



2023 Annual Report

Encorp Pacific (Canada)

Table of Contents

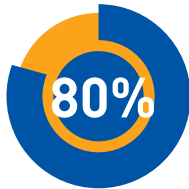
Executive Summary	1
Section 2 – Program Outline	
2.1 Message from the Chair	4
2.2 Message from the CEO	5
2.3 What Drives Us	6
2.4 Social Purpose and Diversity and Inclusion	7
Section 3 – Public Education Materials and Strategies	
3.1 Strategic Marketing Plan	10
3.2 Research and Segmentation	11
3.3 Unaccounted-For Beverage Container Study	15
3.4 Public Education	16
3.5 Recycling Programs and Initiatives	20
3.6 Customer Experience	26
Section 4 – Collection System and Facilities	
4.1 Collection System and Facilities	28
4.2 How the Collection System Works	35
4.3 Collection, Transportation and Processing Map	36
4.4 GIS Mapping and Accessibility Analysis	37
Section 5 – Environmental Impact	
5.1 Container Recycling End Fate Report	42
5.2 Materials Used to Make New Containers	45
5.3 Reusability of Containers	46
5.4 Environmental Report	47
Section 6 – Deposits, Refunds and Recovery Rates	
6.1 Recycling by the Numbers	54
6.2 Regional Per Capita Returns	56
Section 7 – Plan Performance	
7.1 How Money Flows	59
7.2 Follow the Money	60
7.3 Operating Reserves	62
7.4 Container Recycling Fees	64
Section 8 – Governance	
8.1 Board of Directors	66
8.2 Advisory Committee	67
Section 9 – Audited Statements	
9.1 Management’s Responsibility for Financial Reporting	69
9.2 Independent Auditor’s Report and Financial Statements	70
9.3 Independent Reasonable Assurance Report	86



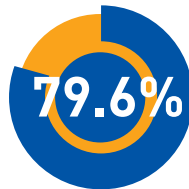
Encorp Pacific (Canada) is the not-for-profit stewardship agency appointed to fulfill the requirements of the Recycling Regulation, Schedule 1, Beverage Container Product Category (BC Reg. 449/2004). The Encorp Stewardship Plan includes all ready-to-drink beverage containers sold in British Columbia as identified under Schedule 1 of the Recycling Regulation such as aluminum cans, plastic, glass, bi-metal, drink boxes, gable top cartons, bag-in-a-box, stand-up pouches as well as refillable bottles on behalf of appointed producers.
return-it.ca

2023 RECOVERY RATE

75% Regulated Requirement



Stewardship Plan Target



2023 Recovery Rate

0.4%
Under Plan Target

76.6%

2022 Recovery Rate

3%
Increase over 2022

	ALUMINUM	GLASS	PLASTIC ≤1L	PLASTIC >1L	DRINK BOX	BAG IN BOX	BI-METAL	GABLE TOP	POUCHES
2023 RECOVERY	84.1%	89.9%	78.6%	78.3%	58.8%	54.2%	78.6%	62.7%	33.0%
2022 RECOVERY	81.6%	86.8%	70.4%	92.6%	55.8%	48.8%	83.8%	65.4%	21.4%
2023 TARGET	82.3%	93.3%	74.6%	86.3%	65.0%	60.0%	86.0%	73.0%	60.0%

Encorp is committed to reach the overall recovery rate target of 83.6% set in the Stewardship Plan

COLLECTION SYSTEM AND ACCESS

99.2% of BC's population has access to a beverage container return facility, compared with the 97% target in the Stewardship Plan. Encorp'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. In rural areas, the drive time is set at 45 minutes. See GIS Mapping and Accessibility on page 37.



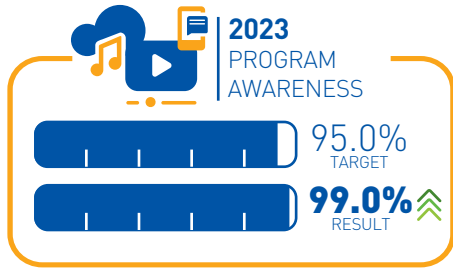
CONSUMER AWARENESS OF LOCATIONS

The Return-It network consists of depot collection facilities that have collection agreements with Encorp as well as corporate Return-It Express Plus™ locations and Express & GO™ unstaffed stations.

The awareness of locations is measured using the same market research study and methodology that is used for measuring system awareness.

	2022	2023	Variance
Depots	163	162	(1)
Express Plus	2	2	-
Express & GO	12	16	4
Total Return-It Network	177	180	3





PUBLIC EDUCATION MATERIALS & STRATEGIES

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

In addition to the benchmark study, Encorp conducts a Segmentation Analysis to better understand consumer behaviour and identify target audiences particularly around throw-away behaviour of each target group. See Research and Segmentation Analysis on page 11.

PRODUCT ENVIRONMENTAL IMPACT

Encorp's activities in 2023 contributed to the reduction of 125.2 thousand tonnes of carbon dioxide equivalent (CO₂e) being released into the atmosphere, compared with 123.5 thousand tonnes in 2022. See Environmental Report on page 47.

Containers collected by Encorp in 2023 were shipped to recyclers for further processing into new products in accordance with Section 8 of the Recycling Regulation. See End Fate information on page 42.



Plan Target: An overall 6% reduction in GHG emissions from 2019 baseline

	2022	2023
Metric weight of materials diverted from landfill	90,257	90,283
Energy savings by material type	82.53%	85.0%
GHG emissions and MT-CO ₂ eq avoided	123.5	125.2
GHG reduction target performance against the 2019 baseline	(25.03%)	(33%)

MANAGEMENT OF PROGRAM COSTS

Encorp has continued its commitment to circularity by managing the sale and recovery of beverage containers across British Columbia. In 2023, Encorp prevented 1.375 billion containers from ending up in landfills, representing a 79.6% overall recovery rate. The provincial per capita recovery rate averages 249.2 units per person. These figures highlight not only the scale of operations but also the collective effort of British Columbians in contributing to a more sustainable future. See Deposits, Refunds and Recovery Rates on page 54.

In British Columbia a deposit is paid on every beverage container sold in the province. In 2023, Encorp issued \$137,516,157 in deposit refunds. Unclaimed deposits are used to help fund the system. When the revenue from unclaimed deposits and from the sales of collected material are insufficient to cover the cost of recovering and recycling a specific container type, a non-refundable container recycling fee is added at the time of sale to make up for the shortfall. Third-party auditors were contracted to audit both the financial and non-financial statements produced by management. See Financial Statements on page 69.

PRODUCT SOLD / COLLECTED AND RECOVERY RATE

Total Sales in Units	1,726,702,889
Total Product Collected in Units	1,375,161,566
Recovery Rate	79.6%
Provincial Per Capita Recovery	249.2

SUMMARY OF DEPOSITS, REFUNDS, REVENUES AND EXPENSES

Deposits Collected	\$172,670,289
Refunds Issued	\$137,516,157
Total Revenue	\$249,080,000
Total Expenses	\$261,871,938



2

Program Outline

Message from the Chair and CEO;
successes and opportunities in 2023.

Vision, mission statement and strategic
business model.

Social purpose and diversity and
inclusion initiatives.

2.1 Message from the Chair

As noted in our CEO's report, 2023 was a year to celebrate at Encorp. It didn't always feel that way while we were in the throes of daily business, but when the results came in, we could all take pride in our accomplishments. An improved recovery rate, final approval of our Stewardship Plan and the strengthening of our collection infrastructure (including more than 80 Express locations, 16 Express & GO locations and 300,000+ registered Express customers) are important achievements that position us well to tackle the challenges that lie ahead.

There will remain challenges as deposit/return systems in BC and elsewhere continue to evolve, as they must when our business and the businesses of our strategic partners are so deeply affected by changes in the larger economy. Whether it's geopolitical issues disrupting supply chains and commodity markets, lofty government-mandated recovery targets, high inflation and interest rates, labour shortages or policy imperatives like climate change and plastics reduction, the once simple business of "collecting bottles and cans" has become a complex puzzle under constant scrutiny from industry, government and the public at large.

In this context, Encorp's Board of Directors and management team has spent considerable time exploring ways to improve our operations and the business model on which they're founded. It's a model that has served British Columbians well for three decades now, but like everything else it needs to be tested and updated to be relevant and effective in the face of economic and demographic change, high real estate and operating costs, and continuous advances in technology. We are fortunate to have a Board and management team that is forward-thinking and committed to changing with the times and yet still faithful to the principles on which the system and the organization were originally founded.

Our achievements in 2023 included solidifying an Industrial, Commercial & Institutional (IC&I) audit program and implementing a new grocery pickup program to better account for non-depot-based beverage container collection, a pilot project to densify used containers in transit to improve collection efficiency, a marketing campaign

aimed at reluctant recyclers in the 18 to 24 age cohort, and incremental progress working with local zoning and permitting officials to implement collection system improvements in areas where traditional formats have been difficult or prohibited altogether.

While it's an impressive list of achievements, further progress requires us to work even more closely with business partners and other stakeholders. 2023 saw more collaboration with other provinces and programs, whether in the areas of AI technologies, IT development or common marketing strategies. As Extended Producer Responsibility matures, collaboration across agencies and jurisdictions will be essential to everyone's success, including Encorp's.

2024 will mark Encorp's thirtieth anniversary of operations, a heady milestone made possible by the determination of everyone who comprises the beverage container recycling system in British Columbia, and by our collective ability to adapt to change. Both will continue to be keys to our future success.



Dan Wong
Board Chair

A handwritten signature in black ink, appearing to read 'Dan Wong', written in a cursive style.

2.2 Message from the CEO

I am pleased to report that 2023 was a milestone year for Encorp. The recovery rate of used beverage containers in British Columbia increased by an impressive 3% over 2022, reaching 79.6%. This achievement translates to almost 1.4 billion empty beverage containers being collected and recycled across the province, thanks to the unwavering commitment of the Encorp team and our valued partners. This represents over 103 million *more* beverage containers recycled, kept out of our environment and landfills.

Despite the challenges posed by Bank of Canada interest rates reaching their highest levels since 2001, and ongoing inflation concerns affecting BC consumers, Encorp successfully increased its recovery rate while simultaneously reducing costs on a per container basis. This dual achievement benefits all stakeholders: consumers face lower recycling costs while actively contributing to the circular economy.

Encorp's Stewardship Plan was approved and will guide our organization through to the end of 2027.

Plastics were a significant focus in 2023, with heightened attention from international, national and provincial bodies. While only 8% of all plastics are recovered in Canada, we achieved an almost 80% recovery rate for plastic beverage containers in BC. These plastics, like most containers collected in BC, are primarily recycled into new beverage containers, fostering a true circular economy. Additionally, most of our aluminum and glass containers are recycled into new beverage containers.

As a Social Purpose organization, Encorp Pacific is committed to "fostering a world where nothing is waste." While a 3% increase in recovery is commendable, we recognize the need to address the 350 million beverage containers that remain unrecovered. Influencing consumer behaviour and providing convenient recovery options are critical drivers of higher recovery rates, and much of our work in 2023 focused on these efforts.

Our strategic goals include enhancing convenience across the province by expanding the number of redemption centres like depots, Express drop-off locations, and outdoor bins. Our Express Program, which allows consumers to collect used beverage containers at home and drop them off at a collection site for a refund without sorting or waiting in line, reached a milestone of 300,000 registered users in 2023. The popularity of this program highlights the demand for convenience, and we plan to significantly expand Express collection sites in 2024.

As we celebrate our 30th year, we honour our past achievements and look ahead to the future. In 2023, we initiated crucial work in collaboration with other provinces, explored advanced technologies such as artificial intelligence and densification, addressed collection deserts, and refined our marketing campaigns. This work will continue in 2024 in earnest.

I extend my heartfelt thanks to the Encorp team and all our valued partners. Your dedication and support are the foundations of our success.



Cindy Coutts
President and CEO

A handwritten signature in black ink, appearing to read "C. Coutts".

2.3 What Drives Us

Encorp operates with a commitment to environmental circularity, consumer convenience and cost-effective management. By utilizing a hybrid business model that combines in-house strategic strengths with outsourced operations, Encorp adapts to changing market conditions while maintaining transparency and equity among brand owners. This approach ensures the efficient recovery and recycling of various materials, promoting sustainability and minimizing the impact on consumer prices.

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

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

As a leader in extended producer responsibility, Encorp has diverted over 26.1 billion beverage containers from landfills over the last 29 years. Encorp recycles a variety of materials, including aluminum cans, plastic bottles, drink boxes, gable top cartons, glass, and bag-in-a-box packaging. Encorp develops, manages and improves systems to recover used packaging and end-of-life products for recycling, promoting circularity through innovation and partnership.

Encorp's Business Model

Since the beginning, Encorp's business model has utilized outsourcing as the key component for delivering on its mandate; however as market conditions change, there is a need to evolve this pure outsourcing model to a hybrid model. As of 2023, Encorp operates 16 Express & GO stations, two Express Plus locations, and three compaction trucks.

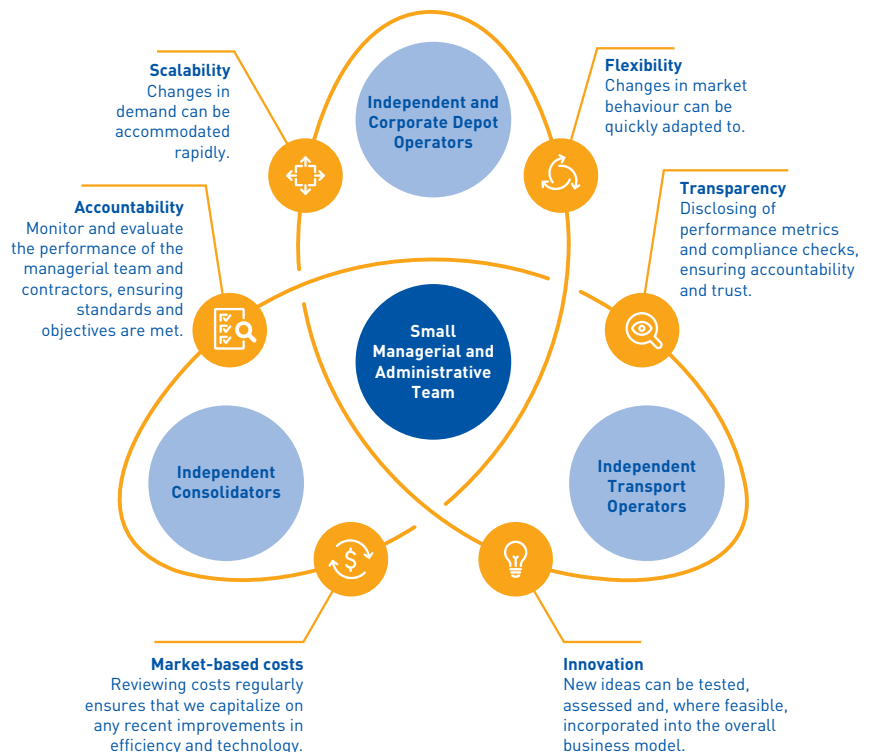
Encorp has developed and maintained a set of core competencies within a small managerial and administrative team responsible for strategic planning, financial management, consumer awareness, infrastructure development,

information technology and public transparency. Most other operational activities are delivered through a network of independent contractors such as depot operators, transporters and consolidators. This hybrid contract management model allows Encorp to regularly test the marketplace to ensure that contract prices are competitive.

The advantages of this model include:

- **Market-based costs**
- **Scalability**
- **Flexibility**
- **Innovation**
- **Transparency**
- **Accountability**

The Encorp model is similar to that of many manufacturing industries, which retain their key strategic strengths in-house, but outsource most aspects of producing their products. The flexibility of this model makes it possible for Encorp to continue adapting to constantly changing market trends, to balance efficiency with risk.



2.4 Social Purpose and Diversity and Inclusion

Encorp has defined a social purpose statement that reflects its commitment to creating a better future for people, communities and the planet.

We exist to foster a world where nothing is waste.

Social Purpose

Encorp's social purpose was developed back in 2021 as part of the United Way's Social Purpose Institute. The social purpose was initially rolled out internally with employees to make sure the entire Encorp team understood what it meant to foster a world without waste. After internal adoption, a cross-functional team was created to identify opportunities across the business in which the social purpose could be embedded and find ways to reduce waste.

With the hiring of key senior staff during 2023, Encorp focused on brainstorming and seeking out opportunities to bring social purpose to life in all aspects of the organization, from looking at ways to reduce waste through operations to using it as a decision-making lens moving forward.



2.4 Social Purpose and Diversity and Inclusion

Diversity and Inclusion

Diversity and inclusion remain a top priority for the team at Encorp. The team continues to self-reflect and look for opportunities to embed diversity and inclusion best practices and initiatives within the workplace.

Encorp believes that fostering a diverse and inclusive workplace is crucial to the success as an organization and has many benefits:

- Promotes a positive and inclusive workplace culture
- Encourages understanding and empathy towards diverse perspectives
- Reduces bias and stereotypes in decision-making processes
- Enhances employee engagement and retention
- Increases innovation and creativity through diverse ideas and perspectives
- Improves communication and teamwork among employees
- Helps organizations comply with legal and ethical requirements for diversity and inclusion

In 2023, the Communications and Stakeholders Relations (CSR) team planned two very valuable and insightful staff training sessions in late spring: diversity and inclusion training (virtual) and a conflict resolution workshop (in-person). These training sessions are a part of Encorp's goal to promote diversity and inclusion in all workplace interactions as well as to equip staff with the ability to constructively resolve conflicts.

Embracing Diversity and Inclusion: Workshop Highlights

Employees at Encorp's head office completed a diversity and inclusion program with the Canadian Centre for Diversity and Inclusion in the springtime.

Throughout this three-part workshop, participants gained valuable insights into diverse perspectives, challenged unconscious biases, developed inclusive communication and teamwork skills, and acquired strategies to address diversity-related challenges. These learnings empower the team to create a more inclusive workplace culture. Participants also received well-deserved Certifications of Achievement, recognizing their dedication to promoting diversity and inclusion.

Overall, the diversity and inclusion workshop was a resounding success, with an 89% participant satisfaction rating.

Conflict Resolution Workshop: Key Learnings



**Justice
Institute**
BRITISH COLUMBIA

This full-day course in May was held at the Justice Institute campus in New Westminster and was offered to all staff. The course allowed participants to gain valuable insights into effectively managing conflict, as it focused on equipping participants with strategies to handle challenging situations while building relationships and maintaining composure.

Some key learning outcomes from the course included:

- **Alternative Approaches:** Participants explored alternative methods for managing hostility, discovering constructive ways to respond to difficult individuals.
- **Effective Responses:** Attendees gained insights into the most effective ways to handle hostile behaviour, enabling them to maintain professionalism and diffuse conflicts with confidence.
- **De-escalation Techniques:** The course provided practical techniques for de-escalating tense situations, empowering participants to defuse hostility and maintain a calm and composed demeanour.
- **Versatile Skills:** Participants learned to apply their newfound knowledge to a variety of situations, including face-to-face encounters, phone conversations and video interactions.

With an impressive participation satisfaction rating of 82%, this course provided participants with the necessary tools and strategies to effectively confront hostility while also nurturing positive relationships.

Encorp is dedicated to creating a workplace where everyone feels valued, respected and empowered to bring their fully authentic selves to work. Through diversity and inclusion initiatives, the organization strives towards the goal of making the organization an inclusive and welcoming environment for all.



3

Public Education Materials and Strategies

Insights from research on BC residents' recycling attitudes and behaviours.

Unaccounted-for beverage container study.

Review of advertising and marketing activities conducted to increase recovery rates.

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

Customer experience, including customer relations team and brand registry database.

3.1 Strategic Marketing Plan

Every year, Encorp invests in developing targeted consumer awareness and education plans. These efforts are supported by an annual multi-million dollar budget dedicated to the development and implementation of a comprehensive marketing plan, which is closely monitored and evaluated. Success is measured against recovery rate goals, awareness objectives and the performance targets outlined in the stewardship plan.

Encorp's annual marketing strategy is developed through a systematic five-step process:

1. **Audience Identification:** Target audience(s) are defined through annual benchmark studies and segmentation analysis conducted by independent third parties.
2. **Opportunity Assessment:** We assess opportunities based on specific beverage container data, consumer habits and the diverse demographics of the segment groups, including persons with disabilities, multicultural groups and First Nations communities.
3. **Objective Setting:** Objectives are established to achieve goals for each target audience, type of container, time of year and area of the province.
4. **Tactical Development:** Strategic tactics, budget allocations and implementation timelines are developed to meet the set objectives.
5. **Performance Measurement:** Key performance indicators (KPIs) are established to measure success, with built-in flexibility to adapt to changing market conditions.



3.2 Research and Segmentation










Since 1999, Encorp has conducted an annual benchmark study to evaluate program knowledge, assess consumer behaviour, and measure levels of brand awareness for Encorp and Return-It across British Columbia. This study plays a crucial role in shaping the marketing strategies and initiatives to effectively reach and engage with consumers across the province.

The methodology for the benchmark study is carefully designed to ensure an accurate representation of key regions and demographics:

- Regional Quotas:** Quotas are placed by region to ensure a sufficient sample in key regions and cities, including the City of Vancouver, the rest of the Lower Mainland, Okanagan, Northern BC and the Kootenays.
- Specific Sub-Samples:** Additional samples of at least 200 per group are undertaken to allow for analysis of results among specific sub-samples of interest, such as those with a mobility disability, First Nations and those who speak languages other than English.
- Census Representation:** The most recent Statistics Canada Census data is used to ensure accurate representation, with weighting undertaken for all samples based on age, gender and region.










These research results are used to track changes over time and provide information required by the provincial government. One of the most critical pieces of understanding for Encorp is to determine how to continue reducing the level of throw-away behaviour. Currently, approximately 20% of beverage containers are known to not be recovered in BC. An online survey was undertaken in September 2023 among adults 18+ in BC with a sample size of 1,201 BC residents, and quotas were set to ensure samples were taken from all regions of BC. There was also an additional sample of 327 18-to-24-year-olds in Metro Vancouver to ensure sufficient sample size to analyze the results among this demographic.

When asked about whether the various types of beverage containers can be returned for the deposit refund in BC, results showed that awareness has remained steady or increased. As with previous years, there continues to be an overall 99% level of awareness for all container types.


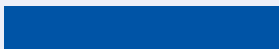







	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)	2020 (n=1,261)
Any Type (NET)	99%	100%	99%	99%
Non-Alcohol (NET)	98%	99%	97%	97%
Aluminum cans 	98%	99%	97%	97%
Plastic bottles 	94%	93%	88%	91%
Glass bottles 	90%	90%	86%	88%
Drink boxes 	76%	78%	64%	72%
Cartons 	75%	74%	54%	63%
Bi-metal cans 	74%	71%	68%	71%
Bag-in-a-box 	52% 	46%	40%	40%
Drink pouches 	43%	44%	33%	39%

3.2 Research and Segmentation

In 2022, milk and plant-based beverages were incorporated into the Return-It system, allowing them to be returned for a deposit refund at Return-It sites across the province. Survey results indicate that awareness of this change has reached 82% for milk and 62% for plant-based beverages.

