



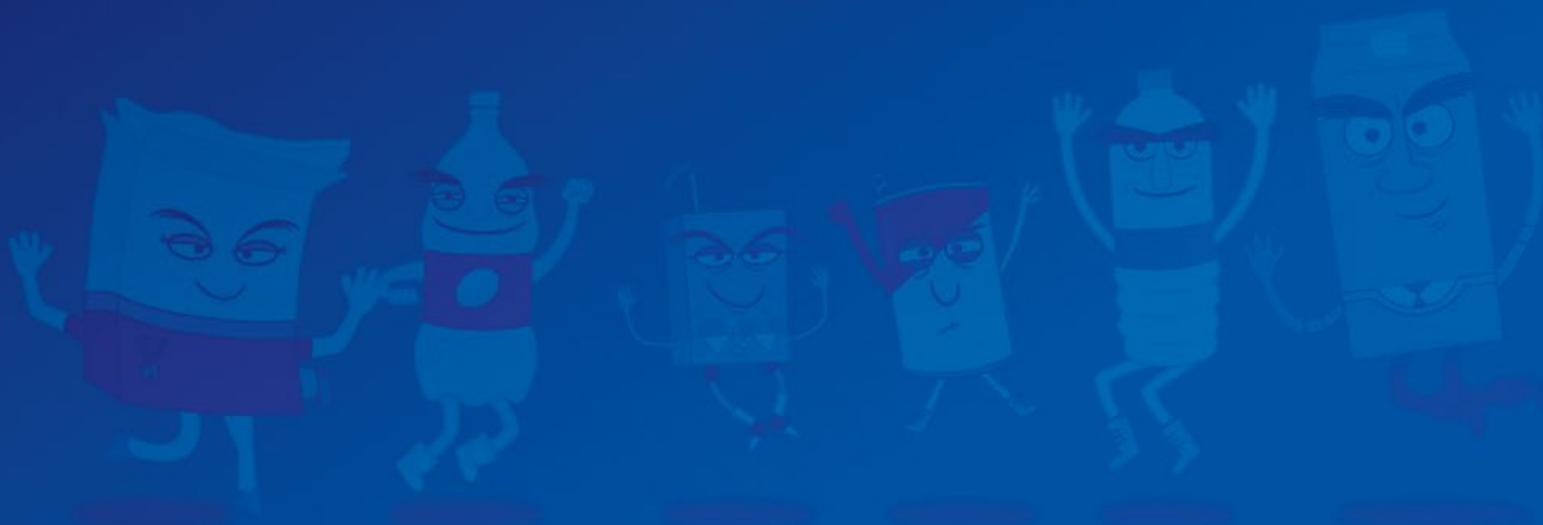
SECTION 3

PUBLIC EDUCATION MATERIALS AND STRATEGIES

Insights from our current research on BC residents' recycling attitudes and behaviours, including the impacts of COVID-19-related restrictions.

A review of advertising and marketing activities conducted to increase recovery rates.

Overview of community-based programs and initiatives to encourage additional beverage container recycling.



2020

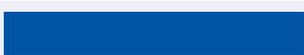
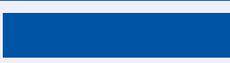
3.1 RESEARCH AND SEGMENTATION ANALYSIS

Since 1999, Encorp Pacific has undertaken market research on an annual basis to evaluate program knowledge, assess consumer behaviour and measure levels of brand equity for Encorp and Return-It across the province.

Research results are used to track changes over time as well as to provide information that is required by the provincial government.

One of the most critical pieces of understanding is to determine how to further reduce the level of throw-away behaviour (approximately 20% of beverage containers are known to not be recycled in BC).

An online survey was undertaken in September 2020 among adults 18+ in BC. We achieved a 99% awareness level for all container types that can be returned to a depot for deposit, and a 99% awareness level for all non-alcohol beverage container types that can be returned to a depot for deposit.

