



Reference: 381925

September 1, 2021

Allen Langdon
President and CEO
Encorp Pacific Canada
100 – 4259 Canada Way
Burnaby, BC V5G 4Y2

Dear Allen Langdon:

Thank you for submitting amendments to the proposed Encorp Pacific (Canada) (“**Encorp**”) Extended Producer Responsibility Plan (the “**Plan**”) in fulfillment of the requirements of Section 6 of the [Recycling Regulation](#) (the “**Regulation**”) made under the *Environmental Management Act*. I appreciate Encorp’s continued commitment to achieving compliance in this regard.

Under the Regulation, the director has the ability to both amend an approved extended producer responsibility (EPR) plan on his own initiative, and to approve amendments to an approved plan that have been proposed by a producer. I have completed my review of, and approve, the plan submitted on August 30, 2021.

The amended plan adequately addresses the various regulatory requirements. In particular, I want to acknowledge how Encorp has addressed the recent changes to the Regulation to include milk and milk substitutes in the definition of “beverage” by including containers of these products in its plan. Furthermore, I appreciate the emphasis Encorp has placed in elevating the recovery rate for the various historically low recovery container sub-categories (e.g., drink boxes, bag in box and pouches) to at least, or above, 75% within three years of plan approval. Along with aggressive recovery targets for the other container sub-categories, Encorp is able to target an overall recovery rate of 83.6% after five years of plan operations, helping to demonstrate continuous improvement.

A major development of this Plan is the expansion of products that it covers. With the entry into the management of all beverage containers, this plan takes specific action to mitigate consumer confusion. However, the Ministry of Environment and Climate Change Strategy (the Ministry) will be paying close attention to how the market responds moving forward and to ensure consumer awareness initiatives support effective collection of beverage containers.

If in the future Encorp intends to make a significant change to the operations of its plan, which would affect other EPR programs, the Ministry would expect an amendment to the plan. Amendments of this nature would require stakeholder consultation.

Pursuant to Section 6 of the Regulation and based on the plan's original approval date of July 19, 2007, Encorp's next plan review must be completed by July 19, 2022. Please also note that failure to comply with an approved plan may result in the imposition of an administrative monetary penalty of up to \$40,000 or a fine of up to \$200,000.

Third Party Assurance for Non-Financial Information in Annual Reports

Third party assurance for non-financial information in Annual Reports is required through Section 8(2)(h) of the Regulation. The assurance report should be completed in accordance with the document entitled, "Third Party Assurance Requirements for Non-Financial Information in Annual Reports" dated October 2018 and revised from time to time, which is enclosed.

Finally, the ministry expects this approval letter to be forwarded to Encorp's board of directors as well as its member producers, since each producer is responsible for ensuring its agent fulfills the plan, and compliance proceedings may be taken against a producer if the agent fails to implement the plan.

If you have any questions regarding the implementation of your plan, or suggested opportunities for improvement, please contact your ministry file lead. Thank you again for your patience and engagement in this review process.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob McDonald". The signature is stylized and somewhat cursive.

Bob McDonald
Director
Extended Producer Responsibility

cc: Teresa Conner, Unit Head, Extended Producer Responsibility Section
Lucas Harris, Ministry file lead, Extended Producer Responsibility Section



Beverage Container Stewardship Plan

August 30, 2021

Submitted to: BC Ministry of Environment and Climate Change Strategy,
Extended Producer Responsibility Section
PO Box 9341, Stn Prov Govt
Victoria, BC V8W 9M1

Prepared by: Encorp Pacific Canada
Return-It
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Allen Langdon
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Submission date: August 30, 2021

Table of Contents

Table of Contents 2

Glossary of Terms and Abbreviations 3

Introduction 4

1. Duty of Producer 4

2. Appointment of Stewardship Agency 4

3. Products Covered Under the Plan..... 6

4. Stakeholder Consultation 8

5. Collection System and Consumer Accessibility, Recovery Rate 9

6. Consumer Awareness..... 14

7. Management of Environmental Impacts 16

8. Management of Program Costs..... 20

9. Dispute Resolution, Producers Paying the Costs of Obligated Material..... 23

10. Performance Measurement (Summary Table)..... 24

Appendix A. Covered Product Categories 28

Appendix B. Consultation Comments Summary..... 31

Glossary of Terms and Abbreviations

<u>ENC</u>	Encorp Pacific Canada (Encorp)
<u>AC</u>	Advisory Committee
<u>BOD</u>	Board of Directors
<u>CNG</u>	Compressed natural gas
<u>CRF</u>	Container Recycling Fee
<u>Depot</u>	Return-It approved depot
<u>EPR</u>	Extended Producer Responsibility
<u>ICI</u>	Industrial, Commercial & Institutional
<u>MOECCS</u>	Ministry of Environment and Climate Change Strategy
<u>NGO</u>	Non-Government Organization
<u>R2R</u>	Return to retail
<u>SABC</u>	Stewardship Agencies of B.C

Introduction

Encorp Pacific (Canada) (ENC), better known as Return-It, is pleased to submit this renewal plan for our Extended Producer Responsibility Program to the British Columbia Ministry of Environment and Climate Change Strategy, pursuant to the requirements of the BC Recycling Regulation (“Regulation”) under the Environmental Management Act which sets out the requirements for extended producer responsibility including the requirement for Extended Producer Responsibility (EPR), plans. The Stewardship Plan replaces Encorp’s previous Stewardship Plan which was approved by the MOECCS on November 20, 2014, and originally approved on July 19, 2007.

1. Duty of Producer

Section 2(1) of the Recycling Regulation requires a producer to have an approved plan under Part 2 [Extended Producer Responsibility Plans] and comply with the approved plan with respect to a product in order to sell, offer for sale, distribute or use in a commercial enterprise the product in British Columbia.

2. Appointment of Stewardship Agency

Section 2 of the Recycling Regulation entails:

- (2) If a producer appoints an agency to carry out duties of the producer under Part 2 on behalf of the producer, the producer, before the agency begins to carry out those duties, must notify the agency in writing of the appointment, specifying the duties under Part 2 that the agency will perform on behalf of the producer.*
- (3) Before an agency begins to carry out duties on behalf of a producer, the agency must*
(a) confirm in writing to a director the duties under Part 2 that the agency will perform on behalf of each producer that has joined the agency, and
(b) comply with Part 2 in respect of the duties referred to in paragraph (a).
- (4) On the request of a director, an agency must provide the director with either or both of the following:*
(a) a list of producers the agency currently represents;
(b) a copy of any notification the agency received under subsection (2).

Encorp Pacific (Canada) is a federally incorporated, not-for-profit, product stewardship corporation established in 1994 and appointed to fulfill the requirements of the Recycling Regulation, Schedule 1, Beverage Container Product Category (BC Reg.449/2004) as a non-share

capital corporation under Part II of the Canada Corporations Act. The corporation is exempt from income tax provided that strict Canada Revenue Agency rules are observed. This type of incorporation identifies owners as members and not shareholders and places restrictions on the use of operating reserves. A link to the program's Federal Corporation Information is available at www.return-it.ca/about/federal-corporation

Encorp's mandate within this plan is to develop, manage and improve systems to recover used beverage containers and ensure that they are properly recycled and not land- filled or incinerated. As EPR programs and the need for recycling solutions for material streams continue to grow at a rapid pace, Encorp has been at the forefront of providing innovative solutions. Our systems include the development and implementation of methods that provide practical and effective solutions to reduce waste.

