



ALBERTA BEVERAGE CONTAINER  
RECYCLING CORPORATION

# 2023 Annual Report in Compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act

May 9, 2024

901 57 Avenue NE Calgary, Alberta T2E 8X9 P: 403.264.0170 F: 403.264.0179 [abcrc.com](http://abcrc.com)



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

This Report relates to the financial year ending **December 31, 2023**, for ABCRC and provides the required information to address the steps taken by ABCRC during its previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by ABCRC or of goods imported into Canada by ABCRC.

## **A. Structure, Activities and Supply Chains**

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

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

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

ABCRC is governed by its Board of Directors. The ABCRC Board is made up of eight shareholder nominated directors, as well as one independent director that is collectively nominated by the other eight directors. There are three standing Board committees: Governance, Audit, and Public Affairs & Communications (PAC). Each committee has a mix of Directors and nondirector representatives, who are nominated by shareholders to provide different perspectives and expertise to the committees. The Governance Committee continually assesses and improves ABCRC’s approach to corporate governance. They make recommendations regarding human relations issues and policy modifications. The Audit Committee makes decisions to ensure transparency and accountability, minimize the cost of operating the common collection system, promote and encourage effective stewardship of the common collection system, strive for continuous improvement in operations, maintain a safe and healthy environment for employees, and provide a culture of honesty and integrity. The PAC Committee develops strategies and

---

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

<sup>2</sup> *Business Corporations Act*, RSA 2000, c B-9

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



policies with respect to public affairs and communications with all stakeholders of ABCRC and to enhance relations between ABCRC and its stakeholders.

## B. Policies and Due Diligence Processes

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

### 1. ABCRC Policies

ABCRC embraces ethical and moral business practices. A documentation project, started in 2020 and completed in 2022, saw a complete update of ABCRC's Policy Manual that addressed inconsistencies and information gaps and resulted in easy-to-understand, consistently formatted documents. These policies and their resulting actions are continually evaluated and revised to reduce our environmental footprint, maintain safe and fair working environments, and promote a more circular economy.

Some key policies that ABCRC has implemented include:

- **Board Oversight** - Provides operating parameters for the Board, including skills diversity requirements and nomination guidelines.
- **Internal Controls** – Outlines the policies and procedures instituted to help protect the company from internal threats such as errors, theft and mismanagement.
- **Privacy Protection** - Commits to protecting the privacy of employees and the public in accordance with the province of Alberta's *Personal Information & Privacy Act* (PIPA).<sup>4</sup>
- **Code of Conduct & Ethics** - Establishes the framework to ensure that all ABCRC employees and directors act in accordance with employment standards and our core values.
- **Whistleblower Provisions** - Provides a way to anonymously report financial, human resources, legal (including any infractions of Alberta's employment standards that prohibit forced or child labour), environmental, and/or unsafe activities that may involve criminal conduct or violate ABCRC's Code of Conduct.
- **Risk Management** - Identifies, assesses, addresses and monitors potential and emerging risks that could pose a threat to ABCRC's operations.
- **Document Management** - Provides parameters for business document life-cycle management.
- **Health & Safety** - Establishes a risk assessment and prevention framework to ensure that all ABCRC employees can work in a safe and healthy environment.
- **Harassment, Workplace Violence & Discrimination** - Creates an environment that embraces diversity, is free from discrimination and harassment, and is grounded in fair treatment and respect.

---

<sup>4</sup> *Personal Information Protection Act, SA 2003, c P-6.5*

- **Security Protocols** - Protects ABCRC personnel, facilities and systems from internal and external threats.
- **Accountable Financial Management** - Ensures that ABCRC operates in a fiscally responsible manner that ensures the continued operation of the common collection system.

## 2. ABCRC Sustainability Reporting

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

As noted in the Sustainability Report, ABCRC is supportive of and committed to the United Nations (UN) Sustainable Development Goals (SDGs) as a pathway to bring about sustainable development that addresses shared global challenges. ABCRC's policies, goals and actions most closely align with UN SDGs 3, 5, 8, 11, 12 and 13. In 2022, ABCRC furthered its commitment to the UN SDGs by hiring a consultant to evaluate its data collection and reporting efforts to identify adverse impacts in operations, supply chains and business relationships.

### C. Forced Labour and Child Labour Risks

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

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

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

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



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

ABCRC currently has end-markets located in the United States of America and South Korea. Goods are shipped to large, established buyers in the United States of America: Continuous Materials and Schupan Recycling. Based on our due diligence with respect to their operations, both Continuous Materials (<https://www.continuousmaterials.com>) and Schupan Recycling (<https://www.schupan.com>) are established and reputable organizations and represent a low risk of modern slavery occurring.

From our review of the *Walk Free Global Slavery Index*, South Korea has similar characteristics as the United States of America with respect to prevalence of and vulnerability to modern slavery. ABCRC shipped gable top containers only to end markets South Korea. Of the 188 shipments of gable top containers initiated by ABCRC in 2023, which represents approximately 3% of the total beverage container units processed in that time period, 25 shipments were made to a destination in South Korea whereas the remaining 163 shipments were delivered to Continuous Materials in the United States of America. In addition, ABCRC is implementing steps to require its broker that sells goods to South Korea end customers to declare and confirm that those goods are not being sent to companies that use child or slave labour.

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

#### **D. Remediation Measures**

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

#### **E. Remediation of Loss of Income**

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

#### **F. Training**

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

Upon hiring, all employees are mandated to read and sign-off on ABCRC's *Harassment, Workplace Violence & Discrimination Policy*, which remediates against discrimination and harassment, while maintaining fair treatment and respect, and ABCRC's *Code of Conduct & Ethics* policy, which expressly states that no ABCRC director, officer or employee should "take unfair advantage of anyone through illegal conduct, forced/child labour, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other

---

<sup>5</sup> *Global Slavery Index 2023*. [walkfree.org](http://walkfree.org). November 3, 2023.



unfair-dealing practice". Because there is no risk of forced or child labour within ABCRC, no further training is required.

### **G. Assessing Effectiveness**

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

### **Approval and Attestation**

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

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

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

A handwritten signature in blue ink, appearing to read "Guy West", is written over a horizontal line. Below the line, the word "Signature" is printed in a small, black font.

Signature

May 23, 2024

Date

Guy West  
President & CEO  
Alberta Beverage Container Recycling Corporation