



Above & Beyond

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Glossary of terms

ABCRC – Alberta Beverage Container Recycling Corporation

ABDA – Alberta Bottle Depot Association

Act – means the Business Corporations Act

BCMB – Beverage Container Management Board

Beverage Container – means a non-refillable container as defined in the Regulation that has not previously entered the Common Collection System

Common Collection System – means the system set up for the collection of all used, non-refillable Beverage Containers that are defined in the Regulation

EPR – Extended Producer Responsibility is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle. EPR programs share one fundamental characteristic – producers and/or distributors are involved in the post-consumer management of their specific products (i.e. automobiles), product categories (i.e. electronic products) or waste streams (i.e. packaging). *Source: Performance Measurement and Reporting for Extended Producer Responsibility Programs (Environment Canada, Environmental Stewardship Branch, 2007)*

GRI – Global Reporting Initiative

Regulation – means the Beverage Container Recycling Regulation under the *Environmental Protection and Enhancement Act* (Alberta)



ABCRC LEADS THE WAY FOR THE FUTURE OF THE BEVERAGE CONTAINER INDUSTRY AS GOVERNMENTS SEEK TO MEET ENVIRONMENTAL OBLIGATIONS AND REDUCE FOOTPRINTS. OUR STRATEGIES ARE FOCUSED ON MEETING AND EXCEEDING OUR REGULATED RESPONSIBILITIES AND OPERATING BY THE PRINCIPLES BEHIND THE WORLD'S BEST ENVIRONMENTAL EFFORTS.

KEN WHITE, ABCRC BOARD CHAIR

IN 2015, ABCRC CONTINUED EFFORTS TO IMPROVE ITS OPERATIONS IN KEEPING WITH THE VISION AND STRATEGY OF THE ORGANIZATION. OUR FOCUS IS ON OPERATING IN AN ENVIRONMENTAL WAY THAT ENHANCES THE LIVES OF ALBERTANS, INCLUDING OUR EMPLOYEES AND OUR STAKEHOLDERS.

GUY WEST, PRESIDENT, ABCRC



Executive summary

ABCRC's 2015 Integrated Sustainability Report combines some of the key aspects of the sustainability reporting used by publicly-traded corporations with comprehensive reporting on ABCRC's accomplishments and financial performance. As an EPR organization, ABCRC exists to meet the regulated responsibilities of beverage manufacturers as outlined under the Regulation.

For ABCRC, meeting those legal responsibilities is only the start of how it operates its business.

In the collection and recycling of Beverage Containers, ABCRC seeks to ensure that it applies EPR principles in its operations. In particular, ABCRC measures performance by the concept of sustainable end-of-life management.

To meet the legal obligations of Alberta's Common Collection System, a consumer is required to pay a deposit when purchasing a beverage and in order to reclaim that deposit, the consumer must return the empty beverage container to a depot. ABCRC then collects the empty Beverage Containers from the depots, transports them to its facility for processing and sells the processed containers to various material recyclers.

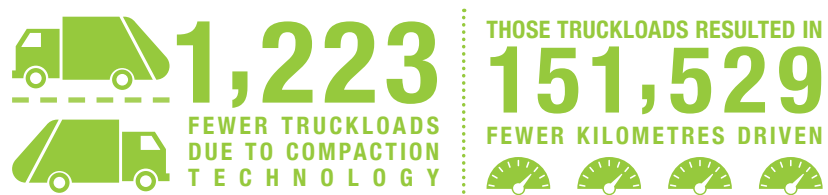
In fulfilling objectives for 2015, ABCRC set a new record for returned Beverage Containers with an 84.5% province-wide return rate, nearly meeting its target goal of 85% and up from 82.7% in 2014. This translated to the diversion of 102,238.5 kg of waste materials from landfills.

Additional landfill waste reduction was accomplished in 2015 when ABCRC shifted to using recyclable and compostable materials, mandating zero-waste meetings. Another initiative undertaken in 2015 was the hiring of an eco-friendly commercial cleaning service that uses environmentally friendly cleaning products.

Over many years, ABCRC has been committed to reducing the carbon footprint created through its operations. In prior years, efforts have included transitioning from propane-powered to electric-powered forklifts and the use of compaction technology installed in trailers to reduce collection trips to and from depots. The use of compaction technology resulted in 1,223 fewer truckloads and 151,529 fewer kilometres driven in 2015. With increased efforts on reducing carbon emissions and mandated decreases

stakeholders to continually improve Albertans' awareness of and access to Beverage Container recycling where possible. In 2015, ABCRC reviewed its community engagement initiatives with an emphasis on improving their effectiveness. From this review, ABCRC identified certain prioritized improvements to programs, which will be implemented in 2016.

As with many business operations, ABCRC is subject to various risks. One such risk is fraud. When cases of fraud have been uncovered, ABCRC has quickly responded with investigations. Because of these investigations, ABCRC has renewed its commitment on system improvements and risk mitigation policies and procedures, which were implemented in 2015. ABCRC will continue to place emphasis on improvements and mitigation efforts in 2016 and beyond.



in those emissions, ABCRC is making significant progress in tracking and reduction strategies. In 2015, ABCRC began the development of a new shipping container strategy, that will improve the quality and efficiency of bags and pallets, and the quantity of collected Beverage Containers per trip.

Consumer awareness is fundamental to the success of Beverage Container recycling. ABCRC works with its

ABCRC works cooperatively with the BCMB and the ABDA to operate and support the Common Collection System for Beverage Containers across Alberta. In 2015, the BCMB conducted two surveys to understand the depots' perspective regarding service, including service provided by ABCRC to the depots. The results of the surveys are used to improve the Common Collection System on an on-going basis.

2015 Key outcomes

- Set a new record by processing 1,997,110,774 Beverage Containers, which is over 47.5 million additional containers compared to 2014 results.
- Set a new record for the province-wide return rate of 84.5% for Beverage Containers, up from 82.7% in 2014.

 **1.9B** CONTAINERS PROCESSED IN 2015, WHICH IS AN ADDITIONAL 47.5M THAN IN 2014

- Developed a new shipping container strategy, improving the quality and efficiencies of bags and pallets shipped to depots.
- Successfully renegotiated the Collective Bargaining Agreement with ABCRC’s union employees.
- Produced zero-waste meetings using biodegradable dinnerware and utensils.

- Hired an eco-friendly commercial cleaning company that uses environmentally friendly cleaning products.
- Diverted 102,238.5 kg of materials away from landfills so they can be used again.
- Implemented a social committee dedicated to planning employee events and gatherings throughout the year.
- Completed the compaction trailer pilot.
- Continued an extensive annual internal health and safety audit to foster continual improvement.

 **ABCRC PRODUCED ZERO-WASTE MEETINGS USING BIODEGRADABLE DINNERWARE AND UTENSILS**



“EPR IS AN ENVIRONMENTAL PROTECTION STRATEGY TO REACH AN ENVIRONMENTAL OBJECTIVE OF DECREASED TOTAL ENVIRONMENTAL IMPACT OF A PRODUCT, BY MAKING THE MANUFACTURER OF THE PRODUCT RESPONSIBLE FOR THE ENTIRE LIFE-CYCLE OF THE PRODUCT AND ESPECIALLY FOR THE TAKE-BACK, RECYCLING AND FINAL DISPOSAL.”

-THOMAS LINDHQVIST, TOWARD AN (EPR)-ANALYSIS OF EXPERIENCES AND PROPOSALS, APRIL 1992

About ABCRC

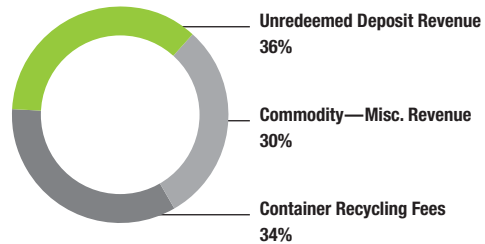
ABCRC operates the largest used Beverage Container Common Collection System in Canada based on the number of containers recovered and is responsible for the collection and recycling of more than 55,000 different types of regulated, Beverage Containers sold in Alberta. In 2015, this involved transporting and processing nearly 2 billion containers from over 200 independently owned depots located throughout Alberta.

ABCRC operates under not-for-profit provisions as the agent for beverage manufacturers in Alberta whose containers are regulated under the Regulation and does not receive funding from any government source. ABCRC operates two processing facilities in Edmonton and Calgary, employing 150 Albertans in 2015.

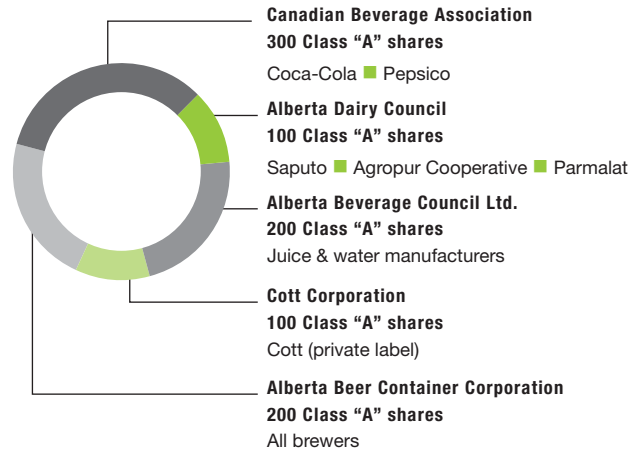
As an EPR organization, ABCRC is proud to have helped Albertans achieve one of the highest return rates for over 20 years, as compared to other Beverage Container deposit systems.