Since its inception, Encorp has operated under the following principles:

- a) Divert used products from landfill and incineration.
- b) Develop and operate a system that provides consumer-friendly and convenient return points throughout the Province.
- c) Manage the system in a cost-effective manner that has the lowest possible impact on consumer prices.
- d) Run a cost-based system in which each container type pays its own costs with no cross-subsidization.
- e) Find useable end products which maximize the value of the recovered materials.
- f) Treat all brand owners equitably.
- g) Provide a high degree of transparency in all its operations.

Encorp is responsible for overseeing the program on behalf of its stewards, who are defined by the Regulation as the producers. Encorp supports its stewards in fulfilling their obligation to establish collection and recycling programs under applicable provincial Extended Producer Responsibility (EPR) legislation. On a regular basis, Encorp engages brand owners and retailers of regulated products to ensure they are aware of their obligations related to the EPR Program in BC. We employ dedicated staff trained to engage with the stewards so they can easily and responsibly comply with the regulation. Consistent, direct engagement and communication with all brand owners takes place several times throughout the year via:

- A quarterly communication from Encorp's CEO
- Dedicated Encorp staff - brand owner liaison available during business hours
- Monthly brand registration and sales reporting communications

Information about the program is available to all stewards here:
www.returnit.ca/brandowners

Encorp represents approximately 358 stewards for the products identified in our program Plan. A list of Encorp's stewards is available at:
www.returnit.ca/beverage/recycling/brandowners.

The program operates according to the bylaws approved by its Board of Directors to manage the affairs of the corporation. The Board of Directors is responsible for the governance of the organization, ensuring it is meeting and exceeding high standards of accountability and transparency. Each of the program's stewards appoint Encorp as their stewardship agency as described in section 2(2) of the Regulation. Encorp supports and reports on the range of requirements identified in the Regulation on behalf of its stewards and provides collection services throughout the province to ensure responsible recycling of those products collected.

The corporation's Board of Directors consists of representatives of the retail and beverage industries as well as non-affiliated directors with relevant expertise. Encorp's strong governance model includes the mandate in our bylaws to appoint two independent directors and they typically chair the governance and audit committees. A list of current Board members is published in the corporation's Annual Report. This information plus more detail on how the corporation functions is available at www.returnit.ca/about/annualreports

The Annual Report will also identify any significant changes to the agency's structure or governance if they occur.

Another key feature of Encorp's governance model is the existence of an Advisory Committee (AC), which ensures that management and the Board of Directors hear from a variety of stakeholders. Encorp's Advisory Committee fosters the exchange of information on our program and serves as a forum to discuss issues of local concern. Encorp's management supports the committee members in the selection of the AC members and the committee then votes to accept each member. The committee is comprised of a representative group that is knowledgeable of the industry and can provide meaningful input on the program. The Encorp AC members consist of representatives from the local government, NGOs, environmental groups, small brand owners, local retailers, Return-It depots and other relevant parties. The members of the committee are scheduled to meet on a bi-annual basis or as needed if additional meetings are required. A current list of the AC members can be found here: www.returnit.ca/ar2019

3. Products Covered Under the Plan

Section 4 of the Recycling Regulation entails:

A producer must submit a product stewardship plan, at the time specified in the applicable Schedule, if any, and in a manner and format satisfactory to a director, for the products within the product category of the product the producer sells, offers for sale, distributes or uses in a commercial enterprise in British Columbia.

The Encorp Stewardship Plan includes all ready-to-drink beverage containers sold in British Columbia as identified under Schedule 1 of the Recycling Regulation such as aluminum cans, plastic, glass, bi-metal, drink boxes, gable tops, bag-in-a-box, stand-up pouches as well as refillable bottles on behalf of appointed producers. While none of Encorp's brand owners currently sell products packaged in refillable bottles, if they should choose to, Encorp will

have those products covered under this Stewardship Plan. Encorp will also be conducting an annual scan of emerging trends for refillable containers, engage with brand owners to determine barriers in providing refillable solutions and where possible collaborate on refillable pilot programs. Progress and updates on these initiatives will be reported annually through Encorp's Annual Report.

As new producers join the Encorp program, Encorp will continue to expand its consumer awareness programs to educate consumers on the different brands and beverage types participating and accepted for a deposit refund as part of our program.

All brand owners are required to register their beverage products sold in BC covered by the Encorp plan into a product database. A full, and up-to-date, list of all beverages and their containers can be found at www.return-it.ca/registeredbrands.

In addition to this website, the product registration database is also made available to collection facilities through a Point of Return (POR) system, high speed counting technology (Tomra) and Reverse Vending Machines (RVMs). Only containers registered in Encorp's product registration database will be included in the calculation of the recovery rate.

Caps and lids are considered part of the beverage container and are collected for recycling through the appropriate material streams. Consumers are asked to leave the caps and lids on the containers when returning them or to bring them back with the beverage containers. Collection bins and shipping bags are provided by Encorp for the capturing of this material.

Consumer education on accepted brands and information to encourage the return of the caps and lids along with the beverage container are publicly available via;

- Information on the website homepage www.returnit.ca
- FAQ's specific to the recycling of caps and lids [Frequently Asked Question | Encorp Pacific \(Canada\) \(return-it.ca\)](#)
- Proactive Social Media reminder posts across all the Return-It channels
- Encorp customer relations team
- In- depot signage

To support tracking, Encorp will conduct regular auditing over a 24-month period to determine the percentage of containers being returned with the caps on the container or separate from the container.

In response to the regulation change that includes milk and milk substitute containers under the Beverage Container Schedule 1 of the Recycling Regulation which will be effective February 1, 2022, Encorp will expand the acceptable products to include all regulated milk and milk substitute beverages and container types sold by registered brand owners into the Return-It system and be responsible for them as stipulated in the regulation. Encorp will inform the public and implement this change prior to the designated effective date. These containers will then be included in our established recycling streams and reported accordingly.

4. Stakeholder Consultation

Section 5(1)(b) of the Recycling Regulation entails:

The producer has undertaken satisfactory consultation with stakeholders prior to submitting the plan for approval and will provide opportunity for stakeholder input in the implementation and operation of the product stewardship program

Stakeholder input on the program is welcome at any time and is considered in the program's development and enhancement.

Encorp's original plan, approved by the MOECCS in 2007, has been renewed in 2014 & 2017 with no changes.

Encorp undertook a comprehensive consultation process on the performance targets for the five (5) year period starting 2019. During this time, the MOECCS also initiated its CleanBC Plastics Action Consultation Plan which would result in upcoming regulatory changes. The CleanBC Plastics Action Plan outlined new policy opportunities and proposed amendments to the Recycling Regulation of the Environmental Management Act, including expanding the deposit-refund system to cover all beverage containers.

