



Reference: 191267

July 31, 2016

Brian Zeiler-Kligman  
Vice-President, Sustainability  
Canada's National Brewers  
55 Eglinton Avenue East  
Suite 301  
Toronto, ON M4P 1G8

Dear Mr. Zeiler-Kligman:

### **Stewardship Plan Approval**

Thank you for submitting the Brewers Recycled Container Collection Council (BRCCC) (formerly the Brewers Distributor Ltd (BDL)) Stewardship Plan on November 19, 2012, and the subsequent revised and finalized documents in or on February 2013; May 2013; September 2013, December 20, 2013; February 2014; April 2014; August 2014, April 25, 2016; and on May 31, 2016 (current version) in fulfillment of the requirement under section 4 of the Recycling Regulation.

I have completed my review of the submission and hereby approve the BRCCC Schedule 5 Stewardship Plan 2016. Please be advised that this approval applies only to materials or content contained in the plan that pertain to the requirements of section 5 of the Recycling Regulation.

### Annual Reporting

- BRCCC has agreed to submit a combined annual report with separate sections outlining the detailed performance measures specific to each of Schedule 1 and Schedule 5.
- Allowing for a 6 month implementation period in 2016 (to January 31, 2017), the first annual report is expected on July 1, 2018; however, BRCCC has agreed to provide, upon a written request from the Ministry, a summary report of 2016 data for the implementation portion of the plan.

### Program Communication and Public Awareness

Ongoing communication and public awareness are important to a successful stewardship program. We expect you to strive to exceed and continuously improve on the actions and targets in this area in your plan.

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I look forward to working with you to ensure the success of your program. If you have any questions about this approval, third party assurance requirements, or the implementation of your plan, please contact Louise LeBoutillier at (250) 356-5413 or [Louise.LeBoutillier@gov.bc.ca](mailto:Louise.LeBoutillier@gov.bc.ca).

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob McDonald', with a stylized flourish at the end.

Bob McDonald  
Manager, Extended Producer Responsibility  
Environmental Standards Branch

cc: Kris Ord, Executive Director, Environmental Standards Branch  
Megan Armstrong, Section Head, Extended Producer Responsibility  
Louise LeBoutillier, Senior Policy Analyst, Extended Producer Responsibility

File: 50400 25 PACK BRCCC/BDL



**Brewers Recycled Container  
Collection Council (BRCCC)  
Schedule 5 Stewardship Plan  
2016**

**Submitted to:** Director  
Environmental Standards Branch  
Ministry of the Environment  
P.O. Box 9341, STN PROV GOVT  
Victoria, B.C. V8W 9M1

**Prepared by:** Brewers Recycled Container Collection Council (BRCCC)  
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Attn: Brian Zeiler-Kligman, Chair and Secretary

**Submitted:** November 19, 2012  
**Revised:** February 2013  
May 2013  
September 2013  
December 2013  
February 2014  
April 2014  
August 2014  
April 2016  
May 2016 (current version)

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## I. PLAN HIGHLIGHTS

- This stewardship plan piggy-backs on BRCCC's Schedule 1 stewardship plan (a program that's been in place since the end of Prohibition and which has attained a recovery rate above 91% for seven consecutive years to 2015).
- This plan codifies existing consumer practices that have been taking place for decades, resulting in BRCCC recovering the majority of its packaging and printed paper (PPP) before the regulation came into force.
- BRCCC will continue to collect PPP from both the residential and the IC&I streams (as it has been doing for decades). This plan provides a methodology for calculating residential PPP (see pages 15-16) and BRCCC will target to attain a 75% recovery rate for residential PPP.
- Well over 90% of the PPP covered by this stewardship plan will be cardboard cases sold with glass bottles and boxboard cartons sold with metal cans.
  - By weight, a significant minority of the PPP covered by this stewardship plan is the cardboard cases sold with glass bottles, the vast majority of which are returned by consumers when they redeem the deposit on those empty refillable glass bottles.
  - Almost all of the rest of the PPP covered by this stewardship plan is boxboard cartons and cardboard can flats, a sizeable amount of which are also returned by consumers when redeeming the deposit on those empty cans.
  - Relevant PPP is also recovered through 2 other streams (retail stores and private bottle depots). BRCCC will work with our partners to begin to track and account for this PPP where feasible.
- Emphasis on design for the environment and re-use. All 3 Rs are engaged: packaging is reduced, as bottles and packaging are reused; all other materials are recycled. The cases sold with refillable glass bottles are designed to carry out six functions (more information on page 5). Manufacturers represented by BRCCC strive to continuously improve their environmental performance, using vegetable-based inks and water-based glues in their packaging and undertaking research into potential light-weighting of glass bottles. BRCCC targets to direct 100% of recovered materials for re-use or recycling commodity markets.
- The focus of consumer awareness initiatives will be to remind consumers to return their packaging when redeeming their containers for the deposit refund. In conjunction with consumer awareness commitments under Schedule 1, BRCCC commits to undertake a net new initiative in 3 of the 5 years covered by this stewardship plan.
- Emphasis on consumer access and convenience as a result of BRCCC's extensive collection network. As of December 31, 2015, there were 1,147 locations throughout BC where consumers could return the PPP covered under this stewardship plan.
- Commitment to annually consult with municipalities to address concerns that arise.
- Working with MMBC to identify relevant packaging in common collection streams and to ensure that no recovered packaging is claimed by more than one stewardship agency.

## II. INTRODUCTION

The Brewers Recycled Container Collection Council (BRCCC) is a not-for-profit society registered in BC, created to steward and administer the collection of used beverage containers in British Columbia in compliance with the *Recycling Regulation* and all ancillary functions to this purpose, such as the stewardship of the associated secondary packaging.