WHAT IS EPR?
 Extended producer responsibility is an environmental approach that extends a producer's responsibility for a product through the post-consumer stage of a product's life cycle.

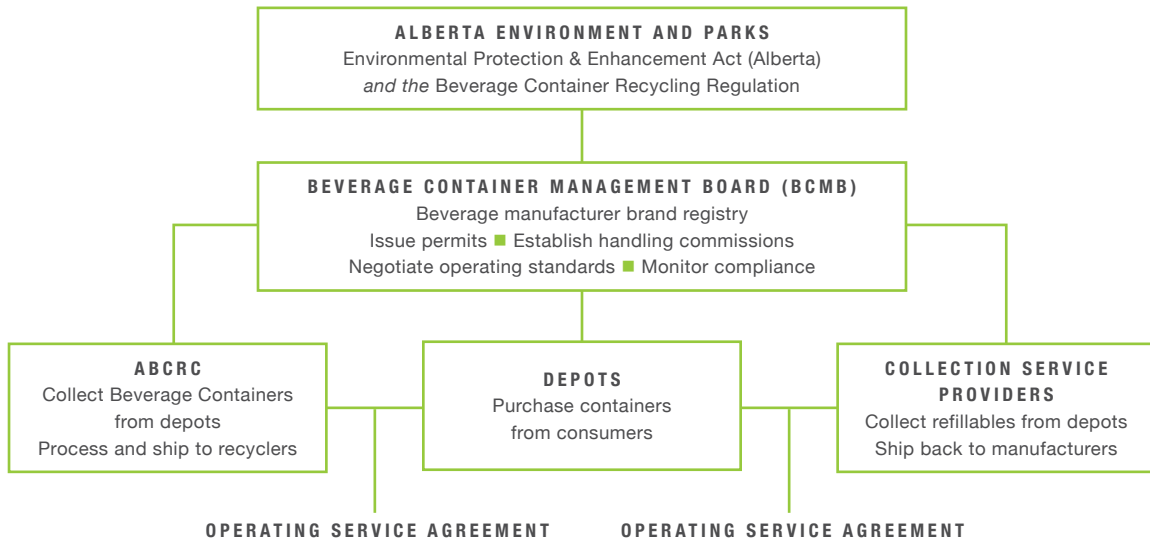
Revenues by source



ABCRC shareholders



Regulatory Structure



Vision and strategy

ABCRC STRIVES FOR CONTINUOUS IMPROVEMENT BY CONSTANTLY EXAMINING ITS PRACTICES, COMPARING ITSELF TO OTHER ENVIRONMENTAL ORGANIZATIONS AND BY WORKING COLLABORATIVELY WITH ITS STAKEHOLDERS.

MISSION

To collect and recycle Beverage Containers.

VISION

ABCRC will be a leading EPR organization that improves the efficiency and effectiveness of the Alberta Common Collection System for Beverage Containers.

2013 – 2016 STRATEGIC PRIORITIES

Governance

- Practice effective corporate risk management
- Provide effective director development and training
- Continuously improve governance practices

Sustainability

- Ensure decision making balances economic, social and environmental metrics
- Prioritize improvement and identify specific metrics

Stakeholder Relations

- Communicate the value of ABCRC to stakeholders
- Engage in regulatory review processes to enable a successful EPR model
- Improve consumer experience with the Alberta Beverage Container Common Collection System

Financial Management

- Improve manufacturer sales verification processes
- Maintain appropriate surplus targets and reserves
- Achieve fair and balanced results from handling commission reviews

OPERATIONAL MANAGEMENT

- Increase transportation efficiencies
- Improve processing efficiencies
- Evaluate and improve control processes and metrics

The 2013-2016 strategic priorities were approved by ABCRC’s Board of Directors. They provide a roadmap over four years, but are subject to annual review and amendment.

ABCRC’s Board of Directors consists of representatives from beverage manufacturers, shareholders and the Alberta Gaming and Liquor Commission as the deemed manufacturer of all alcoholic beverages. The Directors, and non-director committee members, do not receive any remuneration for their time and talent provided to ABCRC.



The Board and management are linked through the President of ABCRC who is in turn supported by the Vice President of Finance and IT, the Vice President of Operations and the Vice President of Communications and Marketing, along with each of their respective teams.

Acting as the Collection System Agent for beverage manufacturers in Alberta, ABCRC is responsible for promoting the effective, efficient collection and recycling of registered Beverage Containers and complying with the Regulation and BCMB bylaws.

In addition to its Vision and Mission, ABCRC operates according to several guiding principles:

- Ensure high standards of transparency and accountability
- Promote and encourage Beverage Container recovery
- Ensure each container type (material/size) is self-funding
- Minimize the cost of Beverage Container recycling
- Strive for continuous improvement in operations
- Maintain a safe and healthy environment for employees
- Provide a culture of honesty and integrity

Board expenses

	2015	2014	2013
 TRAVEL AND ACCOMMODATION	\$22,024	\$20,030	\$31,575
 EDUCATION	\$7,057	\$8,615	\$11,941
TOTAL	\$29,082	\$28,645	\$43,516

2015 ABCRC BOARD OF DIRECTORS

■ **KEN WHITE (Chairman), Coca-Cola Refreshments Canada**

“Being the Chair of ABCRC’s Board of Directors for the past thirteen years, I’ve had the opportunity to participate in meeting and exceeding ABCRC’s regulated responsibilities and operating behind the principles of the best practice environmental efforts.”

■ **NEIL ANTMYIS (Vice Chairman), The Pepsi Bottling Group (Canada) Ltd.**

“I have a passion for recycling and am pleased to serve ABCRC and other environmental stewardship organizations across Canada.”

■ **CHERYL MCLAUGHLIN (Treasurer), Cott Corporation**

“I enjoy applying my quality control expertise to the ABCRC Board of Directors and providing general oversight and feedback to ABCRC’s mission to collect and recycle non-refillable Beverage Containers.”

■ **BRIAN ZEILER-KLIGMAN, Canada’s National Brewers**

“I contribute my skills and expertise to the ABCRC Board knowing that it will increase the organization’s impact and help advance its mission.”

■ **NICOLE RACH, Coca-Cola Refreshments Canada**

“As Albertans, we know how important Beverage Container recycling is. By participating on the ABCRC Board of Directors, I’m able to help evaluate and enhance processes and procedures that help improve Beverage Container recycling.”

■ **JENNIFER BARBAZZA, The Beer Store & Brewers Distributor Limited**

“Joining ABCRC’s Board of Directors is a rewarding way to share my skill set in environmental and regulatory compliance while serving a mission I feel passionate about.”

■ **TONY GUSIKOSKI, Parmalat**

“Parmalat Canada is committed to the health and wellness of Canadians. Serving on ABCRC’s Board of Directors helps to achieve this common goal by contributing to accomplish ABCRC’s social responsibility goals.”

■ **NICHOLAS KISSEL, Alberta Gaming & Liquor Commission**

“I dedicate my time and expertise to the ABCRC Board of Directors to help shape the future of Beverage Container recycling in Alberta.”

■ **RON SOREANU, Coca-Cola Refreshments Canada**

“ABCRC goes above and beyond meeting required regulations and values corporate social responsibility. Being a part of ABCRC’s Board of Directors is fulfilling because I believe in those same principles.”



Environmental stewardship

In 1972, non-refillable Beverage Container stewardship began under the Litter Act (Alberta). In the early 1970's the disposal of single-serve Beverage Containers had led to a litter problem. The Beverage Container Recycling Regulation was created in Alberta in 1993, requiring manufacturers to be responsible for their empty containers.

In 1993, the government consolidated a number of pieces of legislation into the *Environmental Protection and Enhancement Act*, which led to the evolution of the Regulation, as it is currently in force today. The revised Regulation requires

manufacturers using regulated Beverage Containers to appoint a Common Collection System agent to operate the collection system, which in-turn led to the creation of ABCRC.

Since the appointment of ABCRC as the collection system agent, the focus on protecting Alberta's environment has increased. In addition to helping municipalities and the provincial government meet their waste diversion goals, ABCRC is committed to reducing its own environmental footprint and operating in an environmentally conscious manner that exceeds what is required under the Regulation.