The complete CleanBC Plastics Action Plan document can be found here:

https://engage.gov.bc.ca/app/uploads/sites/121/2019/07/CleanBC_PlasticsActionPlan_ConsultationPaper.pdf

As a result, the MOECCS informed Encorp the changes to the regulation would affect Encorp Pacific's Beverage Container Stewardship Plan. In light of this information and as suggested by the MOECCS, Encorp did not submit the 2019 plan for approval and has updated its Stewardship Plan to reflect the regulatory changes and will conduct a full public consultation in 2020/2021.

The consultation included a broad spectrum of stakeholders and diverse audiences to ensure access to the plan is as accessible and inclusive as possible. A full summary of the consultation process and findings are included here, and in the Appendix.

For reference, the full consultation report conducted between July 15 – September 15, 2020, can be found here: www.returnit.ca/beverageplan2020

This document survives all previous submissions and encompasses Encorp's new Beverage Container Stewardship Plan.

5. Collection System, Consumer Accessibility and Recovery Rate

Section 5(1) of the Recycling Regulation entails:

- *(a) the plan will achieve, or is capable of achieving within a reasonable time,*
 - (i) a 75% recovery rate or another recovery rate established by the director,*
 - (A) for each subcategory listed in section 4 of Schedule 1 for the beverage container product category, and*
 - (B) for each product category covered by the plan, other than the beverage container product category, if required by the director.*
 - (ii) any performance requirements or targets established by the director.*
 - (iii) any performance requirements or targets in the plan.*
- *(c) the plan adequately provides for:*
 - (i) the producer collecting and paying the costs of collecting and managing products within the product category covered by the plan, whether the products are currently or previously sold, offered for sale or distributed in British Columbia.*
 - (ii) with respect to the solvent and flammable liquids, pesticide, gasoline and pharmaceutical product categories,*
 - (A) the collection of residuals and containers that are or were in direct contact with a residual, and*
 - (B) the management of residuals and containers collected.*
 - (iii) reasonable and free consumer access to collection facilities.*
 - (v) assessing the performance of the producer's product stewardship program.*

Section 6 of the Recycling Regulation – Schedule 1 provides:

A container redemption facility or, subject to subsection (2), a retailer whose premises are not identified in an approved plan, must accept containers for return and pay to the person returning the containers a cash refund in an amount

(a) not less than the amount set out in Table 1, or

(b) if the amount of deposit collected is greater than the amount in Column 2 for the container size and beverage type set out opposite in Column 1, not less than the deposit amount collected.

(2) Subject to subsection (3), a person may return for refund to a retailer not more than 24 containers per day that are of the same beverage container subcategory and brand that the retailer sells.

(3) If the director determines that there are adequate container redemption facilities and retailers in a regional district, a person may return for refund to a retailer not more than 6 containers per day that are of the same beverage container subcategory and brand that the retailer sells to consumers.

(4) Subsections (2) and (3) do not apply to the return of containers to a retailer whose premises is identified as a container redemption facility in an approved plan.

Collection System

Since commencing operations in 1994, we have established a comprehensive network of permanent collection locations where the public can conveniently return beverage containers covered within Encorp's plan under the Recycling Regulation Schedule 1, Beverage Containers. This network currently consists of 167 Return-It™ Depots, 2 Return-It Express Plus corporate locations and 6 Express & GO stations. Return-It™ depots and Express Plus locations provide the backbone for most of the larger stewardship programs operating in the province as they provide customers with the opportunity to recycle a select variety of other EPR program materials. Encorp provides information related to the collection of material from other stewardship programs at Return-It depots and while we encourage best practices, we do not have direct oversight or contractual agreements with these depots as it relates to material from other EPR stewardship programs, with the exception of the Electronic Products Recycling Association (EPRA) program.

In addition, there are approximately 455 Return to Retail (R2R) locations, comprised of BC liquor stores and major grocery locations, serviced directly by Encorp across the province. There are a total of 628 collection locations (Return-It depots, Express, Express & GO and Return to Retail) operating within the province. Collections from R2R locations serviced directly by Encorp comprise 5% of the volume of beverage containers collected through the system in 2019.

Partnership with other Stewardship Agencies

Encorp has an agreement in place with Recycle BC, who manages residential packaging and paper under Schedule 5 of the Recycling Regulation, and its post-collection processor to ensure that beverage containers collected within the curbside blue box system are accounted for and included in the total units collected and used to calculate Encorp's recovery rate.

Aluminum alcohol cans and refillable glass beer and cider bottles are managed by the Brewers Recycled Container Collection Council (BRCCC) and Brewers Distributor Limited (BDL) under Schedule 1 of the Recycling Regulation. If there are any Encorp registered containers that have been collected by BRCCC outside of the Return-It collection network, Encorp has an arrangement to pick up all non-refillable beer, cooler and cider glass containers (NRBCs), approved under Encorp's stewardship plan from the BRCCC warehouse for a full deposit refund. Those containers are collected, properly recycled and included in the calculation of Encorp's recovery rate.

Collection System Enhancements

Encorp's Board of Directors and management team continuously research, test and develop improvements that require significant investments in new systems and infrastructure to attract and retain customers to our collection network, such as Return-It Express. Other initiatives Encorp has implemented include:

- The elimination of single-use plastic film from our collection supplies and replacing them with reusable mega bags.
- Plastic bags used in the Return-It Express system are collected and shipped to Merlin Plastics for recycling. As a signatory of the Global Commitment led by the Ellen MacArthur Foundation, Encorp has established a goal to eliminate single-use plastic film from our supply chain by 2025. In support of this goal, Encorp is working to implement a pilot to test reusable bags at a Return-It Express Plus location in 2021.
- Depot improvement and renovation programs providing funding and no-interest loans for operators to upgrade locations and enhance the customer experience
- Standard signage programs identifying acceptable products from all stewardship programs for consistent messaging and to reduce consumer confusion
- Operational standards to ensure Express customers enjoy the same service features at all locations
- Automation pilot program to support depots in processing containers more efficiently and help contain the increasing cost of manual labour

If further changes are contemplated as part of this Plan that may reasonably be expected to have a significant impact on the EPR programs of other producers, Encorp will consult with the MOECCS and any affected stakeholders for a reasonable amount of time before initiating any

changes.

Consumer Accessibility

Encorp recognizes recycling systems need to evolve with consumers' expectations and the priority is to model convenience for the consumer. Finding a drop-off collection location is easy for the consumer. They can simply enter their location or postal code on our website: www.return-it.ca/locations

Encorp's Return-It Express model has proven to be one of the most effective ways to evolve the collection system into the future that meets customers' needs and expectations.