Brewers Distributor Limited (BDL), a privately-owned distribution and logistics company operating in the western Canadian provinces of British Columbia, Alberta, Saskatchewan and Manitoba, acts as BRCCC's service provider in discharging these stewardship objectives. BDL's operations in BC comprise two primary elements: the warehousing and distribution of beer, cider and coolers for a number of breweries and liquor suppliers to retail locations and licensed establishments throughout BC<sup>1</sup>, for sale to the public ("full goods"); and the collection of certain beer, cider and beverage alcohol containers (i.e. refillable glass bottles and cans) and related packaging as the sub-contractor acting on behalf of BRCCC, the product stewardship agency representing the majority of brewers and cider manufacturers ("product stewardship").

Under Schedule 1 of the *Recycling Regulation*, BRCCC is the steward for all refillable glass beer and cider bottles, as well as all metal beverage alcohol cans. Along with Schedule 1 containers, BRCCC also collects secondary packaging (i.e. cartons, caps and plastic can rings respectively comprised of paper<sup>2</sup> and plastic<sup>3</sup>) associated with beer and cider containers through a variety of collection channels for recycling.

This product stewardship plan covers BRCCC's collection of beer and cider secondary packaging (hereafter collectively referred to as "beer secondary packaging") under Schedule 5 of the *Recycling Regulation*. Through this stewardship plan, BRCCC will enable producers to appoint BRCCC as their stewardship agency and thus to comply with Part 2, and more specifically s. 2(3), of the *Recycling Regulation*. Please note while plan approval is anticipated in 2016, it is not anticipated this stewardship plan will begin operation until 2017 due to the fact that an implementation period will be needed once Director approval is obtained.

Of note, the sale of beer and cider to licensed establishments (bars and restaurants) occurs in the same packaging as home consumer sales and beer and cider container returns occur through the same channels (i.e. government liquor retail stores, private retail liquor stores and selected bottle depots) as home consumer (residential) returns. As an example, a small restaurant or café may purchase a small number of cases of beer each week from a private retail liquor store, rather than

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<sup>1</sup> BDL's customers include pubs, hotels, restaurants, clubs, cabarets, government liquor stores, agency stores (rural agency stores are small general stores in rural areas authorized by the BC Liquor Distribution Branch to sell beer, cider, coolers, wine and spirits with other goods) and licensee retail stores.

<sup>2</sup> Specifically, old corrugated cardboard (OCC) and boxboard materials used as cases for the sale of multi-packs (i.e. 6-packs, 12-packs, 24-packs, etc.) of beer cans or bottles.

<sup>3</sup> Specifically, cone rings used on smaller multi-packs of beer cans. It should be noted that BDL also uses plastic wrap on the delivery of its products. However, as this plastic wrap is removed by the vendor and thus not part of what is sold to the consumer, it will not be accounted for in the stewardship plan at this time. That being said, BDL frequently collects used plastic wrap when collecting empty containers from retail and commercial establishments.

receive delivery directly from a distributor and have restaurant staff return empty containers of all types and PPP to a local bottle depot during off hours.

This plan addresses the collection and recycling of all beer secondary packaging irrespective of sales channel. However, wherever possible, this plan will attempt to differentiate both secondary packaging supply and secondary packaging recovery between the residential and industrial, commercial and institutional (IC&I) sectors consistent with the Schedule 5 designation of residential PPP.

### **III. PLAN OVERVIEW**

#### **a. Brand Owners Represented**

All of the brewers for whom BRCCC acts as the product steward under Schedule 1 of the *Recycling Regulation* have been invited to sign a letter of intent to join BRCCC's Schedule 5 program. Once this stewardship plan obtains Ministry approval, BRCCC will once again contact all of the brewers for whom BRCCC acts as the product stewardship agency under Schedule 1 (both those that have signed a letter of intent and those that have not) to have them sign an appointment agreement to have BRCCC act as their product stewardship agency under Schedule 5. The producers for whom BRCCC is the product stewardship agency under Schedule 5 will be updated as the plan is implemented. A complete list of represented producers will be provided to the Ministry of Environment at the end of BRCCC's implementation period following Director approval.

BRCCC expects that it will be acting as the product stewardship agency for the majority of beer secondary packaging generated in the BC marketplace. It should be noted that BRCCC will act as the product steward for beer secondary packaging for both the domestic and imported brands represented by each of these brewers, cider manufacturers and brewery agents. As a result, BRCCC brand owners will account for the vast majority, but not necessarily all, of the beer sold in BC.

#### **b. Recovery Targets and Other Plan Highlights**

- BRCCC will target a minimum 75% recovery rate for the residential PPP under its program, to be achieved within 3 years of the program coming into effect (i.e. by 2019). BRCCC will report an estimated recovery rate for residential beer secondary packaging. BRCCC will also provide progress updates to the Ministry of Environment upon request in advance of the program's initial annual report under the *Recycling Regulation*.
- Over 90% of the PPP covered by this stewardship plan will be cardboard cases sold with glass bottles and boxboard cartons sold with metal cans.
  - By weight, a significant minority of the PPP covered by this stewardship plan is the cardboard cases sold with glass bottles, the vast majority of which are returned by consumers when they redeem the deposit on those empty refillable glass bottles (and then recycled by the brewers re-using the bottles).