Return rate by provinces with deposit systems (2015 | 2014 | 2013)

78.9% 80.2% 80.2%	84.5% 82.7% 81.7%	81.6% 83.8% 79.3%
BRITISH COLUMBIA	ALBERTA	SASKATCHEWAN
65.9% 65.5% 78.7%	79.3% 80.9% 80.9%	69.3% 71.1% 71.1%
QUEBEC*	NOVA SCOTIA	NEW BRUNSWICK
79.0% 81.0% 81.0%	62.7% 63.7% 63.7%	89.4% 92.8% 92.8%
PRINCE EDWARD ISLAND	NEWFOUNDLAND AND LABRADOR	NORTHWEST TERRITORIES

* Includes curbside recycling of bottled water/juices

Return rate over time



Resource consumption over time

	2015	2014	2013
WATER	2,216 m ³	2,378 m ³	1,904 m ³
ELECTRICITY	2,816 MWh	2,810 MWh	2,608 MWh
PROPANE	0 LB	1,452 LB	28,083 LB
NATURAL GAS	19,449 GJ	28,305 GJ	25,660 GJ
CLEAR DIESEL	14,167 L	Not reported	Not reported

- Propane consumption was eliminated in 2015 after switching forklifts from propane powered to battery powered in 2014
- Clear diesel was used in conjunction with the testing of trailer-based compaction technology in 2015
- The new Edmonton quality control warehouse's utility and natural gas bills have not been received for the period of September – November 2015. The location was leased effective September 2015.

Water reclamation

IN 2015, ABCRC DISCOVERED COMPLICATIONS WITH ITS WASTEWATER DRAINAGE SYSTEM.

When Beverage Containers are compacted into bales during processing at ABCRC's facilities, residual liquids contained in those Beverage Containers are squeezed out and drip onto the floors. When the floor is cleaned, those residual liquids are dissolved into or combined with ABCRC's wastewater and released into the municipal sewer system. In 2015, ABCRC discovered the wastewater it releases into the municipal sewer systems had pH levels below acceptable levels. In ABCRC's Edmonton facility, some of the wastewater was discharged into the storm sewer system resulting in low pH wastewater eventually leaching into the North Saskatchewan River. Upon discovery, the problematic drain connected to the storm sewer system was quickly sealed and an in-house treatment tank was installed to increase the pH levels of wastewater to acceptable levels prior to any release into the sewer system. Upon further research and investigation, ABCRC decided to seal all drains in its processing areas and to pump the wastewater out via sanitary trucks that would deliver the wastewater directly to the municipal treatment facility. ABCRC made the decision as an interim measure until it found a sustainable long-term solution to manage the environmental impact of the wastewater that Beverage Container processing generates. ABCRC has hired a water treatment specialist to assess the drainage systems in both the Calgary and Edmonton facilities and to recommend a sustainable, long-term solution. Results of the analysis will be available in ABCRC's 2016 Sustainability Report.

Zero waste meetings

A zero waste event means that 100% of the waste can be composted or recycled at the end of the event. In 2015, ABCRC took the initiative to produce zero waste meetings, ordering disposable food-service products that are designed to transform waste into healthy, new soil through composting. These include biodegradable dinnerware, utensils and napkins.

Recycled materials

Reusing materials whenever possible is important to ABCRC. In 2015, ABCRC used 115,657 kg of recycled material out of a total of 789,539 kg of materials used, which translates to 16.6% of recycled materials used from items such as

 **12,360** **PIECES OF PAPER SAVED FROM USING ELECTRONIC RBILLS**

shipping bags, wire, strapping and pallets. ABCRC purchased 1,020 second-hand pallets in 2015, which is approximately 20,820 kg of 100% recycled material. In addition, ABCRC received 6,180 electronic RBills saving 12,360 pieces of paper or approximately 65.7 kg.

Shipping container strategy

ABCRC explored different shipping container strategies throughout 2015, which resulted in the development of a new wrapped package process being implemented in 2016. Pallets and shipping bags are counted, then shrink wrapped together prior to being shipped to depots, where they will be used to ship Beverage Containers back to ABCRC. This new process is expected to improve the quality and efficiency of the pallets and shipping bags used in the container collection and delivery process. ABCRC, in partnership with its stakeholders, will continue to develop a formal shipping container strategy throughout 2016 with an update to the program available in its 2016 Sustainability Report and full results of the program available in its 2017 Sustainability Report.







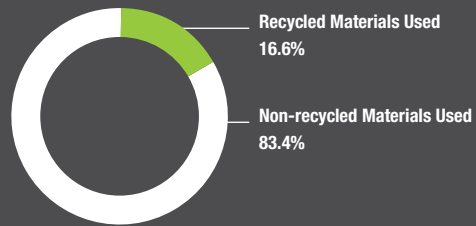
Materials usage

Item	Total Weight (Kg)
BLACK & WHITE BAGS	172,817
BLUE GLASS BAGS	7,666
C BILLS	14
R BILLS	106
WIRE	150,421
BLANK BALE TAGS	35,380
CLEAR POLY BAGS	1,403
PALLETS	317,074
STRAPPING	3,349
AIRLINE TAGS	8,700
OFFICE PAPER	5,409
CARDBOARD	87,200
TOTAL	789,539




Recycled materials over time

 RECYCLED MATERIALS USED	2015	2014	2013
	16.6%	37.3 %	42.6 %

Materials used percentage



Impact of transportation

	2015		2014		2013	
	Distance (km)	GHG Calculation CO ₂ equivalent emissions (kg)	Distance (km)	GHG Calculation CO ₂ equivalent emissions (kg)	Distance (km)	GHG Calculation CO ₂ equivalent emissions (kg)
 CAR	161,686	35,086	85,601	18,575	115,336	25,028 ¹
 AIR	100,035	535,187	109,756	587,194	109,384	585,204 ²
 HEAVY TRUCK	2,938,955	1,587,036	2,908,357	1,570,512	2,876,685	1,553,410 ³
TOTAL		2,157,309		2,176,281		2,163,642

Note: In 2015, ABCRC started including employee-owned vehicle mileage for business travel.

Sources:

1. GH Genius Cdn model for lifecycles of transport fuels
2. UK DEFRA EPA
3. US EPA calculation for heavy duty trucks

Financial stewardship

As the collection system agent responsible for fulfilling the regulated responsibilities of beverage manufacturers in Alberta, ABCRC is relied on by some of the most successful beverage manufacturing companies in the world.

These companies look to ABCRC to manage the end-of-life-cycle environmental responsibility and to help minimize the impact of the Common Collection System on consumers.

As such, ABCRC focuses on managing its operational costs and takes cost management seriously.

Funds to operate Beverage Container recycling in Alberta come from three sources:






- 1 Unredeemed deposits** Deposits collected for Beverage Containers that are purchased and not returned to a depot for a refund, are used to help offset the costs of recycling.
- 2 Sale of processed materials** ABCRC receives proceeds when it sells recycled materials to various recyclers.
- 3 Container Recycling Fee (CRF)** A fee that beverage manufacturers are required to pay for each Beverage Container sold in Alberta by them. Beverage manufacturers may choose to pass on the costs of the CRF to consumers when they set their prices. The CRF is established by ABCRC’s Board of Directors for each container type and covers the difference between the cost to recycle each container type and the revenue generated from both

unredeemed deposits and sales of processed materials generated from each of those container types. The CRF is subject to change annually.

Employee transportation reduction

TRACKING OUR CARBON FOOTPRINT

ABCRC’s employee and director travel includes the distance travelled by all staff, including the seasonal event teams, via rental cars, personal vehicles and three fleet vehicles. 2015 resulted in 10,214 less kilometres flown, and 5,826 less kilometres driven.

MODE OF TRAVEL	2015	2014
EMPLOYEES		
 AIR	70,983 km	81,424 km
 RENTALS/TAXI/BUS	82,876 km	88,702 km
 OWNED VEHICLES	78,810 km	Not Reported
DIRECTORS		
 AIR	29,052 km	21,054 km
 RENTALS/TAXI/BUS	2,001 km	3,177 km



2015 cost per container

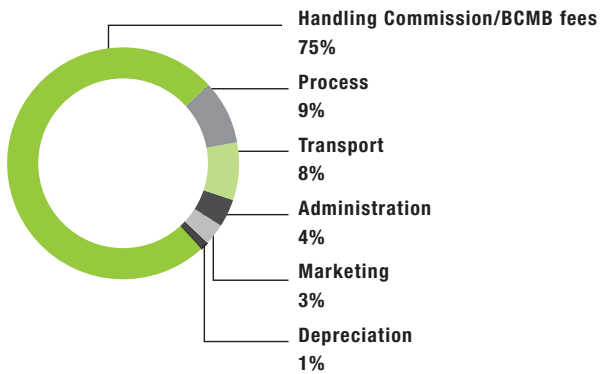
Cost per container is the total cost incurred to process the recovered container including, handling commissions, BCMB fees and ABCRC operating costs.