The Return-It Express model provides a contactless system where customers can put all their refundable beverage containers into a bag, drop it off at the depot, and redeem their deposit refund online via Interac e-transfer or cheque. During the COVID-19 pandemic where there has been an increased focus on health and hygiene, many customers have opted to utilize the Return-It Express service in place of the traditional over the counter service as the system supports social distancing and limits consumer interaction. Encorp has seen a large increase in consumers utilizing Express, averaging approximately 300 new Express registrants per day. This change in customer behaviour will become the expectation as we evolve the model to provide a better overall customer experience.

Implementing Express services in current depot locations also provides a level of convenience that has proven to attract new customers and increase the number and variety of containers registered users recycle. In-depot Express services are currently available at over 70 locations, with plans to expand to all depots with a population base of over 10,000. To reach this target Encorp will install an additional 33 Express locations over the next five-year period.

Express & GO is a newly developed unstaffed station that can be located in high-density urban areas where finding suitable real estate is difficult and also, where viable, in hard to service rural areas where there are not sufficient volumes of material to support a traditional depot. The unstaffed stations also support social distancing and provide all the ease and convenience of Express plus a security level to meet Encorp's stringent audit and controls. In consultation with local governments and retail partners, Encorp will evaluate the further development of this service provision to expand our reach and improve recovery and customer convenience levels. Our corporate Express Plus locations may be used as a sorting or consolidation site for a hub and spoke center to facilitate the sorting and counting of containers collected through nearby Express & GO stations.

For rural coverage, Encorp has adopted, as a minimum criterion, a catchment population of 3,000 within a 45-minute driving radius. Encorp's catchment population criterion of 3,000 is at a much lower level than the industry standard of a population of over 4,000. For urban coverage (defined as a Census Metropolitan Area (CMA) by Statistics Canada) the Program has adopted a 30-minute driving radius, however, most of the Encorp locations are within a 15-minute driving range. The exception to the 15-minute range is within the City of Vancouver, where it has been

very challenging to site any new locations. These criteria have been utilized by Encorp to deliver collection coverage to more than 98.6% of the population in the province. The additional coverage provided by the mandated grocery retailers brings the provincial coverage up to 99.5%. The coverage from the retail sector is mainly associated with some rural areas where it has not been viable for a traditional depot to be located.

Recognizing that it is not always economically viable to have traditional depot style coverage in all the hard to service, remote and rural areas of the province, and to further improve accessibility, Encorp continues to work collaboratively with other stewardship programs to improve coverage and consumer convenience. For example, Encorp is one of the major financial contributors of the First Nations Recycling Initiative working with nine other stewardship agencies who have come together to create a project specifically relevant to Indigenous communities who are interested in starting recycling programs. In support of this initiative, Encorp provides financial contributions and helps develop collaborative solutions. When a First Nations area has been identified and requires additional assistance with the recycling and payment of deposit refunds for beverage containers within our system, Encorp will work with the community to develop a solution.

Encorp has developed a criterion to ensure reasonable access as outlined in the Recycling Regulation. This criterion started with the premise of serving more than 97% of the province's population and the current criterion accomplishes that target. Reporting on this criterion will be done by GIS mapping and reporting in each Annual Report.

Encorp will engage a third party to conduct a complete benchmark GIS mapping analysis. The results will be compared to both the existing and revised SABC standard as well as the 2019 coverage published in our annual report. Coverage results and any changes will be reported in each Annual Report. Google Maps is used to show locations and can display drive times, walking times and transit times to reach the location searched. The location finder is available at www.returnit.ca/locations

Recovery Rate

Our Annual Report(s) outline and report on the success metrics and results for the specific initiatives for each year of operations. In addition to the recovery rate, the annual report(s) also show the recovery by weight of material collected, number of containers collected by region, and the regional recovery per capita returns. Continuously adapting to the ongoing changes within the industry and consumer expectations is key to reaching the recovery rates as set out in the regulation.

The Stewardship Plan has set the recovery rate performance targets for five years. These targets are based on exceeding the 75% overall requirement as set out in section 5 of the Recycling Regulation and encompasses all the categories listed in Section 4 of Schedule 1.

While ambitious, the recovery rate performance targets set out in this plan have been determined based on a comparison of the previous year's actual recovery rates and then used

as a starting point from the 2019 results which showed an increase of 0.7% from 2018. Encorp also compiles comparable statistics from other jurisdictions in Canada to assess the expected performance levels. With the inclusion of milk containers in 2022, Encorp will develop and implement targeted awareness tactics to successfully integrate milk and milk substitute container types into the Return-It system to build consumer awareness in order to reach the recovery rate targets.

With respect to the recovery rate, the most challenging categories are the two smallest categories by volume, pouches and bag-in-a-box. These materials represent a combined 1% of the containers within the Encorp system and have limited and changing market penetration across BC, making it difficult to establish key areas to target our marketing messages.

To raise the recovery rate of these container types, Encorp will work directly with the relevant brand owners for each category to develop customized plans to address the lagging performance of these container types. These container-specific plans will focus on targeted tactics to raise awareness of the need to recycle these containers that include but are not limited to digital marketing campaigns focused on key demographic groups, on-pack labelling, partnerships with retailers and on-shelf marketing. Plans will be refined and optimized based on performance as well as feedback from brand owners and consumers.

The targets identified in the chart(s) below will be maintained moving forward until such time that new targets are approved.

Five Year Target Chart

Container Type	Container Mix % Year 1	Container Mix % Year 2-5	Recovery Rate Y1	Recovery Rate Y2	Recovery Rate Y3	Recovery Rate Y4	Recovery Rate Y5
Aluminum cans	38.6%	34.1%	81.3%	82.3%	83.4%	84.6%	86.0%
Non-Refillable Glass	15.7%	13.9%	92.3%	93.3%	94.3%	94.8%	95.0%
< Plastic	32.3%	34.9%	73.6%	74.6%	75.6%	76.8%	78.0%
> Plastic	4.9%	7.7%	86.1%	86.3%	86.5%	86.7%	87.0%
Drink Boxes	6.4%	5.9%	60.9%	65.0%	75.0%	75.0%	75.0%
Bag in Box	0.4%	0.3%	54.1%	60.0%	75.0%	75.0%	75.0%
Bi Metal Cans	0.2%	0.2%	85.0%	86.0%	87.0%	88.0%	89.0%
Gable Top	0.7%	2.3%	71.0%	73.0%	75.0%	75.0%	75.0%
Pouches	0.6%	0.6%	50.0%	60.0%	75.0%	75.0%	75.0%
Overall	100.0%	100.0%	79.1%	80.0%	81.7%	82.6%	83.6%

6. Consumer Awareness

The performance target Encorp has set to achieve in this plan is a 95% awareness level of the beverage container deposit program and a 90% awareness level of where residents can return their empty beverage containers for the deposit refund and/or recycling.

Encorp makes significant investments in developing strategically targeted consumer awareness and education plans. An annual budget allocated toward implementing the plan is established and initiatives are monitored and measured. Success metrics are determined based on reaching our recovery rate goals, awareness objectives and performance targets set out in the stewardship plan.

Development of the annual Marketing Strategy follows five systematic steps and all results are reported in the Annual Report. www.returnit.ca/annualreports.