	2020 (n=1,186)	2019 (n=1,186)	2018 (n=1,204)	2016 (n=1,208)	2015 (n=1,572)
Any Type (NET)	 99%	99%	98%	99%	99%
Non-Alcohol (NET)	 97%	97%	96%	97%	99%
Aluminum cans 	 97%	97%	96%	98%	98%
Plastic bottles 	 91%	91%	91%	92%	93%
Glass bottles 	 88%	84%	84%	87%	87%
Drink bottles 	 72%	73%	73%	73%	76%
Cartons 	 63%	68%	63%	64%	67%



	2020 (n=1,186)	2019 (n=1,186)	2018 (n=1,204)	2016 (n=1,208)
Brand Awareness (Encorp Pacific (Canada)/Return-It)	 89%	91%	89%	90%

Source: Insights West's Brand Reputation Insights norm, excluding restaurant and entertainment brands.

3.1 RESEARCH AND SEGMENTATION ANALYSIS

In 2020, a fresh approach to the segmentation analysis was undertaken, including behavioural variables as well as attitudinal ones.

Based on the new approach, five new segments were identified: Regular Returners, Depot Fans, Convenience Trashers, On-the-Go Discarders, and Uninformed Urbans.

Each segment was analyzed through the following criteria:

Segment sizing: comparing number of people in the segment, containers produced and containers thrown away.

Key demographics: age, gender, lifestyle, occupation and income along with other demographics were considered.

Depot use: motivations/barriers for visiting a depot, and visit frequency.

Express: awareness of the service, current use and future use potential.

Reasons for discarding

	Regular Returners	Depot Fans	Convenience Trashers	On-the-Go Discarders	Uninformed Urbans
Size	41% people 14% containers produced 1% containers discarded	25% people 47% containers produced 5% containers discarded	9% people 22% containers produced 74% containers discarded	13% people 14% containers produced 13% containers discarded	12% people 3% containers produced 8% containers discarded
Key Demographics	Average age 54 63% females	Average age 50 Equally male and female	Age 18–34 54% males	Age 25–44 57% females	Both young and old Equally male and female
Depot Use	Just below average use Like the one-stop convenience of depots	Frequent users Love to use the depots	Good level of use, and frequent among those who do Like the convenience, especially depots with Express	Average use Average reasons for using the depots	Low use; they prefer retailers as method for return Lack of nearby locations is one of their main barriers
Express	Below-average awareness, current use and future interest	Above-average use, but only average current and future interest	Average awareness, high current and future interest	Below-average awareness, average current use, but above-average future interest	Below-average awareness, current use and future interest
Reasons for discarding	Rarely discard Confusion on what is returnable	Rarely discard Confusion on what is returnable	Hassle and inconvenience are key reasons	Can't find a place to return it while they are "on the go"	Lack of interest in the return system

3.1 RESEARCH AND SEGMENTATION ANALYSIS

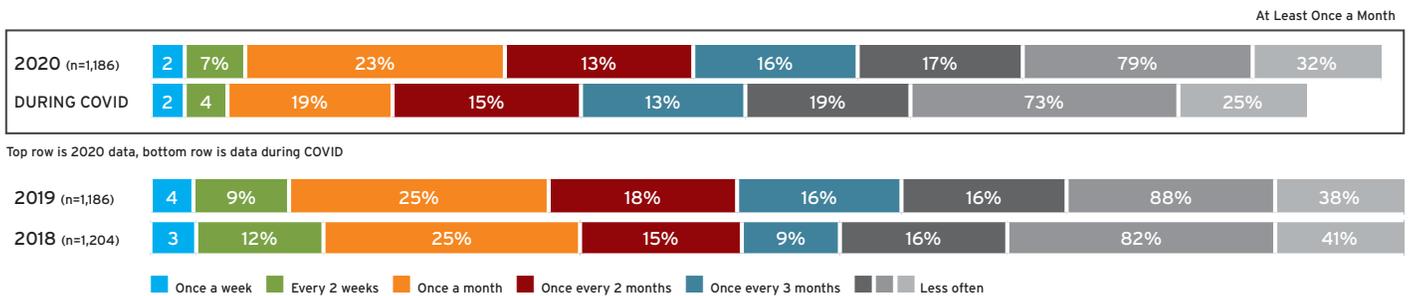
The annual studies conducted help us understand throw-away behaviour in as much depth as possible. We have seen significant success in reducing the number of beverage containers that end up in the landfill; however, a small percentage are still not recycled. We continue to work hard to target this minority behaviour.