	Consolidated	Aluminum	Plastic	Glass	Polycoat	Bi-metal
TOTAL EXPENDITURE	\$129,391,571.40	\$40,730,592.98	\$54,373,911.90	\$18,486,142.98	\$15,239,664.47	\$561,259.06
RECOVERED VOLUME	1,997,110,774	967,486,904	658,833,523	187,013,490	177,603,657	6,173,170
COST PER CONTAINER	\$0.0648	\$0.0421	\$0.0825	\$0.0988	\$0.0858	\$0.0909

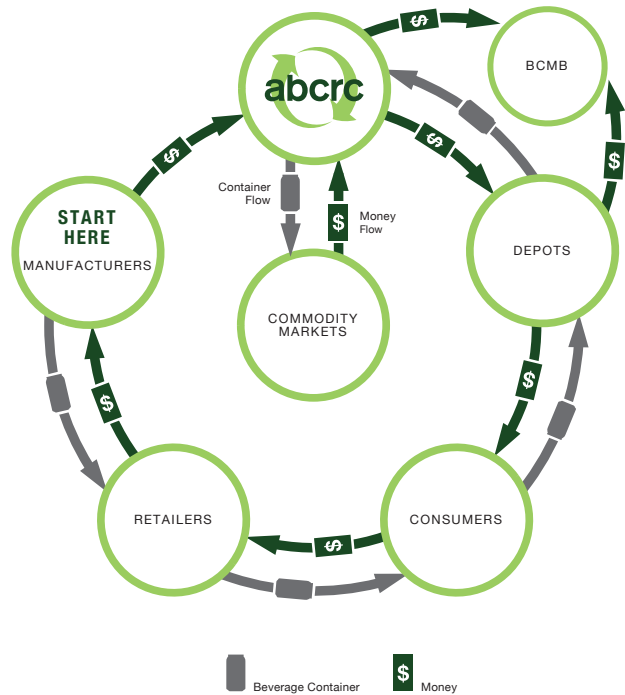
Consolidated cost per container over time

	2015	2014	2013	2012	2011	2010	2009	2008
COST PER	\$0.0648	0.0649	\$0.060	\$0.060	\$0.060	\$0.062	\$0.060	\$0.057

System costs



How the money flows



Compaction trailer update

In 2015, ABCRC led an industry pilot using compaction technology on-board collection trailers, otherwise known as compaction trailers. Operations personnel from the BCMB, ABDA and ABCRC were focused on identifying improvements to the performance of the pilot.

It was collectively determined by leaders from the BCMB, ABDA and ABCRC that, based upon the feedback in 2015, a continuation of the original pilot would not yield any new information for the industry. ABCRC provided notice to the participating depots that the compaction trailer pilot would be terminated as of December 31, 2015. An industry strategy with regard to compaction and whether compaction technology would be used by depots at depot locations or by carriers using compaction trailers, will be developed in 2016.

Processing efficiency audits

Monitoring performance is part of the process of improvement. It mitigates risk and provides data against which ABCRC can both measure its progress and analyze for trends that offer ABCRC proactive opportunities for identifying areas for improvement.

The ongoing process of evaluation reflects the organization's priorities and the expectations of its stakeholders.

QUALITY CONTROL

Every day, ABCRC conducts quality control audits to verify the accuracy of container counts received from depots. These audits are supported by a computer generated bag selection system and the use of both manual and automated counting processes.

In 2015, ABCRC applied quality control audits to 30,821 of all mega bags received from depots.



Social stewardship

Financial and environmental stewardship are only two legs of the ABCRC tripod approach to operations. Social stewardship is as equally important to ABCRC and its shareholders in the recycling of Beverage Containers in Alberta.

Social stewardship has many different names – corporate citizenship, stakeholder consciousness and social sustainability are just a few. It refers to business practices intended to broaden benefits to the general society. It is a broader concept of sustainability that envisions the health of society at its core.

ABCRC fundamentally believes social stewardship benefits the organizations it serves, its employees and the community in which it operates. A great example of such a program is ABCRC’s Community Champions Program, a unique

approach to supporting valuable community organizations through fundraising opportunities that also builds community support of Beverage Container recycling. ABCRC provides funding to community groups for specialized recycling bins



and other program support so that organizations can collect Beverage Containers on an on-going basis. In 2015, ABCRC provided funding to 47 community groups, sending out 34,836 items such as recycling bins, labels and bags.

LIST OF 2015 COMMUNITY CHAMPIONS PARTNERSHIP GRANT RECIPIENTS

1624518 Alberta Ltd.	Little Big Recycling Ltd.	Strathmore 2015 Alberta 55 Plus
Beneath the Arch Concert Series	Mackenzie County	Summer Games Society
Bishop O’Byrne Housing Association	Missing Children Society of Canada (previously Child Find Alberta)	Sustainival
BluPlanet Recycling	Municipal District of Bonnyville No. 87	The McMahon Stadium Society
Bottles4Diabetes	Municipal District of Lesser Slave River No.124	Town of Banff
Cerebral Palsy Association in Alberta	Municipality of Jasper	Town of Devon
City of Edmonton / Community and Recreation Facilities	Pinecrest Developments	Town of Edson
County of Wetaskiwin No.10	Ravine Community Association	Town of Hinton
Do It Green (DIG) Consulting Ltd.	Recycle For Life	Town of Smoky Lake
Edson and District Recycling Society	Red Deer College	Vecova Centre for Disability Services and Research
Edson Provincial Building	Rocky View County	Westlock County
Events Edmonton	Rundle’s Mission Society	Whispering Pines Golf and Country Club
Evergreen Park	Scouts	Whitecourt Community Lunch Box Society
Goose Lake Campground	Springboard Dance Collective Calgary Society	Winnifred Stewart Association
Government of Alberta	Spruce Point Park Association	Youth Empowerment Support Services
Green Event Services Inc.	Strathcona County	
Lac La Biche County		



Being a Community Champion – What it means to Strathcona County

WHO IS STRATHCONA COUNTY?

Set in the centre of Alberta's energy and agricultural heartland, Strathcona County is a thriving, successful and vibrant community of almost 96,000 residents. Strathcona County is made up of the urban area of Sherwood Park and a large adjacent rural area of farms, acreages and smaller hamlets. It is home to 75% of refining in Western Canada. With a focus on economic, governance, social, cultural and environmental sustainability, Strathcona County is committed to balancing the unique needs of its diverse community.

THANK YOU ABCRC!

Strathcona County has been a leader in waste diversion in the province since starting the Green Routine in 2008. We continually strive for new ways to divert waste from the landfill and increase our recycling and organic diversion programs. Having the support from ABCRC helps us do that and lets us be creative. By installing new waste and recycling bins at our new splash park and the parking lot of our new bus depot it reminds residents that it is important to do their part even in our beautiful parks and outdoor spaces. Binny the recycling bottlenose dolphin is a fun way to introduce kids to bottle recycling in their natural environment, a playground.

HOW DO WE DO MORE?

At every facility owned and operated by Strathcona County you will have the opportunity to divert bottles, organics and paper from the landfill. Bottles collected here are often donated to local charity groups. We also have a bottle recycling shack available at our Ardrossan Recycling Station that is operated by a local Scouts group. Our residential program, The Green Routine, has been in place for eight years now with a current diversion rate of 60%. We have implemented all or portions of the program in all of the schools in Strathcona County and continue to work with both the Elk Island Public and Catholic school board to increase their waste diversion and environmental education programs. Special events held by Strathcona County are also taken into

consideration and we work to ensure they are striving towards being waste free. We provide waste, bottle and organic carts at our events and in 2015 were able to divert 75% of the waste from our Canada Day celebration.

Story provided by Erin Wildeboer, Waste Diversion Program Liaison, Strathcona County Utilities



ABCRC PROGRAMS & COMMUNITY INITIATIVES

Supporting various programs and community initiatives are part of ABCRC’s social stewardship. These supports also promote ABCRC’s mandate to continually improve recycling rates in the province. ABCRC’s main purpose is to divert used Beverage Containers from landfills and out of the environment, supporting the communities in which we live. The Government of Alberta has a long-term goal of diverting 85% of waste from landfills through various recycling initiatives, working

with municipalities to develop programs to support efforts to reach that goal. ABCRC is proud that its efforts continue to support community efforts. ABCRC knows awareness and encouragement of recycling are fundamental to success and, as with its other operations, it is constantly tracking its various marketing programs to determine their effectiveness.

WHILE SOCIAL STEWARDSHIP IS ABOUT PHILANTHROPY, ABCRC ALSO BELIEVES IT SHOULD BE REFLECTED IN AN ORGANIZATIONS OWN PRACTICES. ABCRC IS PROUD TO BE A CONTRIBUTING PART OF THE PROVINCE’S ECONOMY, EMPLOYING ALBERTANS IN MEANINGFUL WORK AND GENERATING ECONOMIC VALUE THROUGH ITS OPERATIONS.