1. Define our target audience(s) through annual benchmark studies and segmentation analysis conducted by an independent third party
2. Assess opportunities based on specific beverage container data, consumer habits and diverse demographics of the segment groups. (Persons with disabilities, multicultural groups and First Nations)
3. Determine objectives to reach goals for each target audience, type of container, time of year and area of the province
4. Develop strategic tactics, budget allocations and implementation timelines
5. Establish measurements of success (Key Performance Indicators or KPIs) and build in flexibility to adapt to changing markets

Methodology for the benchmark study is determined as follows:

1. Quotas are placed by region to ensure sufficient sample in key regions and cities:
 - i. City of Vancouver, the rest of Lower mainland, Okanagan, Northern BC, Kootenays
2. Additional samples of at least 200 per group are undertaken to allow for analysis of results among specific sub-samples of interest when Encorp determines necessary, such as:
 - i. Those with a mobility disability, Indigenous British Columbians, and those who speak languages other than English
3. The most recent Census Canada figures used to ensure accurate representation; weighting is undertaken for all samples
 - i. The main sample is determined by age, gender and region

Statistically significant differences in results from year to year are identified in the final report. Using the key findings from both the annual benchmark study and the bi-annual segmentation analysis, targeted messaging is developed based on the optimal opportunity to change discard behaviour and increase the recovery rate. The messaging is then applied to the appropriate

tactic to ensure that the program communicates effectively to the desired target group matched with the specific container type.

The following messages are tailored to capitalize on the best opportunity to reach our goals:

1. Specific beverage containers covered under the program
2. Deposit and deposit refund levels
3. Where to take beverage containers for deposit refund and recycling
4. What happens to the materials collected and the benefits of recycling
5. Container Recycling Fee levels (CRF's)
6. How the deposits and CRF's are established and used

Examples of all marketing and communication materials can be found here:

www.returnit.ca/ar2019

As part of its stakeholder relations strategy, Encorp actively collaborates with many stakeholders, partners and community-based organizations to address and support environmental challenges. This includes collaborating with community groups and coastal clean-up events to recycle the empty beverages containers recovered and then tracking and assessing the material origin. Based upon initial assessments, most beverage containers captured during local coastal clean-up events come from international sources. Encorp will continue with this work and build on its mitigation plans. Encorp also engages in youth education programs to empower the next generation to understand the impact of plastics in the marine environment and make a meaningful impact in their schools and communities.

As a further step, Encorp will perform a one-time study within 18 months of plan approval on unaccounted beverage containers within the Encorp program. The results will be shared publicly and include research in the following areas:

- Shoreline clean up activities
- Overview of landfill audit data
- IC&I waste streams (including the retail sector)
- Streetscape collection systems

The report will include an action plan detailing recommended activities or program enhancements Encorp will enact in light of the report's findings.

Encorp has a dedicated Customer Relations Team and process to educate and manage all customer and stakeholder inquiries. Its Customer Relations Team maintains a continuous focus on the customer and stakeholder experience and identifies improvement opportunities and potential solutions. Through a web-based ticketing system, all inquiries are quantified and tracked. Customer inquiries and trends are then analyzed and summarized in dashboards to evaluate and make recommend changes to its communications and system, as needed. To support the increasing number of customers through Return-It Express and other programs, Encorp continues to optimize its tools to enhance the customer and stakeholder experience.

7. Management of Environmental Impacts

Section 5(1) of the Recycling Regulation provides:

- *(c) the plan adequately provides for:
 - (v) the management of environmental impacts of the program.*
 - (v) assessing the performance of the producer's product stewardship program.*
 - (vii) eliminating or reducing the environmental impacts of a product throughout the product's life cycle.*
 - (viii) the management of the product in adherence to the order of preference in the pollution prevention hierarchy. The pollution prevention hierarchy is as follows in descending order of preference, such that pollution prevention is not undertaken at one level unless or until all feasible opportunities for pollution prevention at a higher level have been taken:
 - (a) reduce the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency;*
 - (b) redesign the product to improve reusability or recyclability;*
 - (c) eliminate or reduce the generation of unused portions of a product that is consumable;*
 - (d) reuse the product;*
 - (e) recycle the product;*
 - (f) recover material or energy from the product;*
 - (g) otherwise dispose of the waste from the product in compliance with the Act.***

Markets for Recyclable Material

Encorp and brand owners have developed stable and sustainable markets to recycle obligated beverage containers in accordance with the requirements of the Recycling Regulation. All beverage containers covered under Encorp's stewardship plan are made from non-toxic, inert materials and all container types have established recycling markets.

All beverage containers collected by Encorp under the beverage container program are shipped to recyclers for further processing into new material in accordance with section 8 of the regulation. Current container recycling end fate reports can be found in each Annual Report. www.returnit.ca/annualreports

A number of Encorp's registered brand owners have also made significant commitments to

increase the use of recycled content in their plastic beverage containers. Encorp is committed to supporting those efforts and supporting companies in meeting their targets by increasing the volume of plastic containers collected and ensuring that the material recycled is of sufficient quality for use as recycled content in new plastic bottles. As a further step to encourage circular solutions and the reduction of greenhouse gas emissions, Encorp will begin tracking and reporting on the percentage of Encorp’s collected material being recycled back into new containers, to the best of Encorp’s ability, starting in 2022.

The chart below outlines the markets by material type and provides the most recent environmental impacts of each.

Material Type	Fate of Material	2019 % mix	2019 Recovery % (by weight)	2019 Energy Savings	2019 Weight Diverted from Landfill (mt)	2019 Tonnes CO2 reduced
Aluminum	All Aluminum cans collected are sold and shipped to a re-melt facility in the USA and turned back into sheet stock for use primarily by our brand owners to make new cans.	37.40%	80.80%	93%	5,547	55,914
Plastic	All Plastic containers are sold to Merlin Plastics and shipped right here in Canada to their two separate facilities in British Columbia and Alberta to be cleaned and pelletized to become new raw material for manufacturers of various plastic products including new beverage containers, strapping material, and fibres.	37.90%	76.80%	86%	10,594	12,511

Glass	All Glass containers are processed in British Columbia and shipped to a manufacturing plant that produces fibreglass insulation in Alberta; a facility that produces new glass bottles in Seattle, USA; a facility that manufactures sandblasting materials in Quesnel, BC; and municipal sites that use	15.90%	91.00%	34%	75,172	26,138
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	crushed glass as construction aggregates.					
Polycoat (Gable Top, Drink Boxes)	All Polycoat containers are sold to ICF International and shipped to manufacturing plants in South Korea, Thailand and Japan for material recovery and production of tissue paper from the recovered fibre. Encorp also ships polycoat containers to a second supplier, Continuous Material Recovery. Continuous Material Recovery receives drink box containers at their facility in Des Moines, Iowa where they produce building boards that are used as an alternative to traditional wallboards, roofing, floor underlayment, ceiling tiles and structured insulated panel.	7.60%	67.80%	53%	1,729	9,154
Pouches	Encorp has found a viable end market through TerraCycle in New Jersey who is using this material to make various products such as composite decking, buckets, storage totes, non-food grade container & trays.	0.70%	26.30%	53%	13	15

Bi-Metal	All Other metal containers including Bi-Metal are sold to scrap metal dealers in BC for metal recovery.	0.30%	81.3%	82%	222	453
Bag-In- Box	The plastic bladders inside the Bag-In-Box containers are shipped to TerraCycle in New Jersey for making products such as composite decking, buckets, storage totes, non-food grade containers and trays. Cardboard from the outer layer of the box is recycled by local processors	0.30%	52.10%	53%	486	574

Greenhouse gas emissions (GHG)

While recycling has an overall net benefit in terms of energy and emissions savings due to the reduction of virgin materials use, the recycling process itself requires energy and thus has GHG emissions associated with it. When estimating net emissions reductions, Encorp calculates the GHG emissions specifically associated with its stewardship activities.