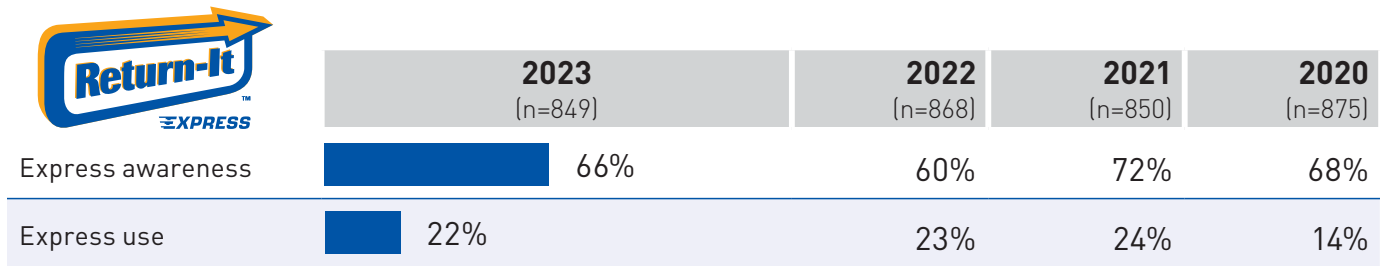
	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)	2020 (n=1,261)
Any Type (NET)	 99%	99%	99%	99%
Non-Alcohol (NET)	 98%	99%	97%	97%
Pop/soft drinks	 95%	97%	95%	95%
Water	 90%	88%	83%	87%
Juice	 85%	85%	80%	85%
Sport/health/energy	 78% 	83%	82%	81%
Milk	 82%	81%	23%	N/A
Plant-based beverages	 62%	62%	29%	N/A

Each year Encorp asks survey participants what their preferred methods are for recycling their drink containers for a deposit refund. This information allows Encorp to study changes in recycling behaviour over time by comparing data across years.

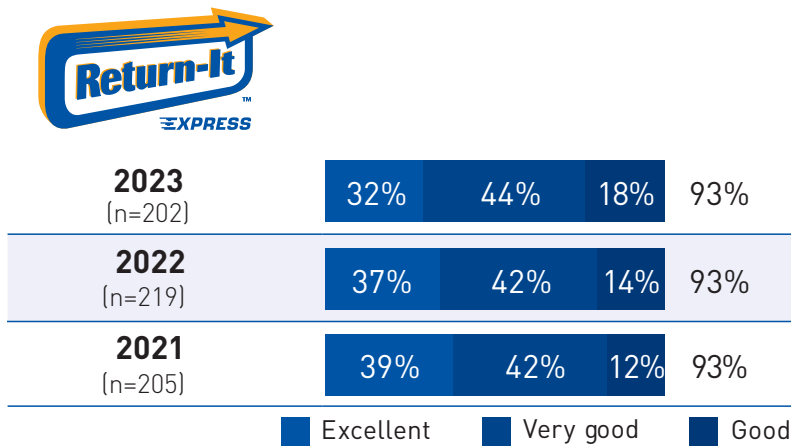
	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)	2020 (n=1,261)
Return-It/ Bottle Depot 	 80%	81%	80%	72%
Retailer (Net) 	 24% 	20%	24%	27%
Grocery Store 	 15%	15%	15%	19%
Liquor Store 	 16%	13%	18%	19%

3.2 Research and Segmentation

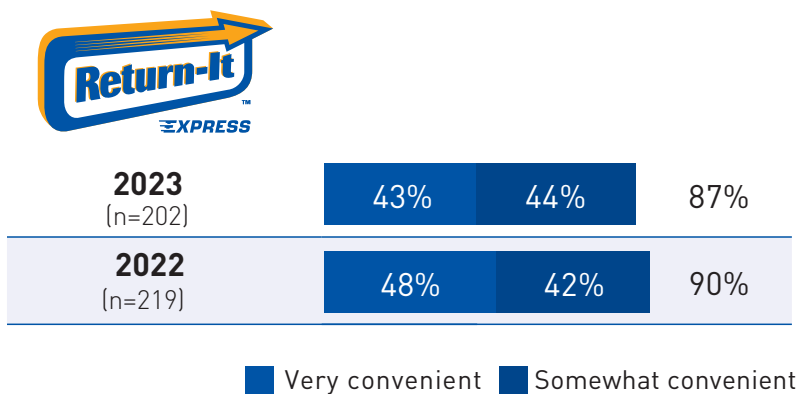
In 2023, the Return-It Express system hit a significant milestone of 300,000 registered users and continues to grow with an average of a 1,000 new registrations a week. As Encorp continues with the expansion of the Express system, specifically into new markets that have not had access to the system in the past, it's important to measure awareness levels, understand how the system has impacted consumer behaviour and consumer satisfaction levels of the service. Awareness and satisfaction remain relatively consistent with previous years.



When respondents were asked how satisfied they were with the Express service, 93% rated the service as excellent/good.



87% of Express users stated that returning beverage containers for the deposit refund is convenient.



3.2 Research and Segmentation

This segmentation analysis is based on the 2023 research results and includes behavioural and attitudinal variables.

The five segments identified are the same as previous years: Regular Returners, Depot Fans, Convenience Trashers, On-the-Go Discarders and Uninformed Urbans.

Each segment was analyzed through the following criteria:

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

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

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

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

Why they discard: reasons why this segment of the population does not recycle their beverage containers.

Since the segmentation approach started in 2020, the five population segments have remained the same; however, the

size and other key stats have changed year-to-year. Some notable findings:

- Uninformed Urbans grew in segment size from 11% (in 2022) to 16% (in 2023). Not surprisingly, their share of containers discarded also increased from 12% (in 2022) to 25% (in 2023), though at a much higher order of magnitude than the growth in segment size.
- Convenience Trashers continue to represent the largest portion of containers discarded as a group (52%), but this number has declined in comparison with 2022 (65%). They are also producing fewer containers, as they only produced 13% (in 2023) as compared with 18% (in 2022).

These findings as well as other insights gleaned from the segmentation analysis help to inform specific marketing messages and tactics used to reach these audiences and change behaviour.



	Regular Returners	Depot Fans	Convenience Trashers	On-the-Go Discarders	Uninformed Urbans
Segment sizing	44% people 19% containers produced 4% containers discarded	20% people 45% containers produced 4% containers discarded	6% people 13% containers produced 52% containers discarded	14% people 18% containers produced 15% containers discarded	16% people 5% containers produced 25% containers discarded
Key demographics	Average age 53 Equally male and female	Average age 50 Equally male and female	Average age 43 61% male	Average age 45 Almost equally male and female	Both young and old Equally male and female
Depot use	Just below average use Curbside/building recycling seen as a good alternative to depots	Depots are preferred, frequently used	Average depot use Lack consistency in returning containers	Above-average use Average motivations for using depots	Below-average use of depots, no real change to motivations for use Only use depots when convenient
Express	Below-average awareness, current use and future interest	Strong in awareness, use and future interest, but no growth in past several years	Below-average awareness, use or future interest	Average use, above-average awareness and above-average future interest	Below-average awareness and current use, above-average future interest
Why they discard	Rarely discard, least discarding of all segments	Rarely discard, second-least discarding of all segments	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

3.3 Unaccounted-For Beverage Container Study

Encorp is taking proactive steps to increase British Columbia’s used beverage container recycling rate through various projects and collaborative efforts. Regional district landfill audits and supporting shoreline cleanup activities are just a few projects that provide insight into the pathways taken by unaccounted-for beverage containers that cause them to fall outside Encorp’s collection network infrastructure. The efforts outlined below highlight the actions taken by Encorp to further increase the recovery rate of all beverage containers included in the Return-It system.

The reporting in the 2023 Annual Report concludes the work undertaken by Encorp on unaccounted-for beverage containers. Any initiatives or programs that resulted from the study have now been adopted within regular Encorp operations and will be reported on through the appropriate section of the Annual Report.

Shoreline Cleanup Activities

Shoreline cleanups play an important role in combatting marine pollution. With a shared goal of keeping our oceans and waterways healthy and pollutant-free, Encorp continues to work closely with various shoreline cleanup initiatives around BC.

Streetscape Collection System

Convenience, specifically for those who are on the go around the city, in parks or at festivals and events has been proven to be the primary driver for the recycling of empty beverage containers. Encorp will continue to invest in dedicated bins placed in strategic locations to provide the convenience that consumers desire while on the go. See total number of bins on page 22.

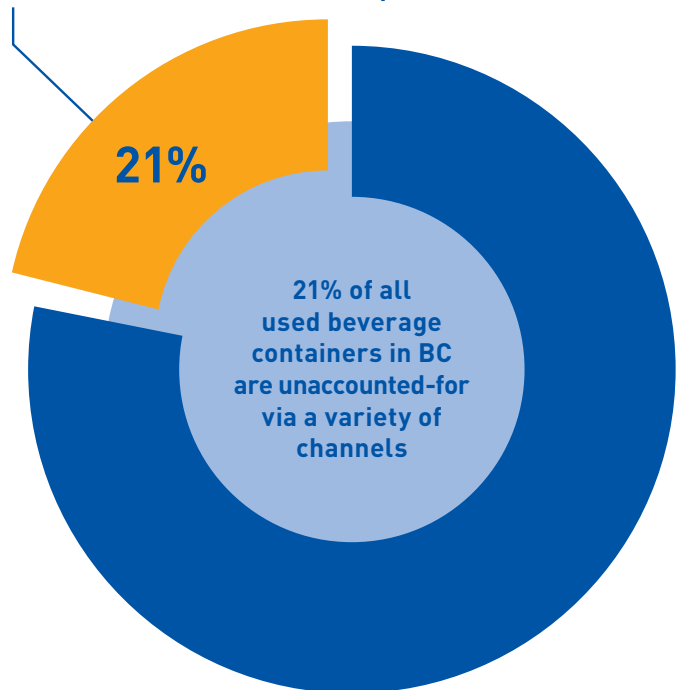
IC&I Waste Stream Study

As a result of the IC&I Waste Stream Study, through a partnership with IC&I waste haulers, a strict statistical sampling protocol has been developed to measure the number of used beverage containers being recycled through this stream. Through these sampling efforts, it was determined that a large number of deposit-bearing containers were being already recovered and recycled through this stream yet not counted, and this led to an increase in recovery volume through this channel from 0.5% in 2022 to 2.9% in 2023. With these sampling protocols now in place, used beverage containers being recycled through this steam can now be accounted for in Encorp’s overall recovery rate. Encorp will expand the IC&I sampling program in 2024 to ensure all material collected for recycling in the province is properly accounted for.

SABC Landfill Audits

The Stewardship Agencies of BC (SABC) is an informal organization through which provincial EPR programs work together on common areas of interest. One of the initiatives includes conducting annual extended producer responsibility studies on the waste composition of EPR material found in regional district landfills. SABC engages with an independent third party to conduct the waste composition audits. Encorp will continue to work with SABC in conducting annual landfill audits, refining data collected to ensure increased diversion rates are achieved.

- Loss to the environment
- Loss to landfills
- Private institutional, commercial and industrial (IC&I) recycling streams
- Containers redeemed outside provincial boundaries



3.4 Public Education

Encorp is committed to educating the public about the importance of recycling and the benefits of the beverage container recycling program.

Through targeted messages, Encorp aims to inform consumers about specific aspects of the program, including:

1. Specific beverage containers included under the regulation and accepted in the program.
2. Harmonized 10-cent deposit paid and deposit refunded at the time of return.
3. Where to take beverage containers for the deposit refund and recycling.
4. What happens to the materials collected and the benefits of recycling.
5. Container recycling fees (CRF).
6. How the deposits and CRFs are established and used.

A comprehensive plan was implemented to keep recycling of beverage containers top of mind, utilizing TV, YouTube, radio, Spotify, social media, Google ads and other media platforms. By leveraging diverse media channels and engaging ad content, we effectively reached BC residents.

Television



Television continues to be a key part of the communication and public education strategy, reaching a wide audience while conveying messaging in a quick, effective way. The television campaigns helped Encorp raise awareness, promote recycling programs and educate consumers. During the TV campaign, a combination of existing and new ads targeted towards youth “Don’t trash it, return it” and “Outside Oh-No’s” were aired.

A youth campaign was created to target and remind young adults aged 18 to 24 that they should save their beverage containers for recycling or returning later rather than discard them when out and about. The “Outside Oh-No’s” ad was aired to remind BC residents that while there may be certain unsavoury things we do in public, it’s important to develop good habits and be responsible, such as returning or recycling one’s beverage containers.

Return-It.ca and Return-It Blog



Encorp’s website and blog provide British Columbians with a quick and convenient place to find any important information they might be looking for, such as depot locations, information on accepted container types, any recent changes or updates to services, and recycling tips and tricks. Visit return-it.ca/blog to read recent posts and learn more about beverage container recycling developments and projects.

Radio/Spotify



Radio and Spotify audio streaming remained key mediums for Encorp to stream ads and reach target audiences in 2023. Since consumer media habits are always changing, a regular review and evaluation is completed to ensure the target audience is being reached each year. As a result, Encorp partnered

with local radio stations such as CFOX, MOVE and Virgin Radio to promote Express and reach key demographics across the province, such as young adults aged 18 to 34. You can listen to the latest radio and Spotify ads on [@YouTube@EncorpPacific](https://www.youtube.com/channel/UC...).

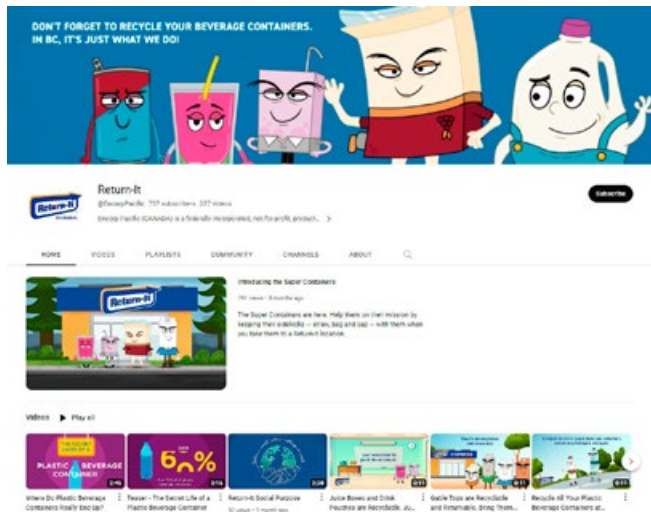
3.4 Public Education

Annual Report



Encorp’s comprehensive Annual Report can be found on the [Return-It.ca](https://www.return-it.ca) website. Visitors can choose to view the Annual Report on the website or by downloading a PDF file of the report.

Corporate Videos



Encorp’s corporate videos offer an engaging and educational glimpse into the recycling process and the importance of recycling all the various beverage container types. These videos are frequently promoted on social media channels, where they have garnered significant attention and can be found on the Encorp YouTube channel. The videos serve as an entertaining and informative tool to educate consumers about what happens to their drink containers after they are collected for recycling.

Social Media



Social media is an essential part of Encorp’s educational initiatives as it’s an excellent tool for providing system updates, educating customers and raising awareness about the importance of recycling beverage containers. Through the Encorp corporate and Return-It Gang social media channels, tailored posts were created to engage with audiences and amplify key messages that resonated with them.

In 2023, Encorp continued to use the Return-It Gang characters on their own dedicated Return-It Gang social media channels, providing a creative voice that helps to connect with audiences in a more fun and engaging way. By adopting a lighthearted and slightly cheeky tone, the Return-It Gang is able to communicate messages in a more irreverent yet informative way.

Additionally, Encorp’s corporate channels serve as a platform to share formal announcements and other important updates and news, such as new partnerships, depot openings, or updates to services and programs. By leveraging the power of social media, we’re able to reach a large and broad audience.

Google Ads

Google provides a grant to non-profit organizations that can be used towards running text-based search advertising. Encorp applies for and continuously uses this grant to display search ads to audiences while they searched for beverage recycling-related queries.

Caps On and Straws In Campaign



Encorp implemented a “Caps On and Straws In” campaign to educate BC residents on the importance of pushing their straws in on their drink boxes and pouches as well as keeping their caps on bottles and gable top cartons so that all items can be recycled together. The goal was to remind consumers that caps and straws are part of their beverage container and should be recycled together.

3.4 Public Education

This campaign consisted largely of social media posts that were shared through the Return-It Gang channels during the year.

18 to 24 Youth Campaign



In 2023, Encorp launched a new campaign aimed at 18-to-24-year-olds, a demographic that research shows significantly contributes to the improper disposal of beverage containers. The campaign is designed to leverage peer influence to encourage young adults in BC to improve their recycling habits, particularly when they are away from home.

Using humour and relatable scenarios, the campaign highlighted questionable decisions people make in various scenarios. Each scenario concludes by emphasizing the message that disposing of beverage containers in the trash may be a question, but is never the answer or solution.

To develop this campaign, Encorp considered all the various touchpoints and platforms available to effectively reach the 18-to-24-year-old demographic. This included utilizing connected TV, pre-roll, YouTube and streaming audio advertisements. Additionally, the campaign utilized social media ads across platforms such as Instagram, TikTok, Tinder and Twitch, recognizing these platforms as key channels to engage with and influence this age group. Visit the Encorp YouTube channel to watch the ad, showcasing how humour and relatability can drive positive behaviour change. <https://www.youtube.com/@EncorpPacific/videos>.

New Residents



Encorp helps welcome new residents to BC and introduces them to the beverage container deposit

system. In 2023, several social media and digital ads were created with the key message “In BC, we recycle!”.

These ads outlined important information for newcomers to be aware of, including messaging on the 10-cent deposit refund available on eligible beverage containers when they are brought back to a return facility and what kind of beverage containers are part of the Return-It system.

Additionally, in partnership with Moving2Canada, Encorp published a detailed article on their website outlining how to recycle used beverage containers in BC. This website was the perfect platform for Encorp to explain its services and more about how beverage container recycling works in BC, as countless new residents use Moving2Canada as their one-stop source for information.

Surrey Residents



With the city of Surrey being the second largest in BC in terms of population and the continual growth happening in the region, it was important for Encorp to ensure extra focus was placed on reminding residents about recycling used beverage containers. As a result, Encorp implemented a geotargeted campaign in Surrey that consisted of transit shelter ads (TSAs);

social media; digital ads and posters in public areas such as malls, movie theatres, restaurants and office buildings; and a mail drop.

Two versions of the TSA were created. The first featured a general message emphasizing all the container types that are part of the Return-It system and the deposit refund. The second version focused on milk and plant-based beverage containers and their inclusion within the deposit return system.

For the mail drop, a three-panel beverage brochure was sent out in English and Punjabi to capture the two main languages spoken in the city.

This campaign went live over the summer and gathered hundreds of thousands of impressions.

3.4 Public Education

Milk Recovery



On February 1, 2022, milk and plant-based beverages were included in the regulation and became part of the Return-It system making them acceptable to return for the deposit refund at Return-It sites across the province.

With milk and plant-based beverages still being a relatively new addition to the Return-It system in 2023, Encorp focused on continuing to communicate this change with a detailed consumer awareness plan. This involved several mediums including TV, radio, connected TV, YouTube pre-roll, digital display ads and social media ads. Encorp also updated Google search terms to continue to divert BC residents to the correct web pages and services.

These campaigns ran throughout the year and during the lead up to the holidays when British Columbians purchase and drink dairy-based beverages such as eggnog and other holiday favourites.

The website and print assets such as brochures alongside paid marketing continue to remind British Columbians on milk inclusions in the system.

Reaching & Engaging Multicultural Communities



Strategic ethnic communication initiatives were designed and implemented to raise awareness and understanding of the beverage container recycling program with

multicultural audiences that might not be familiar with a deposit return system.

To effectively reach multicultural audiences, extensive research was conducted to better understand the types of beverage containers being consumed by this audience and the best media channels for reaching them. Consequently, a mix of print, online video, WeChat and social media platforms were chosen.

The outcome proved successful. The campaigns generated millions of impressions and earned great engagement, particularly in response to recycling tips and reminders and increasing recovery rates in communities.

Using in-language communication will continue to be part of Encorp's efforts to educate all consumers about recycling used beverage containers in BC.

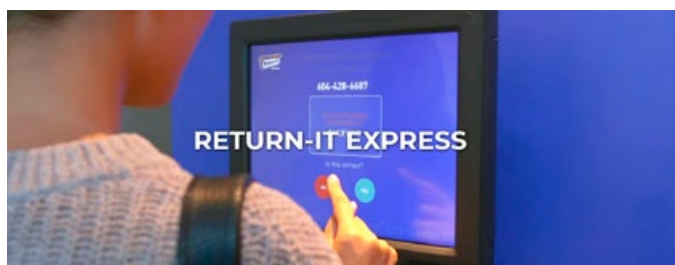
Multi-Language Consumer Brochures

Encorp produces and shares Beverage and Express brochures on the website to reduce the amount of paper used to print brochures. As with the year prior, Encorp translated the brochures into Korean, Punjabi, Simplified Chinese and Traditional Chinese. These brochures can be found on the website at return-it.ca/beverage/recycling/brochures/.

3.5 Recycling Programs and Initiatives

Our ongoing efforts to increase the recovery and recycling of beverage containers continue to be reflected in the implementation of numerous initiatives and annual specialty programs. Our focus remains on increasing awareness and participation through Return-It Express, raising brand and system awareness, and boosting the recovery of beverage containers through partnerships and the placement of dedicated beverage recycling bins.

Return-It Express



The core focus of the Express campaign in 2023 was to enhance awareness regarding the simplicity and convenience of Return-It Express. Using multiple media channels, the key benefits of Express were communicated – no sorting, no lineups and no dealing with cash. In 2023, alongside traditional media advertising, targeted strategies were employed, including ambassador team activations at key community events, social media engagement and mail drops. By the conclusion of 2023, a significant milestone of over 300,000 registered Express users was achieved.

Social media played a large role in reaching specific communities and neighbourhoods as well as remote locations. For each new Express location, Encorp leveraged a 5-kilometre radius (on average) to target potential Express customers through tailored social media posts. The Daily Hive and radio hosts from CFOX, Vancouver's MOVE and Virgin Radio also played a crucial role in amplifying the campaign.

Express Direct Mail



As Encorp continues its expansion of the Express program across the province, an annual mail drop of over 1 million Express brochures and 48,000 Express & GO brochures were sent to all residences within a 3-kilometre radius of an Express location throughout the year. The campaign helped contribute to increased registration and greater use of the Express system.