PROGRAM RESULTS	Containers collected by participants	Containers 1L or less (\$.10 deposit)	Containers over 1L (\$.25 deposit)	Economic impact from refunded deposits
RECYCLING INFRASTRUCTURE PARTNERSHIP	13,984,514	12,853,962	1,130,552	1,568,034.20
EVERY EMPTY COUNTS (K-12 SCHOOLS)	1,363,869	1,098,329	265,540	176,217.90
COMMUNITY CHAMPIONS PROGRAM	9,908,660	9,097,923	810,737	1,112,476.55
TOTAL	25,257,043	23,050,214	2,206,829	2,856,728.56

Impact of infrastructure investments for public benefit

PROGRAM	# of infrastructure items (incl. bins, bags, trailers)	# of communities and/or sites affected
RECYCLING INFRASTRUCTURE PARTNERSHIP	0	0
EVERY EMPTY COUNTS (K-12 SCHOOLS)	623	610
COMMUNITY CHAMPIONS PROGRAM	34,836	47

*Note: The Recycling Infrastructure Partnership program closed in 2015, though container capture numbers are still reported from 2014.





abcrc 

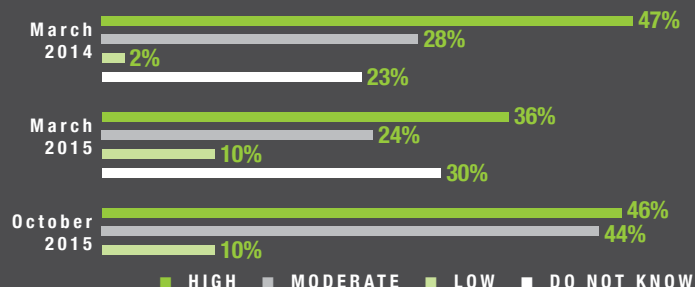
Direct economic value generated and distributed

DIRECT ECONOMIC VALUE GENERATED	Amount
NET REGULATED DEPOSIT REVENUE	\$40,132,949
SALE OF PROCESSED MATERIALS AND OTHER REVENUE	\$33,811,966
CONTAINER RECYCLING FEES	\$43,968,742
TOTAL ECONOMIC VALUE GENERATED	\$117,913,657
DIRECT ECONOMIC VALUE DISTRIBUTED	
OPERATING COSTS	\$117,588,147
EMPLOYEE WAGES AND BENEFITS	\$10,369,441
PAYMENTS TO CAPITAL PROVIDERS	\$227,124
PAYMENTS TO GOVERNMENTS	\$186,885
COMMUNITY INVESTMENTS	\$1,019,974
TOTAL ECONOMIC VALUE DISTRIBUTED	\$129,391,571
ECONOMIC VALUE GENERATED 2015 – RETAINED EARNINGS	(\$11,477,914)

Total workforce 2015

REGION	Type	Contract	Number
CALGARY	FULL TIME – PLANT	PERMANENT	47
	FULL TIME – OFFICE	PERMANENT	34
	FULL TIME – SEASONAL	TEMPORARY	1
EDMONTON	FULL TIME – PLANT	PERMANENT	53
	FULL TIME – OFFICE	PERMANENT	15
	FULL TIME – SEASONAL	TEMPORARY	0
TOTAL			150

ABCRC Website Depot Support Services – 18 month comparison



AN EMPLOYEE’S HEALTH AND WELFARE ARE EQUALLY AS IMPORTANT TO ABCRC AS ITS MANDATE OF PROTECTING THE ENVIRONMENT, AND IMPLEMENTED POLICIES AND PRACTICES REFLECT THAT CONCERN. PAY AND BENEFITS PROGRAMS, TRAINING POLICIES AND FACILITIES ARE DESIGNED TO SUPPORT STAFF. A MULTIPURPOSE ROOM IN ABCRC’S CALGARY FACILITY OFFERS EMPLOYEES A SPOT TO TEND TO DEVOTIONALS OR TO SEEK QUIET CONTEMPLATION.

DIVERSE HUMAN RESOURCES POLICIES

ABCRC emphasizes attracting, retaining and engaging a talented workforce. By implementing human resources (HR) policies that allow for diversity in the workplace, it supplies a greater variety of solutions to problems in sourcing and allocating resources and attracts a larger pool of potential candidates. Employees from diverse backgrounds bring individual talents and experiences. One such example of ABCRC’s diverse HR policies is a dedicated multipurpose room for use for meditation and prayers, amongst other things. This dedicated space means that employees no longer have to use conference rooms or other shared spaces, sometimes uncomfortably, for daily prayers. The goal of these diverse HR policies is to achieve higher productivity, lower employee turnover and therefore, higher return on investment.

Depot satisfaction survey

ABCRC's operations extend beyond its own facilities and staff. Beverage Container recycling in Alberta is a cooperative arrangement among several stakeholders. One of those stakeholders is the network of depots operating in Alberta.

Depots are the public face of Beverage Container recycling in Alberta. While manufacturers have the legislated responsibility for collecting containers, consumers must return them through depots to receive a refund of the deposit paid. Depot operations and the public experience when returning their containers are a major factor in return rates. ABCRC has a contractual agreement, negotiated with the ABDA on behalf of depots, for the collection of containers returned to Alberta's privately-owned depots. ABCRC also cooperatively works with the ABDA and the BCMB to develop marketing strategies.

As part of efforts to continually track and seek areas for improvement, the BCMB regularly surveys depots for their input on various aspects of its operations affecting depots.

In 2015, two surveys were conducted. The results showed depots were generally satisfied with ABCRC overall, but also highlighted some areas where depots were not satisfied. The results indicated that there was a decrease in satisfaction from respondents in the quality of both pallets and mega-bags. In response to this dissatisfaction, ABCRC explored different shipping container strategies throughout 2015 and plans to continue to develop a formal shipping container strategy throughout 2016.

On the positive side, a number of service areas showed an increase in satisfaction over an eighteen month period. One such area was website support services.

ABCRC will continue to seek opportunities to improve services to depots, and by extension, to Alberta consumers who use them.



Independent Auditor's Report

TO THE SHAREHOLDERS OF ALBERTA BEVERAGE CONTAINER RECYCLING CORPORATION

We have audited the accompanying financial statements of Alberta Beverage Container Recycling Corporation, which comprise the statement of financial position as at December 31, 2015, the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Beverage Container Recycling Corporation as at December 31, 2015 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

(signed Deloitte LLP)

Chartered Professional Accountants, Chartered Accountants
May 11, 2016

Deloitte LLP
700 Bankers Court
850 Second Street S.W. Calgary AB T2P 0R8 Canada
Tel: 403-267-1700 Fax: 403-213-5791
www.deloitte.ca

Statement of operations and changes in net assets

YEAR ENDED DECEMBER 31, 2015

	2015	2014
REVENUE		
REGULATED DEPOSITS	\$ 263,483,570	\$ 264,251,259
CONTAINER RECYCLING FEES	43,968,742	42,765,833
DEPOSITS REFUNDED	(223,350,621)	(219,253,690)
	84,101,691	87,763,402
SALE OF PROCESSED CONTAINERS	32,893,997	36,019,709
OTHER INCOME AND EXPENSES	314,160	615,627
GAIN ON FOREIGN EXCHANGE	603,809	368,090
	117,913,657	124,766,828
HANDLING COMMISSIONS	(96,496,839)	(93,605,449)
BEVERAGE CONTAINER MANAGEMENT BOARD FEES	(1,117,503)	(1,070,606)
	(97,614,342)	(94,676,055)
EXPENSES		
WAREHOUSE	12,518,577	11,297,448
TRANSPORTATION	10,555,778	9,852,138
ADMINISTRATION	4,600,900	4,696,495
MARKETING AND TECHNOLOGY	2,391,947	3,422,117
AMORTIZATION	1,482,903	1,435,060
FINANCE CHARGES	227,124	241,544
RELOCATION AND REMEDIATION (NOTE 5)		928,026
	31,777,229	31,872,828
DEFICIENCY OF REVENUE OVER EXPENSES	(11,477,914)	(1,782,055)
NET ASSETS, BEGINNING OF YEAR	30,561,038	32,343,093
NET ASSETS, END OF YEAR	\$ 19,083,124	\$ 30,561,038

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

Statement of financial position


AS AT DECEMBER 31, 2015

	2015	2014
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 8,532,876	\$ 12,124,606
SHORT-TERM INVESTMENTS	10,004,109	20,028,027
ACCOUNTS RECEIVABLE (NOTE 3)	33,493,906	32,319,787
PREPAID EXPENSES (NOTE 11)	191,387	3,659,044
	52,222,278	68,131,464
TANGIBLE CAPITAL ASSETS (NOTES 2, 4 AND 5)	16,822,753	17,808,262
	69,045,031	85,939,726
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (NOTES 3, 6 AND 11)	43,546,268	48,525,004
CURRENT PORTION OF OBLIGATIONS UNDER CAPITAL LEASE	3,393	9,591
CURRENT PORTION OF MORTGAGE LOAN (NOTE 8)	442,749	428,454
	43,992,410	48,963,049
OBLIGATIONS UNDER CAPITAL LEASE	—	3,393
MORTGAGE LOAN (NOTE 8)	5,968,597	6,411,346
	49,961,007	55,377,788
COMMITMENTS (NOTE 12)		
CONTINGENT LIABILITIES (NOTES 6 AND 7)		
SHARE CAPITAL (NOTE 9)	900	900
COMMITMENTS (NOTE 12)		
CONTINGENT LIABILITIES (NOTES 6 AND 7)		
SHARE CAPITAL (NOTE 9)	900	900
NET ASSETS		
INVESTMENT IN TANGIBLE CAPITAL ASSETS (NOTE 2)	10,408,014	10,955,478
UNRESTRICTED NET ASSETS	8,675,110	19,605,560
	19,083,124	30,561,038
	\$ 69,045,031	\$ 85,939,726

