly up to speed.

And finally, as will always be the case, our plan will remain open to all that wish to gain compliance through it. We have had multiple rounds of new entries, and we will continue to solicit other obligated producers who are without a plan, to join on with us.

Conclusion

Two years into our program, NMC is very pleased with our results thus far. Our recovery rate has far outstripped the mandated 75% for two successive years and shows no signs of faltering. Beyond simple collection, we also have many reasons to be confident in the genuine end recycling of our product, even during challenging times.

We thank the BC Government for its commitment to the newspaper Stewardship Plan, and Recycle BC for continuing to operate an exemplary collection system across the province. We fully anticipate another successful year in 2019.

Appendix A – List of Current Members as of 2018 Annual Report

The list below shows all current members, including all those added since original plan approval. Please note that none of our original founding members or newer additions have left the Plan since joining.

- Postmedia Network Inc.
 - The Vancouver Sun
 - The Province
 - National Post

- The Globe and Mail Inc.
 - Globe and Mail

- Black Press Group Ltd
 - 100 Mile House Free Press
 - Abbotsford News
 - Agassiz-Harrison Observer
 - Alberni Valley News
 - Aldergrove Star
 - Ashcroft-Cache Creek Journal
 - Barriere Star Journal
 - Bella Coola Coast Mountain News
 - Boulevard – Okanagan
 - Boulevard Chinese Edition
 - Boulevard Mid-Island
 - Boulevard Vancouver Edition
 - Boulevard Victoria
 - Boundary Creek Times
 - Burns Lake / Lakes District News
 - Campbell River Mirror
 - Canadian Grapes to Wine
 - Castlegar News
 - Chilliwack Progress
 - Clearwater Times
 - Cloverdale Reporter
 - Courtenay / Comox Valley Record
 - Cranbrook Daily Townsman
 - Cranbrook Kootenay News Advertiser
 - Creston Valley Advance
 - Duncan Cowichan Valley Citizen
 - Fernie Free Press
 - Fort St. James Caledonia Courier
 - Golden Star
 - Goldstream News Gazette
 - Grand Forks Gazette
 - Gulf Island Driftwood
 - Haida Gwaii Observer

- Hope Standard
- Houston Today
- Indulge (Chinese/English)
- Indulge Magazine
- Invermere, The Valley Echo
- Kelowna Capital News
- Keremeos, The Review
- Kimberly Daily Bulletin
- Kitimat, Northern Sentinel
- Ladysmith-Chemainus Chronicle
- Lake Cowichan Gazette
- Langley Advance
- Langley Times
- Maple Ridge-Pitt Meadows News
- Mission City Record
- Monday Magazine
- N2K Magazine
- Nakusp, Arrow Lakes News
- Nanaimo News Bulletin
- Nelson Star
- North Delta Reporter
- Northern Connector
- Oak Bay News
- Parksville/Qualicum Beach News
- Peace Arch News, White Rock/South Surrey
- Penticton Western News
- Port Hardy, The Norther View
- Princeton, The Similkameen Spotlight
- Quesnel, Cariboo Observer
- Real Estate Weekly Abbotsford
- Real Estate Weekly Langley
- Real Estate Weekly Surrey
- Revelstoke Times Review
- Rossland News
- Saanich News
- Salmon Arm Observer
- Salmon Arm, Shuswap Market News
- Sicamous, Eagle Valley News
- Sidney, Peninsula News Review
- Smithers, Interior News
- Sooke News Mirror
- Summerland Review
- Surrey Now
- Surrey, North Delta Leader
- Terrace Standard
- Tofino-Ucuelet Westerly News
- Trail Daily Times
- Vancouver Island Free Daily

- Vanderhoof, Omineca Express
- Vernon, Morning Star
- Victoria News
- Williams Lake Advisor
- Williams Lake Tribune
- Wine Trails
- Winfield, Lake County Calendar

- Glacier Media Inc.
 - Business in Vancouver
 - Western Investor
 - Real Estate Weekly
 - Alaska Highway News
 - Pipeline News North
 - The Mirror
 - Northern Horizon
 - Prince George Citizen
 - Vancouver Courier
 - North Shore News
 - Burnaby Now
 - New Westminster Record
 - Richmond News
 - Delta Optimist
 - Tri-City News
 - Westender
 - Bowen Island Undercurrent
 - Squamish Chief
 - Whistler Question
 - Whistler Pique
 - Bridge River Lillooet News
 - Powell River Peak
 - Coast Reporter

- Sing Tao Newspapers (Canada 1988) Ltd.
 - Sing Tao Daily
 - Sing Tao Real Estate Guide
 - Entertainment Insider
 - Sing Tao Weekly Magazine
 - Canadian City Post
 - Sing Tao Etel Directory

- Aberdeen Publications Ltd. Partnership
 - Kamloops This Week
 - Merritt Herald
 - Sunshine Coast The Local
 - Peachland View
 - Oliver Chronicle
 - Osoyoos Times

- Columbia Valley Pioneer
- Continental Newspapers
 - Kelowna Daily Courier
 - Penticton Herald
 - Okanagan Saturday
 - Westside Weekly
 - Okanagan Advertiser
- TC Publications Ltd. Partnership
 - Victoria Times Colonist
- Ming Pao Newspaper (Canada) Ltd.
 - Ming Pao
- The Epoch Times Western Canada Society
 - The Epoch Times
- Vancouver Free Press Publishing Corp.
 - The Georgia Straight

CURRENCIES		CURRENCIES	
Symbol	Rate	Symbol	Rate
US Dollar	1.0000	Canadian Dollar	0.7125
British Pound	1.5450	Japanese Yen	109.50
Swiss Franc	1.4850	South African Rand	13.50
... (many more rows) ...			

EFFECTIVE INDEX RATES		EFFECTIVE INDEX RATES	
Index	Rate	Index	Rate
US Dollar	100.00	Canadian Dollar	71.25
British Pound	154.50	Japanese Yen	10950.00
... (many more rows) ...			

BONDS		BONDS	
Symbol	Rate	Symbol	Rate
US Treasury	100.00	Canadian Treasury	100.00
... (many more rows) ...			

HIGH YIELD & EMERGING MARKETS		HIGH YIELD & EMERGING MARKETS	
Symbol	Rate	Symbol	Rate
US High Yield	100.00	Emerging Markets	100.00
... (many more rows) ...			