Express Plush Promotion



The Return-It Gang promotion, which was originally launched in 2019, has proven to be an enormous success. The promotion encourages customers to return used beverage containers to accumulate points, which can then be used to redeem a plush Return-It Gang character. Because of its popularity, the promotion has been reintroduced multiple times since its inception. In 2023, the promotion was renewed with new rules aimed at increasing recovery rates of lesser-performing container types and raising awareness of all container types accepted in the system. The promotion ended on July 10th with 4,551 plush Return-It Gang characters redeemed by Express users.

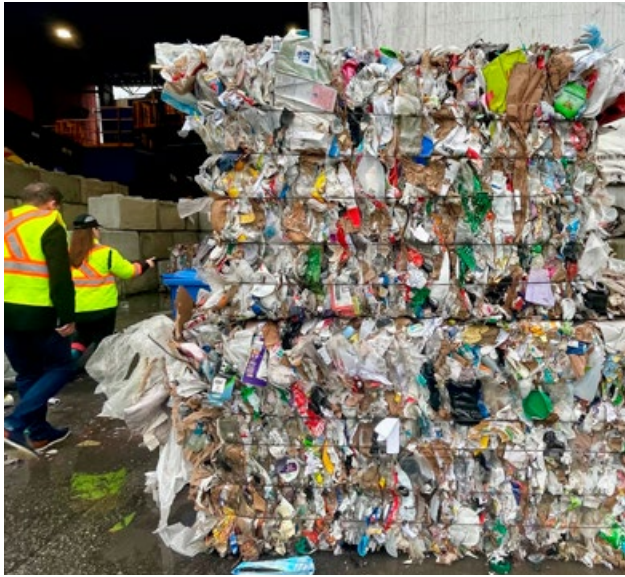
Express & GO



To promote the grand opening of each new Express & GO location, a marketing plan was implemented, which included a brochure mail drop, press release, blog post and social media promotion. Additionally, an ambassador team activation assisted customers with their first use of Express & GO. This personalized approach helps to create a positive customer experience and encourages repeated use of the Express & GO service.

3.5 Recycling Programs and Initiatives

FNRI and IZWTAG Partnership



Recognizing that traditional, depot-style coverage in hard-to-service remote and rural areas of the province is not always economically viable, Encorp continues to work collaboratively with other stewardship programs to improve accessibility and convenience. The First Nations Recycling Initiative (FNRI) is a program initiated by nine product stewardship agencies, including Encorp, specifically created to support and collaborate with Indigenous communities on recycling challenges.

Participating stewardship agencies work together on projects to remove and recycle EPR products, as well as gather information to inform and update agencies on Indigenous community interest in starting a recycling program as well as the status of existing recycling programs in these communities.

FNRI also collaborates with existing groups with common goals of bridging recycling accessibility gaps for Indigenous communities in BC. These groups included the Indigenous Zero Waste Technical Advisory Group (IZWTAG), an independent society assisting First Nations to implement zero-waste programs, and Indigenous Services Canada's (ISC) First Nations Waste Management Initiative.

In support of this initiative, Encorp provides financial contributions and helps develop collaborative solutions. The FNRI has engaged a Field Services Specialist and Special Projects Manager who actively work with

Indigenous communities as increased interest in the program resulted in a rise of community cleanup events and number of in-person community visits in 2023. In addition, the FNRI invests its time into maintaining ongoing relationships with First Nations communities and local, regional and federal governments.

The reach of FNRI's event initiatives expanded in 2023, as it provided cleanup services to 18 communities. The FNRI also engaged directly with 8 regional districts to identify opportunities to support local First Nations communities.

Return-It School Program



Since 2000, the Return-It School program has been providing elementary and high schools across BC with the opportunity to promote recycling and environmental stewardship via the program. As part of the program, schools get free beverage container recycling bins, access to online tools and recycling tips, and get to share their recycling stories in a contest format in the hopes of winning the grand prize of \$5,000 or the second-place prize of \$2,500. Learning resources such as activity books and the Return-It Man presentation contain educational sorting games, colouring activities and trivia on how recycling works in BC. Schools can request a virtual Return-It Man presentation and their choice of physical or virtual activity books. Read the stories from our 2023 contest winners at returnitschool.ca/schoolnews/article-38/.

3.5 Recycling Programs and Initiatives

Ambassador Team



The Recycling 101 Ambassadors constitute a team of knowledgeable “recycling scientists” who leverage their expertise to educate BC residents on the fundamentals of beverage container recycling.

In 2023, the ambassador team attended a total of 23 events over 50 event days, had 16,791 interactions and distributed 1,352 educational brochures.

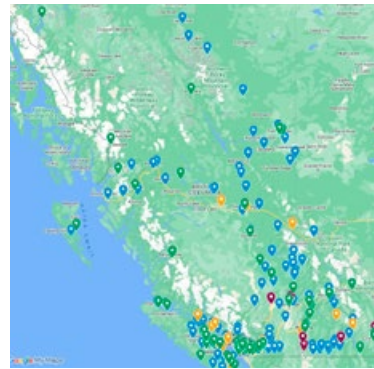
To teach all ages about the “101” of beverage container recycling, the ambassador team distributed brochures to adults and educational activity books for children. The ambassadors also displayed interactive boards that showcased how beverage containers get recycled. Additionally, they led the popular contactless Return-It Express game, which challenges visitors to sort beverage containers by putting their hands on top of the sensors of each container type column as fast as they can. These setups allow Encorp to not only entice more visitors to participate, but also give ambassadors a chance to chat with consumers about the importance of recycling and answer any questions they may have.

Outdoor Spaces/BC Parks/IC&I Bins



Focus remains on provincial parks, protected areas and recreational sites that draw substantial crowds throughout the year. Collaborating closely with BC Parks and municipalities, Encorp ensured the strategic placement of outdoor bins dedicated to beverage recycling in frequently visited spots.

By year’s end, 70 new bins were installed across parks and municipalities. Among these, 20 new bear-proof bins were provided to BC Parks, while 19 bear-proof bins were sent to various municipalities around British Columbia. Residents and tourists can now enjoy access to beverage container recycling bins in more provincial parks, bustling urban zones and rural areas. To view all the current bin locations, visit the map: <https://bit.ly/3JZGHTX>.



Another area of focus for Encorp is the Industrial, Commercial and Institutional (IC&I) sector, recognizing it as a huge opportunity where beverages are consumed in large quantities. By partnering with prominent venues

such as Nat Bailey Stadium, Rogers Arena, BC Place and UBC, Encorp supported their existing beverage recycling initiatives. Within the institutional sector, Encorp also provided collection bins and services at four major hospitals: Vancouver General Hospital, Lions Gate Hospital, Richmond Hospital and St. Paul’s Hospital among others, further solidifying the commitment to sustainable waste management practices.



From the inception of the program in 2009 to the end of 2023, Encorp has installed 28,188 bins.

Bins

711 Park Bins

669 Municipality & Streetscape Bins

6,175 Commercial Venue Bins

2,324 Collapsible Bins for Residential Buildings

18,309 School Bins

3.5 Recycling Programs and Initiatives

Stewardship Agencies of BC (SABC)



Encorp is a pivotal member of the Stewardship Agencies of BC (SABC), a coalition of extended producer responsibility (EPR) organizations from across British Columbia working together to promote and manage responsible “end-of-life” programs for obligated products. Through active participation and leadership in various committees, Encorp contributes significantly to the development of public education and awareness initiatives for joint stewardship projects.

Stewardship agencies like Encorp are not-for-profit organizations mandated by BC’s producers and brand owners to comply with the BC Recycling Regulation. These agencies play a crucial role in collecting, recycling and diverting end-of-life consumer products and packaging from landfills.

As a part of the collaborative effort within the SABC, Encorp is committed to enhancing British Columbia’s standing as a pioneer in extended producer responsibility (EPR) and the effective management of obligated products.

Today, British Columbia’s EPR “results-based” regulations are the most comprehensive and effective framework in North America. Collectively, SABC members divert over 450 million kilograms of end-of-life products from landfills, responsibly manage residuals into new products where possible, and generate \$500 million in economic activity that creates jobs and over \$40 million in taxes for local, provincial and federal governments. Those who are looking to recycle additional materials outside of beverage containers are encouraged to visit bcrecycles.ca.

Sports Team Partnerships



Encorp continued collaborations with the Vancouver Canucks and the Vancouver Whitecaps and revamped its charitable initiatives. Teaming up with the Canucks, Encorp worked on the Pass the Puck program aimed to give back to the Canucks for Kids Fund. Simultaneously, Encorp supported the Bottles for Boots campaign through the Vancouver Whitecaps, which is an initiative created to support KidSport BC.

Embracing the rise of esports, Encorp also expanded its partnerships with professional esports teams to reach a broader demographic. Encorp teamed up with the Vancouver Titans, a professional Overwatch esports team based in Vancouver, BC, and The Gaming Stadium, Canada’s popular esports arena.

These collaborations yield multiple benefits, from ensuring effective beverage recycling practices at each venue to expanding the outreach to new audiences and fostering deeper connections with customers and communities.

A blue rectangular advertisement with white and yellow text. It reads: "Donate to the Canucks for Kids Fund with Express". Below this, it says "Use #855-437-3863 (85-KIDS-FUND) at the kiosk". There is a yellow button with the text "SIGN UP TODAY" and a right-pointing arrow. At the bottom, there are logos for "Return-It EXPRESS" and "CANUCKS KIDS FUND".

3.5 Recycling Programs and Initiatives

PNE Partnership



Encorp partnered with the PNE and Playland to promote beverage container recycling throughout 2023. Expanding on the successful partnership with the Pacific National Exhibition (PNE) and Playland, Encorp provided recycling training for PNE seasonal staff, updated educational recycling signage across the fairgrounds, and instituted a branded Return-It-themed midway fair game to teach children and adults about beverage container recycling. This branded game is the first-of-its-kind collaboration with the PNE. The Return-It branded "Roll-a-Ball" game challenged guests to race their favourite Return-It Gang character to the depot. The winner of each race earned their very own plush Return-It character, recognizable from the Return-It commercials. This was a unique opportunity to win your own Return-It character outside of the Return-It Express system. Encorp messaging was able to reach a captive audience of young adults, as Playland and the PNE have long been a destination for thrill-seekers. The PNE attracts over 380,000 visitors annually. In 2023, 40% of the visitors were aged 12-34, making it the perfect venue

to inspire responsible recycling practices in youth and young adults. As part of the enhanced partnership, Encorp refreshed and updated signage for the 220 dedicated on-site beverage container recycling bins throughout the park, making it easier for guests to conveniently recycle their empty beverage containers.

Alongside these initiatives, the PNE also aired promotional messaging over their loudspeakers at regular intervals throughout the Playland season. Additionally, the Return-It ambassador team was on-site during the PNE Fair and Playland at the PNE, which garnered 2,000 in-person interactions and over 13,000 impressions.

You can read about this partnership in detail here: <https://www.return-it.ca/programs/return-it-and-pne/>.

Overall, this partnership was an excellent way for fair visitors to learn more about Return-It and the importance of recycling beverage containers in an engaging and fun way.



3.5 Recycling Programs and Initiatives

Major Media Partnerships

Encorp partnered again this year with Corus Entertainment to expand the reach and awareness of its recycling messaging and services. Corus is renowned for their strong news programming across British Columbia and province-wide reach.

Collaboration with Kristi Gordon



For this collaboration, Encorp filmed a video segment between Global News personality Senior Meteorologist Kristi Gordon and Encorp President and CEO Cindy Coutts having a discussion highlighting the importance of holding onto your beverage containers when you're on the go until they can be recycled properly. This video featured plastic beverage containers that are commonly purchased or used when on the go, such as pop, water, milk and juice containers of various sizes. This segment aired for several weeks during April, June and August.

Waste Reduction Week

Waste Reduction Week (WRW) was promoted from October 16th through 20th. Educational messaging during the week included



the use of a variety of mediums including TV, connected TV, pre-roll, YouTube, digital and geofenced ads, streaming audio/radio and social media.

For TV, Encorp leveraged the media partnership with Corus as well as aired the “Secret Life of Plastics”, “Plastic Oh-No’s”, “It’s Just What We Do”, and “Better with Express” videos. These videos were also featured on connected TV.

Additionally, ads featuring out-of-home drink boxes and pouches were used to emphasize the importance of

recycling these container types. The airing of this video aligned with back-to-school season when drink boxes and pouches are commonly consumed by school-aged children.

On social media, several posts were used to align with the micro-theme for each day during Waste Reduction Week, such as “Circular Economy Monday” and “Plastics Thursday”. These posts can be found on the Encorp corporate Facebook and Instagram profiles.

Cup Program Expansion



The City of Vancouver’s research shows that millions of coffee cups have been disposed of in the City of Vancouver at industrial, commercial and institutional (IC&I) locations and public spaces. To help address this challenge, Encorp and Metro Vancouver worked alongside the project’s partners to

develop and launch a pilot to help recycle coffee cups in commercial and public places.

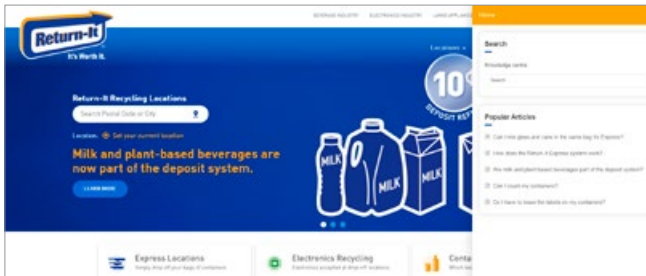
Encorp collaborated with Tim Hortons, Starbucks, A&W Canada, the City of Vancouver, Metro Vancouver and Merlin Plastics to reduce the number of single-use cups ending up in landfills. This initiative provided consumers with convenient recycling options at commercial and on-street locations. Alongside efforts to recycle single-use cups for hot and cold beverages, the program also introduced a reusable cup initiative. Participants can sign up to use reusable cups, which are washed and returned to participating retail locations. Originally launched as a six-month pilot, the program was renewed in 2022 and expanded in 2023.

Encorp continues to work on enhancing and improving the program, with an eye towards potential expansion into new areas. As of the end of 2023, the program had grown, with the installation of eight new outdoor bins in bustling areas along the Broadway and Main Street corridor in the city.


In total, there are now 27 cup program bins, including indoor and outdoor locations. To see the cup program bin locations and learn more, visit the program webpage: <https://www.return-it.ca/cups/>.

3.6 Customer Experience

Customer Relations



Encorp knows a positive customer experience is key to customers returning their used beverage containers. When customers face any confusion or difficulties using the Express system, Encorp's highly trained customer relations team is there to help resolve issues quickly.

 In 2023, the customer relations team assisted over 27,500 customers while maintaining an overall customer satisfaction rating of over 80%.

Throughout the year, the customer relations team focused on self-serve solutions and ways to improve the customer experience. Some key innovations and developments from 2023 include:

- **Chatbot:** First launched in 2022, the customer relations team continues to review its functionality and content to improve the experience for the customer. In 2023, the team implemented guided conversations that prompt customers to give the bot information and guide the customer through common issues.
- **Education campaign:** Because the customer relations team works directly with customers, they can identify emerging issues with customers. One of those issues was the introduction of a new security measure added to the Express & GO system requiring a one-time PIN to access the door. An education campaign utilizing email and new signage was deployed to help with the rollout of the new security feature.
- **Point-of-Return (POR) button improvements:** Through feedback received from both depot operators and customers, more specific names and details were added to the POR buttons, allowing depot operators to provide more meaningful feedback to customers when non-accepted material was being included in Express bags.

Brand Registry for Customers



Encorp's Registered Brands Database is a comprehensive searchable database that lists all the beverage brands that are part of the Return-It system. Customers can easily search the database to find out whether their beverage container is registered as part of the Return-It system and eligible for refund. The registered brands database can be found at return-it.ca/registeredbrands.

Brand Registry for Depots

All beverage brands wanting to participate in the Return-It system must register, but sometimes a new beverage brand will begin selling their products in BC without registering with Encorp. Depot operators play a crucial role in keeping the brand database for beverage containers up to date by submitting brand registry additions and reporting missing containers. Depot operators can submit a brand registry addition or report any containers that are not included in the database at return-it.ca/brandregform/.





4

Collection System and Facilities

Success of the Return-It network.

How the collection system works.

Map of British Columbia showing the collection network and processing sites.

GIS mapping and accessibility analysis.

4.1 Collection System and Facilities

2023 was both an exciting and challenging year for Encorp's operations and collection network. Collection volume was up across the board mainly due to increased consumer awareness of milk and plant-based beverage container inclusion in the deposit system. The widespread forest fires in summer 2023 put a strain on the depot and logistics network due to a significant number of road closures, and sadly the depot in Scotch Creek was destroyed because of wildfire. Encorp was able to work with the Scotch Creek depot owner and find a unique solution to continue limited operations and maintain an income during a time of uncertainty. Despite these challenges, Encorp continued to focus on growing the network of collection points, the Express program reached 300,000 registered customers, and through the implementation of new processes and wider use of automation technology, greater efficiency is being achieved across the collection system.

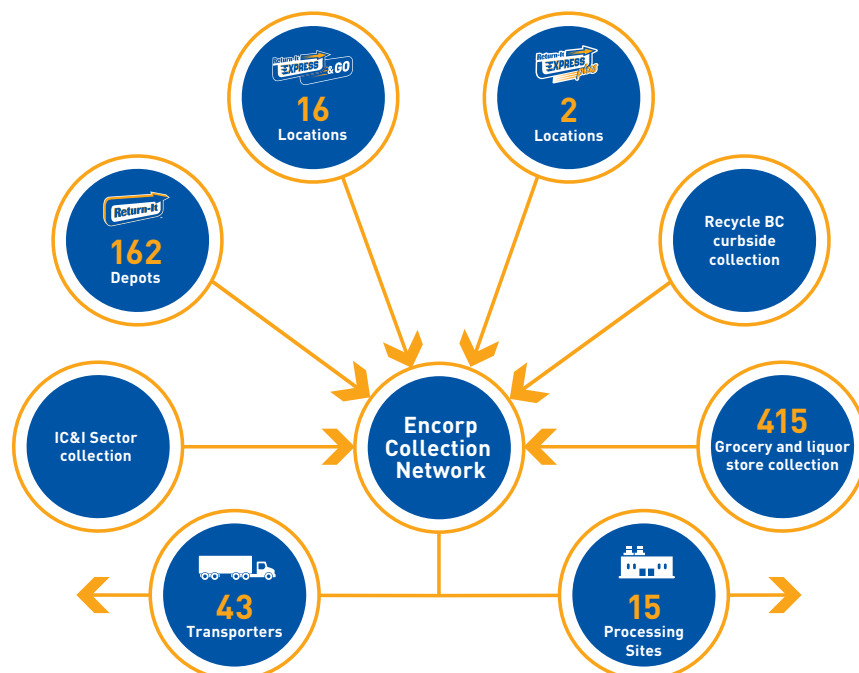
Overview

Encorp's collection network continues to evolve to meet accessibility requirements and demands of the modern consumer in BC. The collection network now consists of 162 Return-It depots (one fewer than 2022) that have collection agreements with Encorp, two corporate Return-It Express Plus locations in urban centres, and 16 solar-powered, unstaffed Express & GO stations in various locations across BC. In addition, Encorp relies on partnership with retail collection points to round out the collection network. Encorp serviced 219 grocers and 196 government liquor stores that collect the used beverage containers they sell from consumers (maximum of 24 per person, per day).

Encorp continues to monitor redevelopment and densification plans in metropolitan and urban centres which often lead to depot closures. To ensure the long-term efficacy of the collection network, Encorp has been working closely with local governments to ensure urban planning

includes a provision for recycling infrastructure and to ensure zoning allows for the siting of convenient collection sites close to where consumers live. Proximity to consumers is key, as research proves convenient access is highly correlated with increased collection rates. Encorp also seeks to expand the number of cashless Express-only sites that offer a different model than a traditional bottle depot and are more suitable to highly densified urban areas with large multi-family developments.

Encorp's collection network continues to be the backbone of many community-based recycling programs in BC. Encorp's Return-It network of depots serves as a hub utilized by other approved stewardship programs in BC for collecting and managing end-of-life products and other recyclables in their respective programs. In addition to used beverage containers, BC residents can recycle end-of-life materials such as electronics, small appliances, batteries, paint, motor oil and motorized yard tools, depending on which programs their local Return-It depot participates in.



4.1 Collection System and Facilities

Focus on Depot Efficiency

Encorp continues to look for innovative ways to provide the most efficient collection network to BC consumers through process improvements and utilizing technological advancement.

Simplified Sort Procedure

The simplified sort procedure, first introduced in late 2021, is now in place at 83% of depots and continues to grow. Encorp's goal is to have this fully operational at all depots by the end of 2024. Simplified sorts has proven to be very popular for both depot operators and consumers, as it provides depots with more efficient use of their customer areas and saves customer time as it reduces their sorting into only eight container categories compared to the previous 21 counts (or 28 counts with the introduction of milk and milk substitutes in February of 2022). The net result is customers being served more quickly, thereby reducing the amount of time customers must spend at the depot.

More Depots Utilizing Depot Automation

Three additional Return-It depots made an investment in automation technology in 2023, bringing the total number of depots utilizing this technology to enhance their processing efficiency to 16. In some cases, this technology is complete with reverse vending machines (RVMs) for customer self-service, while others utilize technology for more efficient processing of commercial container volume or Express customer volume. Encorp applauds these innovative partners who are making the necessary investments to optimize their operations and serve their communities more efficiently.



Densification Pilot

Encorp embarked on an in-depot aluminum densification pilot program with two depots in 2023, with a goal of utilizing densification equipment to reduce storage requirements and make aluminum transportation more

efficient. When densified into aluminum bricks that form a pallet-sized 'bundle', a single pallet can hold the equivalent of approximately 27 bags of non-densified aluminum cans. This vastly reduces the amount of space required at a depot for storing aluminum awaiting collection and allows for less space being required on a truck. In addition, when the aluminum is densified in this way, it becomes ready for direct delivery to end recyclers rather than requiring pre-processing at a processing partner. Encorp will continue monitoring the pilot's success with the goal of expanding it to more depots in the future.

Logistics Network

Encorp has numerous long-established relationships with dedicated transportation partners who collect material from the collection network for delivery to processing partners where material is sorted and prepared for delivery to end recyclers. These include larger partners servicing metropolitan areas in the Lower Mainland or Capital Regional District and smaller partners servicing the more rural and remote areas of the province. Encorp's logistics network consists of 43 transport partners who collect material and deliver it to one of 15 processing sites across the province. Within urban centres, Encorp uses dedicated transporters that pick up material from depots, retailers and other collection sites. In rural areas, Encorp utilizes transporters that provide back-hauling, resulting in environmental, logistical and financial savings.