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

Approved by the Board

Director



Director



Statement of cash flows

YEAR ENDED DECEMBER 31, 2015

	2015	2014
OPERATING ACTIVITIES		
DEFICIENCY OF REVENUE OVER EXPENSES	\$ (11,477,914)	\$ (1,782,055)
ITEMS NOT AFFECTING CASH AND CASH EQUIVALENTS		
AMORTIZATION	1,482,903	1,435,060
LOSS (GAIN) ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	5,212	(1,560)
IMPAIRMENT OF TANGIBLE CAPITAL ASSETS	26,724	-
IMPAIRMENT OF LEASE IMPROVEMENTS AND DEPRECIATION OF TERMINATED LEASE (NOTE 5)	-	389,172
GAIN ON FOREIGN EXCHANGE	(603,809)	(368,090)
	(10,566,884)	(327,473)
CHANGES IN NON-CASH WORKING CAPITAL		
ACCOUNTS RECEIVABLE	(1,174,119)	(441,163)
PREPAID EXPENSES	3,467,657	(3,434,265)
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	(4,978,736)	1,861,464
	(13,252,082)	(2,341,437)
FINANCING ACTIVITIES		
REPAYMENT OF OBLIGATIONS UNDER CAPITAL LEASE	(9,591)	(8,969)
REPAYMENT OF MORTGAGE LOAN	(428,454)	(414,046)
	(438,045)	(423,015)
INVESTING ACTIVITIES		
PURCHASE OF TANGIBLE CAPITAL ASSETS	(540,302)	(1,689,660)
PROCEEDS ON DISPOSAL OF TANGIBLE CAPITAL ASSETS	10,972	3,000
INCREASE (DECREASE) IN SHORT-TERM INVESTMENTS	10,023,918	(5,003,986)
	9,494,588	(6,690,646)
FOREIGN EXCHANGE GAIN ON CASH HELD IN FOREIGN CURRENCY	603,809	368,090
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,591,730)	(9,087,008)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	12,124,606	21,211,614
CASH AND CASH EQUIVALENTS, END OF YEAR	8,532,876	12,124,606
REPRESENTED BY		
CASH	379,090	754,423
CASH EQUIVALENTS	8,153,786	11,370,183
	\$ 8,532,876	\$ 12,124,606

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

Notes to the financial statements

1. NATURE OF BUSINESS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

Container recycling fees and regulated deposits are recognized upon 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.

Short-term investments

The Corporation considers certificates of deposit, Guaranteed Investment Certificates and short-term investments with original maturities of one year or less from the financial statement date as short-term investments.

Financial instruments

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

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

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

Tangible capital assets

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

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

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

Tangible capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be fully recoverable. An impairment loss is recognized when and to the extent that management assesses the future useful life of an asset to be less than originally estimated.

Liability for unreturned containers

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

Foreign currency

Monetary items denominated in foreign currency are translated to 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 revenue.

Use of estimates

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

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

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

Investment in tangible capital assets

Net assets invested in tangible capital assets are composed of:

	2015	2014
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 16,822,753	\$ 17,808,262
OBLIGATIONS UNDER CAPITAL LEASE	(3,393)	(12,984)
MORTGAGE LOAN	(6,411,346)	(6,839,800)
INVESTMENT IN TANGIBLE CAPITAL ASSETS	\$ 10,408,014	\$ 10,955,478

3. RELATED PARTY TRANSACTIONS

Of the Corporation's total revenue, 71.3% (2014 – 70.3%) is from the deposits and fees charged and collected by Participants in the selling of their beverages in non-refillable containers.

At December 31, 2015, the accounts receivable balance included \$29,490,775 (2014 – \$29,254,434) due from the Participants in the normal course of business.

At December 31, 2015, the accounts payable and accrued liabilities balance included \$1,492,649 (2014 – \$1,339,444) payable to the Participants in the normal course of business.

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

4. TANGIBLE CAPITAL ASSETS

2015	Cost	Accumulated amortization	Net book value
LAND	\$ 3,831,850	\$ –	\$ 3,831,850
WAREHOUSE BUILDING	6,772,850	677,223	6,095,627
PLANT EQUIPMENT	7,281,362	4,388,725	2,892,637
WAREHOUSE BUILDING IMPROVEMENTS	3,037,154	294,600	2,742,554
COMPUTER AND COMMUNICATION EQUIPMENT	1,641,916	1,529,840	112,076
LEASED LAND IMPROVEMENTS	763,109	147,564	615,545
OFFICE EQUIPMENT	402,104	230,402	171,702
VEHICLES	54,100	46,586	7,514
LEASEHOLD IMPROVEMENTS	607,020	357,102	249,918
ASSETS NOT YET IN USE	103,330		103,330
	\$ 24,494,795	\$ 7,672,042	\$ 16,822,753

2014	Cost	Accumulated amortization	Net book value
LAND	\$ 3,831,850	\$ -	\$ 3,831,850
WAREHOUSE BUILDING	6,772,850	338,580	6,434,270
PLANT EQUIPMENT	6,351,705	3,998,498	2,353,207
WAREHOUSE BUILDING IMPROVEMENTS	3,021,124	143,047	2,878,077
COMPUTER AND COMMUNICATION EQUIPMENT	1,610,634	1,425,469	185,165
LEASED LAND IMPROVEMENTS	756,683	71,724	684,959
OFFICE EQUIPMENT	364,013	182,393	181,620
VEHICLES	54,100	28,553	25,547
LEASEHOLD IMPROVEMENTS	555,467	286,118	269,349
ASSETS NOT YET IN USE	964,218	-	964,218
	\$ 24,282,644	\$ 6,474,382	\$ 17,808,262

Tangible capital assets not yet in use of \$103,330 (2014 – \$964,218) are not subject to depreciation until development is complete. The vehicles included in the above disclosure are financed by obligations under capital lease.

5. RELOCATION AND REMEDIATION

Relocation and remediation costs consist of:

	2015	2014
LEASE RENT FOR TERMINATED LEASE	\$ —	\$ 383,862
DEPRECIATION OF TERMINATED LEASE	\$ —	\$ 53,338
IMPAIRMENT OF LEASE IMPROVEMENTS	\$ —	\$ 335,834
LEASE UTILITIES AND MAINTENANCE EXPENSES	\$ —	\$ 82,461
REMEDICATION AND RELOCATION EXPENSES	\$ —	\$ 72,531
	\$ —	\$ 928,026

As mutually agreed upon, the term of the lease on the Corporation's former Calgary location expired effective October 2014. The lease terms required the Corporation to bear all lease-related expenses for vacant leased premises such as utilities, maintenance, monthly lease rent, and remediation and relocation expenses as mutually agreed upon up to September 30, 2014. These costs were fully expensed in 2014, and there were no further expenses in 2015.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**Liability for unreturned containers**

The Corporation has accrued a liability of \$37,985,545 (2014 – \$38,993,723) for the estimated costs of recycling the estimated number of containers that have been sold by the Participants at the Corporation's year-end, and are expected to be recovered after the year-end based on expected return rates.

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

7. OPERATING LINE OF CREDIT

The Corporation has an operating line of credit, including letters of credit to a maximum of \$500,000 not to exceed the lesser of \$5,000,000 and 90% of certain accounts receivable and 75% of all other receivables value net of over 45-day accounts, from a Canadian chartered bank bearing interest at the bank's prime interest rate plus 0.05% per annum. The line of credit is secured by a general security agreement representing a first charge over all of the assets of the Corporation.

The Corporation has issued a \$100,000 standby letter of credit as security for the Edmonton building lease. As at December 31, 2015, the outstanding balance of the operating line of credit was \$Nil (2014 – \$Nil).

8. MORTGAGE LOAN

	2015	2014
FIXED-RATE TERM LOAN FROM CANADIAN CHARTERED BANK		
MORTGAGE LOAN BEARING INTEREST AT THE BANK'S FIXED-TERM RATE OF 3.45% PER ANNUM, EXPIRING ON NOVEMBER 20, 2017 BASED ON THE AGREED AMORTIZATION PERIOD OF 180 MONTHS, REPAYABLE IN MONTHLY BLENDED PAYMENTS OF \$54,668 TOWARDS PRINCIPAL AND INTEREST DUE ON THE 20TH DAY OF EACH MONTH		
PRINCIPAL AMOUNT OUTSTANDING	6,411,346	6,839,800
LESS: CURRENT PORTION	442,749	428,454
	5,968,597	6,411,346

It is expected that the loan will be renewed for another five-year period subsequent to its maturity in November 2017.

The mortgage loan is secured by a general security agreement and a collateral mortgage representing first charge on real property located at 901-57th Avenue, N.E., Calgary, Alberta in the principal amount of \$7,687,000, beneficially owned by

NOTES TO THE FINANCIAL STATEMENTS

and registered in the name of the Corporation. The net book value of the real property acquired is \$12,670,031 (2014 – \$13,144,196).

The fixed-rate term loan facility is subject to a specific financial covenant as defined by the financial institution. As at December 31, 2015, the Corporation was in compliance with the aforementioned covenant.

Principal payments required in each of the next two years are as follows:

2016	\$	442,749
2017		5,968,597
		\$ 6,411,346

9. 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

	2015	2014	2015	2014
	Units	Units	\$	\$
CLASS A SHARES	900	900	900	900

10. 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 mortgage loan bears interest at a fixed rate. Consequently, the cash flow exposure is not significant. However, the fair value of the debt at a fixed rate of interest could fluctuate because of changes in market interest rates.