Annually Encorp reports on the following estimated emissions inventory in our list of performance indicators and metrics:

- Metric weight of materials diverted from landfill
- Energy savings by material type
- Annual GHG Emissions in tonnes of CO₂e
- Greenhouse gas emissions MT-CO₂-eq avoided
- Energy savings

Since Encorp is not a manufacturing company, the majority of our GHG emissions come as a result of transporting materials as well as heating and powering our network of facilities. Therefore, we define Encorp’s GHG inventory boundary from the point that empty containers enter the Encorp system at either a depot or retailer, right through to when the materials are delivered to the end processors for recycling into new products.

GHG emissions are estimated using conversion factors and methodologies developed by the World Resource Institute’s Greenhouse Gas Protocol (WRIGGP). The collection, transportation and processing services provided to Encorp are done through third party independent

contractors and the emissions produced by those activities are classified as Indirect Scope 3 GHG emissions in accordance with the WRIGGP.

Although it is not mandatory to report on Scope 3 emissions under the GHG Protocol, we are including the emissions associated with our independent contractors as their services are core to our business operations and represent important areas of emissions reduction.

Encorp plans to become Climate Smart Certified in 2020 which requires actions to reduce GHG emissions. Encorp continues to invest in technology and systems to achieve this goal as outlined below.

Fleet:

Encorp has implemented a pilot project using a newly designed hybrid-electric truck with a compaction trailer that runs on compressed natural gas (CNG) to transport materials within the Lower Mainland area. Since compacted materials take up less space, one hybrid-electric compaction truck can complete an entire route before returning to the recycler, thereby reducing the number of kilometres travelled per year. Initially, estimated calculations show the conversion of our entire diesel transportation fleet to CNG hybrid-electric delivery trucks with compaction units may reduce our GHG emissions by 25% for a single compaction vehicle. The expected volume reduction resulting from this change would also allow us to reduce the number of trucks needed in our transportation fleet. Upon completion of the pilot, we will be able to evaluate the data and experience to determine the business and environmental case for the implementation of compaction trailers across Encorp's collection system.

Electricity:

Emission calculations from electricity consumption are based on data gathered from a number of depots and processors in each region of the province. Results are used to estimate the energy use per metric tonne of material collected, then extrapolated to the total weight of used beverage containers collected in the province. The estimated energy consumption in kWhs is then converted into GHG emissions.

Starting in 2019, Encorp has been providing incentives to the Return-It Depots to upgrade their old light fixtures with the energy savings LED lights through the Stars program. This will support the depots to save energy and costs as well as reducing GHG emissions from electricity consumption. 24 depots have completed their renovations and up to 25 depots/per year are qualified to upgrade their old lighting to the LED lights.

GHG emissions reduction strategy

	Reductions Strategy	2019 baseline emissions, tonnes CO2	Reduction target (%) by 2024	Estimated emission reduction, tonnes CO2
Transportation/ Collection from Depots	Replace diesel-fueled trucks with six (6) CNG/Electric hybrid compaction vehicles	2,763.0	18%	487.5
Paper consumption	Switch to paperless office and printing marketing brochures on demand	70.0	20%	14.0
Business travel (Road + Air+ Water)	Reduce long-haul air travel	65.0	20%	13.1
Transportation/Commodity to end markets	Switch long-haul carrier with CNG powered fleet to move glass from	4,833.0	4%	182.0

	Vancouver Island to Lower Mainland.			
Rest Emissions		3,726.0	-	-
Total 2019 baseline emissions		11,457.0	6%	696.6

8. Management of Program Costs

Section 5(1) of the Recycling Regulation provides:

(c) the plan adequately provides for:

the producer collecting and paying the costs of collecting and managing products within the product category covered by the plan, whether the products are currently or previously sold, offered for sale or distributed in British Columbia.

- *the management of costs incurred by the program.*
- *assessing the performance of the producer's product stewardship program*

Encorp has developed a cost-effective system to recycle all beverage containers registered with Return-It in accordance with the requirements of the regulation. Obligated beverage containers have a deposit charged at the time of purchase, then refunded when the empty container is returned to an approved location for the deposit refund.

When the revenue from unclaimed deposits and sales of collected material is insufficient to cover the cost of recovering and recycling a specific container type, a Container Recycling Fee (CRF) is charged on the specific container to make up the shortfall. The CRF is remitted to Encorp upon the distribution and sale of new products in the Province. The CRF, which is paid once in the supply chain, is not a tax or a refundable deposit. The CRFs are set annually at a level which covers the costs of administration, collection, transportation and responsible recycling of obligated products covered by the program.

CRFs are reviewed regularly to ensure that they are no more than is necessary to cover the ongoing cost of operating the program and maintaining the appropriate reserves, consistent with Encorp's not-for-profit mandate.

The chart below provides an outline of CRF's for the past 3 years.

Container Type	01-Feb-19		01-Feb-20		01-Feb-21	
	CRF	Deposit	CRF	Deposit	CRF	Deposit
Aluminum	0.0 cents	5 cents	0.0 cents	10 cents	1.0 cents	10 cents
Plastic ≤ 1L	3.0 cents	5 cents	3.0 cents	10 cents	2.0 cents	10 cents
Plastic > 1L	5.0 cents	20 cents	5.0 cents	20 cents	7.0 cents	10 cents
Polystyrene	3.0 cents	10 cents	3.0 cents	10 cents	2.0 cents	10 cents
Glass ≤ 1L	6.0 cents	5 cents	7.0 cents	10 cents	7.0 cents	10 cents
Glass > 1L	17.0 cents	20 cents	18.0 cents	20 cents	18.0 cents	10 cents
Bi-Metal ≤ 1L	4.0 cents	5 cents	3.0 cents	10 cents	4.0 cents	10 cents
Bi-Metal > 1L	0.0 cents	20 cents	0.0 cents	20 cents	0.0 cents	10 cents
Bag-in-Box	7.0 cents	20 cents	7.0 cents	20 cents	13.0 cents	10 cents
Drink Boxes ≤ 500 ml	0.0 cents	5 cents	0.0 cents	10 cents	0.0 cents	10 cents
Drink Boxes 501 ml - 1L	5.0 cents	5 cents	5.0 cents	10 cents	5.0 cents	10 cents
Gable Top ≤ 1L	0.0 cents	5 cents	0.0 cents	10 cents	0.0 cents	10 cents
Gable Top > 1L	5.0 cents	20 cents	4.0 cents	20 cents	6.0 cents	10 cents
Drink Pouches	0.0 cents	5 cents	0.0 cents	10 cents	0.0 cents	10 cents
Glass Wine & Spirits ≤ 1L	13.0 cents	10 cents	14.0 cents	10 cents	13.0 cents	10 cents
Glass Wine & Spirits > 1L	17.0 cents	20 cents	18.0 cents	20 cents	18.0 cents	10 cents