Encorp's mobile compaction program, which uses Canada's first-of-its-kind hybrid CNG-electric compaction trucks to move PET, HDPE, gable top cartons and Tetra Pak containers from depots to processing facilities, expanded to five routes in 2023 serving 28 depots. Depending on the mix of containers, by compacting at the point of material collection, each truck could allow for the transport of four to six times more material than using a conventional trailer transporting uncompacted material.



4.1 Collection System and Facilities

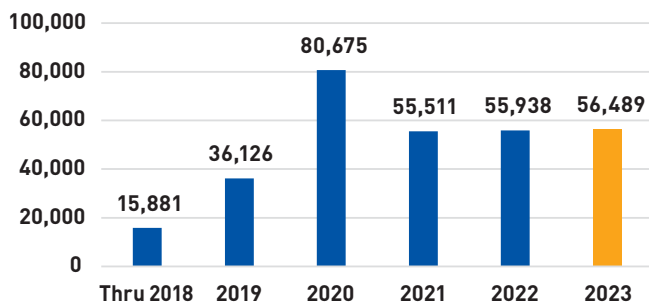
Express

Return-It Express

Registering for Express requires going through the easy registration process on the Express website at express.return-it.ca. Customers collect their used beverage containers in transparent bags and take them to a Return-It Express drop-off location of their choice. Customers print labels with their account information and place them on their bags. The empty containers are then sorted and counted so the deposit refund can be credited to their Express account. Customers can redeem their deposit balance either by cheque or more commonly via e-transfer.

Encorp's popular Return-It Express program continued to grow, reaching a significant milestone with just over 300,000 registered customers at the end of 2023, which is a 23% increase from 2022. Because of marketing efforts to promote the Express program and from word-of-mouth popularity, Encorp continues to see an average of 1,000 new customer registrations per week.

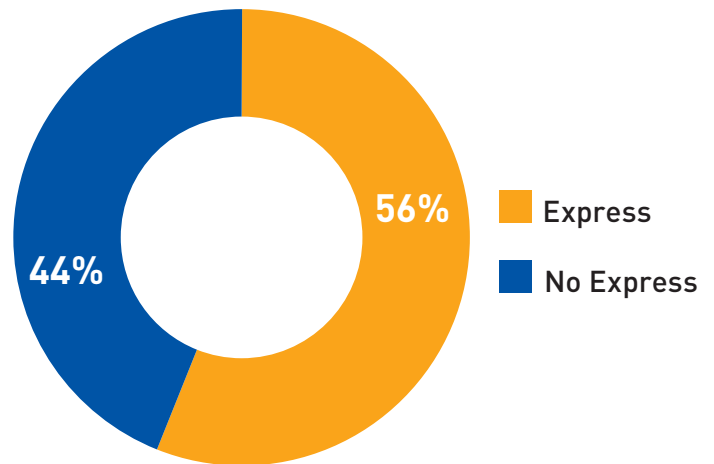
Number of Express Registrations Each Year



Express continues to grow in volume collected year over year as more consumers participate because of the convenience of the system. At the end of 2023, the Express system accounted for 14% of all the volume collected through depots in the network and accounted for 23% of volume when only considering those depots that offer the Express system.

The Return-It Express program provides consumers with a convenient drop-and-go means of recycling their used beverage containers without the need to pre-sort them for a refund at a depot. In 2023, Return-It Express was offered at 100 locations across BC, including 82 contracted Return-It depots, Encorp's two corporate Express Plus locations and Encorp's 16 Express & GO stations.

% of Depots Offering Express



The Express system continues to be a popular fundraising solution for charitable organizations, sports teams or school groups. Fundraising organizations provide relevant account information to potential donors, who can print off the organization's labels and drop off their containers. The deposits are then added to the account of the organization(s) they choose to support.



In 2023, almost 4,000 charities and other fundraising groups received donations totalling over \$1.45 million in the form of deposit refunds.

4.1 Collection System and Facilities

Express & GO



Encorp’s Express & GO stations have become a sought-after option for serving consumers in underserved rural communities or high-density areas where siting a traditional depot is difficult because of rising real estate costs and/or zoning issues. Express & GO helps Encorp to meet the accessibility challenges in BC by providing consumers with additional options for returning their used beverage containers.

Express & GO stations have been deployed in partnership with various stakeholders such as municipal partners, regional district transfer stations, retail partners where an Express & GO station is co-located in their parking lots to serve customers on their shopping trips, or educational institutions to serve student and faculty recycling needs. The system involves transforming used shipping containers into solar-powered, unstaffed drop-off locations for used beverage containers.

Locations

2019	Tofino, Simon Fraser University™
2020	North Vancouver Transfer Station, Big White, Park Royal Mall™ (West Vancouver)
2021	North Vancouver Superstore™, McBride, UBC™ Campus, Hartland Transfer Station (Victoria)
2022	Coquitlam Waste Centre, Penticton, Keremeos
2023	Comox Your Independent Grocer™, Kelowna Glenmore Landfill, Peachland Royal Canadian Legion™, Quesnel Extra Foods™

In 2023, Encorp opened four new Express & GO stations, which increased the total from 12 to 16 locations. The four new locations opened in 2023 are in Comox, Kelowna, Peachland and Quesnel. Comox Express & GO is located in the parking lot of the Your Independent Grocer™, Kelowna Express & GO is located at the Glenmore Landfill, Peachland Express & GO is located in the Royal Canadian Legion™ parking lot, and Express & GO Quesnel is located in the Extra Foods™ parking lot. Each of these new locations is being serviced by one of Encorp’s local depot partners to count and process customer Express bags.

Express & GO remains a key part of Encorp’s collection network expansion plans. Encorp continues to work with various partners to deploy additional Express & GO stations in 2024 to help increase the recovery rate and provide convenient recycling options to more BC residents.

Express Plus

Encorp continued to operate two successful corporate-owned Express-only collection locations known as Express Plus locations. These locations serve consumers in dense urban neighbourhoods in Vancouver and North Vancouver. These two sites are a model for a clean, bright and modern used beverage container collection experience that suits the unique characteristics of densely populated urban areas. These areas are not typically zoned for traditional bottle depots, and the Express Plus model allows Encorp to provide these consumers with convenient access to recycling utilizing the Express-only cashless model.

Both the Yaletown and Lower Lonsdale locations saw growth in volume in 2023 and continue to be a popular option for consumers in those neighbourhoods. Encorp looks forward to opening additional Express Plus locations in similar neighbourhoods in other BC communities.



4.1 Collection System and Facilities

Recycle BC Curbside Collection

It is common for BC stewardship agencies to act collaboratively to help each other achieve their goals. In that spirit, Encorp has a long-established partnership with Recycle BC to ensure deposit-bearing used beverage containers collected through the curbside blue box programs are included in Encorp's recovery rate. Placing used beverage containers in curbside blue box with other household recyclables to ensure they are recycled is an option used by many BC consumers for various reasons, such as convenience.

Using a well-established and rigid sampling program, Recycle BC is able to determine the total number of used beverage containers collected for recycling through curbside collection across their program. Encorp uses the results of the sampling methodology to include these containers in its recovery rate.

In 2023, containers collected through the Recycle BC channel grew by 3% to over 105 million containers, which accounts for 7.7% of Encorp's total recovery rate.

IC&I Sector

To ensure all containers collected for recycling are adequately captured and accounted for, Encorp expanded its partnership with commercial waste management companies to gain visibility into the amount of deposit-bearing used beverage containers collected through this channel. These companies collect mixed recyclables from multi-family buildings, commercial buildings, educational institutions and industrial sites and deliver it to material recycling facilities (MRFs) for recycling. Prior to the partnerships with these companies, Encorp had no visibility into the number of containers collected through the stream, despite the fact they were collected for recycling.

Grocery and Liquor Store Collection

Under the Recycling Regulation in British Columbia, retailers are obligated to accept a limited amount of used beverage containers (UBC) from consumers and to provide the 10-cent deposit refund. For this reason, grocers and government liquor stores play an ancillary yet important role in providing accessible collection options for consumers in areas with less convenient access to

the depot network in BC. Utilizing this 'return-to-retail' channel, consumers returning containers at these stores are limited to 24 containers per day consisting only of containers that are also sold in these retail locations. Combined, grocers and government liquor stores make up 1.6% of total recovery in the network of collection sites. Encorp collected 7.5 million containers from 196 government liquor stores and 14 million containers from 219 grocery stores across the province in 2023.

In response to a request from our grocery partners, Encorp created an expanded Grocer Comingle Program (GCP), which is a revised service model where Encorp assumes direct management and oversight of the return-to-retail collection for all grocer locations who voluntarily register with Encorp. This expanded GCP program standardized the servicing of grocers by Encorp to a wider group of grocery stores regardless of geographic location. In this program, grocers who register for the GCP directly with Encorp will have their deposit refund reimbursements and collection arranged and managed directly by Encorp.



4.1 Collection System and Facilities

Consolidating Sites

Encorp continues to collaborate with an experienced group of processing partners who take delivery of used beverage containers from the collection network. Once the material arrives at a processing site, it is sorted and baled for delivery to end recyclers, which ensures Encorp maximizes the commodity value of these increasingly valuable resources. Encorp sources end consumers for the recovered and baled materials that focus on re-use and the remanufacturing of these materials into beverage containers. Encorp also works with processing sites to ensure collection sorts are of the best possible quality to ensure maximum value and are in a format that will facilitate remanufacturing. As the market evolves with increased demand for recycled content in new beverage containers, Encorp will continue to collaborate with key processing partners to ensure the combined system can best serve market demands.

Quality Assurance and Count Centre



Encorp also operates a multi-purpose quality assurance facility and count centre in New Westminster. This facility is an important part of day-to-day operations for the Encorp program as it conducts critical quality assurance audits, counts some Express bags from Express & GO stations located in the Lower Mainland, counts comingled containers collected from grocers, and conducts sample audits from IC&I partners. This facility is equipped with automated counting and sorting equipment to streamline the counting and sorting of material for delivery to processing partners.

Quality Assurance Audits

Encorp must validate the accuracy of material collected from its independent collection partner network. This work is done at the QA centre and by third-party contracted QA partners at various processing sites in the province. A sample of material collected is segregated and delivered to a QA centre, where the counts are validated, and adjustments are made based on observed variances. Additional audit samples will be drawn from sites that continue to fall outside of the acceptable variance tolerance levels until they return to compliance, at which point they will return to the regular audit sampling schedule.

Grocer Comingle Counting

Encorp has a Grocer Comingle Program for managing containers that have been returned through the grocery store channel. Containers collected from Lower Mainland stores are largely collected and delivered to the New Westminster count centre. Once delivered, they are quickly and accurately counted and sorted using automated counting technology to facilitate the deposit reimbursement to the collecting grocery store.

IC&I Sample Auditing

The final activity conducted at the QA/Count Centre is to complete IC&I sample auditing. Samples collected from IC&I partners are delivered to Encorp's facility where the number of deposit-bearing used beverage containers are counted to determine what proportion of the total sample is made up of containers in the Return-It program. As additional samples are delivered and counted at the facility, Encorp can extrapolate the results to the total volumes from the various IC&I sources where the samples came from.



4.1 Collection System and Facilities

Collection System Technology

Encorp continues to invest a significant number of resources to develop and maintain a Point-of-Return (POR) application that is used at 146 depot locations. The application runs on computer terminals that are used by operators to receive and count empty beverage containers returned by consumers who then receive the appropriate deposit refund.

In 2023, there were three major POR software releases that were done to meet changing business requirements and to improve efficiency in general. Updates were made to the following POR functionalities:

- **Shipping module** – the POR interacts with another application called Chain-of-Custody (COC) that manages the integrity of the movement of the collected beverage containers as they change possession between the depots, the transporters and the consignees.
- **Express counting module** – the POR can be used to count empty beverage containers dropped off by customers that use the Return-It Express system. Once bags are counted by the POR operators, a customer’s online Express account is credited with the corresponding deposit.
- **Comingle counting module** – the POR can also be used by depots to count empty beverage containers that were returned at grocery stores.
- **Reporting** – the management of every depot has access to more than 30 reports that are used to manage their operations.

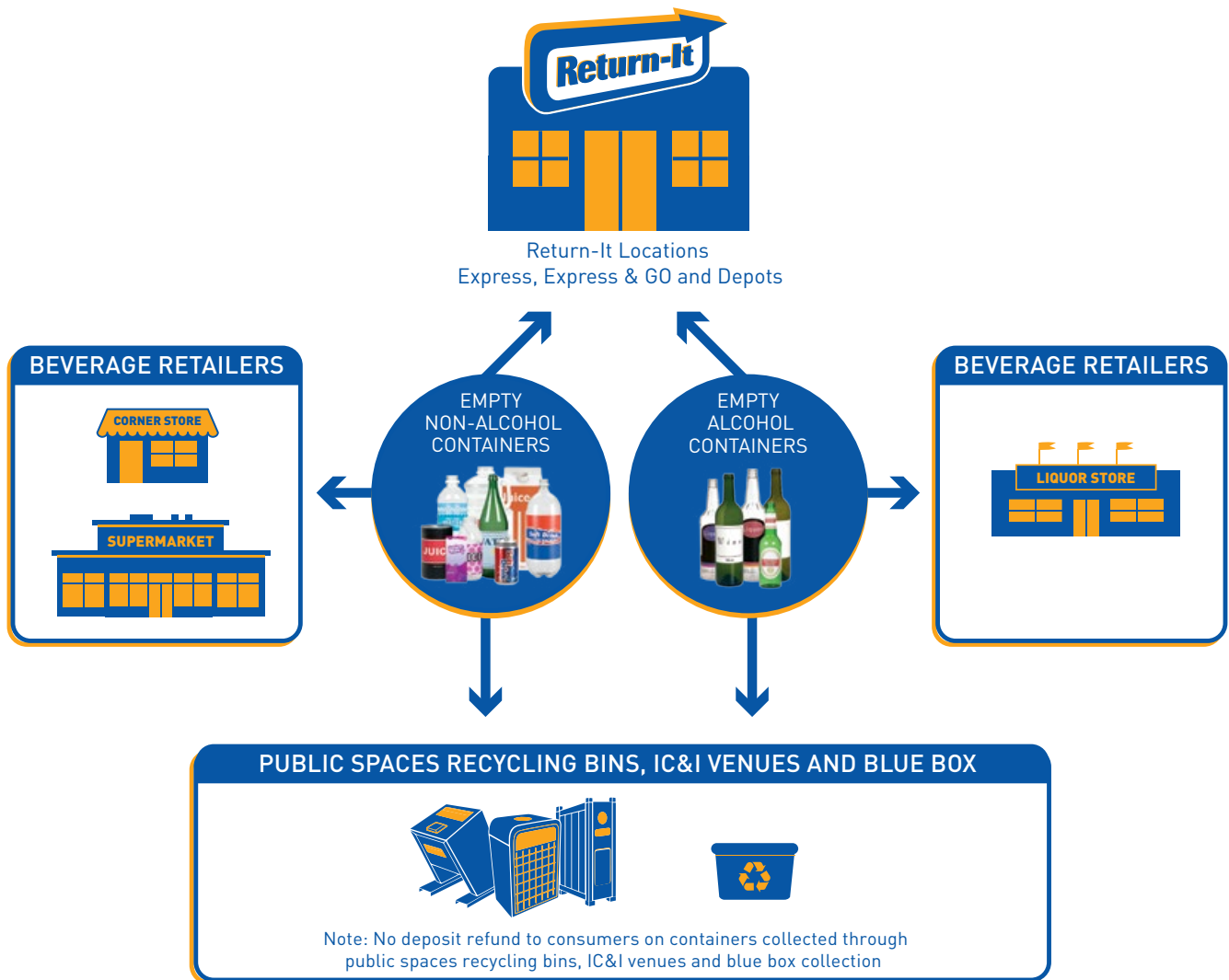
In the fourth quarter of 2023, Encorp began replacing computer hardware at these depot locations. This is to ensure that performance and security are always at optimum levels.



4.2 How the Collection System Works

Encorp's collection system is composed of a variety of convenient options for consumers to return their used beverage containers for a deposit refund and to ensure they are recycled.

WHERE ARE CONTAINERS RETURNED?



4.3 Collection, Transportation and Processing Map

Encorp's recycled material network operates through collaboration with contracted collection, transportation and processing partners. Many of these partners have long-term established contracts, while others are selected periodically through a request for proposal (RFP) procedure. The transporter partners collect used beverage containers from Return-It depots or other collection points in the network and deliver them to the nearest approved consolidator. At the consolidator, material is compacted and prepared for shipping to various end market recyclers.



Note: Map outlines collection, transportation and processing for all commodities except glass.

4.4 GIS Mapping and Accessibility Analysis

Since commencing operations in 1994, Encorp has established a comprehensive network of permanent collection locations where the public can conveniently return beverage containers covered within Encorp’s plan.

Encorp has engaged a third-party consultant, Licker Geospatial, to conduct a complete benchmark geographic information system (GIS) mapping analysis to ensure reasonable access as outlined in the Recycling Regulation. The criterion started with the premise of serving more than 97% of the province’s population. Irrespective of which standard is used, Encorp exceeds the 97% accessibility target.

Encorp has adopted a minimum criterion for rural coverage, requiring a catchment population of 3,000 within a 45-minute driving radius. This criterion is notably higher than the industry standard, which typically requires a population of over 4,000. In urban areas (defined as census metropolitan areas by Statistics Canada), the program has set a 30-minute driving radius as its standard. However, most Encorp locations are within a 15-minute driving range, with the exception of the City of Vancouver, where siting new locations has been particularly challenging. Licker Geospatial has completed accessibility analyses for all Return-It facility locations using the 2021 population at the dissemination block level and three different accessibility standards:

1. 4,000 Population Threshold

Defines urban accessibility as a facility within a 30-minute driving radius. For rural coverage (outside a census metropolitan area), assessed for communities where the census subdivision’s total population was equal to or exceeded 4,000, access is defined as passing the standard if it is within a 45-minute driving radius.

2. 3,000 Population Threshold

Identical to the 4,000 Population Threshold, with the exception of rural coverage (outside a census

metropolitan area) being assessed for communities where the census subdivision’s total population was equal to or exceeded 3,000.

3. Revised Standard

Defines urban accessibility as a facility within a 15-kilometre radius. Rural accessibility is defined as within 60 kilometres when the community is within 200 kilometres of a census metropolitan area (CMA).

Using specialized Esri ArcGIS Pro processes, drive times and planar distances were calculated from each dissemination block’s centroid to the nearest facility in order to assess whether the resident population had sufficient access under the three standards. Access to 2023 facilities was assessed on the respective years’ road network, although only 2021 population numbers were used, as census data is only available in five-year intervals and 2021 was thus the most accurate data available. Provincially, the following percentage of the population was found to have access to a Return-It facility under the previously described standards in 2023.

Given the goal of 97% of the province’s population (within the standard’s evaluation parameters of rural coverage) having access to a Return-It facility, all three standards meet this target.



4.4 GIS Mapping and Accessibility Analysis

While the previously described analyses were completed for all Return-It facilities, including grocery and liquor store locations, access varies when only depots and Express & GO locations are considered. Under the same revised standard described previously, 99% of the population has passing access to the depots, Express Plus or Express & GO locations alone, a reduction of only 0.2% compared with when all facilities are included.

Standard	2022–Percentage of Population with Access	2023–Percentage of Population with Access	2022–2023 Change
4 Thousand Population Threshold	99.204%	99.208%	0.003%
3 Thousand Population Threshold	99.159%	99.173%	0.014%
Revised Standard	99.194%	99.204%	0.010%
Revised Standard – Depots only	98.933%	98.988%	0.055%

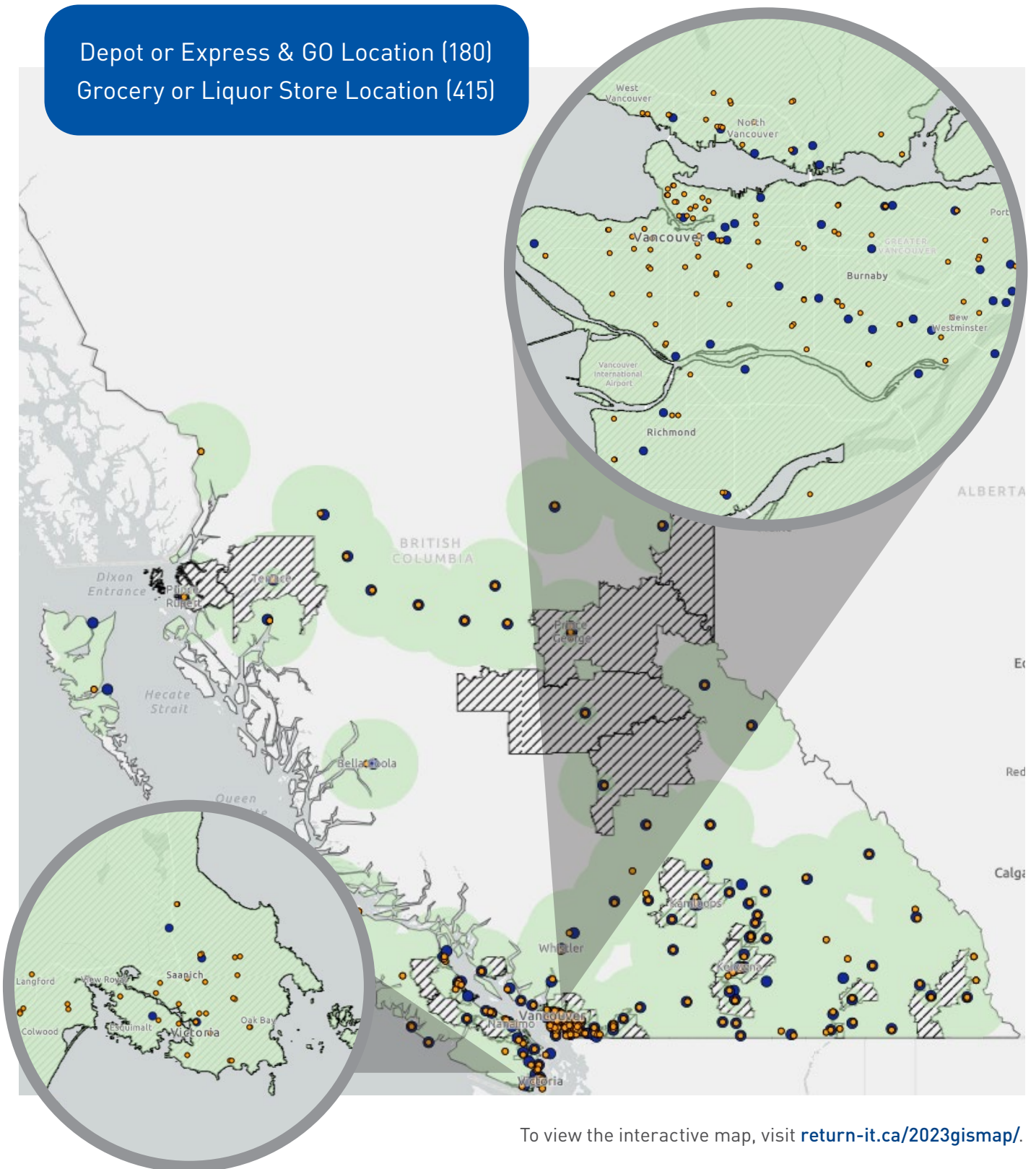
Note: Calculations may show slight variances due to rounding.