In 2020, we conducted our annual segmentation study to better understand the behaviours of discarders. Within the study, questions based on discard location, beverage container type, and frequency were asked. This year, we also

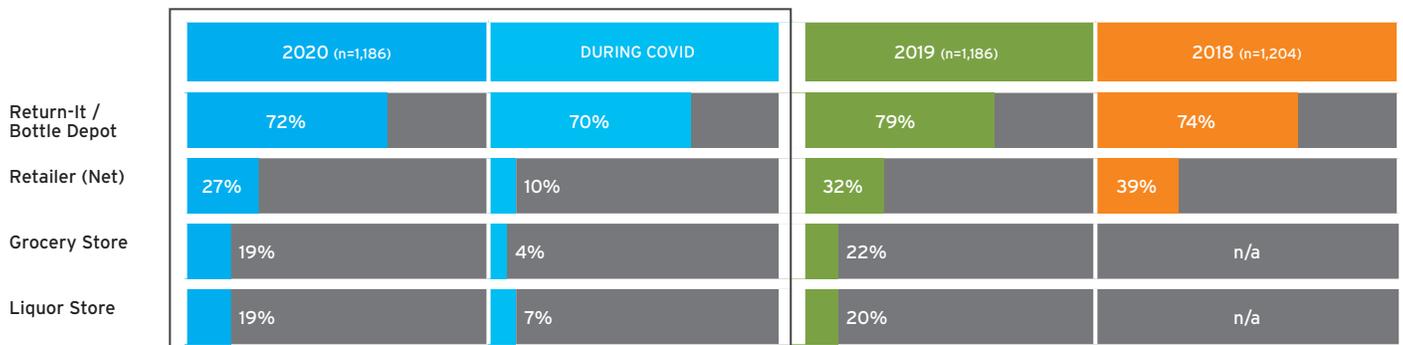
wanted to know if the COVID-19 pandemic has influenced the way consumers recycle their beverage containers, such as where they take drink containers for recycling and how frequently. In addition, we were curious to understand how COVID-19-related restrictions may have influenced awareness and use of the contactless Return-It Express service.

Our 2020 benchmark study produced an interesting analysis of the ways the beverage container consumption and recycling habits of British Columbians have been impacted during this challenging time.

RETURN-IT DEPOT VISIT FREQUENCY



METHODS FOR RETURNING BEVERAGE CONTAINERS



Left column is 2020 data, right column is data during COVID

3.2 CONSUMER AWARENESS

Support for the Return-It program continues through various advertising mediums, helping to maintain a 99% program awareness level by serving up the right message when it was relevant and meaningful. Targeted media such as television, radio, out of home, digital and social media were purchased.

TV

We use television to reach a broad mass audience across the province and to maintain a strong level of awareness with consumers. Our 15-second TV spots let viewers know that, in BC, recycling is “just what we do”. Our Express-specific TV spots are a great way to explain and promote the benefits of Return-It Express.



Radio/Spotify

As consumer media habits continue to change, we’re always reviewing and evaluating the best way to reach our target consumers. The music streaming service Spotify was identified as a new way to reach one of our specific target audiences. Listen to our radio and Spotify spots at [youtube.com/user/EncorpPacific](https://www.youtube.com/user/EncorpPacific)

Consumer Brochures

Each year, we print a detailed consumer brochure in several languages. British Columbians can find these brochures at Return-It depots, major grocery stores, regional districts and municipal offices across the province. Brochures are also available for download on our website at return-it.ca/beverage/recycling/brochures

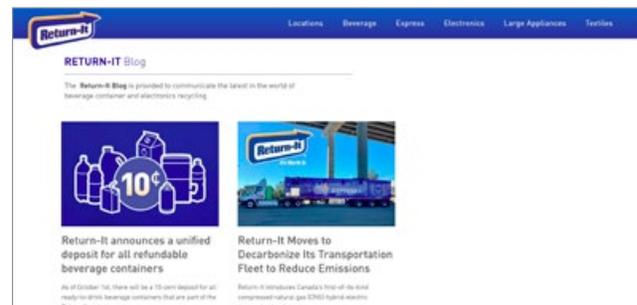
Special Coverage

Relevant community information is distributed to the public through various platforms. The information is posted to the Encorp website, shared through our social channels, and sent out to stewards and influencers to help spread the word.



Return-It.ca and Return-It Blog

Our website and blog give consumers a quick and convenient place to find important information such as depot locations and the latest recycling news. Visit return-it.ca/blog



3.2 CONSUMER AWARENESS

Corporate Videos

Our corporate videos outline the recycling process for several beverage container types, and are frequently promoted on our social media channels as well as being available for viewing on the Return-It YouTube channel. These videos are used to further educate consumers about what happens to their drink containers after they are collected for recycling.

Special Focus: Underperforming Containers Plastic

With awareness and concern for plastic pollution on the rise globally, an awareness and education plan was set in motion, including radio tags with a plastic beverage container focus, educational social media posts, geotargeted social media ads and digital ads reminding consumers to recycle their plastic beverage containers while they were out and about.

Two of our recognizable “Return-It Gang” characters are plastic bottles: Walter Bottel and Pete Bottel. We made sure Walter and Pete were featured in new Return-It Gang creative imagery for social media to remind consumers about recycling their plastic beverage containers around key dates throughout the year. We also began working on a new, reimagined plastics recycling process video, which is set to be released in early 2021.



Bi-Metals and Pouches

The public awareness levels for bag-in-box and pouch containers are below our targets, as many consumers do not know that these container types are part of the deposit system. Pouches were prominently featured during key times in our advertising plan to raise awareness. The immediacy of social media allowed for quick, targeted posts to be implemented for these underperforming containers.

In addition, we began work on two new Return-It Gang characters for pouches and bag-in-box containers, which are set to premiere in new advertisements in 2021.

Annual Report

Our comprehensive and interactive Annual Report can be found on our website (return-it.ca/ar2020). Visitors can view the Annual Report on our website or by downloading a PDF version of the report.

Social Media

We continue to use social media as support for our outreach programs and to raise awareness about the recycling of specific containers. The Return-It Gang puppets provide a voice and personality that are well suited to social media, allowing us to engage our audience in a lighthearted, slightly “cheeky” tone. We included social media posts utilizing pop culture references, current events and special holidays in our social media plan to engage with consumers in the social space.

Google Ads

Google provides a grant to non-profit organizations for their text-based search advertising. We have utilized this offer to show our audience search ads while they are inquiring online. If someone is searching how to recycle their beverage containers, we'll reach them!

3.2 CONSUMER AWARENESS

Customer Relations

Providing a positive customer experience is a top priority for our organization. Customers are the foundation of all businesses, and offering a consistently superior customer experience is key for the sustained growth of any business – and, in our case, essential for driving recovery rates.

Given the importance of the customer experience, we have a dedicated Customer Relations Team in place to manage all customer questions, concerns and feedback. This team is key to maintaining a continuous focus on the customer experience and to identifying solutions and opportunities for improvement. The team has a set of robust processes to educate and manage all customer and public-facing inquiries. Through a web-based ticketing platform, all inquiries are logged, quantified and tracked. Customer inquiries and trends are then analyzed and summarized in dashboards to evaluate and make recommend changes to our communications and system, as needed.

In 2020 we supported more than 16,000 customers; our customer-oriented actions and enhancements include the following:

- Twelve monthly customer trend dashboards, four quarterly reports and 35 weekly reports.
- Twelve cross-departmental customer-focused team meetings
- Four IT system updates to provide a more user-friendly customer experience
- New and enhanced customer communications to address inquiries and feedback



3.3 RECYCLING PROGRAMS AND INITIATIVES

Over 1 billion containers were kept out of landfills in the past year. The majority of beverage containers sold in BC were recovered and recycled through the Return-It depot network, Return-It Express and Return-It Express & GO locations across the province. Many initiatives and annual specialty programs were part of an ongoing effort to increase the recovery and recycling of beverage containers.

Return-It Express

Ease and convenience continue to be the biggest barriers to getting consumers to recycle their beverage containers; the Return-It Express program addresses both. Customers simply set up an online account at express.return-it.ca, place their empty beverage containers into transparent bags and take them to a Return-It Express depot. Once there, using the touch-screen terminal provided, customers enter their phone numbers to log in, print off labels to attach to their bags, and drop off the bags in designated areas. The empty containers are then sorted and counted by the depot and credited to each customer's online Express account. Customers can sign in and redeem their deposit refunds anytime via Interac e-Transfer or mailed cheque.

2020 was, without a doubt, a year to promote Return-It Express, as it supports physical distancing by limiting interaction, making it the ideal option for returns during the COVID-19 pandemic. As a result, over 80,000 new users registered, excited to try out the Express system for the first time.

Welcome Package

If the Express program wasn't easy enough, to remove any barriers for new customers who signed up, a Welcome Package was mailed to make their first visit even easier. The Welcome Package included recycling bags for their empty containers and preprinted labels for the recipient's account. The Express Welcome Package promotion launched in 2019. Upon analysis in 2020, it was determined that the expenditure was no longer necessary to the development of the Express program. The Welcome Package promotion ended in July 2020, with over 50,000 Welcome Packs delivered since inception.



Express Promotion

Since the introduction of the Return-It Gang back in 2011, there have been many requests for plush toys to be made for each of the lovable Gang characters. The 2019 expansion of the Express program was the perfect time to finally introduce plush versions of the Return-It Gang; these characters can be recycled through the Return-It Electronics recycling program when they become obsolete. In addition to the deposit refund that customers receive when they return their empties through the Express program, each container is counted as one plush promotion credit. October 2020 marked the end of our plush promotion, with more than 8,500 Return-It Gang characters redeemed and sent to Express users.



3.3 RECYCLING PROGRAMS AND INITIATIVES

Express Bag Label

As a result of COVID-19 restrictions, many BC residents preferred to use the Express service in 2020, which supports social distancing by limiting interaction at the depot. As an additional safety measure, customers were able to order their Express bag labels at no charge through their online account. This extra precaution removed the need for customers to print labels at in-depot Express label stands. The Express bag label request feature launched in April and was a huge success – we sent over 47,000 bag label packs to Express users in 2020.



Direct Mail

As part of a continued effort to spread awareness of the Return-it Express program as it expands across the province, brochures were sent to all residences within 3 kilometres of an Express location. Direct mail campaigns are always a success, consistently resulting in a spike in new Express users. In 2020, over 900,000 unique BC residences received an informative brochure about the Express system, letting them know that the convenient service is available in their community.

Return-It School

Since 2000, elementary and high schools across BC have had the opportunity to promote recycling and environmental stewardship via our school program, Return-It School. As part of the program, schools get to share their recycling stories in a contest format, in hopes of winning the grand prize of \$5,000 or a secondary prize of \$2,500.

The winners of the 2020 Return-It School contest were Holy Cross Regional High School in Surrey, BC, and Palsson Elementary School in Lake Cowichan, BC.



Ambassador Team

Our Recycling 101 Ambassadors are a team of super smart “recycling scientists” who use their expert knowledge to teach kids and parents the basic “101” of recycling.

In 2020, most events were cancelled as a result of COVID-19-related restrictions. However, the Recycling 101 Ambassadors were still able to attend a few special events that closely followed the recommendations outlined by the BC Centre for Disease Control, provincial health authorities and WorkSafeBC.