Non-Refillable Beer, Cider, Cooler Glass ≤1L	9.0 cents	10 cents	9.0 cents	10 cents	9.0 cents	10 cents
Non-Refillable Beer, Cider, Cooler Glass > 1L	17.0 cents	20 cents	18.0 cents	20 cents	18.0 cents	10 cents
Liquor Plastic ≤ 1L	4.0 cents	10 cents	3.0 cents	10 cents	2.0 cents	10 cents
Liquor Plastic > 1L	7.0 cents	20 cents	6.0 cents	20 cents	5.0 cents	10 cents
Liquor Bag-in-Box	7.0 cents	20 cents	7.0 cents	20 cents	13.0 cents	10 cents

Encorp's financial statements are audited annually and published on its website as part of its Annual Report. The Annual Report includes key financial information such as revenues and expenditures along with additional performance measures such as cost per tonne and other non-financial measures including the number of collection locations and tonnes collected. The non-financial information is also audited before being reported, thereby complying with the current requirements for the Annual Director's Report to the Province.

Encorp management regularly reviews the program and shares best practices from across all provincial programs to ensure that the program delivers a high-quality service at the lowest practical cost.

9. Producers Paying the Costs of Obligated Materials & Dispute Resolution

The Ministry of Environment and Climate Change Strategy has developed guidelines regarding their expectations for data gathering, analysis and consultation with licensees, contractors and other members of supply chains to ensure the costs associated with EPR programs are being covered. The following outlines how Encorp addresses these guidelines.

Encorp pays for the collection, transportation and recycling of the beverage containers registered in its program. These services are provided through contracts with various suppliers. Transportation, consolidation and recycling services are typically awarded through a competitive bid process. Encorp either directly negotiates appropriate rates or issues competitive Requests for Proposals, all to maintain market costs.

Depot collection services are compensated through handling fees on a unit-based schedule. The depot Handling Fee (HF) reviews generally run every five years, concurrent with our contract period, however off-cycle reviews can occur when required.

The setting of handling fees involves a nearly year-long process, which was utilized in 2010 and in the most recent negotiation that took place in 2017. The 2017 handling fee schedule is in effect until 2021. Encorp will continue to use this established process to determine the next handling fee schedule and will begin that process in the third quarter of 2020. This process provides the basis for future fee setting, although we expect with varying commercial conditions it will evolve.

The key elements of the process include:

- A series of meetings over about 12 - 14 months that allow for both in-person attendance and web/conference call attendance by all Return-It depots in the province.
- Encorp collects and distributes to Return-It system participants information on factors that influence costs, such as local inflation rates, changes to minimum wage, fees paid in other provinces and occupancy costs. These are discussed by participants. Depots are invited to

put forward any additional metrics that they believe are relevant to the negotiations.

- Additionally, Encorp contracts an independent third party to study the average costs borne by depots to meet the program requirements. The study reviews financial, labour and space costs for a representative sample of depots and allocates the revenues and costs to the Encorp program and other programs operating within the depots.
- The independent third-party consultants collect relevant data from participating depots, carry out site visits and interview participating depots. This allows the consultant to develop a portrait of the relative profitability of the Return-It beverage container program in an average depot. It also allows them to view the relative profit generated to depots through the Encorp program compared to other revenue-generating activity in the depots. The results are shared with all participants. The independent third-party consultant presents the results, carry out a Q&A with depots and also make themselves available for individual depot inquiries.
- Once the steps above have been completed Encorp will make an offer to depots for revised handling fees

Upon completion and by the end of November 2021, Encorp will provide an amendment of their plan to the MOECCS that includes a summary of the handling fee review process, stakeholder consultation and fee setting structure offered to its service providers.

Dispute Resolution

All Encorp depot, transport and processing contracts include dispute resolution terms that provide for, on notice of a dispute being filed by either party, a mandatory meeting to negotiate a resolution and, in the absence of resolution, mediation through a mutually appointed mediator or, failing that, arbitration.

Both the negotiation and mediation between the parties will be confidential. If the parties fail to resolve the dispute by mediation either party may request the dispute go to arbitration before a mutually acceptable arbitrator or an arbitrator appointed by the British Columbia International Commercial Arbitration Centre.

While not specified in the Regulation, Encorp has established procedures for managing complaints or concerns on the part of customers, local governments, retailers and non-commercial stakeholders. Of particular note, Encorp employs a team of Regional Operations Managers whose primary role is to support depots and work to address any day-to-day operational or contractual issues.

10. Performance Measurement Summary Table

The performance targets laid out in this document have been based on historical data, future trends, planned initiatives and forecasts. Encorp will report on each of the performance target

results annually. The report titled “Executive Summary” published in our Annual Report will show the progress toward each goal with the expectation that all goals will be achieved by the end of the plan’s effective date.

While they will be challenging to meet, they are attainable and Encorp is proud to deliver and continually improve on one of the best EPR programs in the Province.

Collection System and Consumer Access 97%

Return-It’s collection system and consumer access are measured annually by using GIS mapping of all collection locations and matching the location to the population base and drive time radius. In urban areas the drive time radius is set at 30 minutes, however, most locations are within a 15-minute drive time and in rural areas 45 minutes. Encorp will engage a third party to conduct a benchmark GIS mapping analysis. Coverage results and any changes will be reported in each Annual Report. The location finder is available on the Return-It website. www.returnit.ca/locations

Overall Recovery Rate achieved by 2024 83.6%

The recovery rate will be measured by calculating the number of beverage containers sold in the Province, by category, as defined in the regulation, compared to the number of beverage containers collected through the Return-It system.

Detailed five-year recovery rate chart:

Container Type	Container Mix % Year 1	Container Mix % Year 2-5	Recovery Rate Y1	Recovery Rate Y2	Recovery Rate Y3	Recovery Rate Y4	Recovery Rate Y5
Aluminum cans	38.6%	34.1%	81.3%	82.3%	83.4%	84.6%	86.0%
Non-Refillable Glass	15.7%	13.9%	92.3%	93.3%	94.3%	94.8%	95.0%
< Plastic	32.3%	34.9%	73.6%	74.6%	75.6%	76.8%	78.0%
> Plastic	4.9%	7.7%	86.1%	86.3%	86.5%	86.7%	87.0%
Drink Boxes	6.4%	5.9%	60.9%	65.0%	75.0%	75.0%	75.0%
Bag in Box	0.4%	0.3%	54.1%	60.0%	75.0%	75.0%	75.0%
Bi Metal Cans	0.2%	0.2%	85.0%	86.0%	87.0%	88.0%	89.0%
Gable Top	0.7%	2.3%	71.0%	73.0%	75.0%	75.0%	75.0%
Pouches	0.6%	0.6%	50.0%	60.0%	75.0%	75.0%	75.0%
Overall	100.0%	100.0%	79.1%	80.0%	81.7%	82.6%	83.6%

The targets identified in the chart(s) will be maintained moving forward until such time that new targets are approved.