The differences in access are attributed to the expansion of the four new Express & GO locations in Comox, Kelowna, Peachland and Quesnel. The increased number of total facilities resulted in slightly improved accessibility, especially when examining access to depots only, where the number of specific facilities increased from 177 to 180.



4.4 GIS Mapping and Accessibility Analysis – Licker

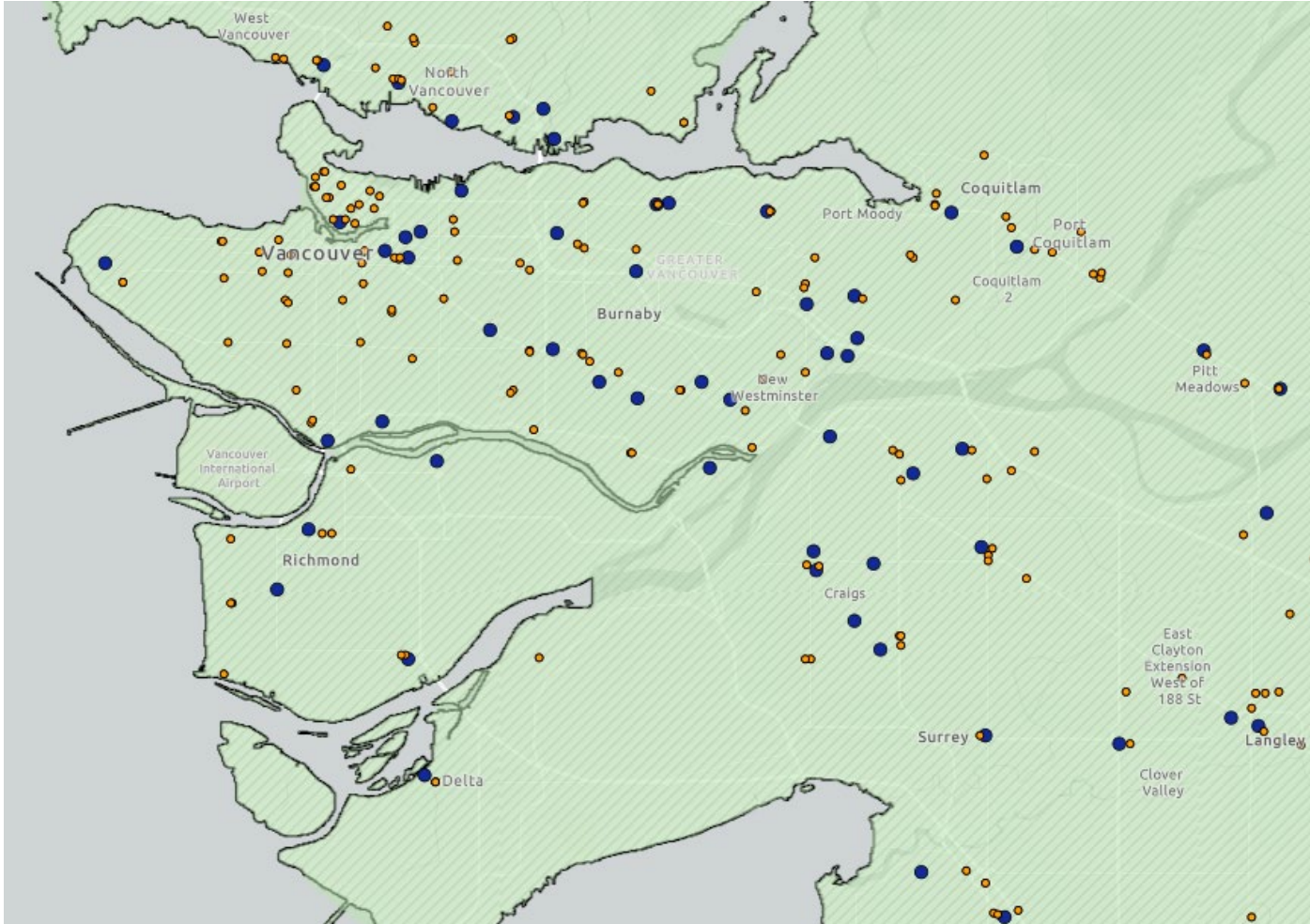
Depot or Express & GO Location (180)
Grocery or Liquor Store Location (415)



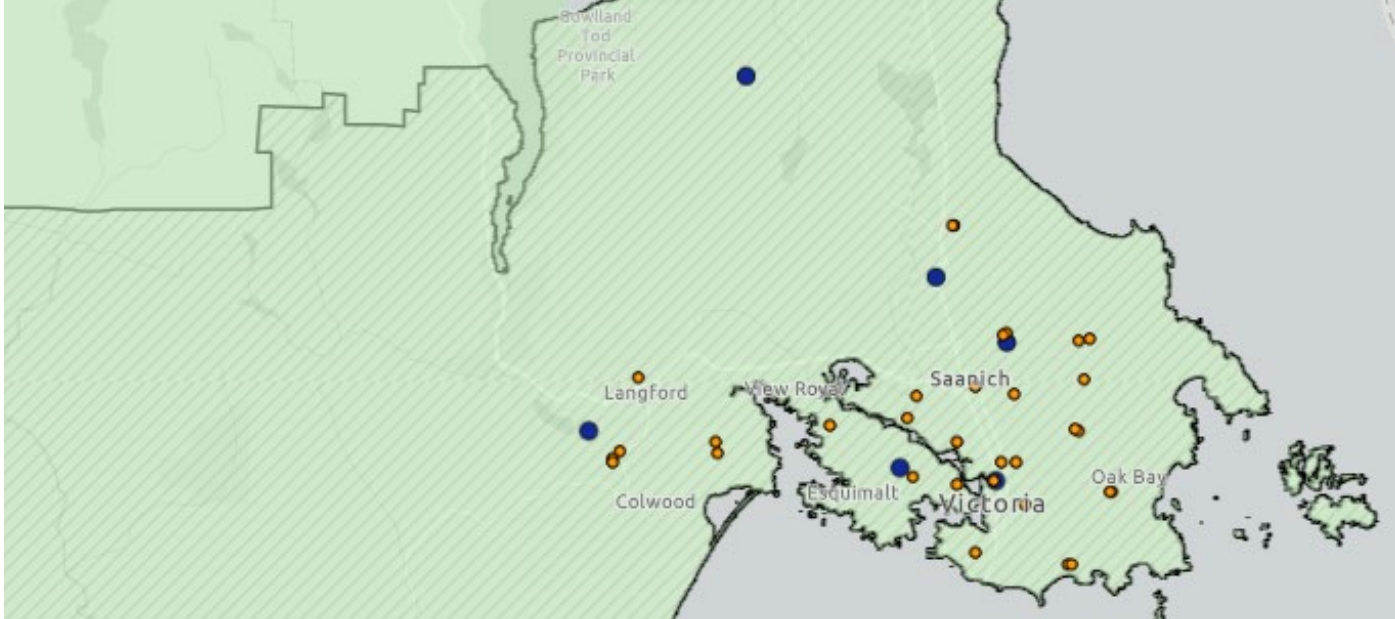
To view the interactive map, visit return-it.ca/2023gismap/.

4.4 GIS Mapping and Accessibility Analysis – Licker

Lower Mainland



Capital Regional District





5

Environmental Impact

Container end fate report for aluminum, plastic, glass, polycoat, pouches, bag-in-a-box and bi-metal containers.





Material used to make new containers.

Reusability and recyclability of containers.




Detailed environmental report on the reduction in greenhouse gas emissions, energy savings and CO₂ equivalent reduced from recycling.

5.1 Container Recycling End Fate Report

In 2023, Encorp prevented 1.375 billion containers from going to landfills and the environment. All beverage containers collected by Encorp under the deposit return system are shipped to recyclers for further processing into new material in accordance with Section 8 of the BC Recycling Regulation. By diverting useful resources out of waste and into recycling streams, used beverage containers in BC are being turned into valuable resources within the circular economy.

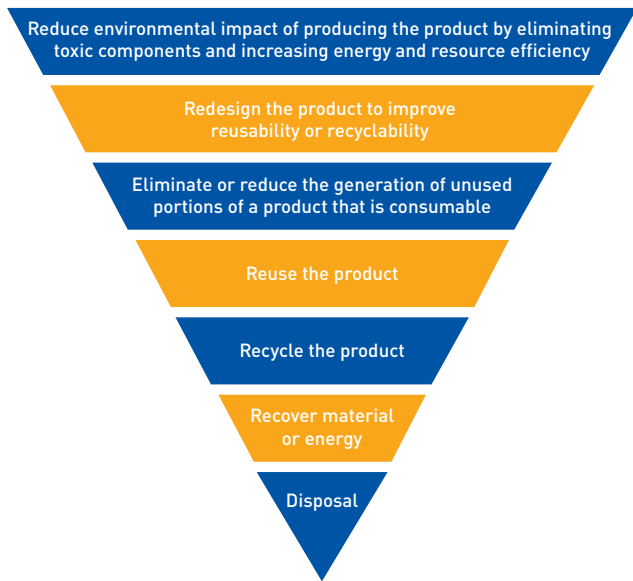
Material Type	Fate of Material (2023)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
 Aluminum	Aluminum cans collected were sold and shipped to re-melt facilities in the USA and turned back into sheet stock for new cans.	36.79%	84.10%	93%	6,889	69,464
 Plastic	Plastic containers were sold and shipped to a recycler in Canada to their facilities in British Columbia and Alberta. The commodity is cleaned and pelletized to become FDA-approved new raw material for manufacturers of various plastic products including new containers, strapping material and fibres.	40.16%	78.50%	86%	17,791	20,709
 Glass	Glass containers were processed in British Columbia and shipped to a facility that produces new glass bottles in Seattle, Washington; a manufacturing plant that produces fibreglass insulation in Alberta; and a facility that manufactures sandblasting materials in Quesnel, BC.	11.33%	89.90%	34%	61,367	20,046
 Polycoat	Polycoat containers collected were sold to brokers in Canada and the USA. One broker sold approximately 5% of polycoat containers to a manufacturer 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. The remaining 95% polycoat containers were sold to a facility who shipped the material to recyclers in India, Malaysia and Korea where the fibre from the polycoat was recycled and used to make the white top layer of boxboard and toilet tissue. The plastic film and aluminum were used to make plastic lumber.	10.89%	60.50%	53%	3,528	12,899

5.1 Container Recycling End Fate Report

Material Type	Fate of Material (2023)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
Pouches 	Encorp has a viable end market through a recycler in New Jersey who is using this material to make various products such as composite decking, buckets, storage totes, non-food grade containers and trays.	0.42%	32.90%	53%	13	14
Bag-In-A-Box 	The plastic bladders inside the bag-in-a-box containers are shipped to the recycler 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 boxes was recycled by local processors.	0.24%	54.20%	53%	524	1,669
Bi-Metal 	Other metal containers including bi-metal were sold to scrap metal dealers for metal recovery.	0.17%	78.60%	82%	171	348
2023 TOTAL		100%	85.00%		90,283	125,149
For Reference 2022 TOTAL		100%	82.50%		90,257	123,533

5.1 Container Recycling End Fate Report

Pollution Prevention Hierarchy



Encorp is committed to working with producers to reduce environmental impacts throughout the product life cycle and to increase reusability or recyclability at the end of the life cycle. Material collected under the Encorp program falls under the recycle level of the pollution prevention hierarchy, with a small percentage reporting to waste.

Recyclability of Containers

Per the BC Recycling Regulation, all material collected under the Encorp program may not be disposed of in a landfill or incinerator. Although not all containers collected can be turned back into new containers, they are mostly recycled into materials that can be used to create other products.

Encorp regularly engages with and provides feedback to producers regarding new packaging development or design changes that might result in negative downstream impacts on the recyclability of their products. An example of this is the use of plastic sleeves on aluminum cans and multi-material containers.

2023 Caps On Report

Caps and lids are considered part of the beverage container and are collected for recycling through the appropriate material streams. Consumers are encouraged to leave the caps and lids on the containers when returning them or to bring them back with the beverage containers.

Encorp conducted 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.

Findings

In 2023, Encorp directed efforts on auditing the plastic beverage material stream to determine the percentage of containers being returned with the caps on or separate from the container. Encorp audited 112 mega bags of plastic beverage containers and found that, on average, 48% of plastic containers were returned with the cap attached. The percentage of caps on from numerous Return-It collection sites varied throughout the January–December audit period from as low as 30% to as high as 79%.

Conclusions

To continue to support the tracking and collection of caps and lids, Encorp will continue to conduct regular audits of plastic containers and will expand this audit process to include gable top cartons and glass beverage containers for a period of 12 months in 2024. A dedicated marketing campaign educating consumers to leave the caps on the beverage containers was implemented in 2022 and will continue to be a part of Encorp’s annual consumer awareness initiatives going forward.

5.2 Materials Used to Make New Containers

Many of Encorp's registered brand owners have made significant commitments to increase the use of recycled plastic in the manufacturing of their beverage containers. Encorp is committed to supporting these efforts by ensuring companies have a reliable supply of recycled plastic through strong recovery rates and clean stream of material to ensure quality standards for reuse as an input into new beverage container production. Encorp now tracks the percentage of collected materials that are recycled into new containers.

Encorp collects a variety of containers that are shipped to recyclers for further processing into new materials. Of the numerous materials that Encorp collected in 2023, three material streams are recycled back into new beverage containers. Plastic, aluminum and glass material streams collected in British Columbia are shipped to manufacturers to produce new beverage containers. Other material streams collected as part of the Encorp program are downcycled into materials that can be used to create new goods but not beverage containers.

Aluminum: 100% of the aluminum collected by Encorp was sold to re-melt facilities based in the USA to make sheet stock for new aluminum cans.

Glass: Approximately 76% of the weight of glass containers collected by Encorp is processed in British Columbia and sold to a facility in Washington, USA, to produce new glass bottles.

Plastic: Of the total weight of plastic containers collected by Encorp and sold for recycling in 2023:

- Approximately 56% of total weight collected was PET Clear plastic. This stream was pelletized and recycled into food grade new beverage containers.
- Approximately 18% of total weight collected was HDPE Natural plastic. This stream was pelletized and recycled into food grade containers.

Polycoat: 0% of the total weight collected was used to produce new polycoat containers.

Pouches: 0% of the total weight collected was used to produce new pouches.

Bag-In-A-Box: 0% of the total weight collected was used to produce new bag-in-a-box containers.

Bi-Metal: 0% of the total weight collected was used to produce new bi-metal containers.

Tracking the use of recycled material in the production of new beverage containers is a complex task and relies on the cooperation of different stakeholders involved in the processes. Encorp is committed to working with its consolidators and recyclers; however, once used beverage containers are recycled and turned back into a usable commodity, the consolidator and recycler are free to sell the recovered material to any company regardless of the final use and as market conditions dictate.



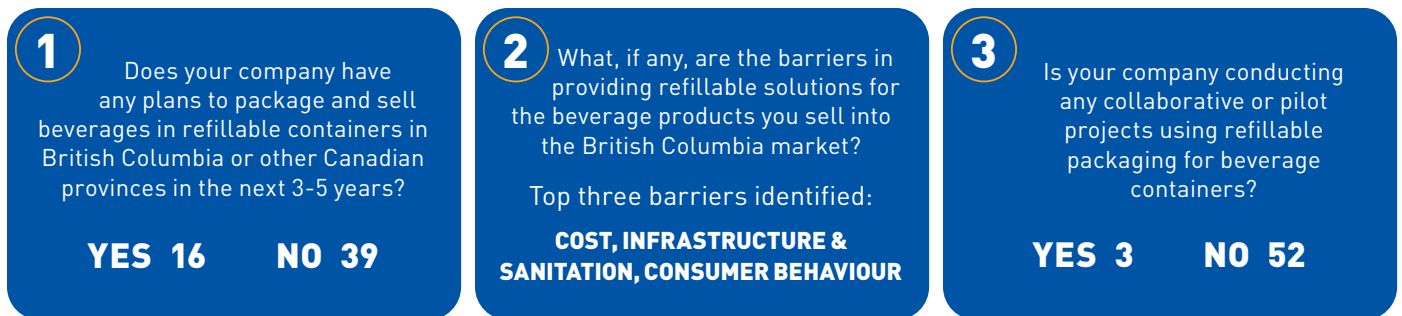
5.3 Reusability of Containers

Encorp committed to conducting a scan of emerging trends for refillable containers with its brand owners. In 2023, the scan consisted of a review of websites and news releases for the top 30 brand owners who sell ready-to-drink beverages in British Columbia. In addition to the brand owner scan, a survey was sent out to all registered brand owners to identify organizations that are currently using or have plans to move towards refillable beverage containers and to identify any barriers in providing refillable solutions.

Brand Scan Results

The brand scan found no brands that are part of the Encorp program offer refillable containers that are registered as part of the system; however, there are some efforts being made globally within reusable packaging. One of the key findings from the scan is that several of Encorp's registered brand owners have made significant commitments to increase the use of recycled content in the plastic beverage containers they sell into the BC and global markets.

The survey consisted of three questions and was distributed to all brand owners with 55 completing the survey. Below are the survey results:



5.4 Environmental Report

The Government of British Columbia has adopted public policies intended to promote a low-carbon economy. As a stewardship agency operating under a provincial regulation, Encorp compiles applicable data, and analyzes and reports on the impacts of its stewardship activities.

Overview

Encorp is engaged in the collection, transportation, processing and shipping of recyclable material. Encorp's activities take place through a variety of partners, who are acknowledged through the Scope 3 emissions reporting. Since the 2019 greenhouse gas (GHG) emissions baseline was established, Encorp has seen year-over-year reductions in GHG emissions.

For the 2023 calendar year, Encorp completed its fifth third-party GHG inventory. Total GHG emissions were 7,890.87 tonnes of carbon dioxide equivalent (tCO₂e) compared with the restated baseline year of 11,794.75 tCO₂e – resulting in a 33% decrease (or a 3,903.88 tCO₂e reduction). Continued emphasis on transporting goods by rail (where possible) was a key driver of this reduction.

Restatement of Baseline Emissions

In 2022, Encorp recycled 90,257 metric tonnes of used beverage containers. This increased by 0.03% to 90,283 metric tonnes in 2023. The energy saved through the recycling of these materials has been converted into tonnes of CO₂e, which is the common measure of GHG emissions, based on the US Environmental Protection Agency's Waste Reduction Model (WARM). The avoided emissions published in this report were calculated using WARM Version 15.1 (Updated: 09/2022). Refer to the End Fate table on page 42.

In total, BC's used beverage container deposit return system contributed to the reduction of about 125.2 thousand tonnes of CO₂e from being released into the atmosphere in 2023 as compared with 123.5 thousand tonnes in 2022, and 104.8 thousand tonnes in the 2019 baseline year. This increased CO₂e saving is primarily attributable to a continued increase in the volume of aluminum and plastic in the overall number of recycled used beverage containers as well as an increase in the volume of recycled polycoat containers.

Increased Stakeholder Reporting

2023 saw a 40% increase in participation across all recovery partners – most significantly from depots.

Increased Transportation by Rail

In 2019, processed aluminum used beverage containers were transported primarily by road, and in 2023 were primarily transported by rail. While the total weight of aluminum processed under the deposit return system in BC increased by 25% from 2019 to 2023, the associated emissions fell by 49%.

Compactor Trucks

Hybrid CNG-electric compactor trucks were added to Encorp's operations in 2022 by way of a pilot project. These trucks travelled to depots and conducted on-site compaction. This compaction reduced the total number of loads required to transport material from the depots to the processing facilities.

Furthermore, these compactor trucks were powered by compressed natural gas and not charged by the electrical grid. For the 2023 reporting year, the compactor trucks drove 148,716 kilometres that displaced 362,000 kilometres in diesel-based transportation resulting in a net GHG reduction of 833 tCO₂e.

5.4 Environmental Report

% Change from 2019 Baseline

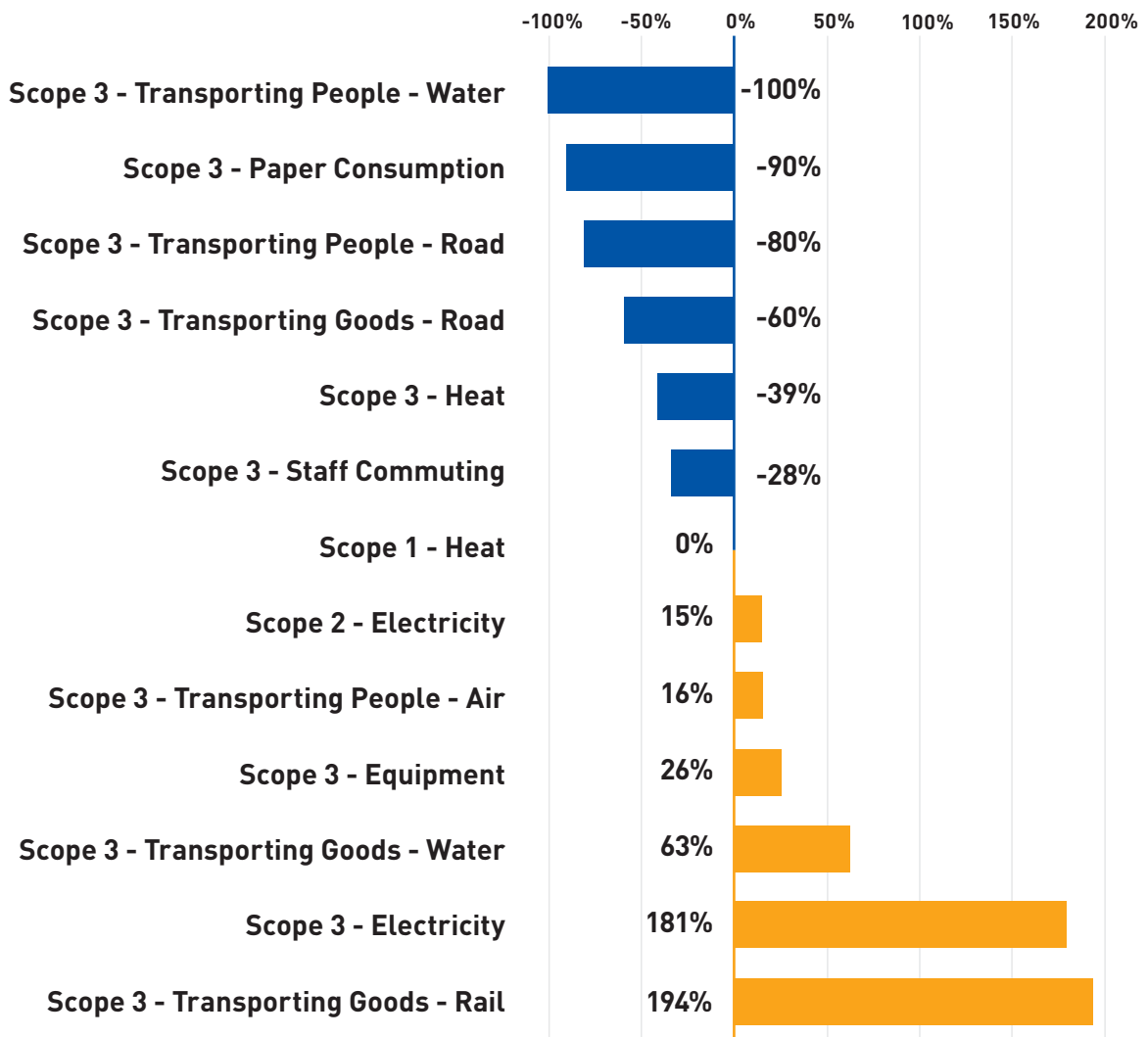


Figure 1 shows the relative change of each emissions measurement relative to the 2019 Baseline.