- The majority of the PPP covered by this stewardship plan is boxboard cartons and cardboard can flats, a sizeable amount of which are returned by consumers when redeeming the deposit on those empty cans (at retail stores or at private bottle depots).
  - Relevant PPP is also recovered through 2 other streams (other retail locations and private bottle depots). Under this stewardship plan, BRCCC will work with our partners to track and account for this PPP where feasible.
- The concept of “Design for the Environment” (DfE) is evident in the secondary packaging used by the brand owners represented by BRCCC. First, beer producers utilize a limited number of types of secondary packaging, each of which is easily recyclable or re-usable. Beer cases sold as the packaging for bottles are designed from the start to serve multiple functions throughout their lifecycle.<sup>4</sup>
  - To improve consumer awareness of the brewing industry’s DfE in its secondary packaging and to increase the percentage of consumers that voluntarily return their beer secondary packaging, **BRCCC will undertake a public awareness and education campaign over the period of this stewardship plan (2017-2021)**. The campaign will begin after BRCCC’s stewardship plan receives approval.
  - **The campaign will focus on reminding consumers to return their beer bottles and cans in the cases in which they purchased them, rather than emphasizing any particular return location.** Increased returns of empty beer containers in the beer cases in which they were sold will also have the beneficial effect of increasing the efficiency of BRCCC’s collections for empty beer containers at the various return locations throughout BC. The campaign will include an expanded consumer-oriented website regarding the Canadian beer industry’s sustainability efforts, with content specific to British Columbia. BRCCC will survey the public close to the end of the stewardship plan period to gauge the level of consumer awareness of its program and the success of its consumer education campaign.
  - To the extent possible, BRCCC will expand its annual report to the Ministry of the Environment to include more information on consumer education strategies and program support for reduced environmental impacts and the pollution prevention hierarchy. **BRCCC will strive to produce a combined annual report to the Ministry on program performance, recognizing that there will need to be separate reporting of performance measures for the Schedule 1 and Schedule 5 programs.**

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<sup>4</sup> A beer case sold as the secondary packaging for beer bottles may serve up to six functions before it is processed and recycled: 1) the receptacle in which the bottles are shipped to a retail location; 2) the receptacle in which the bottles are taken from the retail store to a private home; 3) the receptacle in which bottles are stored for return, once empty; 4) the receptacle in which the consumer transports the empty bottles to their return location; 5) the receptacle in which the empty bottles are stacked/palletized at the return location in preparation for pick-up; and 6) the receptacle in which the empty bottles are transported back to brewers for re-filling. It is necessary that bottles sent to brewers for refilling are transported in a case to avoid the risk of breakage during transportation. These cases are generally cut off and processed on the bottling line, just before the bottles enter the washer.

- During this initial stage of BRCCC's Schedule 5 program for beer secondary packaging, **BRCCC will conduct an annual consultation with BC local governments, to be arranged with either the Union of BC Municipalities (UBCM) or the BC Product Stewardship Council.** This annual consultation will help to improve communications and relations with these key stakeholders, as well as provide BRCCC with an annual opportunity to learn how its program is operating in various parts of the province. It is also anticipated that, through this annual consultation, BRCCC will be able to effectively deal with any disputes that a local government may have with this plan.

#### **IV. STAKEHOLDER CONSULTATION SUMMARY**

Throughout 2012, BRCCC engaged with numerous stakeholders in order to educate these stakeholders about its product stewardship system. As part of this outreach, BRCCC's stewardship activities with respect to PPP were discussed, with feedback sought on ways to improve BRCCC's existing system and/or to achieve greater environmental performance.

Similar public education outreach and consultation took place in late 2014, in conjunction with the consultations on BRCCC's Schedule 1 stewardship plan renewal.

While this stewardship plan largely reflects a codification of existing BRCCC product stewardship practices, BRCCC consulted with a variety of stakeholders throughout the process of designing this plan. BRCCC posted this stewardship plan on the Recycling Council of British Columbia (RCBC) website and on [www.EnviroBeerBC.com](http://www.EnviroBeerBC.com) for public consultation as of October 23, 2012. In addition to posting the plan on these websites, the following additional public consultations were undertaken:

- Stewardship plan directly e-mailed to over 30 stakeholders, including:
  - Union of British Columbia Municipalities (UBCM)
  - Members of the UBCM Schedule 5 Working Group
  - Members of the UBCM Environment Committee
  - Metro Vancouver
  - Members of the Metro Vancouver Regional Engineering Advisory Committee
  - RCBC
  - Alliance of Beverage Licensees (ABLE BC)
  - BC Bottle Depot Association
  - BC Recycling Centres Association
  - Coast Waste Management Association (CWMA)
  - Members of the BC Product Stewardship Council
  - Pembina Institute
  - David Suzuki Foundation
  - GLOBE Foundation
  - Friends of the Earth
- Member advisories to RCBC members about the posting of the stewardship plan and the public consultation and webcast on November 9

- Public consultation at the Coast Waste Management Association conference in Victoria on October 26
- Use of social media to promote the stewardship plan and the November 9 consultation to create additional awareness and solicit additional feedback
- Inclusion in a UBCM weekly newsletter to their members
- Inclusion in a CWMA information update
- Public meeting and webcast in Vancouver on November 9

These consultation activities generated a fair amount of interest in the BRCCC plan from stakeholders. However, BRCCC only received a minimal amount of feedback on the plan. Much of this feedback was very complimentary of BRCCC's stewardship activities and its proposed stewardship plan, praising it as being "highly effective" and suggesting that the program should be "commended for its exceptional recovery rate, and its emphasis on reusing/refilling beverage containers." As an example, feedback provided by UBCM thanked BRCCC "for integrating a number of [their] recommendations into [our] plan," while also providing other feedback on the plan.

A complete list of stakeholders from whom specific feedback was obtained, as well as a table outlining the main feedback received from stakeholders throughout the consultation process (with the general category of stakeholder providing this feedback identified) and how this feedback has been addressed in this final plan can be found in Appendix A.

After discussions with the Ministry of the Environment, BRCCC extended its consultation period to January 7, 2013 – an additional 7 weeks beyond the originally stated consultation period on the stewardship plan. Despite notices to RCBC's, UBCM's and CWMA's members, among other actions taken to inform the public of the extended consultation period, no further comments from the public were received during this additional consultation period.

## **V. COLLECTION SYSTEM AND CONSUMER ACCESS**

BRCCC's stewardship plan places its focus on making it easy, convenient and practical for the consumer to return beer secondary packaging.

The collection system proposed in this stewardship plan largely reflects how BRCCC is currently collecting beer secondary packaging (as consumers are already returning a substantial percentage of beer secondary packaging through these return locations). Consumers have open and easy access to return beer secondary packaging at the authorized locations where they can return their empty beer containers (for example, private retail liquor stores and selected private bottle depots).<sup>5</sup> Based on GIS data, 75% of residents are within a 10 minute drive of one of these locations and over 90% of all residents are within a 15 minute drive.

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<sup>5</sup> To be clear, the denominator in calculating BRCCC's recovery rate will include the tonnage for all relevant PPP sold in BC. The numerator in calculating BRCCC's recovery rate will only include beer secondary packaging collected through authorized locations. BRCCC understands that nearly all depots will gladly collect beer secondary packaging, as this packaging has a positive commodity value and thus means greater commodity revenue for the collector. That being said, BRCCC will be unable to track this secondary packaging collected at an unauthorized

Below and on the next page are graphic depictions of the current beer secondary packaging streams from both a consumer (residential sector) and a licensee (IC&I sector) perspective.

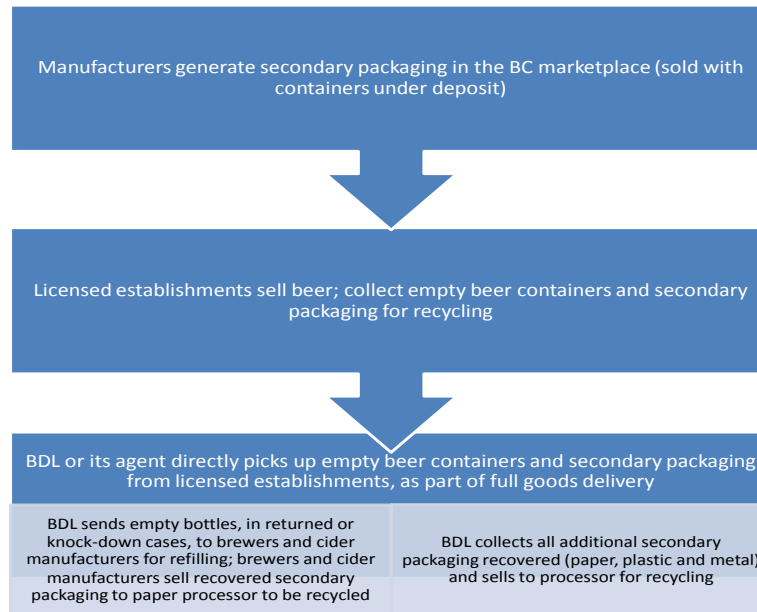
Beer Secondary Packaging Flow: Residential Stream




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location, since BRCCC does not have an existing commercial relationship with those locations. In other words, beer secondary packaging returned to unauthorized locations is likely to be diverted from landfill, but will not count toward BRCCC's recovery rate.

## Beer Secondary Packaging Flow: IC&I Stream



Since this stewardship plan codifies existing practices, **BRCCC's belief is based on historical experience of consumers' participation, even in the face of alternative recycling and disposal options available to them at residential and retail locations.**

### Compliance with Pollution Prevention Hierarchy

Through existing and renewed commercial agreements, BRCCC will work with its collection partners to ensure that beer secondary packaging that is collected is handled properly in accordance with the pollution prevention hierarchy. BRCCC's intention is to ensure that 100% of collected beer secondary packaging is directed to recycling commodity markets and to track the end fate of these materials.

BRCCC expects that this level of compliance with the pollution prevention hierarchy will continue under this stewardship plan. To the extent possible, BRCCC will strive to continuously improve its pollution prevention hierarchy performance. Through the new stewardship audit report to the Ministry of the Environment, BRCCC will confirm the proper handling and disposal of this beer secondary packaging.

## VI. STEWARDSHIP PLAN DETAILS

### a. Collection system and consumer access

As of December 31, 2015, there are 1,147 authorized return locations available to consumers for empty beer and cider containers.<sup>6</sup> Based on GIS data, approximately 75% of residents are within a 10 minute drive of one of these locations and well over 90% of all residents are within a 15 minute drive.

Beer secondary packaging returned by the consumer flows through each of these return channels. The beer secondary packaging includes:

- Cardboard/boxboard cases for bottles and cans
- Plastic cone rings
- Plastic shrink wrap (not including shipping materials)
- Other (seasonal packaging, etc.)

### b. Beer Secondary Packaging Recovery Rate

The beer secondary packaging recovery rate will be calculated on the basis of beer secondary packaging generated/beer secondary packaging collected. The specific methodologies being employed to make this calculation are:

#### Beer Secondary Packaging Generation

The total weight of all beer secondary packaging generated by the brand owners (all import and domestic brands) is being calculated by multiplying the secondary packaging weight for each stock keeping unit (SKU)<sup>7</sup> sold in BC by the number of units of each SKU sold in BC in the calendar year.

For example (sample only – weights not necessarily accurate):

SKU: 12-pack bottles has secondary packaging weight of:

Cardboard (case): 200 grams

Sales: 1 million units

Secondary Packaging Weight for this SKU: 200,000 kgs.

SKU: 8-pack cans has secondary packaging weight of:

Plastic (hi-cone rings): 8 grams

Sales: 800,000 units

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<sup>6</sup> This number includes 659 private retail liquor stores, 196 government liquor stores, 220 rural agency stores and 72 private bottle depots.

<sup>7</sup> Each brand and each of the pack sizes in which it is offered for sale has a separate SKU.

Secondary Packaging Weight for this SKU: 6,400 kgs.

BRCCC and/or its brandowners will weigh all of the beer secondary packaging associated with all relevant SKUs in BC. Based on sales data for the calendar year and these secondary packaging weights, a total beer secondary packaging weight generated in the calendar year will be calculated. To the extent possible, this beer secondary packaging generation data will be broken down into retail sales (i.e. residential stream) and licensee sales (i.e. IC&I stream).<sup>8</sup>

To verify the accuracy of the beer secondary packaging generation calculation, BRCCC has also requested brand owners to furnish it with data on the beer secondary packaging they have generated associated with sales of their brands. BRCCC has designed a reporting tool for the brand owner's suppliers to report secondary packaging weight to them at the time they purchase this secondary packaging.

To the extent that the manufacturers represented by BRCCC produce any promotional materials or other PPP, this will also be accounted for and added to the total amount of PPP generated.

### Beer Secondary Packaging Collection

The relevant streams through which beer secondary packaging is collected are:

- 1) Licensees (IC&I stream)
- 2) Depots (both residential and IC&I streams)
- 3) BC Liquor Stores (GLS) (mostly residential stream)
- 4) Private retail stores (LRS) (mostly residential stream)

In general, recovered beer secondary packaging can be divided into two types:

- Returned cardboard/paper beer bottle cases ("refillable bottle cases")
  - o In most cases, these are stacked on pallets, used for transporting bottles to breweries or bottle wash stations<sup>9</sup> for refilling
  - o Pallets of refillable bottle cases are collected from each of the four streams set out above (but currently no data that identifies the source stream of a pallet)
- All other beer secondary packaging ("other beer secondary packaging")
  - o This secondary packaging consists of paper (e.g. returned boxboard cases from cans) and plastic (e.g. hi-cone rings)
  - o This secondary packaging is collected through each of the four streams set out above

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<sup>8</sup> As indicated above, beer secondary packaging returned to unauthorized locations will not be part of the collection data (numerator in calculating BRCCC's recovery rate). However, the generation number (the denominator in calculating BRCCC's recovery rate) is based on sales data (rather than where returned), so all relevant packaging will be included in this number.

<sup>9</sup>Before they can be filled with beer, all bottles (whether new or ones that are being re-used) have to be washed. Many breweries have their own bottle washer that is part of their bottling line. Some breweries, however, do not have a bottle washer. These breweries generally have a commercial arrangement with a bottle wash station – an independent business that offers bottle wash services – to perform this cleaning.

- Ultimately, other beer secondary packaging collected through these streams will be processed either: i) by BDL on behalf of BRCCC (and is captured in the weight of processed materials at BDL's Port Coquitlam warehouse); ii) through a stewardship depot (and is captured in the processed weight of materials from that depot and will be captured through audits BRCCC is conducting with MMBC); or iii) is sent directly for recycling by a collector.

For refillable bottle cases, BRCCC will obtain data on the weight of beer secondary packaging that has been recycled by the major breweries in BC, bottle wash stations and BRCCC's stewardship depots. This data will be compared to the secondary packaging weight collected derived from "return factor" calculations<sup>10</sup> to verify the accuracy of the "return factor" calculations.

For other beer secondary packaging, the total amount to be reported will be based on the amount of secondary packaging processed from the BDL warehouse in Port Coquitlam, the amount of beer secondary packaging processed by stewardship depots and the amount of beer secondary packaging recycled by BC Liquor Stores reported to BRCCC. To calculate the amount of beer secondary packaging processed by stewardship depots, periodic audits of secondary packaging bales will be conducted, in conjunction with MMBC, to determine what percentage of an average secondary packaging bale is comprised of beer secondary packaging. This percentage will then be applied to the total amount of secondary packaging processed by stewardship depots to arrive at a tonnage for this stream.

BRCCC will disaggregate total packaged beer sales by channel by container type to estimate the total amount of secondary beer packaging supplied into BC by sales channel (see Figure 1).

To estimate recovery rates by sales channel, the total returns of secondary packaging will be prorated by percentage beer sales volume by channel. Recovery of secondary packaging directly from retail liquor stores (both government and private) will be deemed to be residential returns and added to the residential total (see Figure 2). Total tonnage for licensee and for deemed residential returns will be subtracted from the total tonnage of beer secondary packaging collected to create an adjusted aggregate recovery figure.

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<sup>10</sup> An audit of pallets routed through the BDL Port Coquitlam warehouse will be undertaken on a periodic basis in order to calculate an average amount of secondary packaging, or a "return factor," that is recovered for each bottle recovered through these multiple streams.