The Corporation is exposed to interest rate risk on its operating line of credit, obligations under capital lease, cash and cash equivalents and short-term investments. 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 deficiency of revenue over expenses and changes in net assets, end of year for the year ended December 31, 2015 by \$59,678 (2014 – \$82,117).

Foreign currency risk

The Corporation undertakes revenue and purchase transactions in foreign currencies and is subject to gains and losses due to fluctuations in foreign currency exchange rates. Gains and losses due to foreign currency based transactions are not expected to be material to the financial statements. As at December 31, 2015, the Corporation had a net exposure to U.S. currency of C\$3,187,358 (2014 – C\$2,312,084) due to US\$2,303,005 (2014 – US\$1,993,004), and the Corporation has no option or any forward commitments to sell additional U.S. currency.

11. HANDLING COMMISSION ACCRUALS AND PREPAID ESCROW ACCOUNT

Pursuant to a judicial review of the handling commission rates and subsequent to the final decision by the court on February 3, 2015, the Corporation paid the accrued handling commission rate differentials liability of \$3,320,552 as of December 31, 2014 to the entitled bottle depots using an escrow account.

These amounts and Goods and Services Tax were remitted to an escrow account, which was recorded as a prepaid balance as at December 31, 2014. No similar circumstances existed for fiscal 2015.

12. COMMITMENTS

The Corporation has lease commitments for plant space in Edmonton, a quality control facility in Edmonton expiring in August 2018, the adjacent piece of land to the Calgary plant, and other operating lease agreements, which expire at various dates. The lease agreement for the Edmonton plant facility expires in November 2018, and the Corporation has the option to extend the term of the lease for five years. The land lease agreement expires in December 2023, and the Corporation has the option to extend the term of the lease for 10 years.

Future minimum lease rental payments aggregate \$4,851,116, and the annual lease payments for the next five years and thereafter are as follows:

2016	\$	728,320
2017		735,849
2018		670,587
2019		178,330
2020		178,330
THEREAFTER		2,359,700
		\$ 4,851,116



Lucerne
Lait
FRESH

Dairyland

100% PURE & NATURAL
Tropicana

Silk
Amande
ORIGINAL

Lucerne
Lait
2% M.G.

18%
Tropicana
Tropicana Cream

Zootie
Lait
2% M.G.

Silk



NAME OF ORGANIZATION

Alberta Beverage Container Recycling Corporation

PRIMARY SERVICES

ABCRC is a provincial product stewardship corporation incorporated under the Act and operating with not for profit provisions. Our mandate is to be the agent for the beverage manufacturers¹ to operate a Common Collection System for registered containers; be responsible for recycling Beverage Containers; comply with the Regulation and BCMB bylaws; and to promote the economic and efficient collection of Beverage Containers.

ABCRC is responsible for the collection of non-refillable Beverage Containers from over 200 independently owned depots located throughout Alberta. ABCRC outsources 100% of transportation services to facilitate this Common Collection System, and contracts a regional processor in Lethbridge for a small portion of processing capacity. The majority of processing activity is completed in ABCRC-operated facilities located in Edmonton and Calgary.

LOCATION OF HEADQUARTERS

901 57 Avenue NE, Calgary Alberta

GEOGRAPHIC SCOPE

ABCRC operates solely within the province of Alberta, Canada.

MARKETS SERVED

ABCRC serves Alberta's Beverage Container recycling market.

AWARDS

ABCRC was not the recipient of any awards in 2015.

REPORTING PERIOD

ABCRC's Sustainability Report is limited in scope to performance between January 1 – December 31, 2015.

CONTACT PERSON

Angela Wiles, Vice President Communications & Marketing
403-264-0176 or awiles@abcrc.com

BOUNDARY OF REPORT

The report includes all entities in which ABCRC exercises control, and 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.

RE-STATEMENTS FROM PREVIOUS REPORTS

ABCRC does not have any re-statements to provide from previous reports.

SIGNIFICANT CHANGES FROM PREVIOUS REPORTS

ABCRC does not have any significant changes to from previous reports to disclose.

¹ Refer to List of Manufacturers of Regulated Non-Refillable Beverage Containers

APPENDICES – ACTIVE MANUFACTURERS AS OF DECEMBER 31, 2015

1272227 Ontario Inc. o/a CDC Foods	Brewsters Brewing Company	Dovre Import & Export Ltd.	Gummi Confections & Novelties Inc.
1612133 Alberta Ltd. o/a The Right Water Bottling Co.	British Pantry	DSI Food Corp.	Guru Beverage Inc.
1735221 Alberta Ltd.	Brutus Beverages Inc.	Earth's Own Food Company Inc.	H J Heinz
1923556 Alberta Inc./ Rinascita Corp Import Export	Buderim Ginger Ltd.	Eaux Vives Water Inc.	Hain Celestial Canada Inc.
9218297 Canada Ltd. o/a Bomb Energy Drink Canada	Bulk Barn Foods Ltd.	Ecotrend Ecologics Ltd.	Happy Days Dairies
A. Lassonde Inc.	Buy-Low Foods LP dba Associated Grocers	Edoko Food Importers Ltd.	Happy Planet Foods Inc.
Alberta Gaming and Liquor Commission	Cabela's Retail Canada Inc.	Elco Fine Foods	HBS International Corp.
Abbott Nutrition	Caissen Water Technologies Inc.	Elite International Foods Inc.	Heart Smart Foods Ltd.
ABC Cork Co.	Calkins & Burke Ltd.	Evolv Health Canada, Inc.	Hi-Bridge Consulting Co.
Acklands-Grainger Inc.	Campbell's Soup	Fairwinds Farm Ltd.	Hilary's Salesmaster Inc.
Advantage Sales and Marketing	Canada Dry Motts Inc.	Far East North America Food Ltd.	Hongdao Business Development Ltd.
Afod Ltd.	Canada Pure Water Co. Ltd.	Fastenal Canada, Ltd.	Horizon Distributors
Agropur Cooperative	Canadian Choice Wholesalers	Federated Coop Ltd.	Hormel Canada, Ltd.
AGT CLIC Foods Inc.	Canadian Tire	Ferma Import And Export	HP Hood LLC
All 4 Water Corp.	Canda Six Fortune Enterprises Co. LTD	Fiji Water Canada Ltd.	Hung Gay Enterprises Ltd.
All Market Inc.	Carbon Diamond Beverages Inc.	Fok's Trading (Canada) Ltd.	HZ Food Inc.
Allcity Importers Ltd.	Cascadia Specialties Inc.	Four Winds Hotels Management Corp	I.D. Foods Corp.
Amazon Preservation Partners, Inc.	Casseroles Cora Inc.	Freelife International Canada Corp.	Ice River Springs Water Co. Inc.
Amway Canada Corp.	Christmas Natural Foods	Fresh Squeeze Inc., The	Icy Mountain Water Co.
Anchor Foods International Ltd.	Coca-Cola Refreshments	Fukuda Trading Co. Ltd.	Idea Worldwide (Foods)
Apple & Eve, LLC	Cocos Pure Beverage Corp.	Gagan Foods International Ltd.	IKEA Canada Ltd. Partnership
AquaTerra Corp.	Community Natural Foods Ltd.	Galvanina Canada Ltd.	Inform Brokerage Inc.
Arctic Chiller Ltd.	Concord Sales Ltd. - B.C.	General Mills Canada Corp.	lovate Health Sciences International Inc.
Arizona Beverages of Canada, ULC	Core-Mark International, Inc.	General Nutrition Centers	Italpasta Ltd.
ASM Canada - Sales and Logistics	Corinthian Distributors Ltd.	Genesis Marketing Group Inc.	ITO EN (North America) Inc.
Atkins Nutritionals Inc	Costco Wholesale Canada Ltd.	Genesis Today, Inc.	J.M. Smucker Company, The
Avalon Dairy Ltd	Cott Corp.	Genki Foods	Jan K. Overweel
Best Brands Marketing	Country Fresh Water	Glencar Food & Beverage Inc.	Jardin Foods Ltd.
Best Gourmet Coffee Wholesalers (2011) Ltd.	Cows Inc.	Good Taste of Britain 1995, A	Jasmine Mediterranean Foods
Beverage World Inc.	CRU Juice Inc.	Good Water Company, The	JC Bunny Bunny Trading Co. Ltd.
Bioforce Canada Inc.	D3 Brand Delivery Solutions	Gordon Food Service Canada Ltd.	Jet Trading Co Ltd.
BioSteel Sports Nutrition Inc.	Danone Inc.	Gourmet Trading Co.	JFC International (Canada) Inc.
BLK Enterprises LLC	Dattani Wholesalers	Grace, Kennedy (Ont.) Inc.	Jiva Organics Mfg. & Dist. Inc.
Bolthouse Farms/Fresh Logistics	Dehnamar Inc.	Greenworld Food Express Inc.	Johanna Foods Inc.
	Distribution Missum	Grimmway Enterprises, Inc.	Jones Soda Co.
	Dole Packaged Foods Co.	Grizzly Paw Brewing Company, The	Joriki Inc.
	Dollar Tree Stores Canada		Juice Shop Ltd., The
	Dollarama LP		Kanada Solutions Inc.
	Dong Phuong Oriental Market Ltd.		Karma Culture, LLC
	Double D Beverage Co.		

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Kennelli Springs Ltd.	Nutrition Club O/A(1852884 Ontario Inc.)	Refined Management Inc.	Tree Top, Inc.
Kerry (Canada) Inc.	Nutrition Excellence	Renee's Gourmet Foods Inc.	Tri-Pure Water Ltd.
KO & C Enterprises, Ltd.	Nutrition Zone Products Inc. (736027 Alberta Ltd.)	Revojuiceinary (Urban Organics)	Trivita Living, Ltd.
Kohl & Frisch Ltd.	Ocean Spray Int'l Inc.	Ripple Fx Water Inc.	Ultima Foods Inc.
Kraft Canada Inc.	Office General des Eaux Minerales Ltee (OGEM)	Rock Ridge Dairy Ltd.	Uneek Brands Ltd.
La Mexicana Variety Store	Olympic, division of Ultima Foods Inc.	Rocky Mountain Roasters Ltd.	UNFI Canada Inc-Grocery West
Laboratoires C.O.P. Inc.	Oriental Recipes Corp.	Rona Inc.	Unisource Canada Inc.
Le Kiu Importing Co. Ltd.	Otis McAllister, Inc.	Root Carbon Inc.	Uno Foods Inc.
Leading Brands of Canada	Overwaitea Foods	Rubicon Food Products Ltd.	Usana Canada Co.
Les Aliment Unique Foods	P.A. Fine Foods & Distributors Ltd.	Sambazon Inc.	Van Dyk'S Health Juice Products Ltd.
Les Celliers associés	Pacific Western Brewing Company Ltd.	Santa Maria Foods Corp.	Vancouver Water Enterprises Canada Co., Ltd.
Loblaw Companies Ltd.	Pacific Bottleworks Company	Saputo Dairy Products	Verger Paul Jodoin Inc.
London Drugs Ltd.	Parmalat Canada	Sealand Natural Resources Inc.	Vita Health Products Inc.
Louis Dreyfus Commodities Canada, Ltd.	Pepsi Bottling Group (Canada) Co.	Shoppers Drug Mart	Vital Green Farms
Malinda Distributors	Pharmx Rexall Drug Stores Ltd.	Sky Blue Water	Wallace & Carey Ltd.
Mamma Chia	Phillips Brewing Company Ltd.	Sonray Sales Ltd.	Wal-Mart Canada Inc.
Manzen LLC dba Xyience	Phoenicia Group Inc.	Splash Juicery	Water Pure & Simple - Wetaskiwin
Martin Brower of Canada	Pic a Pop Inc.	Star Marketing Ltd.	Water Pure & Simple - Lethbridge
Maverick Brands, LLC	PKE Water Store & More	Starbucks Coffee Company	Water Pure & Simple - Minilake Dist.
Mexican Family Store	Pom Wonderful	Stars Trading Co. Ltd.	Water Pure & Simple - Westlock
Minute Maid Company, The	Pratts Wholesale (Sask.) Ltd.	Sun Orchard, LLC	Watermark Beverages Inc.
Monashee Spring Water Distributors Ltd.	Precision Design & Manufacturing	Sun Rype Products	Weil's Food Processing Ltd.
Morgan Williams West Inc.	Premier Nutrition Corp.	Sunrise Markets Inc.	Well Juicery
Morinda Canada Co.	Pressed Juicery, LLC	Sun-Rype Products (USA), Inc.	Wild Sparkling Tea Ltd.
Mother Dairy	Prism Distribution Inc.	Sunterra Quality Food Markets Inc.	Winning Combination Inc., The
MW (Canada) Federal Ent. Ltd.	Produits de Marque Liberte Inc.	Superior Tofu Ltd.	Wismettac Asian Foods, Inc.
N.A.I.M. Canada Inc.	Pure Creativity LLC	Sysco Food Services of Calgary	Worldwide Specialty Foods Ltd.
Nanton Water & Soda Ltd.	Pure Water Oasis 2013	T & T Supermarket Inc.	WWF Operating Company
Nationwide Natural Foods 2000 Inc.	Puresource Inc.	Talking Rain Beverage Co.	Ying Fat Food
Nature's Pop Sales	Purity Organic	TDL Group Ltd., The	Yorkshire Rose Imports
Nature's Sunshine Products, Inc.	R W Packaging	Temple Lifestyle Inc.	Zevia, LLC
Naya Waters Inc.	Rafters Home Store	TFB & Associates	Zing Zang, Inc.
Nestle Canada Inc.	Raw Foods International	Thai United Food Trading Ltd.	
Nestle Waters Canada	RE7 Global Industries Inc.	Thee Baker's Catering Ltd o/a Stoyles Wholesale	
Niagara Bottling, LLC	Red Apple Stores Inc.	Thomas Canning (Maidstone)	
NO.22 Foods Inc.	Red Deer Bottling	Thomas, Large & Singer Inc.	
Noble Meadows Farm		Ti Foods	
North West Company LP, The		Tonsell International Inc.	
Northern Bottling		Tree of Life Canada, ULC.	
Nutrisoya Foods Inc.			

APPENDICES – RETURN SUMMARY BY MATERIALS

	December 2015 (000s)	December 2014 (000s)	Growth	
			Volume (000s)	Percentage
PARTICIPANT SALES				
ALUMINUM	1,074,432	1,073,968	464	0.0%
PLASTIC	813,231	804,164	9,067	1.1%
GLASS	203,567	200,648	2,917	1.5%
POLYCOAT	265,853	270,531	(4,678)	(1.7%)
BI METAL	5,970	7,260	(1,291)	(17.8%)
TOTAL	2,363,053	2,356,573	6,480	0.3%
REDEEMED VOLUMES				
ALUMINUM	967,487	950,288	17,198	1.8%
PLASTIC	658,834	630,009	28,825	4.6%
GLASS	187,013	183,738	3,275	1.8%
POLYCOAT	177,604	179,186	(1,582)	(0.9%)
BI METAL	6,173	6,428	(254)	(4.0%)
TOTAL	1,997,111	1,949,649	47,462	2.4%
RETURN RATES				
ALUMINUM	90.0%	88.5%		
PLASTIC	81.0%	78.3%		
GLASS	91.9%	91.6%		
POLYCOAT	66.8%	66.2%		
BI METAL	103.4%	88.5%		
TOTAL	84.5%	82.7%		

APPENDICES – NON-REFILLABLE CONTAINERS RECYCLED BY TYPE/MATERIALS

MATERIAL	Fate of Materials	Sold Containers	Regulated Containers	Return Rate	Weight Diverted from landfill
ALUMINUM	<ul style="list-style-type: none"> Recycled back into aluminum cans 95-99% of weight shipped is recycled, with the remainder being moisture and contaminants 	45.5%	48.4%	90.0%	13,338.7
HI-DENSITY POLYETHYLENE (HDPE)	<ul style="list-style-type: none"> Recycled into pellets for use in manufacture of new non-food grade products 	34.4%	33.0%	81.0%	20,772.8
POLYETHYLENE TEREPHTHALATE (PET) GREEN	<ul style="list-style-type: none"> 80+% recycled with less than 20% being sub-standard material or contaminants 				
OTHER PLASTICS					
GLASS	<ul style="list-style-type: none"> Manufacture of fiberglass insulation by Owens Corning or Johns Mannville 95% recycled with 5% waste including caps, corks and dust 	8.6%	9.4%	91.9%	62,764.4
TETRA-BRIK	<ul style="list-style-type: none"> Fibre extracted and used in the manufacture of paper products Residual aluminum and plastics – portions recycled in undetermined quantities, portions potentially used as fuel (energy recovery) 80% by weight recycled 	6.5%	5.0%	65.0%	1,889.8
GABLE TOP	<ul style="list-style-type: none"> Fibre extracted and used in the manufacture of paper products 80% by weight recycled 	4.4%	3.5%	68.3%	2,974.7
DRINK POUCHES/ BAG-IN-A-BOX (BLADDERS)	<ul style="list-style-type: none"> Energy recovery through gasification (incineration) due to low volumes and scarce end markets. Boxes from Bag-In-A-Box are recycled as OCC 	.04%	.04%	79.4%	151.1
BI-METAL	<ul style="list-style-type: none"> Smelted down for recycling into construction re-bar, car parts, and grinding rods for mining 95% of weight is recycled with 5% contaminants or moisture 	.03%	.03%	103.4%	347.2
CERAMICS	<ul style="list-style-type: none"> No viable recycling markets for this material 	0.0%	0.0%	0.0%	<0.0
AEROSOL CONTAINERS	<ul style="list-style-type: none"> Ceramics pre-date regulatory requirement for recycling No aerosol containers in 2015 3,816 ceramic bottles in 2015 				
TOTAL WEIGHT DIVERTED FROM LANDFILL					102,238.5 kg

THANK YOU

Thank You

WITHOUT OUR HARDWORKING AND COMMITTED STAFF, THESE RESULTS WOULD NOT BE POSSIBLE.
THANK YOU TO ALL ABCRC EMPLOYEES.