While recycling has an overall net benefit in terms of energy and emissions savings, the recycling process itself requires energy and thus has GHG emissions associated with it. When estimating net savings, Encorp calculates the GHG emissions that are specifically associated with its stewardship activities. This includes the collection, transportation, processing and shipping of the recyclable material generated by the beverage container deposit return system in BC. These activities take place through a variety of recovery partners; Encorp takes responsibility for these GHG contributions through the Scope 3 emissions reporting found below.

In 2023, Encorp achieved a 33.0% reduction in GHG emissions versus the 2019 baseline. For the 2023 calendar year, total GHG emissions from Encorp's operations were 7,890.87 tonnes of carbon dioxide equivalent (tCO₂e).

This represents a 33% reduction (3,903.88 tCO₂e) overall since the baseline year (2019).

5.4 Environmental Report

Methodology

Encorp's 2023 GHG emissions inventory was conducted by Standard Carbon Inc. in accordance with the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, Revised Edition. The GHG Protocol is published jointly by the World Resources Institute and the World Business Council for Sustainable Development (ghgprotocol.org/).

Organizational Boundaries

Encorp used the operational control approach to determine its organizational boundary and included all operations over which it has operational control in its inventory. The following facilities were included:

- Head office and quality assurance facility (2 sites)
- Processing facilities (15 sites)
- Return-It Depots (162 of 180 collection sites)
- Commodity shipping to end market recyclers (14 vendors)
- Haulage of material from depot to consolidator (29 vendors)

Encorp did not exercise operational control over electricity, heat or equipment at the depot or consolidator facilities; therefore, these are included as Scope 3 emissions.

Inventory Boundaries

The GHG Protocol requires the inclusion of Scope 1 and 2 emissions and recommends including relevant Scope 3 emissions. Scope 3 emissions are considered relevant when they occur from activities material to an organization's business and goals, and for which reliable data is available. Encorp included emissions from the following activities under Scopes 1, 2 and 3:

- **Scope 1:** Includes direct GHG emissions from sources that are owned or controlled by Encorp, including natural gas for building heat. In this reporting year, the entity controlling data relating to the head office's building heat did not provide the quantity of natural gas. Given no material changes to Encorp's head office operations or footprint, the GHG emissions were estimated to be identical to the 2019 baseline.
- **Scope 2:** Includes GHG emissions from electricity purchased from the utility.
- **Scope 3:** Includes indirect GHG emissions that are consequences of Encorp's operations, but that occur at sources owned by another company or entity:
 - Electricity and heat at depots and consolidators
 - Business travel by Encorp employees (via air, water and road)
 - Material transportation and shipment by third parties
 - Paper consumption
 - Employee commuting

Scope 3 emissions from waste were excluded because of a lack of available data. Emissions from waste are also relatively immaterial, compared with Encorp's overall GHG inventory.

Emissions Factors

The 2023 GHG emissions inventory was created using emissions factors from a variety of sources including the most recent versions of each of the following:

1. US Environmental Protection Agency
2. US Environmental Protection Agency (eGRID Database)
3. UN Intergovernmental Panel on Climate Change
4. BC Hydro
5. BC Transit
6. BC Ferries
7. World Shipping Council

5.4 Environmental Report

GHG Emissions Summary

The following table is a summary of Encorp's emissions for the 2023 calendar year inventory:

Activity		2019 Baseline* (tCO ₂ e)	2023 Operations (tCO ₂ e)	Absolute Change (tCO ₂ e)	Relative Change
Scope 1	Heat	49.29	49.29	0.00	0%
Scope 2	Electricity	2.36	2.72	0.36	15%
Scope 3	Electricity	61.80	173.87	112.07	181%
Scope 3	Heat	3,485.21	2,123.07	-1,362.14	-39%
Scope 3	Paper Consumption	69.98	6.74	-63.24	-90%
Scope 3	Staff Commuting	29.16	20.87	-8.29	-28%
Scope 3	Equipment	436.31	550.95	114.64	26%
Scope 3	Transporting People - Road	44.85	9.15	-35.70	-80%
Scope 3	Transporting People - Air	19.78	22.94	3.16	16%
Scope 3	Transporting People - Water	0.67	0.00	-0.67	-100%
Scope 3	Transporting Goods - Road	6,563.90	2,646.82	-3,917.08	-60%
Scope 3	Transporting Goods - Rail *	356.12	1,045.23	689.11	194%
Scope 3	Compactor Trucks **	0.00	138.98	138.98	N/A
Scope 3	Transporting Goods - Water	675.32	1,100.24	424.92	63%
Totals		11,794.75	7,890.87	-3,903.88	-33%

Figure 2 pictured here is a summary of Encorp's emissions for the 2023 calendar year.

*In 2019 aluminum was transported primarily by road, and in 2023 is primarily by rail. Total weight of aluminum processed increased by 25% from 2019 to 2023 but associated GHG emissions fell by 49%.

** Compactor trucks displaced 362,000 km in diesel-based transportation of goods by road resulting in a net GHG reduction of 833 tCO₂e, which is represented as a reduction in Transporting Goods – Road line above.

5.4 Environmental Report

Notes on the Scope 1, 2 and 3 Data

1. **Scope 2 Emissions** – According to the 2015 GHG Protocol Scope 2 guidance, businesses must report their Scope 2 emissions in two different ways:
 - a. **Market-based** – using supplier-specific emissions factors and/or those from contractual instruments like renewable energy certificates (RECs), and
 - b. **Location-based** – reflecting grid emissions factors.

Encorp did not purchase RECs, and the emissions factor in both reporting formats is identical; therefore, only one number is shown. And, in the 2019 baseline year, Scope 2 emissions were calculated using location-based figures.

2. **Sequestered Carbon Release** – Burning biomass or biofuels, for example, releases direct CO₂ emissions into the atmosphere, and is reported separately from the above scopes. One used beverage container return depot reported burning wood pellets in Encorp's 2023 calendar year inventory.
3. **Carbon Offsets and RECs** – Carbon offsets and RECs were not purchased by Encorp in 2023.
4. **Variance:**
 - a. **Scope 1: Electricity** – A small year-over-year increase occurred in 2023, which can be explained by a change in the BC Hydro emissions factor.
 - b. **Scope 3: Electricity** – From 2022 to 2023, 8% more consolidators and 35% more depots reported electricity data.
 - i. In this reporting cycle, 86% of depots reported their emissions.
 - c. **Scope 3: Heat** – From 2022 to 2023, 14% more consolidators and 53% more depots reported heating data.
 - i. In this reporting cycle, 86% of depots reported their emissions.
 - d. **Scope 3: Paper** – Encorp has moved to be as paperless as possible within the office and for external marketing material printed by Encorp. Even though there was an increase in the overall volume of printed materials in 2023 from 2022, the emphasis on going paperless continues to result in a GHG reduction from 2019 to 2023.
 - e. **Scope 3: Transportation by Road** – From 2022 to 2023, Encorp reports a 6% reduction in GHG emissions, and from 2019 to 2023, a 48% reduction in GHG emissions.
 - f. **Scope 3: Equipment** – Emissions data is currently self-reported by depots and consolidators, resulting in some under- or non-reporting of GHG emissions resulting from the operation of equipment.
 - g. **Scope 3: Transportation by Water** – From 2022 to 2023, the weight of materials transported to end markets by water increased 573% and the total number of containers increased by 618%. The key reasons for the increase observed from 2019 to 2023 include:
 - i. The commodity markets fluctuate from year to year - The price paid for materials will vary widely per year and per market, which affects commercial choices of the consolidators around whether to send material overseas.
 - ii. The demand for materials fluctuates from year to year - The reduced demand for polycoat in North America in 2023 affected commercial choices around whether to send this material overseas.

5.4 Environmental Report

5. **Scope 3: Transportation of Goods by Rail** – As described in previous GHG inventories, and in this current one, Encorp has a stated goal of reducing GHG emissions from the transporting of goods by road in favour of transporting goods by rail.
 - a. The GHG Emissions Summary table indicates that the strategy of shifting from road to rail is resulting in an overall reduction in GHG emissions related to the transportation of goods.
 - b. Aluminum (which has been switched primarily from road transportation to rail) has seen an increase in weight from 5,597,471 kilograms in 2019 to 6,978,419 kilograms in 2023 representing a 25% increase, but a reduction in GHG emissions from 706 tCO₂e in 2019 to 363 tCO₂e in 2023 representing a 49% decrease.
6. **Scope 3: Electricity** – This is the electrical power consumed by Encorp’s partners. There has been an increase in recyclable material collected and processed since the 2019 baseline. Given Encorp’s role within the recycling ecosystem, this increase in GHG emissions in the short term is an indication that Encorp is succeeding in its mandate of causing larger volumes of used beverage containers to be collected, processed and recycled.

Contribution by Category

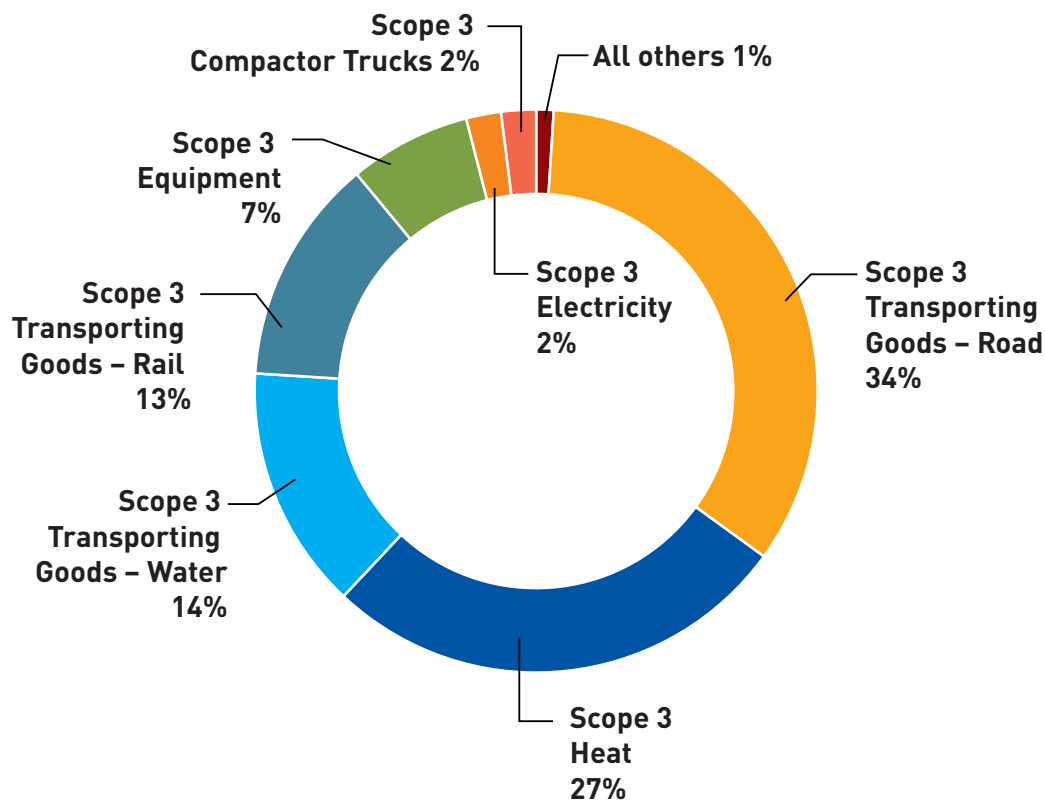


Figure 3 pictured here is a breakdown of the GHG emissions by category. The largest sources of GHG emissions for Encorp are Scope 3 Transporting Goods – Road (34%) and Scope 3 Heat (27%). Therefore, continued focus on these two categories will yield the greatest absolute reductions in GHG emissions for Encorp.



6

Deposits, Refunds and Recovery Rates

Detailed statistics on the number and weight of beverage containers recycled.

Summary of overall units recycled and per capita statistics.

6.1 Recycling by the Numbers

In 2023, Encorp prevented 1.375 billion containers from going to landfills. By doing so, Encorp ensured that these containers were recycled into useful new materials and products, which is a huge positive for British Columbia's environment.

1.375 Billion Containers Collected | **79.6%** Recovery Rate | **\$137,516,157** Deposits Refunded

Container Type	Containers Sold		Containers Recovered		% Recovery Rate	
	2023	2022	2023	2022	2023	2022
Aluminum	635,187,798	611,795,652	534,060,041	499,295,633	84.1%	81.6%
Plastic ≤ 1L	557,924,167	540,870,220	438,673,973	380,988,608	78.6%	70.4%
Plastic > 1L	135,524,092	118,634,905	106,164,738	109,900,695	78.3%	92.6%
Plastic Total	693,448,259	659,505,125	544,838,711	490,889,304	78.6%	74.4%
Glass	195,642,219	204,283,192	175,891,915	177,235,306	89.9%	86.8%
Drink Boxes	115,150,241	111,304,721	67,651,998	62,093,090	58.8%	55.8%
Gable Top Cartons	72,966,559	54,692,906	45,756,471	35,795,624	62.7%	65.4%
Bi-Metal	2,990,711	2,865,070	2,351,812	2,401,134	78.6%	83.8%
Bag-In-A-Box	4,134,591	4,415,226	2,241,884	2,153,248	54.2%	48.8%
Pouches	7,182,510	12,209,629	2,368,736	2,617,078	33.0%	21.4%
Totals	1,726,702,889	1,661,071,520	1,375,161,566	1,272,480,416	79.6%	76.6%

Note: Calculations may show slight variances due to rounding.

6.1 Recycling by the Numbers

RECOVERY BY WEIGHT:

In 2023, Encorp recovered 90,283 metric tonnes (Mt) of containers.

85.0% 2023 Recovery Rate by Weight

82.53% 2022 Recovery Rate by Weight

TYPE	ESTIMATED WEIGHT OF CONTAINERS SOLD (Mt)	ESTIMATED WEIGHT OF CONTAINERS RECOVERED (Mt)	RECOVERY BY WEIGHT %
Aluminum	8,194	6,889	84.1%
Plastic	22,661	17,791	78.5%
Glass	68,258	61,367	89.9%
Polycoat	5,828	3,528	60.5%
Pouches	40	13	32.9%
Bag-In-A-Box	967	524	54.2%
Bi-Metal	217	171	78.6%
Totals	106,165	90,283	85.0%

Note: Calculations may show slight variances due to rounding.



6.2 Regional Per Capita Returns

PROVINCIAL TOTALS:

Units Returned	1,375,161,566
Weight Collected (Metric Tonnes)	90,283
Per Capita Units Returned	249.2
Per Capita Weight Collected (Kilograms)	16.4

Regional Breakdown:

Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.-Dec.2023 Per Capita	Jan.-Dec.2022 Per Capita	Change to Per Capita Container Returns
Bulkley/Nechako	Units(000)	5,887	7,250	1,045	998	58	15,239	369.5	323.9	45.6 inc.
	Tonnes	76	226	365	30	5	702	17.01 kg	16.5 kg	
Cariboo	Units(000)	8,621	9,786	2,160	1,307	114	21,989	325.8	313.6	12.2 inc.
	Tonnes	111	308	753	40	11	1,224	18.13 kg	18.0 kg	
Central Coast	Units(000)	402	297	66	62	3	831	218.6	167.3	51.3 inc.
	Tonnes	5	9	23	2	0	40	10.52 kg	10.1 kg	
Fraser – Fort George	Units(000)	15,818	16,574	3,142	2,568	176	38,277	360.2	344.0	16.2 inc.
	Tonnes	204	520	1,096	78	14	1,913	18.00 kg	18.5 kg	
Kitimat – Stikine	Units(000)	6,158	6,566	981	981	60	14,745	348.9	341.0	7.9 inc.
	Tonnes	79	204	342	30	5	660	15.61 kg	16.3 kg	
Skeena – Queen Charlotte	Units(000)	2,854	2,801	560	381	39	6,634	330.7	329.3	1.5 inc.
	Tonnes	37	84	195	12	2	330	16.47 kg	17.8 kg	
Northern Rockies	Units(000)	657	1,075	106	93	5	1,937	392.1	323.6	68.5 inc.
	Tonnes	8	33	37	3	0	82	16.65 kg	14.9 kg	
Peace River	Units(000)	8,027	10,614	1,571	1,501	94	21,807	315.7	307.9	7.7 inc.
	Tonnes	104	333	548	46	6	1,037	15.00 kg	15.6 kg	
Capital Regional District	Units(000)	49,799	39,410	16,940	10,432	508	117,088	255.9	242.0	13.9 inc.
	Tonnes	642	1,281	5,910	331	66	8,230	17.99 kg	18.6 kg	
Cowichan Valley	Units(000)	13,527	10,802	3,733	2,040	184	30,287	315.4	311.4	4.0 inc.
	Tonnes	175	342	1,303	63	23	1,905	19.83 kg	21.9 kg	
Alberni/Clayoquot	Units(000)	5,628	4,742	1,474	791	59	12,694	351.1	369.5	(18.4) dec.
	Tonnes	73	150	514	25	6	767	21.23 kg	24.5 kg	
Comox	Units(000)	9,247	7,047	3,042	1,706	112	21,154	270.0	260.5	9.5 inc.
	Tonnes	119	226	1,061	54	18	1,478	18.86 kg	20.0 kg	
Mount Waddington	Units(000)	2,187	1,959	426	300	20	4,893	400.8	392.7	8.1 inc.
	Tonnes	28	61	149	9	3	250	20.50 kg	21.8 kg	

Note: Calculations may show slight variances due to rounding.

6.2 Regional Per Capita Returns

Regional Breakdown:

Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.-Dec.2023 Per Capita	Jan.-Dec.2022 Per Capita	Change to Per Capita Container Returns
Nanaimo	Units(000)	19,906	16,413	6,547	3,276	234	46,375	253.0	248.9	4.0 inc.
	Tonnes	257	546	2,284	102	36	3,226	17.60 kg	18.6 kg	
Strathcona	Units(000)	6,262	5,083	1,651	911	71	13,978	265.0	263.7	1.4 inc.
	Tonnes	81	162	576	28	10	858	16.27 kg	17.8 kg	
Greater Vancouver	Units(000)	217,730	241,371	83,694	56,676	3,429	602,901	204.3	201.8	2.6 inc.
	Tonnes	2,809	8,003	29,200	1,765	274	42,051	14.25 kg	14.8 kg	
Fraser Valley	Units(000)	36,929	42,357	9,265	7,204	478	96,233	268.0	257.0	11.0 inc.
	Tonnes	476	1,357	3,233	221	44	5,332	14.85 kg	15.6 kg	
Powell River	Units(000)	2,843	2,182	865	493	38	6,421	287.3	282.4	4.9 inc.
	Tonnes	37	75	302	16	7	436	19.50 kg	20.8 kg	
Squamish – Lillooet	Units(000)	5,902	4,735	2,736	991	53	14,416	278.8	278.9	(0.1) dec.
	Tonnes	76	153	954	31	5	1,220	23.59 kg	26.4 kg	
Sunshine Coast	Units(000)	3,618	2,460	1,843	733	54	8,709	250.5	247.5	3.0 inc.
	Tonnes	47	80	643	23	9	802	23.06 kg	24.9 kg	
Central Okanagan	Units(000)	36,699	39,961	10,670	7,674	330	95,334	385.6	280.9	104.7 inc.
	Tonnes	473	1,368	3,723	239	52	5,856	23.69 kg	21.8 kg	
North Okanagan	Units(000)	12,995	12,697	4,073	2,310	146	32,220	327.8	322.1	5.7 inc.
	Tonnes	168	407	1,421	72	19	2,086	21.22 kg	22.4 kg	
Okanagan – Similkameen	Units(000)	12,230	12,286	5,010	2,088	167	31,781	335.9	337.0	(1.1) dec.
	Tonnes	158	388	1,748	65	25	2,383	25.19 kg	27.1 kg	
Columbia Shuswap	Units(000)	7,884	7,190	2,694	1,286	81	19,135	312.1	313.1	(1.0) dec.
	Tonnes	102	232	940	40	12	1,326	21.62 kg	23.3 kg	
Thompson – Nicola	Units(000)	21,531	22,146	5,652	3,378	229	52,936	339.4	331.2	8.2 inc.
	Tonnes	278	697	1,972	104	26	3,076	19.72 kg	20.6 kg	
Central Kootenay	Units(000)	7,780	5,695	2,394	1,302	90	17,261	258.6	246.2	12.4 inc.
	Tonnes	100	185	835	40	12	1,172	17.56 kg	18.3 kg	
East Kootenay	Units(000)	8,827	7,894	2,524	1,246	81	20,571	294.7	278.1	16.7 inc.
	Tonnes	114	251	881	39	9	1,294	18.54 kg	18.5 kg	
Kootenay Boundary	Units(000)	4,113	3,447	1,027	682	50	9,318	265.1	252.6	12.5 inc.
	Tonnes	53	110	358	21	7	550	15.63 kg	16.3 kg	
Total Units	Units(000)	534,060	544,839	175,892	113,408	6,963	1,375,162	249.2	239.2	9.9 inc.
Total Weight	Tonnes	6,889	17,791	61,367	3,528	708	90,284	16.4 kg	17.0 kg	

Note: Calculations may show slight variances due to rounding.