Figure 1 Estimating beer secondary packaging supplied into BC by sales channel

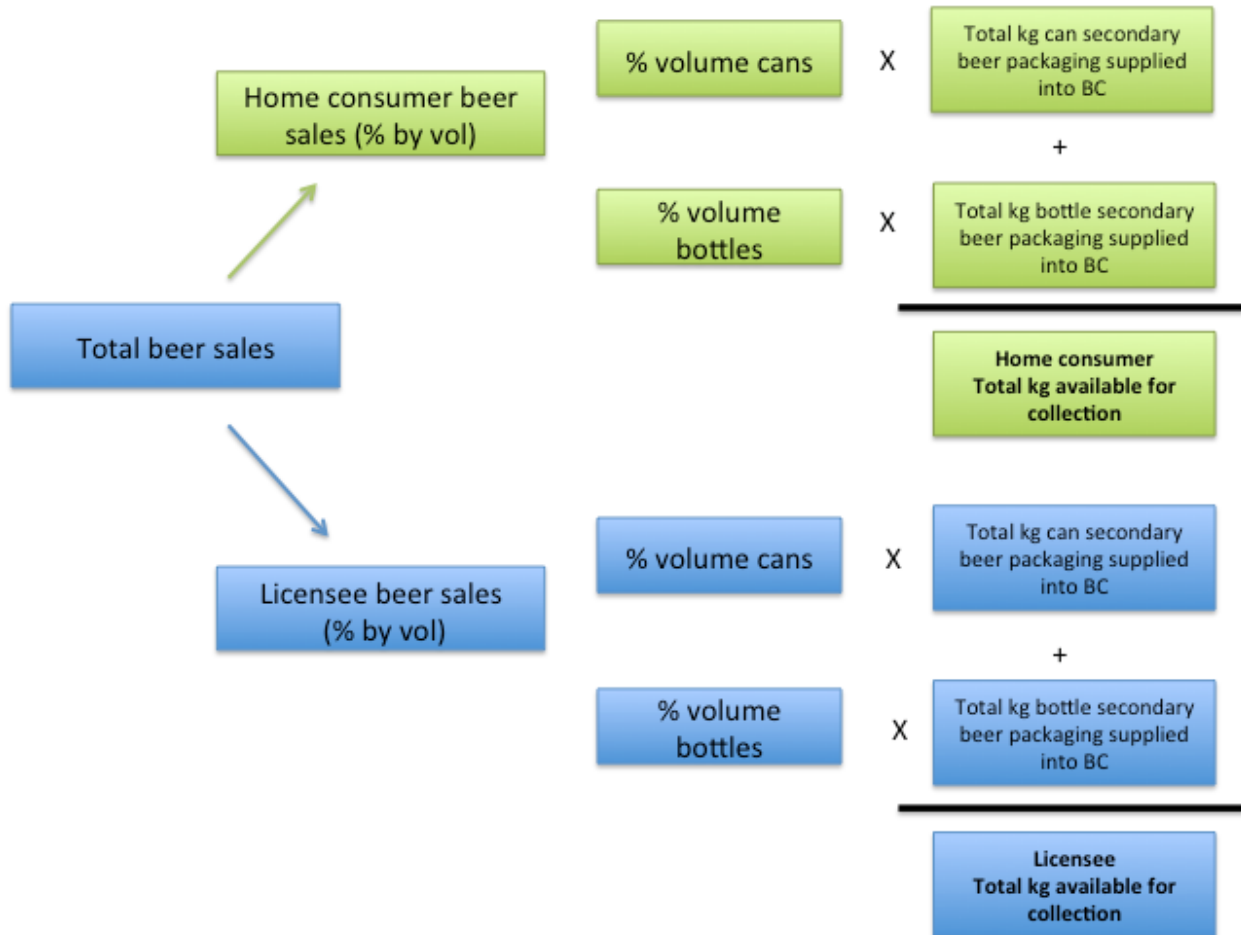


Figure 2 Calculation of Residential Recovery Rate

$$\left( \frac{\text{Home consumer beer sales (\% by vol)} \times \text{Adjusted aggregate recovery (kg)}}{\text{Home consumer Total kg available for collection}} \right) + \text{BDL LRS recovery (kg)} = \text{\% Residential recovery rate}$$

### c. Consumer awareness

The high percentage of refillable bottles that are currently returned in their original case is evidence that consumers are already well aware of their ability to return beer secondary packaging

when they return their containers. That being said, it is important that consumers are made even more aware of the beer secondary packaging that they can return and how this beer secondary packaging is handled. With greater consumer education and awareness, BRCCC believes that even higher levels of diversion can be achieved. For this reason, BRCCC commits to undertake a net new initiative in 3 of the 5 years covered by this stewardship plan.

In December 2013, BRCCC undertook a consumer survey that included questions on consumer awareness and consumer behavior regarding the return of beer secondary packaging. Over 1,250 BC residents completed the survey. Based on survey responses, consumer awareness of the ability to return beer secondary packaging is approximately 42%, while consumer participation in the program is over 50%.<sup>11</sup>

BRCCC, as a member of the Stewardship Agencies of British Columbia, has committed to using the RCBC consumer education tools (i.e. Recycling Hotline, online resource and Recyclepedia) as our primary information source for the public regarding what can be returned under this program and where. It is anticipated the greater and coordinated use of these resources will make them a “one-stop” source of consumer information for stewardship programs and return locations. BRCCC will regularly update program details with RCBC to ensure these consumer education tools are up-to-date for its program. In addition, BRCCC will be undertaking a number of general consumer education and awareness initiatives, primarily focused on encouraging consumers to return their beer bottle and can cartons and cases when returning their empty beer containers.

BRCCC will conduct a follow-up survey part-way through the term of this stewardship plan, as well as at the end of its term, to gauge the level of consumer awareness of the stewardship program and the success of its consumer education campaign.

#### **d. Management of program costs**

Similar to its product stewardship activities with respect to beer containers, BDL will operate the program on a day-to-day basis, while BRCCC, a not-for-profit society established by the brewing sector to administer the financial and logistical requirements of BDL’s stewardship, will provide governance with respect to the program funding. The BRCCC represents the vast majority of the volume of beer sold in the province in BC, with directors from brand owners (both large and small brewers), BDL and Canada’s National Brewers.

As indicated above, BDL acts as the service provider to BRCCC in discharging this product stewardship plan.

#### **e. Management of environmental impacts**

Brand owners make decisions about what type of secondary packaging they wish to use for the sale of their products. The BRCCC product stewardship plan then facilitates environmentally-friendly

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<sup>11</sup> 42% of respondents indicated they were aware they could return beer secondary packaging when returning their empty beer containers. However, 58% and 52% of respondents, for beer bottle and beer can cartons/cases respectively, indicated they already return their beer secondary packaging when returning their empty beer containers.

life-cycle management of that packaging by providing a cost-effective method to collect and recycle it.

Brewers utilize two main types of secondary packaging: paper and plastic. Each of these material types has a viable and positive commodity market. These markets help to ensure that beer secondary packaging will be diverted from landfill and finally disposed of in compliance with the pollution prevention hierarchy. BRCCC targets to direct 100% of collected materials to re-use or recycling commodity markets and to track the end fate of these materials.

As stated above, BRCCC's product stewardship plan places an emphasis on re-use and recycling. As noted above, cardboard cases returned with empty refillable glass bottles have been re-used when they are recovered and will then be recycled. All other packaging will be disposed of through recycling. Where possible, BRCCC will quantify the pollution benefits associated with its product stewardship plan as part of its annual reporting process, including estimates of greenhouse gas emission reductions, reduced energy requirements and reduced pollutants.

#### **f. Dispute resolution**

##### **Disputes between BRCCC and its Service Provider**

The relationship between BRCCC and its service provider (currently BDL) is a commercial relationship that is governed through a service agreement. This service agreement sets out dispute resolution procedures and all disputes will be handled according to those provisions.

##### **Complaints from Depots/Return Locations**

If the issue involves a return location, BRCCC will investigate the issue and will make sure the return location is aware of the issue. If a return location is found to be in violation of its contractual commitments or legal obligations, BRCCC will take appropriate measures to ensure compliance (including potential dispute resolution procedures outlined in written contracts).

##### **Disputes between BRCCC and brewers/manufacturers that use the BRCCC system**

Producer compliance issues are anticipated to be minimal under BRCCC's product stewardship plan because BRCCC's beer secondary packaging is so closely linked to BRCCC's container recovery system. BRCCC's container recovery system is subject to the listing and product approval process related to beer sales in the province under the *Liquor Distribution Act*. As a result of this listing and approval process, most brand owners designate BRCCC as their product steward for containers prior to selling their products in BC. BRCCC anticipates that, as a result of the cost-effective and administratively-efficient nature of BRCCC's product stewardship plan, many of these brand owners will choose to designate BRCCC as their product steward for beer secondary packaging as well. Ongoing compliance is monitored through tracking within our accounts receivable and our brand registry systems.

In the event that BRCCC does encounter a problem with producer compliance, for the purposes of initiating an action with the Ministry of the Environment, non-compliance is defined as a lack of

responsiveness from a brand owner after more than two notices on producers' responsibilities have been sent from BRCCC.

In the event that BRCCC does not receive a signed agency appointment agreement from the brand owner within the prescribed timeframe, BRCCC may utilize the following notifications to underscore the importance of compliance with the *Recycling Regulation*:

- 1<sup>st</sup> contact (60 days prior): Letter is sent to brand owner obligated under the *Recycling Regulation*, informing them of their responsibilities
- 2<sup>nd</sup> contact (if no response received within 30 days): A second letter is sent to the brand owner for lack of reply from the previous correspondence. In this letter, BRCCC will point out that the brand owner is liable if their company contravenes the Act.
- 3<sup>rd</sup> contact (if no response received 30 days after 2<sup>nd</sup> contact): A final letter with a deadline for submitting membership documents is sent by BRCCC. At this stage, BRCCC will consider each brand owner on a case-by-case basis to decide whether to proceed to the final stage.
- 4<sup>th</sup> contact (if no response received by deadline stipulated in 3<sup>rd</sup> contact): A request for non-compliance actions is sent to the Ministry of the Environment, with a copy to the brand owner.

#### **g. Ongoing Stakeholder Consultation**

##### **Complaints from Local Governments**

It is anticipated that, through the annual consultation with local governments committed to in this plan, that the vast majority of issues from local governments will be addressed through continual open communications between BRCCC and local governments. In the event that an issue remains that cannot be resolved through this annual consultation process, BRCCC will ensure that local governments (through a variety of channels, including UBCM and contact information at the Ministry of Environment) have access to information to directly contact BRCCC regarding these issues. BRCCC will look to meet in person, to the extent possible, with the relevant local government to discuss the issue and try to find an appropriate solution.

##### **Complaints from consumers**

Consumer complaints are directed to the appropriate official for follow-up and resolution. Through the website [www.EnviroBeerBC.com](http://www.EnviroBeerBC.com), consumers have access to information on BRCCC's product stewardship plans. The website also provides an e-mail link for consumers who have any questions or complaints regarding either BRCCC's bottle return or its beer secondary packaging return programs. The website includes an e-mail address, contact phone number and mailing address for public comments on BRCCC product stewardship activities.

Consumer concerns will generally be addressed in writing (for example, e-mail questions are responded to via e-mail).

##### **Coordination and Cooperation with other stewardship programs**

There may be some volumes of BRCCC secondary packaging (primarily boxboard) entering other Schedule 5 collection systems. BRCCC is actively working with MMBC to audit common return locations to identify flows of beer secondary packaging. BRCCC will coordinate with these stewardship programs, including financially, as necessary to ensure overall recovery performance and efficiency. BRCCC will ensure any issues between stewardship programs does not negatively impact the recovery and recycling of relevant secondary packaging. No recovered packaging will be double-counted between the various stewardship programs.

**VIII. PERFORMANCE MEASUREMENT SUMMARY TABLE<sup>12</sup>**

Beer secondary packaging recovery rates will be the core performance target for BRCCC's stewardship plan. As the plan's environmental benefits all flow from beer secondary packaging that is recovered, this recovery rate is strongly indicative of the program's performance. As consumer awareness will be a main driver of the recovery rate, BRCCC will also set targets for this performance measure.

Measures	2017	2018	2019	2020	2021
<b>Recovery/Collection Targets</b>	70%	72%	75%	75%	75%
<b>Accessibility Targets</b>	1,147 locations	1,150 locations	1,152 locations	1,156 locations	1,160 locations
<b>Consumer Awareness Targets**</b>	42%	42%	60%	60%	75%
	3 net new consumer promotion/education initiatives				
<b>Pollution Prevention Hierarchy/Product Life Cycle Targets</b>		<ul style="list-style-type: none"> <li>• Target to direct 100% of collected PPP to recycling commodity markets.</li> <li>• Report in accordance with the PPH</li> <li>• Track end fate of materials in annual stewardship audit</li> </ul>			

*\*\* As committed to in the stewardship plan, BRCCC undertook a consumer awareness survey in December 2013 and will undertake another consumer awareness survey in 2019, as well as one at the end of the stewardship plan term. The consumer awareness target indicated for 2017 and 2018 is the consumer awareness level reported in the December 2013 survey. It is expected that consumer awareness will increase from the 42% level in each year, as a result of consumer awareness and education initiatives undertaken by BRCCC. However, the actual level of consumer awareness will not be known until the follow-up consumer survey is done in 2019 (hence the jump in the awareness level indicated above). The recurring awareness level in the table is thus reflective of the targeted survey result in the initial December 2013 consumer awareness survey.*

<sup>12</sup> As noted earlier, while it is anticipated Director approval of the plan will occur in 2016, BRCCC does not expect the plan to begin operating until 2017, due to the need for an implementation period post-Director approval. As a result, the plan's performance measures are for the 5 years starting in 2017, although the plan is dated 2016.

## Appendix A

### Feedback received on draft stewardship plan

- Regional District of Bulkley-Nechako (Janine Dougall and Carolynn Lane)
- UBCM (Marylyn Chiang)
- UBCM PPP Working Group (Stacey Barker)
- BC Bottle Depot Association (Corinne Atwood)
- BC Recycling Centres Association
- GLOBE Foundation (Paul Shorthouse)
- Metro Vancouver (Andrew Doi)
- City of Vancouver (Monica Kosmak)
- Russ Black (Belcorp)
- Municipality of Richmond (Emy Lai)
- StewardEdge Inc. (Jennifer Russell)
- Attendees at Coast Waste Management Association conference consultation (approx. 50-75 people in attendance)

<u>Feedback</u>	<u>Provided By</u>	<u>How Addressed</u>
Praise for BRCCC's ongoing stewardship performance with respect to beverage containers and secondary packaging	Local government, industry, NGO, general public	Thanked stakeholders for their feedback and support.
How will BRCCC's Schedule 5 plan address and/or compensate for leakage of beer secondary packaging into the MMBC program or the municipal waste stream?	Local government, industry, general public	Added a section under dispute resolution to address this issue.
Applaud BRCCC for going beyond the regulatory requirements and collecting secondary packaging from IC&I stream from the outset; suggestion this point be made even more clearly	Local government, NGO, general public	Inclusion of this fact in the introduction section and bold type regarding this fact in the plan highlights section earlier in document
Suggestion that BRCCC may need to go beyond consumer research to effectively create its consumer awareness campaign and that BDL work with certain stakeholders to advance its	NGO	These suggestions are being taken into consideration as BRCCC plans both the research for and how to conduct its consumer awareness campaign

consumer awareness campaign more effectively		
BRCCC should include the wood used in its pallets as part of the stewardship plan	NGO, industry	Pallets do not fit within the definition of printed paper or packaging. Pallets are used for the transportation of full goods and empty containers (and sometimes used in the retailing of full goods). As such, wood pallets never become part of the packaging experienced either by consumers or licensees. That being said, BRCCC is investigating its internal tracking of pallets to determine if there are ways to accurately report on this material in future.
Will BRCCC break down recovery rates by sector (i.e. residential and IC&I)?	Local government	Current tracking mechanisms do not make this possible at present, as much of the secondary packaging is processed at breweries when beer bottles are being washed and refilled. The packaging received from both sectors is commingled in this process. That being said, BRCCC will report an estimated residential recovery rate, as set out in figures 1 and 2 within the stewardship plan.
Will BRCCC be reporting returns by regional district?	Local government	For a variety of reasons, it is not possible to report accurate returns for each regional district (as is the case in BRCCC's annual reporting of its beverage container collection). The annual report will provide an estimate for each regional district, based on population and total returns (as is the case in BRCCC's annual reporting of its

		beverage container collection).
BRCCC should include a dispute resolution mechanism for disputes with local governments	Local government	A dispute resolution mechanism for these disputes has been included. However, BRCCC hopes that the annual consultation with local governments included in this plan will eliminate the need for this dispute resolution mechanism.
Consumer awareness and education to those without e-mail or access to the internet	Local government	BRCCC will do its best to promote and educate the public about its stewardship plan.
Stronger wording regarding provision of collection services in rural and urban areas	Local government	BRCCC's program is focused on consumer convenience and offers consumers 1,147 locations to which they can return their beer containers and secondary packaging. According to our research, we could not identify any communities in BC without at least one contracted BRCCC return location within 15 km. BRCCC agrees that provision of collection services is very important and believes that its coverage exceeds reasonable urban and rural service standards.
Collection system does not function as described by BRCCC in particular regional district	Local government	Ongoing direct follow-up with the regional district in question