3.3 RECYCLING PROGRAMS AND INITIATIVES

BC Parks & Municipal Outdoor Spaces

BC parks and other municipal spaces that attract large amounts of pedestrian traffic continue to be a focus. The success of the program is contingent on being able to work closely with the different regional and municipal districts and the BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development. There are well over 2,000 dedicated beverage container recycling bins for use in outdoor spaces and out-of-home venues throughout BC.



Industrial, Commercial & Institutional Sector

The Industrial, Commercial & Institutional (IC&I) sector is another area of interest for Encorp, as large-scale venues can account for a significant number of unredeemed beverage containers. We've partnered with organizations like the Sea to Sky Gondola, Nat Bailey Stadium, the PNE, and Cypress Mountain Resort and Mt. Seymour Ski Resort to either provide or improve upon their existing recycling programs.

Sports Team Partnerships

In 2019, we developed new partnerships with three of Vancouver's local sports franchises: Vancouver Canucks, Vancouver Whitecaps FC and Vancouver Canadians. The partnerships have been beneficial on a variety of fronts: ensuring the proper beverage recycling bins at each venue, expanding our outreach program to new audiences, and deepening the connection with our customers and community. In 2020, many sports events were cancelled due to COVID-19, which resulted in many of the public-facing elements of Return-It's sports team sponsorships being postponed. We look forward to seeing local teams like the Vancouver Canucks, Canadians and Whitecaps back in action and to continuing with our sports partnerships in 2021.



Independent Return-It Depots Marketing and Promotion Commitments

Return-It depots submit their intended Marketing & Promotional Plans to Encorp. In 2020, the combined investment from participating depots, if spent would add over 500 thousand additional advertising expenditures.

3.3 RECYCLING PROGRAMS AND INITIATIVES

Aluminum Can Pilot Program

On July 6, 2020, we launched a six-month pilot program at 71 Return-It depots to enable consumers to return both alcohol and non-alcohol aluminum beverage containers together for recycling as one stream with one deposit amount. Return-It depot pilot locations were located across the Lower Mainland and Fraser Valley, Kootenays, Northern British Columbia, Thompson-Okanagan and Vancouver Island.

Aluminum alcohol cans are covered under the BC Brewers' Recycled Container Collection Council (BRCCC) and Brewers Distributor Limited (BDL) recycling system. Outside of this six-month pilot program, when consumers visit a Return-It depot and recycle their aluminum beverage containers for a cash refund, they need to separate their alcohol and non-alcohol aluminum cans, as these materials are managed by two different stewardship agencies. Also, over 50% of Return-It depots do not have a BRCCC/BDL licence and commercial agreement to manage and be financially compensated for this material; they are unable to provide the consumer with a full 10-cent deposit refund.

With many consumers receiving only a partial deposit refund, and the increased volumes of containers at depots during the COVID-19 pandemic due to limited return options, we experienced a sharp increase in customer complaints. The pilot was initiated to address customer dissatisfaction, support consumers' receiving their full deposit refund, demonstrate the effectiveness of recycling aluminum beverage containers as one stream with one deposit, and maintain British Columbians' confidence in the recycling system so that recovery rates – both current and future – could be preserved.

As a result, we collected and responsibly recycled 49 million alcohol aluminum cans, which equates to 667.3 metric tonnes of material. To estimate

the volume of alcohol cans collected by the pilot Return-It locations, we used the actual number of alcohol aluminum cans collected and separated from the non-alcohol aluminum cans during phase 2 of the pilot, adjusted for the seasonality pattern for aluminum cans in 2019.

The pilot also resulted in a 95% reduction in consumer complaints and a call for the program to become a permanent solution. A simplified system helped support British Columbians in conveniently recycling their beverage containers as one stream with one deposit. This is especially important in the pandemic environment, where British Columbians are looking for limited contact touch points, and streamlined and more convenient ways of recycling. The results have been shared with the Ministry of Environment and Climate Change Strategy for consideration.

As validated by the Auditor's Report and Assurance Report for Non-Financial Information, only products collected under our Stewardship Plan are used in calculating our recovery rate. No unredeemed deposits, container recycling fees or commodity sales values, from 2020 or previous years, have been used to fund other activities associated with the Aluminum Can Pilot and, therefore, the CRF for containers covered by Encorp's Stewardship Plan have not been impacted.



3.3 RECYCLING PROGRAMS AND INITIATIVES

Stewardship Agencies of BC (SABC)

Encorp Pacific (Canada) is a founding member of SABC. We have led the way in the development of a group website, video profile and handbook aimed at consumers. Those who are looking to recycle additional materials outside of beverage containers are encouraged to visit bcrecycles.ca

Corus Partnership

To help educate and raise awareness of the important work Encorp is doing, we partnered with Corus Entertainment to leverage their broadcast media. Corus has some of the strongest news properties in BC, offering full provincial reach. By partnering with Corus, we're able to leverage the credibility of a third party to help us deliver our message. Simi Sara, a well-known radio and television broadcaster, was featured throughout our communications. President and CEO Allen Langdon provided expertise on the importance of beverage container recycling and diverting it from our natural environment. The segment opened an avenue where we were able to talk to the public about a broad suite of innovations to modernize British Columbia's beverage container recycling system to make it easier and more convenient to recycle – ensuring future generations can enjoy a greener, healthier province.



Believe BC

Return-It continues to lead the way with new ideas and innovation, making it more convenient for BC residents to recycle. In 2020, Return-It rolled out a series of initiatives to modernize the beverage container recycling system. Believe BC gave our President and CEO, Allen Langdon, the opportunity to let BC residents know about all the initiatives, and what we envision for the future of beverage container recycling.



Waste Reduction Week

Waste Reduction Week continues to build in awareness and understanding year after year. To help support this year's Waste Reduction Week, we aligned our media partnership with Corus. Social media was once again leveraged during the week to engage directly with our customers and promote behaviour that will divert beverage containers from landfills.



Waste Reduction Week: "How Green Are You?" Quiz and giveaway with a \$200 gift card! This week is Waste Reduction Week with the help from Return-It we can help reduce waste and make our planet a better place.

Now is your chance to learn how you can help do your part for the planet right here in Vancouver! Take a little to each Waste Reduction Week tip, then take the "How Green Are You?" Quiz below for a chance to win a \$200 Amazon gift card.

Our good friend Simi Sara had the chance to ask Allen Langdon and Craig Wheatland for some tips on how to reduce waste using Return-It. Listen below and try to incorporate each one into your daily life.

For more information visit returnit.ca or check out our Facebook app.



3.3 RECYCLING PROGRAMS AND INITIATIVES

Ocean Ambassadors

In 2019 Encorp Pacific (Canada) partnered with Ocean Ambassadors Canada. Ocean Ambassadors Canada offers educational programs and community initiatives, bringing people to the ocean, educating them about the threat of marine pollution, and empowering them to make real change. Because of the COVID-19 pandemic, the school component of the program was paused. However, we took this opportunity to expand the program to include small groups of employees, who thoroughly enjoyed the socially distanced events. We look forward to seeing these ocean ambassadors engaging and educating people on our beautiful natural environment.



First Nations

Recognizing that it is not always economically viable to have traditional depot-style coverage in all of 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 BC 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.

Closing the Loop Podcast

Encorp’s new podcast series, “Closing the Loop: conversations about recycling, sustainability and the circular economy”, provides an ideal outlet for thought leadership as President and CEO Allen Langdon speaks with industry leaders around the globe to bring awareness to environmental challenges and innovations.

In 2020, we recorded nine episodes on topics ranging from marine plastic pollution to the impacts and opportunities of the pandemic on sustainability to strategies for growing circular economies. Listeners can find the podcast on all major streaming platforms. *Closing the Loop* episodes were downloaded 2,078 times since its launch, with the most listeners (30%) tuning in on Apple Podcast. Allen welcomed many exciting and knowledgeable guests onto 2020’s podcast episodes from organizations like London Drugs, the World Wildlife Fund, Vancity, Keurig, Dr Pepper and Goody Foods. We invite you to listen to listen at return-it.ca/about/podcast