Recovery by weight of material will be measured by the comparing the actual weight of beverage containers collected with the average weight recorded for beverages in each category.

Both measurements will be reported by category in each Annual Report.

www.returnit.ca/annualreports

Consumer Awareness of the System

95%

Consumer awareness levels will be measured through annual benchmark studies conducted by a third-party market researcher. The methodology and sample sizes will be representative of the Province and statistically accurate to a margin of +/- 5%. The studies will track changes over time and provide valuable information and consumer trends.

In addition to the benchmark study, Return-It will conduct a Segmentation Analysis to better understand consumer behaviour and identify target audiences particularly around throw away the behaviour of each target group.

Consumer Awareness of Locations

90%

The awareness of locations will also be measured using the same market research study and methodology as system awareness. Results will be reported in each Annual Report.

Environmental Impacts

6%

Overall reduction in GHG emissions from 2019 baseline by 2024

Environmental Impacts - Encorp will track and report on the following:

- Metric weight of materials diverted from landfill
- Energy savings by material type
- GHG emissions and MT-CO₂, eq avoided
- End fate of each material type
- GHG reduction target performance against the 2019 baseline

Management of Program Costs

Annual audits conducted by the third party for financial and non-financial reports

Third-party auditors will be contracted to audit both the financial and non-financial statements produced by management. The full statements will be published in the Annual Report and made available to the public.

All residents of BC contribute to the success of the Return-It program by recycling the beverage containers they purchase and can be proud of this model program. Further information can be found at www.returnit.ca.

COVID-19 Pandemic and Impact

The COVID-19 pandemic has required Encorp to quickly adapt and make the necessary changes to our systems and customer return processes to ensure the health and safety of our employees and the public. As recycling has been deemed an essential service in BC, from the start of the pandemic we have prioritized and taken the necessary measures needed to support our employees, the system, depot operators, suppliers, collectors, transporters and others within the industry to ensure recycling operations can safely operate. Some of these changes include:

- Developing and sharing Health & Safety Re-Opening Guidelines for depot operators in BC. These Guidelines adopts proactive risk management strategies to minimize risk and are consistent with recommendations outlined by Provincial health authorities, the BC Centre for Disease Control and WorkSafeBC to protect employees, customers and the community
- Providing access and supply to personal protective equipment for our network
- Developing and providing educational and informational material for operators to use at their locations
- Establishing a safety plan for all Encorp employees, including workplace standards and policies
- Supporting and setting up “work at home” capability for employees
- Forming a permanent business continuity team

The experience and knowledge gained by our executive team provide us with a solid framework to permanently include policies and action plans for successful management in the future.

In Conclusion

Encorp has and will continue to invest in its Return-It program to deliver the best known and most respected EPR program. The programs and enhancements we have outlined in this plan will drive recovery rates in British Columbia and deliver a system that meets consumers' expectations. Diverting material from our landfills and marine environment is central to all that we do. We look forward to continuing to work with the Ministry of Environment to lead EPR program performance in Canada.

Appendix A – Covered Product Categories

Appendix B – Public Consultation Report (Consultation Comments Summary)

Appendix A – Covered Product Categories

Schedule 1

[am. B.C. Regs. 112/2010, s. 11; 284/2016; 206/2017, s. 18; 162/2020, App. 1, ss. 2 and 3.]

Beverage Container Product Category

Definitions

1 In this Schedule:

"beverage" means any liquid that is a ready-to-serve drink but does not include milk, milk substitutes, rice milk, soya milk, flavoured milk, infant formulas, meal replacements or dietary supplements;

"container" means a container made of aluminum, glass, paper, plastic, steel or other similar material, or any combination of them, that is or was sealed by its manufacturer;

"container redemption facility" means an operation, facility or retail premises, or an association of operations, facilities or retail premises, identified in an approved plan for the collection and redemption of a producer's containers;

"liquor" means liquor as defined in section 1 (1) of the *Liquor Distribution Act*;

"Liquor Distribution Branch" means the Liquor Distribution Branch in British Columbia continued under section 2 of the *Liquor Distribution Act*;

"manufacturer's agent" means manufacturer's agent as defined in section 1 (1) of the *Liquor Distribution Act*;

"refill" means to reuse without remanufacturing;

"seller" means a producer, retailer or other person who sells a beverage in a container.

Producers

2 (1)A producer of a container is one of the following:

(a) a person who manufactures in British Columbia a beverage which is sold in a container;

(b) if paragraph (a) does not apply, a manufacturer's agent who represents to the Liquor Distribution Branch a person who manufactures outside British Columbia a beverage which is sold in a container;

(c) if paragraphs (a) and (b) do not apply, a person who distributes in British Columbia a beverage, other than liquor, which is sold in a container;

(d) if paragraphs (a) to (c) do not apply, a person who imports into British Columbia, for sale in British Columbia, a beverage which is sold in a container.

(2) Despite subsection (1) (a) and (b), the Liquor Distribution Branch may elect to be the producer of a beverage which is sold in a container.

(3) Subsection (2) does not apply to

(a) non-alcoholic beverages, or

(b) a beverage sold by a producer who gives written notice to the Liquor Distribution Branch and a director that, despite subsection (2), it will continue to be the producer under subsection (1) (a) or (b).

(4) The Liquor Distribution Branch must give a director written notice of any election made under subsection (2) by giving particulars of the beverage category and container type for which it elects to become the producer and, if applicable, naming any manufacturer or manufacturer's agent not otherwise included in that election.

Application

3 This Schedule applies to a container that

(a) may hold, holds or has held a beverage,

(b) is offered for sale or sold in British Columbia, and

(c) is not a refillable container having a capacity of 10 litres or more.

Beverage container product subcategories

4 The beverage container product category consists of the following subcategories based on container material and container size:

(a) aluminum cans;

(b) refillable glass bottles;

(c) non-refillable glass bottles;

(d) plastic containers, able to hold 1 litre or less;

(e) plastic containers, able to hold more than 1 litre;

(f) drinking boxes;

(g) bag in a box;

(h) bimetal cans;

(i) gable top containers;

(j) stand up pouches;

(k) beverage containers not referred to in paragraphs (a) to (j).

Appendix B: Consultation Comments Summary

For reference, the full consultation report conducted between July 15 – September 15 2020 can be found here:

<https://www.dropbox.com/s/kfm6dhs114mgik9/Encorp%20Pacific%20Stewardship%20Plan%20Consultation%202020%20Report.pdf?dl=0>