7

Plan Performance

Movement of containers and the flow of money through the Return-It network.

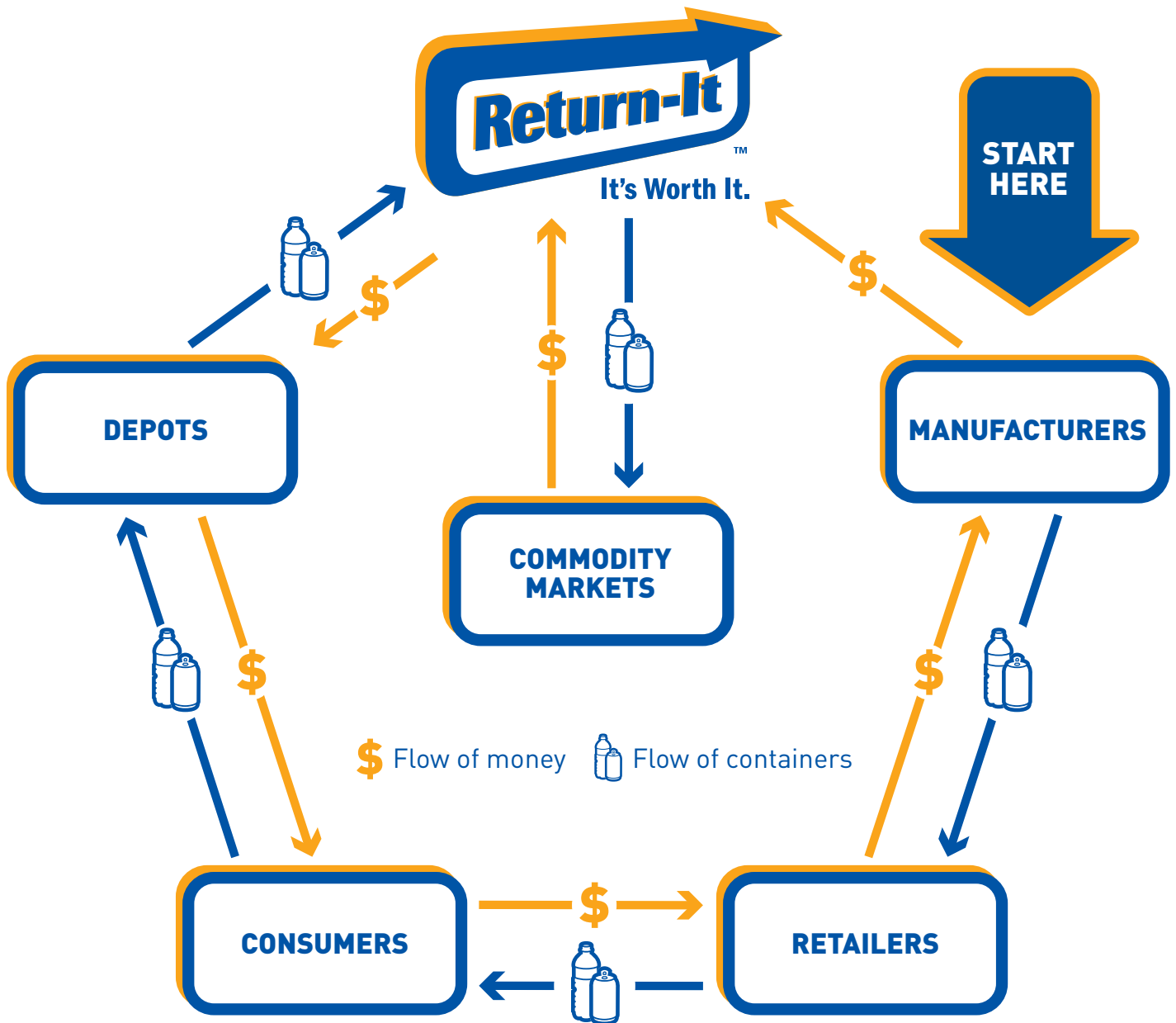
Revenue and expenditure detail.

Purpose of operating reserves, how they are determined, and why they're important.

Container recycling fees by container type.

7.1 How Money Flows

The arrows show the direction of payments for deposits and container recycling fees (CRFs) and the movement of beverage containers.



7.2 Follow the Money

REVENUES

Sale of Processed Containers

A portion of the cost of recovering aluminum and plastic containers, the two largest categories, is covered by the value of the commodity collected. The prices for aluminum and plastic dropped in 2023, resulting in lower commodity revenue than in 2022.

Unredeemed Deposits

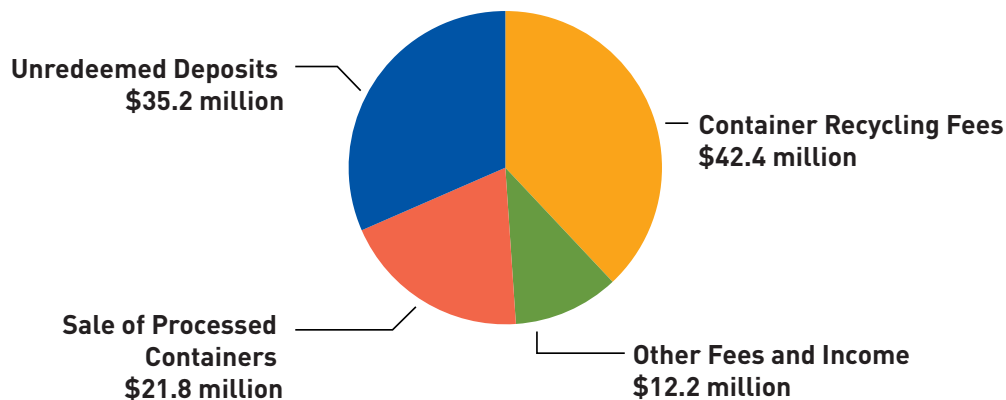
Encorp is paid a deposit on every container sold. Deposits unclaimed are used to fund the system.

Container Recycling Fees

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.

Other Fees and Income

Revenues and income from service provider contracts.



Where the money comes from

Container Recycling Fees	\$42.4 million	38.0%
Unredeemed Deposits	\$35.2 million	31.5%
Sale of Processed Containers	\$21.8 million	19.5%
Other Fees and Income	\$12.2 million	11.0%
Total Revenues	\$111.6 million	100%

Note: Calculations may show slight variances due to rounding.

*Other Fees includes electronics, Major Appliance Recycling Roundtable (MARR), interest income and foreign exchange gain/loss.

7.2 Follow the Money

EXPENDITURES

Deposit Refunds

Paid to depots and grocery retailers to reimburse them for the deposits they have refunded to consumers.

Operations Expenses

Operations expenses consist of collection and transportation and processing expenses. This accounts for 86.1% of overall expenditures in 2023.

Collection Expenditures

Encorp's single-largest expense is the cost of collection, which includes handling fees paid to contracted Return-It depots that service customers, collect the material and prepare the material for collection by Encorp's transportation partners.

Transportation and Processing

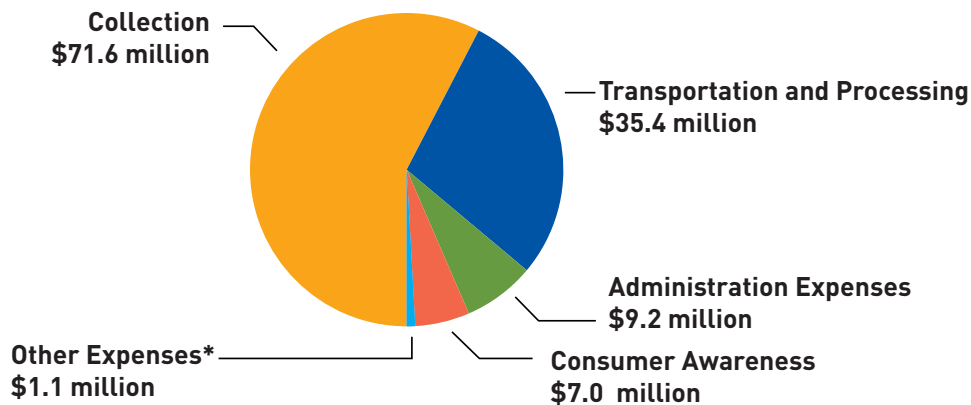
Encorp contracts with various trucking companies to collect containers from depots and grocery retailers and deliver them to our contracted processing partners, where they are processed, sorted and compacted for shipment to end markets. For these services, Encorp pays them transportation fees, fuel and processing fees.

Administration

Management of contracts, collection of revenues and payment of expenses.

Consumer Education and Awareness

Programs that encourage consumers to return containers for recycling.



Where the money is spent

Collection	\$71.6 million	57.6%
Transportation and Processing	\$35.4 million	28.5%
Administration Expenses	\$9.2 million	7.4%
Consumer Awareness	\$7.0 million	5.6%
Other Expenses*	\$1.1 million	0.9%

Total Expenditures \$124.3 million 100%

*Other Expenses include amortization.

Note: Calculations may show slight variances due to rounding.

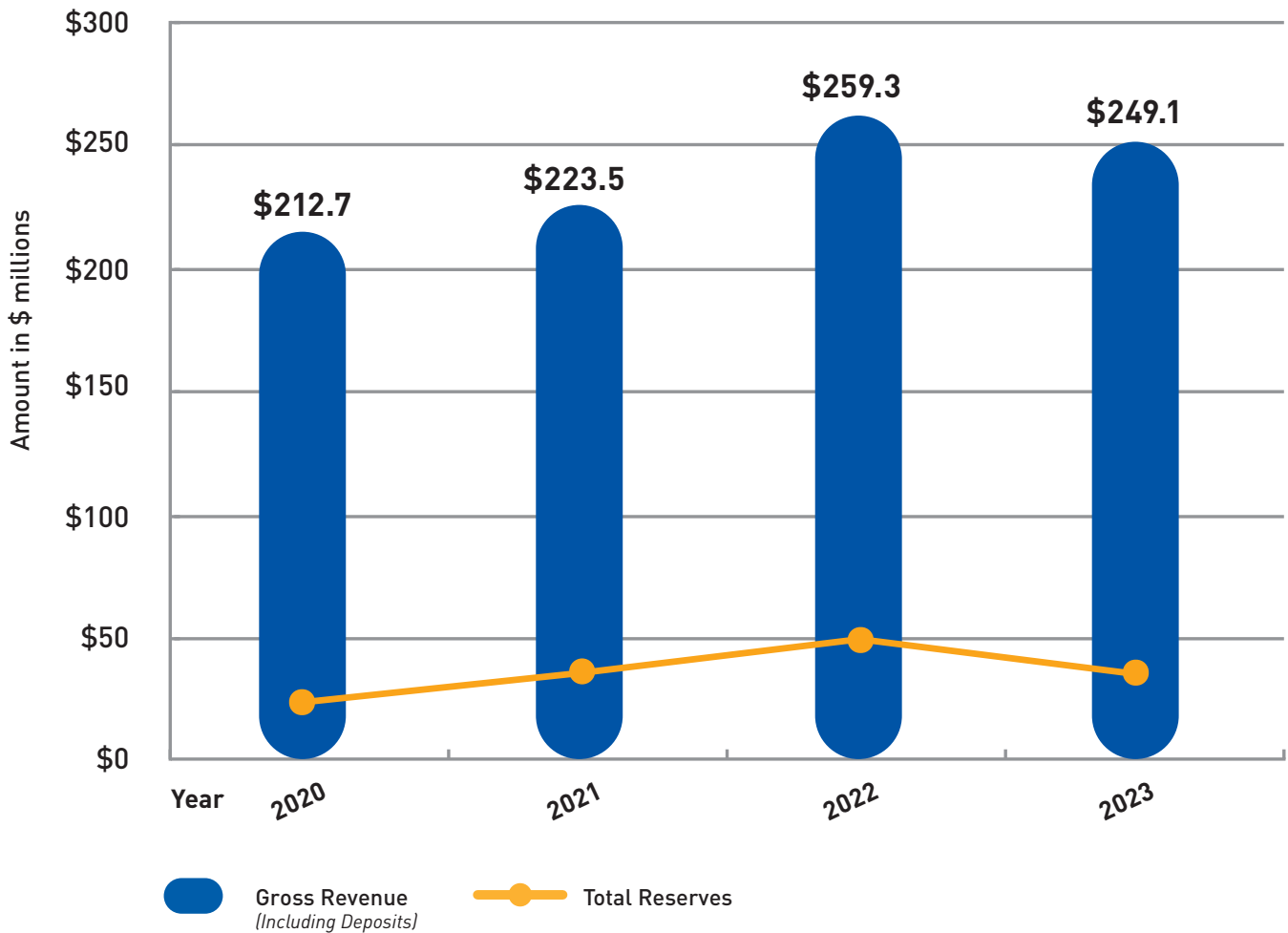
7.3 Operating Reserves

Purpose of the Operating Reserves

Encorp's reserves are built upon the principle of no cross-subsidization of container types and equitable treatment of brand owners. The operating reserves are required to provide stability to the system over the long term, to avoid cross-subsidization of container types, and to facilitate and stabilize the frequency of container recycling fee (CRF) changes.

CRFs may be raised, reduced or even eliminated in any given year to keep reserves within their targeted ranges. Reserves can also be reduced by increasing spending on activities designed to improve the recovery rate for a specific container type. The table shows the levels of reserves over recent years.

Total Revenue vs. Reserves 2020–2023



7.3 Operating Reserves

Management of the Operating Reserves

Encorp's financial model requires a reasonable level of operating reserves to provide stability to the system and ensure stable program operations continue through variable economic conditions. When these reserves rise above the targeted reserve range, measures are taken to reduce them to the appropriate level.

Encorp's operating reserves are maintained to meet the corporation's cash flow requirements, recognizing normal business volatility balanced over a period of three to five years.

Encorp's net assets decreased by \$12.8 million in 2023 for a total balance of \$35.6 million. The net assets include \$1.8 million in internally restricted reserves and \$33.8 million in operating reserves. The operating reserves are required to support weekly payments to customers, depots, transporters and consolidators during the six weeks of the peak season.

	Gross Revenue Including Deposits (\$ millions)	Total Expenses Including Deposit Refunds (\$ millions)	Surplus/ (Deficit) (\$ millions)	Net Assets Year-End (\$ millions)
2019	161.7	173.5	(11.8)	22.1
2020	212.7	211.8	0.9	23.0
2021	223.5	211.5	12.0	35.0
2022	259.5	246.0	13.5	48.5
2023	249.1	261.8	(12.8)	35.6

7.4 Container Recycling Fees

CRF stands for container recycling fee. This is the fee Encorp charges to cover the net cost of recycling a beverage container type after any unredeemed deposits and commodity revenues for that container type have been used.

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 CRFs are set annually at a level that 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.

Container Type	01-Feb-22	01-Feb-23
Aluminum	1.0 cent	N/A
Plastic ≤ 1L	2.0 cents	2.0 cents
Plastic > 1L	4.0 cents	1.0 cent
Polystyrene	2.0 cents	2.0 cents
Glass ≤ 1L	10.0 cents	13.0 cents
Glass > 1L	16.0 cents	15.0 cents
Bi-Metal ≤ 1L	1.0 cent	4.0 cents
Bi-Metal > 1L	N/A	N/A
Drink Boxes ≤ 500 ml	N/A	N/A
Drink Boxes 501 ml – 1L	N/A	N/A
Gable Top Carton ≤ 1L	N/A	N/A
Dairy Gable (All Sizes)	6.0 cents	1.0 cent
Gable Top Carton > 1L	4.0 cents	1.0 cent
Drink Pouches	N/A	N/A
Glass Wine & Spirits ≤ 1L	13.0 cents	14.0 cents
Glass Wine & Spirits > 1L	16.0 cents	15.0 cents
Non-Refillable Beer, Cider, Cooler Glass ≤ 1L	10.0 cents	11.0 cents
Non-Refillable Beer, Cider, Cooler Glass > 1L	16.0 cents	15.0 cents
Liquor Plastic ≤ 1L	2.0 cents	1.0 cent
Liquor Plastic > 1L	3.0 cents	1.0 cent
Liquor Bag-In-A-Box	12.0 cents	12.0 cents



8

Governance

Accountability and responsibility of the Board of Directors, and list of Board members.

Public duty and transparency of the Advisory Committee.

8.1 Board of Directors

Encorp recognizes that its responsibilities as an Industry Product Stewardship (IPS) organization requires a governance model that places great emphasis on high standards of accountability and transparency. As a non-share capital corporation under Part II of the Canada Corporations Act, Encorp identifies owners as members and not shareholders.

Encorp's ten-person Board of Directors is composed of nominees from five member industry groups plus two unrelated directors. From the members, two directors are appointed by the Canadian Beverage Association, representing the major soft drink bottlers. One member is appointed by each of the Canadian Bottled Water

Association, the Western Dairy Council and the Beverage Alcohol Containers Management Council of BC. Two are appointed by the Retail Council of Canada, representing the major retail grocery stores. The two unrelated directors have no relationship to any part of the beverage industry.

CHAIR OF THE BOARD

Dan Wong

President,
Right Hook Business Strategies Ltd.
Encorp Affiliation – Western Dairy Council
Committees – Audit / Compensation / Governance

Neil Antymis, ICD.D, CPA, CGA

Director, Government Affairs,
PepsiCo Beverages Canada
Encorp Affiliation – Canadian Beverage Association
Committee – Audit

Emil Joseph

Director, Quantum Strategy
Encorp Affiliation – Canadian Bottled Water Association
Committee – Audit

Julie Dickson Olmstead

Managing Director, Public Affairs and Corporate
Responsibility, Save-On-Foods
Encorp Affiliation – Retail Council of Canada
Committees – Governance / Compensation

Michael Forian-Zytynsky

Director, Keurig Canada, a KDP Company
Encorp Affiliation – Canadian Beverage Association
Committees – Governance / Compensation

John Irving

Encorp Affiliation – Unrelated Director
Committees – Governance / Compensation

John Nixon

Vice Chair 2023
Secretary, Beverage Alcohol Containers Management
Council of BC
Encorp Affiliation – Beverage Alcohol Containers
Management Council of BC
Committees – Audit / Governance

Greg Wilson

Director of Government Relations (BC),
Retail Council of Canada
Encorp Affiliation – Retail Council of Canada
Committee – Audit

Jane Butterfield

Encorp Affiliation – Unrelated Director
Committees – Audit / Human Resources
Appointed May 10, 2023

Liisa O'Hara, CPA, CGA

Encorp Affiliation – Unrelated Director
Committees – Audit / Compensation
Resigned May 10, 2023

8.2 Advisory Committee

Encorp carries a public duty and with it an obligation to maintain high standards of transparency and accountability.

Encorp's Advisory Committee, which is independent of the Board, comprises representatives of our diverse stakeholder groups, including depots, major retailers, regional districts and local governments. The Advisory Committee has been established to provide an avenue

for these external interests to be represented to the Board. The Committee reviews the strategic and operating plans and the financial and operating results, and its members can make recommendations to the Governance Committee and the Board.

Monica Kosmak – Co-Chair of the Advisory Committee
Senior Project Manager in the Solid Waste Strategic Services Branch, City of Vancouver
Resigned May 10, 2023

Bud Fraser – Co-Chair of the Advisory Committee
Senior Planning and Sustainability Engineer,
University of British Columbia
Resigned May 10, 2023

Lyndsay Poaps
Executive Director, Recycling Council of BC

Louise Schwarz
Co-founder and Co-owner, Recycling Alternative

Heidi Schumacher
Manager, Environmental Initiatives, Corporate Strategic Services, BC Liquor Distribution Branch

Tera D. Grady
Supervisor of Solid Waste Management,
Cariboo Regional District

Vince Spronken
Principal, Island Return-It Depot
Resigned May 10, 2023

Andrew Doi
Environment Planner, Metro Vancouver
Appointed May 10, 2023

Mark McLaughlin
Chief Commercial Services Officer, Ancillary Services,
Simon Fraser University
Appointed May 10, 2023

Chris Beach
Principal, Burns Lake Return-It Depot





9

Audited Statements

Independent auditor's report and financial statements from KPMG.

Independent reasonable assurance report for non-financial information.

9.1 Management's Responsibility for Financial Reporting

May 13, 2024

The financial statements of Encorp Pacific (Canada) have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). Any financial information contained elsewhere in this report has been reviewed to ensure consistency with the financial statements.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements are prepared in a timely manner.

Encorp Pacific (Canada) maintains a system of internal accounting and administrative controls. They are designed to test the adequacy and consistency of internal controls, practices and procedures. KPMG, the independent auditors appointed by the Board of Directors, has audited the financial statements of Encorp Pacific (Canada) in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and expresses an opinion on the financial statements of Encorp Pacific (Canada).



Cindy Coutts

President & CEO



Mike McKay, CPA, CGA

CFO

9.2 Independent Auditor's Report and Financial Statements



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Members of Encorp Pacific (Canada):

Opinion

We have audited the financial statements of Encorp Pacific (Canada) (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter - Comparative Information

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 10, 2023.



Encorp Pacific (Canada)
Page 2

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Encorp Pacific (Canada)
Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 7, 2024

Statement of Financial Position

ENCORP PACIFIC (CANADA)


Statement of Financial Position

December 31, 2023, with comparative information for 2022


	2023	2022
Assets		
Current assets:		
Cash	\$ 58,606,838	\$ 70,933,838
Accounts receivable, net of allowance for doubtful accounts of \$275,759 (2022 - \$13,571))	6,850,495	6,935,924
Prepaid expenses and deposits	999,233	1,473,350
	<u>66,456,566</u>	<u>79,343,112</u>
Capital assets (note 4)	13,251,084	8,385,597
	<u>\$ 79,707,650</u>	<u>\$ 87,728,709</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 27,448,032	\$ 24,184,721
Deferred revenue	10,721,835	11,612,659
Advance payment from brand owners	1,964,218	1,814,025
Current portion of debt (note 5)	2,353,981	52,614
	<u>42,488,066</u>	<u>37,664,019</u>
Debt (note 5)	1,613,494	1,666,829
	<u>44,101,560</u>	<u>39,330,848</u>
Net assets:		
Internally restricted reserve (note 6(a))	1,788,234	8,188,419
Geographic coverage reserve (note 6(b))	22,869,362	25,408,602
Investment in capital assets	9,283,609	6,666,154
Unrestricted	1,664,885	8,134,686
	<u>35,606,090</u>	<u>48,397,861</u>
Commitments (note 7)		
Subsequent events (note 10)		
	<u>\$ 79,707,650</u>	<u>\$ 87,728,709</u>

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

Approved by the Board:



 _____ Director



 _____ Director

Statement of Operations

ENCORP PACIFIC (CANADA)

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Deposit on containers	\$ 172,670,289	\$ 166,107,152
Deposit refunded	(137,516,157)	(127,248,042)
	<u>35,154,132</u>	<u>38,859,110</u>
Container recycling fees	42,370,708	52,815,899
Sale of recyclable materials	21,768,174	28,589,631
Contract fees	8,615,128	9,340,958
Interest income	3,236,523	1,342,053
Other	419,345	33,385
	<u>111,564,010</u>	<u>130,981,036</u>
Operating expenses:		
Collection	71,576,949	68,707,065
Transportation and processing	35,355,327	36,215,050
	<u>106,932,276</u>	<u>104,922,115</u>
Other expenses:		
General and administrative	9,150,325	7,469,022
Consumer awareness	7,036,423	5,417,954
Amortization	1,079,650	849,305
Foreign exchange loss (gain)	157,107	(1,127,304)
	<u>17,423,505</u>	<u>12,608,977</u>
Excess (deficiency) of revenue over expenses	\$ (12,791,771)	\$ 13,449,944

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

Statement of Changes in Net Assets

ENCORP PACIFIC (CANADA)

Statement of Changes in Net Assets

Year ended December 31, 2023, with comparative information for 2022

	Internally restricted reserve	Geographical coverage reserve	Investment In capital assets	Unrestricted	2023 Total	2022 Total
Balance, beginning of year	\$ 8,188,419	\$ 25,408,602	\$ 6,666,154	\$ 8,134,686	\$ 48,397,861	\$ 34,947,917
Excess (deficiency) of revenue over expenses	-	-	(1,269,298)	(11,522,473)	(12,791,771)	13,449,944
Changes in investment in capital assets	-	-	3,886,753	(3,886,753)	-	-
Transfers to reserves:						
Internally restricted reserve (note 6(a))	(6,400,185)	-	-	6,400,185	-	-
Geographic coverage reserve (note 6(b))	-	(2,539,240)	-	2,539,240	-	-
Balance, end of year	\$ 1,788,234	\$ 22,869,362	\$ 9,283,609	\$ 1,664,885	\$ 35,606,090	\$ 48,397,861

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

Statement of Cash Flows

ENCORP PACIFIC (CANADA)

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ (12,791,771)	\$ 13,449,944
Items not involving cash:		
Amortization	1,079,650	849,305
Loss on disposal of capital assets	189,648	37,582
	(11,522,473)	14,336,831
Changes in non-cash operating items:		
Accounts receivable	85,429	3,001,436
Prepaid expense and deposits	474,117	174,124
Accounts payable and accrued liabilities	3,263,311	2,460,287
Deferred revenue	(890,824)	1,450,142
Advance payment from brand owners	150,193	80,824
	(8,440,247)	21,503,644
Investing:		
Purchase of capital assets	(6,138,585)	(1,317,599)
Proceeds from sale of capital assets	3,800	5,500
	(6,134,785)	(1,312,099)
Financing:		
Proceeds from debt	2,300,000	-
Repayments of debt	(51,968)	(51,799)
	2,248,032	(51,799)
Net change in cash	(12,327,000)	20,139,746
Cash, beginning of year	70,933,838	50,794,092
Cash and cash equivalents, end of year	\$ 58,606,838	\$ 70,933,838
Non-cash transactions:		
Deposits transferred to capital assets	\$ -	\$ 1,135,033

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

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Nature of operations:

Encorp Pacific (Canada) (the "Corporation") was incorporated without share capital pursuant to Part II of the Canada Corporations Act on October 1, 1998 and continued effective June 11, 2014 under the Canada Not-for-Profit Corporations Act. The Corporation is exempt from income taxes and carries on its operations without monetary gain to its members.

The Corporation has been appointed by participating brand owners to carry out its duties pursuant to the terms of the Recycling Regulation of the Environmental Management Act of British Columbia.

Under this appointment, the Corporation acts to develop a Stewardship Plan in the form prescribed by the Recycling Regulation for the collection and management of containers for and on behalf of the brand owners in an efficient, cost-effective, and socially and environmentally responsible manner. The appointment also allows the Corporation to establish charges for its services as required to generate fees sufficient to meet its current and future financial requirements, including deposit refunds and operating costs.

The objectives of the Corporation are to promote and facilitate the recycling of used beverage containers in British Columbia through education, public awareness and management under the Recycling Regulation. Although an excess or deficiency of revenue over expenses may occur on an annual basis, the Corporation's objective is to operate on a cost recovery basis.

Under contract, the Corporation also provides material handling with respect to recycling of certain consumer electronics.

2. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), incorporating the following significant accounting policies:

(a) Controlled entities:

(i) Encorp Pacific Inc.:

The Corporation owns 100% of the issued and outstanding share capital of Encorp Pacific Inc. ("EPI"). The Corporation accounts for this investment using the equity method and provides the disclosures on the balances and transactions of EPI in note 8(a).

(ii) 1304620 B.C. Ltd.:

The Corporation owns 100% of the issued and outstanding share capital of 1304620 B.C. Ltd.. The Corporation accounts for this investment using the equity method and provides the disclosures on the balances and transactions of 1304620 B.C. Ltd. in note 8(b).

Through a bare trust agreement dated May 20, 2021, the Corporation is the beneficial owner of 100% of the real property to which 1304620 B.C. Ltd. holds legal title, and as a result the balances of the trust are included in these financial statements.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(b) Revenue:

Deposits on containers and container recycling fees are received from brand owners on each container sold in the province of British Columbia. The Corporation records revenue from deposits on containers and container recycling fees as services are provided in relation to its obligations under the Stewardship Plan.

Contract fees relate to service contracts with other stewardship agencies and are recognized as revenue as the services are provided.

Sales of recyclable materials revenue is recognized when the containers are shipped to recyclers.

(c) Deferred revenue:

The Corporation defers revenue related to deposits and container recycling fees received or receivable prior to year-end for which the related deposit refunds, collection fees and transportation and processing fees will be paid for container returns received subsequent to year-end. The determination of such a deferral is subject to estimates that reflect management's determination of the most probable set of economic conditions for the estimated turnaround time for consumers returning used beverage containers for refunds. During the year ended December 31, 2023, the turnaround time was estimated to be 7.5 weeks (2022 - 7.5 weeks).

(d) Direct operations expenses and other expenses:

Collection fees to depots and transportation and processing fees are recorded on the date the containers are collected by transporters. Other expenses are recorded in the period the related goods or services are received.

(e) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the statement of financial position date. Exchange differences are included in income as they arise. Revenues and expenses denominated in foreign currencies are translated at the exchange rate prevailing at the transaction date.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(f) Capital assets:

The Corporation records capital assets at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Asset	Rate
Building	10 years
Mobile Compaction	10 years
Express & Go stations	5 years
Computer hardware	3 years
Office equipment	5 years
Leasehold improvements	3 to 5 years
Computer software	3 years

Assets under development are not subject to amortization until development is complete.

Capital assets are assessed for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to the Corporation's ability to provide services or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, a nonreversible impairment expense is recorded as the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

(g) Leases:

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to ownership of the property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the present value of the lessee's minimum lease payments or the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases.

(h) Financial instruments:

The Corporation's financial instruments consist of cash, accounts receivable, accounts payable and debt.

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Corporation becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Corporation is in the capacity of management, are initially recognized at cost.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Significant accounting policies (continued):

(h) Financial instruments (continued):

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Corporation in the transaction. Subsequently, all financial instruments are measured at amortized cost unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

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

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

(i) Use of estimates:

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

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

These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

Actual results could differ from those estimates.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

3. Government remittances:

Government remittances consist of amounts, such as payroll withholdings, sales taxes, employer health tax and Workers' Compensation Board remittances, required to be paid to government authorities and are recognized when the amounts become due. As at December 31, 2023, government remittances are in an aggregate net receivable of \$414,578 (2022 - \$177,353). There are no government remittances payable as at December 31, 2023 and 2022.

4. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Infrastructure for operations:				
Land	\$ 8,531,722	\$ -	\$ 8,531,722	\$ 3,680,786
Building	78,467	11,791	66,676	28,411
General:				
Mobile Compaction	3,163,546	820,551	2,342,995	2,761,599
Express and Go stations	1,540,083	386,630	1,153,453	796,394
Computer hardware	3,662,182	3,312,535	349,647	356,453
Office equipment	1,057,424	915,552	141,872	141,155
Leasehold improvements	692,059	512,527	179,532	410,178
Computer software	362,925	223,758	139,167	210,621
Work in progress	346,020	-	346,020	-
	<u>\$ 19,434,428</u>	<u>\$ 6,183,344</u>	<u>\$ 13,251,084</u>	<u>\$ 8,385,597</u>

5. Credit facilities:

	2023	2022
Revolving demand facility (a)	\$ -	\$ -
Non-revolving term loan (b)	1,667,475	1,719,443
Non-revolving term loan (c)	2,300,000	-
	<u>3,967,475</u>	<u>1,719,443</u>
Less current portion	(2,353,981)	(52,614)
	<u>\$ 1,613,494</u>	<u>\$ 1,666,829</u>

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. Credit facilities (continued):

The Corporation entered into credit agreement with Royal Bank of Canada ("RBC") dated May 10, 2023 ("2023 Agreement") which replaced its existing credit agreement with RBC. The 2023 Agreement provides for the following facilities:

- (a) a revolving demand facility of up to \$2,000,000 bearing interest at RBC's prime rate plus 0.25% per annum. No amounts were drawn on this facility as at December 31, 2023 and 2022.
- (b) a non-revolving term loan bearing interest at a fixed rate of 2.81% per annum. The loan is repayable monthly in blended payments of \$8,356 and repayable in full on May 27, 2026. During the year ended December 31, 2023, interest related to this loan, which is included in general and administrative expenses, was \$48,306 (2022 - \$48,473).
- (c) a non-revolving term loan in the amount of \$2,300,000. This facility was a new facility added in the 2023 Agreement. The facility is available in variable rate loans, fixed rate term loans, or bankers acceptances. The Corporation drew the entire \$2,300,000 in fiscal 2023 by way of a variable rate loan which bears interest at RBC's prime rate per annum. The loan is repayable in full on May 15, 2024.
- (d) a revolving lease line of credit in the amount of \$1,000,000 which are subject to separate agreements to be entered into with RBC. No leases were drawn on this facility as at December 31, 2023 and 2022.

The facilities under the 2023 Agreement are secured by a general security agreement with first ranking security interest on all property of the Corporation.

The aggregate minimum amount of payments required in the next three years are as follows:

2024	\$ 2,353,981
2025	55,648
2026	1,557,846
	\$ 3,967,475

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Internally restricted net assets:

(a) Internally restricted reserve:

The Board of Directors has established an internally restricted reserve in recognition of the principle that the costs of recycling each container type are to be borne independent of other container types. The objective of the reserve is to defer the implementation of the container recycling fee on container types for which the current unredeemed deposits exceed the net costs of recycling. The reserve level is reviewed annually. The reserve may also be used to develop and implement strategies to improve recovery rates of these specific containers. As a result of the annual review, an amount of \$6,400,185 was transferred from the internally restricted reserve during fiscal 2023 (2022 - \$720,871 was transferred to the internally restricted reserve).

(b) Geographical coverage reserve:

The Board of Directors has established a geographical coverage reserve. The purpose of the geographical coverage reserve is to increase the geographical coverage in areas where adequate Return-It collection sites are not available and thereby maximize the recovery of deposit bearing beverage containers for recycling. The reserve level is reviewed annually. As a result of the annual review, an amount of \$2,539,240 was transferred from the geographical coverage reserve during fiscal 2023 (2022 - \$25,408,602 was transferred to the geographical coverage reserve).

7. Commitments:

The Corporation has entered into operating leases for its premises and certain equipment. The total future minimum lease payments and related minimum maintenance and services fees for the next five years and thereafter are as follows:

2024	\$ 767,278
2025	767,804
2026	568,379
2027 and thereafter	79,650
	\$ 2,183,111

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Related parties:

(a) EPI:

The Corporation owns 100% of EPI. EPI is inactive and its balance sheet is as follows:

Cash	\$	2
Shareholder's equity		2

(b) 1306420 B.C. Ltd.:

The Corporation owns 100% of 1306420 B.C. Ltd. The Corporation has no transactions or balances other than in relation to real property covered by the bare trust agreement.

(c) Directors' fees:

During the year ended December 31, 2023, the Corporation paid \$206,960 (2022 - \$199,608) in directors' fees, which is included in general and administrative expenses.

9. Financial risks:

(a) Foreign currency risk:

Foreign currency risks is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Corporation is exposed to foreign exchange risk through its cash, accounts receivable and accounts payable and accrued liabilities denominated in US dollars. At December 31, 2023, the net US dollar exposure on cash, accounts receivable, accounts payable and accrued liabilities was US\$3,997,206 (CAD \$5,294,979) (2022 - US\$2,436,186 (CAD \$3,299,424)). The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

(b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Corporation is exposed to interest rate risk through use of debt facilities (note 5). The Corporation does not use derivative instruments to reduce its exposure to interest rate risk.

(c) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk through its cash and accounts receivable. The Corporation maintains its cash with a major, reputable financial institution. Accounts receivable consists of amounts outstanding from brand owners and material recyclers. The Corporation monitors the creditworthiness of brand owners and material recyclers to minimize the risk of loss.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. Financial instruments (continued):

(d) Liquidity risk:

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation's objective is to have sufficient liquidity to meet its liabilities when due. The Corporation monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2023, the most significant financial liabilities are accounts payable and accrued liabilities and debt.

There has been no change in risk exposure from 2022.

10. Subsequent events:

On January 26, 2024, the Corporation acquired land and building for infrastructure for operations for cash of \$1,600,000. The amount was financed through an amendment to the 2023 Agreement to add a credit facility for \$1,600,000. The facility bears interest at a fixed rate of 6.05% with monthly repayments of \$10,360. The facility has a term of 36 months and an amortization period of 25 years. The facility is subject to the same general security agreement (note 5).

9.3 Independent Reasonable Assurance Report



KPMG LLP

PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604 691 3000
Fax 604 691 3031

INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT

To the Board of Directors of Encorp Pacific (Canada)

We have undertaken a reasonable assurance engagement of the following information (the "subject matter information") detailed within the Annual Report (the "Report") of Encorp Pacific (Canada) (the Entity) and included in Appendix 1 of this assurance report, for the year ended December 31, 2023:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of B.C. Regulation 449/2004 (the "Recycling Regulation");
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- Performance for the year in relation to approved targets under Sections 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

The Entity has applied internally developed criteria detailed within Appendix 1 which form an integral part of the subject matter information ("applicable criteria").

Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes developing appropriate criteria.



Encorp Pacific (Canada)
Page 2

Our Responsibilities

Our responsibility is to express a reasonable assurance opinion on the subject matter information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter information is free from material misstatement.

Reasonable assurance is a high level of assurance but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of our report.

The nature, timing and extent of procedures performed depends on our professional judgment, including an assessment of the risks of material misstatement, whether due to fraud or error, and involves obtaining evidence about the subject matter information.

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

Our Independence and Quality

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants and the independence and other ethical requirements of relevant rules of professional conduct/code of ethics in Canada applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Significant Inherent Limitations

Non-financial information, such as that included in the Report, is subject to more inherent limitations than financial information, given the characteristics of the subject matter information and the availability and relative precision of methods used for determining both qualitative and quantitative information. The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable, measurement techniques which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in management's internally developed criteria, may change over time. It is important to read the applicable criteria in Appendix 1.



Encorp Pacific (Canada)
Page 3

Opinion

In our opinion, the subject matter information of the Entity detailed within the Report of the Entity and Appendix 1 for the year ended December 31, 2023, is prepared, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information

The subject matter information has been prepared in accordance with the applicable criteria by the Entity to meet the requirements of regulations 8(2)(d). As a result, the subject matter information and the Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slightly slanted font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada
June 26, 2024

ENCORP (PACIFIC) CANADA

Appendix 1
Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

Section 8(2)(b) the location of its collection facilities, and any changes in the number and location of collection facilities from the previous report.

SUBJECT MATTER INFORMATION

Specific information in the Annual Report for which applicable criteria were developed		
Disclosed information	2023 Claim in the Annual Report	Report Reference
Number of collection facilities	180 facilities	Collection System and Facilities section of Executive Summary on page 1.
Changes in number of collection facilities	1 collection site closed during 2023. 4 collection sites joined the Encorp program during 2023.	

APPLICABLE DEFINITIONS

The following definitions were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- i. Collection Facility: a Return-It™ Depot that has an agreement for the collection of used beverage containers or operates as a corporate Return-It Express Plus™ or a Return-It Express & Go™ unstaffed location.
- ii. List of Return-It™ collection facilities: is a registry of Return-It™ Depots, Return-It Express Plus™ and Return-It Express & Go™ unstaffed stations containing contact information (location, contact and hours of operation) maintained by Encorp.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

APPLICABLE CRITERIA

The following applicable criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

1. The number of collection facilities is obtained from the List of Return-It™ collection facilities as of December 31.
2. The calculation of the number of Return-It™ collection facilities is done by adding up the total number of Return-It™ collection facilities in the List.
3. The listing is done on a monthly basis.
4. The changes in the number of collection facilities are highlighted in the monthly depot list with the summary provided at the end of the year.
5. A summary reconciliation is completed at year-end identifying the depots at the beginning of the year, changes during the year and the number of depots at the end of the year.

ENCORP (PACIFIC) CANADA

Appendix 1
Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

Section 8(2)(d) product management in accordance with pollution prevention hierarchy.

SUBJECT MATTER INFORMATION

Specific information in the Annual Report for which applicable criteria were developed		
Disclosed information	2023 Claim in the Annual Report	Report Reference
A description of how the recovered product was managed in accordance with the pollution prevention hierarchy	Description of the fate of material	'Fate of Material (2023)' column from Section 5.1 Container Recycling End Fate Report on pages 42 to 43.

APPLICABLE DEFINITIONS

The following definitions were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation:

- i. Weight of material collected: Weight obtained from processors invoices for the units collected and processed.
- ii. Weight of material recycled: Weight of baled material as per shipments received by recyclers based on outbound movement authorizations / commodity revenue supporting documents.
- iii. End of life: for used beverage containers is determined when the recovered containers are separated by material stream and delivered to the end recyclers approved by Encorp through a vendor certification process.
- iv. End Recycler: a facility that uses processed used beverage containers to transform recovered material into other product.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

APPLICABLE CRITERIA

The following applicable criteria were applied to the assessment of the description of how the recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation:

1. All non-refillable containers collected during the year are delivered to processing sites across the province of BC where the containers are grouped into six material categories defined in the Stewardship Plan: Aluminium, Plastic, Glass, Polycoat, Pouches, Bag-In-Box, and Bi-Metal and baled for further processing with the exception of glass that is crushed.
2. Once processed, each material stream is shipped to its own end recycler approved by Encorp through a vendor qualification program.
3. Each shipment is documented with the weight of material shipped on the transporter document (waybill/movement authorization form, export declaration).
4. The total weight of material recycled is obtained from the list of shipments to each end recycler in a calendar year by material type.
5. The total weight recycled is compared to the total weight of material collected to assess reasonableness of the total recycled weight published in the Annual report. The calculation of weight of material collected is derived from the weight invoiced by processors for the units processed by material type. A comparison of past three years weight of units processed by commodity type is carried out every year. A significant variance between the weight processed year on year compared to units collected is investigated.

ENCORP (PACIFIC) CANADA

Appendix 1
Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

Section 8(2)(e) the total amount of the producer’s product sold/collected and the producer’s recovery rate

SUBJECT MATTER INFORMATION

Specific information in the Annual Report for which applicable criteria were developed		
Disclosed information	2023 Claim in the Annual Report	Report Reference
Product sold	Total sales in units – 1,726,702,889	'Product Sold / Collected and Recovery Rate' section of the Executive Summary on page 2.
Product collected	Total product collected in units – 1,375,161,566	
Recovery rate	Recovery rate – 79.6%	

APPLICABLE DEFINITIONS

The following definitions were applied to the assessment of how the total amounts of the producer’s product sold and collected and, if applicable, the producer’s recovery rate has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

- i. Recovery Rate: A calculated value derived from dividing total units collected by total units sold and measured as percentage rounded to the first decimal point.
- ii. Product Sold: Number of units (beverage containers) reported by Brand Owners to Encorp.
- iii. Brand Owners: Producers as defined in Schedule 1 of the Recycling Regulation.
- iv. Product Collected: Number of units (used beverage containers) collected by Encorp.
- v. Containers-in-Transit: Containers for which deposits were received but will be refunded subsequent to year-end. The estimated turnaround time for consumers returning used beverage containers for deposit refunds is estimated to be 7.5 weeks.
- vi. Movement Authorization (MA): A document indicating a number of containers and number of shipping containers (bags) collected by transporters on behalf of Encorp.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

APPLICABLE CRITERIA

The following applicable criteria were applied to the assessment of how the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

1. The Recovery Rate is determined by dividing the Product Collected by the Product Sold.
2. The Product Sold is based on the reported units sold from sales reports received by Encorp from the Brand Owners in unit sales.
3. The reported units sold are adjusted at year-end to account for Containers-in-Transit.
4. The Product Collected is based on the number of used beverage containers covered by the approved Stewardship Plan and collected by Encorp, as indicated in the Movement Authorization form, during the calendar year.
5. The Product Sold and Product Collected, and the Recovery Rate reconcile to the numbers published in the Annual Report. Once processed, each material stream is shipped to its own end recycler approved by Encorp through a vendor qualification program.

ENCORP (PACIFIC) CANADA

Appendix 1
Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

Section 8(2)(g) the performance for the year in relation to approved targets under Section 8(2)(b), (d) and (e).

SUBJECT MATTER INFORMATION

Specific information in the Annual Report for which applicable criteria were developed		
Disclosed information	2023 Claim in the Annual Report	Report Reference
Targets associated with Section 8(2)(b): <ul style="list-style-type: none"> Percentage of the population covered by container redemption facilities - 97% target 	Percentage of the population covered by container redemption facilities – 99.2%	'2023 Access Level' from Collection System and Access section of Executive Summary on page 1. .
Targets associated with Section 8(2)(e): <ul style="list-style-type: none"> Recovery rate with the inclusion of milk and milk substitute products –80% target 	Recovery rate – 79.6%	'Product Sold / Collected and Recovery Rate' section of the Executive Summary on page 2.

APPLICABLE DEFINITIONS

The following definitions were applied to the assessment of performance for the year in relation to the specific targets associated with Section 8(2)(b), (d) and (e) of the Recycling Regulation and the approved stewardship plan.

- i. Container redemption facility: 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.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2023

APPLICABLE CRITERIA

The following applicable criteria were applied to the description of performance for the year in relation to the specific targets associated with Section 8(2)(b), (d) and (e) of the Recycling Regulation and the approved stewardship plan:

1. