



News Media Canada
Médias d'Info Canada

STEWARDSHIP PLAN



2019
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

Primary contact (name and email): John Hinds, jhinds@newsmediacanada.ca

Stewardship program website: None

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

Table of Contents

Message from the President..... 3

Introduction 4

Third-Party Audit..... 4

Recovery Rate 6

2019 Tonnages 7

Communication and Consumer Awareness..... 9

Environmental Performance and Market Update 11

Looking Forward 11

Conclusion..... 12

Appendix A – List of Current Members as of 2019 Annual Report, Unchanged from 2018..... 13

Message from the President

This past year, perhaps more than any in most of our lifetimes, has highlighted the critical role and immense public value of journalism in our society. We have simultaneously been going through the most devastating global crisis since the second-world war and the most significant social movement of the millennium. It should be no surprise that an outcome of these formative events has been a drastic increase in consumption of news. And as different as they are – one a global pandemic inflicting unprecedented loss of life and economic woe, the other a worldwide fight against racial discrimination – the two issues have highlighted just how important the role of quality, professional, and accountable news media is. At times like these newspapers go beyond just informing us, but also protect and keep us safe, help us battle against misinformation and falsehoods, and make us think.

In this context, it is important to highlight one often overlooked role that print media plays, namely, coverage of local news and information. With broadcast media narrowed in on national, provincial, and big-city oriented coverage, in many places the only source of local news is the community newspaper. And with Covid-19 in particular, much of the most critical information about the day-to-day, has been local in nature and continuously delivered by our community papers.

Recent events have also put in perspective the true meaning of essential services, notably our medical workers. But in addition to those that help us when we are sick are the unsung grocery store clerks, cleaning staff, and the thousands of waste and recycling collectors and processing facility workers. I can speak on behalf of News Media Canada and all our members in expressing my sincere gratitude to everyone who has helped keep our recycling system moving, as we have endeavored to keep everyone informed.

Through 2019, the world of recycling has continued to face significant changes and challenges. Fluctuations in material markets, as well as labour and transportation interruptions from Covid-19 have not been kind to the industry. We are fortunate though in BC to have a resilient system that has weathered the times remarkably well, and will surely come out stronger as a result.

It's been at once a great challenge and immense privilege to lead News Media Canada through this period. On behalf of all our members, we look forward to playing a role in the recovery and continuing our work together through 2020.

Sincerely,

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

President & Chief Executive Officer, News Media Canada

Introduction

This marks the third annual report for BC Stewardship of newsprint under the News Media Canada (NMC) Plan. It summarizes the information required by the province of BC, highlights the specific accomplishments of our plan over the past year, and outlines what we envision moving forward.

Our industry is required to be part of a stewardship plan because the newsprint our members distribute into the residential market falls under Schedule 5 of the BC Recycling Regulation, also known as Printed Paper and Packaging (PPP). Those familiar with our plan will know that it operates in a unique way as compared to the other BC PPP plans and those that cover items like electronics, batteries, and paint. Aside from ours, there is currently only one approved plan under schedule 5, which has been operated by Recycle BC since May of 2014.

Through our plan, in part facilitated by the BC Government, NMC's newsprint material is integrated into the province-wide Recycle BC program. This is made possible through NMC's delivery of in-kind advertising to the BC Government, which provides a medium so their important messaging can reach the public via our newspapers. In turn, the government maintains a relationship with Recycle BC on our behalf. Recycle BC also publishes an annual report, which we suggest any interested readers refer to if looking for more specific details on how their system works.

Our Stewardship Plan has always been open to any publishers who are obligated under the Regulation. As our plan is already written and approved, coming on as a member is the simplest and most efficient way for newspapers and similar media to discharge their obligations. Following multiple years of growth through the addition of new publishers, the overall membership for our plan has remained unchanged throughout 2019. This is to be expected because following our first few years the vast majority of publishers in BC have already become members, leaving limited room for additional growth. This is a trend we expect to continue from this point onwards. Appendix A provides the full list of all current members.

News Media Canada is the centralized administrator of the plan as we have been from the outset. Our governance structure is unchanged from last year, lead by a 15-person board, representative as much as possible of our diverse membership across the country.¹ Our longstanding President and CEO is John Hinds, who is based out of our Toronto office. All stewardship-related documentation for BC, including our original plan and each subsequent annual report is permanently posted on the NMC website.²

Third-Party Audit

Over the first few years of NMC's Stewardship Plan being in effect, and even prior to, the collection recovery that newsprint achieved was exemplary. Before the beginning of Extended Producer Responsibility (EPR) in BC, NMC was already well aware of the great work being done by BC residents in recycling their newspapers. Newsprint was one of the first materials to be recycled in the blue box programs in Canada, dating back to the 1980s, so it has a long and successful history that continues to this day.

¹ Refer to the current list of directors 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/>

Ensuring continuity of the information and reporting structure, NMC has once again engaged BDO Canada LLP to conduct our annual audit required to track our material generation and calculate our recovery rate as a percentage. BDO completed the audit work between March 23 and May 25, 2020. The report was conducted in accordance with the Institute of Internal Auditors (IIA) Standards. Eleven (11) member producers are included in the reporting for 2019. BDO's methodology included analyzing each members' key processes for managing and reporting the required data, reviewing risks through testing, and evaluating the accuracy of the data. Information was gathered by interviews, inspection, observation, vouching to independent source documentation, and recalculating figures to arrive at the best data possible.

There were some limitations this year due to Covid-19. For example, testing was conducted remotely, and all necessary evidence and documentation was shared via emails between BDO, NMC, and individual producers. Wherever possible, BDO attempted to obtain third party supporting evidence, although much of the audit was based on internal sources of information.

An important key metric for the Stewardship Plan is the "Residential Production Volume" (RPV). The RPV represents the share of newspaper produced by NMC members for exclusively residential consumers. This is the volume used to calculate the material recovery rate in comparison with the volumes collected by Recycle BC. Because the Recycling Regulation and our Stewardship Plan cover only the residential stream, it is critical that this figure be parsed out. The methodology for doing this was largely consistent across members, with BDO finding the approaches taken by each member to be reasonable:

- Determine the total copies printed per publication
- Subtract any clearly non-residential copies like:
 - Internal copies never distributed
 - Any non-residential copies such as those distributed to hospitality, transportation, commercial buildings, and at street-side such as Skytrain stations
 - Unsold retail returns
- The total number of units is then used to determine the number of residential copies, which is then translated into a weight in Metric Tonnes for each publisher

The audit also accounted for a large portion of the non-paper materials that our members distribute with their publications. This includes film plastic and laminates used to protect newspapers in wet weather. These figures were produced by, for example, estimating the volume of sleeves used by carriers, or through review of 2019 purchase numbers.

Across the different producers and categories of PPP, BDO did further calculations and adjustments to produce as accurate information as possible. All the data collected, disaggregated by member and material category and including adjustments, is reflected in the summary tables reproduced in the 2019 Tonnages section later in this report.

Recovery Rate

The recovery rate is the percentage of the newsprint that Recycle BC collects, versus that which our members distribute into the residential market during the year. The Recycling Regulation requires the producer to calculate and report this figure each year. For 2019, the recovery of residential newsprint and related PPP was again excellent, with the rate calculated at 102%. Below is a table comparing the recovery rates for each of the three years they have been calculated:

Annual Recovery Rates	
2017	96%
2018	93%
2019	102%

The 2019 figure is specifically derived from the following input data:

- Residential Production Volume of PPP as per the BDO report: 16,520.16 MT
- Recovered Tonnage Attestation for NMC material from Recycle BC: 16,849 MT
- Recovery Rate: $16,849 \text{ MT recovered} / 16,520.16 \text{ MT produced} \times 100\% = 102\%$

Clearly, recovery above 100% is not physically possible, but rather a result of the parameters in which the Recycle BC system works. Recycle BC's system manages residential PPP falling within a set list of acceptable materials such as tin cans, cardboard, and newspaper; if it ends up in a collection container and it's acceptable, it will be collected and processed. Of the newsprint collected, there will inevitably be some commercial material, material that was generated by BC producers that are not members of our plan, or even by out-of-province producers that cannot be members of our plan. This "leakage" makes for a larger numerator, while not having any effect on the denominator. It's also important to note that the collection volume data is based on random sample audits of mixed material categories, which generates a small yet acceptable margin of error. Our recovery rate is clearly very high, but should also be viewed with these factors in mind.

The detailed tables with reported and adjusted volumes of PPP distributed in 2019 are provided on the following two pages. These tables are entirely consistent in format with those from previous annual reports in order to be directly comparable.

2019 Tonnages

GROSS PRODUCTION VOLUMES (GPV)	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported GPV for 2019	11,848.21	0.00	1,129.04	5,534.85	1,672.93	2,025.37	547.01	450.81	1,649.23	267.53	292.45	25,417.23
Adjustments	(7,268.92)	2,745.25	-	-	0.22	-	-	0.67	(0.23)	16.44	-	(4,506.57)
Revised 2019 Estimates	4,579.29	2,745.25	1,129.04	5,534.85	1,673.15	2,025.37	547.01	451.48	1,649.00	283.97	292.45	20,910.86

RESIDENTIAL PRODUCTION VOLUMES (RPV)	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
Reported RPV for 2019	4,509.17	2,451.66	821.42	3,426.40	1,129.80	1,914.07	437.86	419.37	945.12	261.39	190.25	16,506.71
Adjustments	(9.48)	10.74	-	(6.87)	-	-	-	0.61	(14.54)	13.70	19.29	13.45
Revised 2019 Estimates	4,499.69	2,462.40	821.42	3,419.53	1,129.80	1,914.07	437.86	420.18	930.58	275.09	209.54	16,520.16

CATEGORIES OF PPP	Black Press	Glacier Media	Globe and Mail	Postmedia	Sing Tao	Times Colonist	Continental Group	Aberdeen	Ming Pao	Epoch Times	Georgia Straight	Total
I) NEWSPRINT												
Reported in 2019	3,776.61	2,325.27	793.78	3,348.28	713.30	1,862.49	421.36	416.37	583.64	253.72	190.25	14,685.07
Adjustments	(6.12)	10.74	-	(6.87)	-	-	-	0.12	(0.07)	4.21	19.29	21.30
Revised 2019 Estimates	3,770.49	2,336.01	793.78	3,341.41	713.30	1,862.49	421.36	416.49	583.57	257.93	209.54	14,706.37
II) MAGAZINES												
Reported in 2019	-	123.97	23.44	78.12	416.50	41.19	16.50	3.20	345.86	7.67	-	1,056.45
Adjustments	721.78	-	-	-	-	-	-	0.49	(14.48)	(0.01)	-	707.78
Revised 2019 Estimates	721.78	123.97	23.44	78.12	416.50	41.19	16.50	3.69	331.38	7.66	-	1,764.23
III) PLASTIC FILM AND LAMINATES												
Reported in 2019	-	2.42	3.89	-	-	7.08	-	-	-	-	-	13.39
Adjustments	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Revised 2019 Estimates	7.42	2.42	3.89	-	-	7.08	-	-	-	-	-	20.81
IV) OTHER PRINTED PAPER -												
Reported in 2019	725.14	-	0.31	-	-	3.31	-	-	15.62	-	-	744.38
Adjustments	(725.14)	-	-	-	-	-	-	-	0.01	9.50	-	(715.63)
Revised 2019 Estimates	-	-	0.31	-	-	3.31	-	-	15.63	9.50	-	28.75
V) OTHER PACKAGING												
Reported in 2019	7.42	-	-	-	-	-	-	-	-	-	-	7.42
Adjustments	(7.42)	-	-	-	-	-	-	-	-	-	-	(7.42)
Revised 2019 Estimates	-	-	-	-	-	-	-	-	-	-	-	-

Communication and Consumer Awareness

The NMC Stewardship Plan commits to supporting recycling and diversion efforts by publishing various advertisements that promote newsprint recycling. Because NMC members all publish on a regular schedule, we are able to do this continuously across the province.

In 2018 NMC developed an extensive advertising campaign for newspaper recycling, which was featured in our last annual report. For continuity, efficiency and to promote a unified marketing effort we have provided access to the entire suite of ads to all our members to use freely. To ensure flexibility, the campaign includes a variety of different ad designs, of various sizes so they fit in different locations in a layout, as well as both exclusively image-based ads and those with both text and images. Some of our members have also designed their own promotional pieces. Our non-English language members, for example, have used both our designs and also those featuring, for example, Chinese characters.

The promotion campaigns over 2019 have been extensive, with some producers including promotion in all publications and others in select ones throughout the year. Glacier Media, one of our founding members with twenty (20) community-based newspapers in BC, ran these ads in every edition in 2019. This included eighteen (18) weekly publications, guaranteeing constant messaging to readers about properly recycling newspapers after use. Postmedia, another founding member, ran the ads daily on the inside cover of all three of their daily papers, including the Vancouver Sun and Province. The Globe & Mail ran a total of ninety-six (96) advertisements across the year and the Times Colonist included the content daily in the latter half of 2019. Ming Pao, one of our Chinese language publishers, included ads throughout the year in both English and Chinese characters, as well as image-only graphics. Through these different publications, our messaging was consistently delivered to all corners of the province, to big cities and small towns, and in multiple languages.

As we move into 2020, our members have continued the same type and frequency of recycling promotion as 2019. In the coming months, we will be looking to revamp this suite of ads, and possibly look at promotion and education for recycling beyond just newspapers. On the next page we have included some actual examples of recent recycling advertising, that continue to run currently.

Environmental Performance and Market Update

The exceptionally high recovery rate of newsprint for 2019 continues to be the key environmental achievement of NMC's Stewardship Plan. It is clear that very little newsprint is going to waste in BC. As a result, our province is producing an important raw material to be used for communicating even more information, with limited impact on our natural resources and environment. Our industry is proud that our product is sustainable, recycled, and recyclable.

Newsprint was once collected separately from mixed paper in most residential recycling systems. Today, however, because of decreasing amounts in the residential stream and a priority on ease of collection, newsprint is largely intermingled with other papers or in commingled, "single-stream systems". Fortunately, on the post-collection end there exists advanced technology to effectively extract newspaper from mixed streams, which is being used in the Recycle BC system to produce more homogeneous newspaper grades.

In the 2018 Annual Report, we discussed the impact of highly restrictive and decreasing imports of paper to Asian countries, China in particular. In 2019, newsprint was one grade of paper that did continue to be allowed into to China, albeit at significantly reduced volumes. This was an important factor in the marketability of recovered newsprint, with other grades such as mixed papers being far more restricted. There is also some domestic (North American) demand for recycled newsprint, but it is reduced from historic levels, with only a few mills interested and purchasing this grade of paper. Our industry is optimistic that the existing capacity will remain stable in the years to come, in part due to recycled content standards which ensure continuous demand in certain areas, and perhaps more in the future if governments see fit to require them.

Looking Forward

The news media landscape has gone through fundamental change in recent decades, and although we have adapted, there's no question that the change is far from over. Between 2018 and 2019, the reported tonnages of residential PPP distributed by our members in BC went down by roughly 18%, a fact that NMC is acutely aware of. But in spite of the decline, the absolute volume of newsprint in the residential PPP stream is still a significant component. It is also an important component in the recycling industry given its stable demand as a recovered commodity, amidst a difficult market for many other paper grades, not to mention plastics.

Recycle BC has transitioned into 2020 with a major change – a new primary post-collection contractor with it a multitude of new partner service providers. NMC is very excited about the new investment this will bring to the recycling and processing infrastructure in BC and the positive outcomes this will have for newspaper recovery and recycling. We're also cautiously optimistic about development of downstream recycling and increased self-sufficiency in North America more broadly, as markets in Asia and China in particular continue to transition away from recovered material imports. We will continue to support the now well-established system in BC and contribute in any way we can to support its continued success.

Each year our members have built on the last and made improvements to our data collection and reporting processes. As new members were continually joining our plan, they have each gone through these learnings more recently. For 2019 we made improvements in the reporting template that made it

clearer and easier for members to enter more comprehensive information on their PPP. These changes were positively noted by our auditor. They did however note a few remaining issues around standardized weight collection methods across member producers, and clarity on what is and is not included under the definition of “residential” and in the different PPP categories. NMC will continue to work with each member to improve on these shortcomings for 2020. Finally, the impact of Covid-19 right at the time our audit was being conducted was problematic as it forced a reliance on remote methodologies. As everyone else surely does, we hope this is not an issue we have to deal with next year.

Conclusion

NMC’s BC Stewardship Plan now has a full three years of Annual Reports submitted. Looking back we are very happy with how smoothly this period has gone and how effective recycling of newsprint in BC has been. The approach of keeping newspaper integrated within the larger residential curbside and depot system through Recycle BC has ensured convenient, province-wide access to newspaper recycling for all British Columbians. We commend Recycle BC and their partners for maintaining the continuity of the system, in spite of the immense challenges that have arisen.

Looking forward, we see a stable EPR system in BC and are pleased to be able to continue working within it. We believe that in spite of the decrease in volumes this year, newsprint will continue to be an abundant and important component of the packaging and printed paper stream. We thank our many readers for their steadfast support and ensure everyone that as long as you want quality news, we will be there to provide it.

Appendix A – List of Current Members as of 2019 Annual Report, Unchanged from 2018

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



News Media Canada
Médias d'Info Canada
nmc-mic.ca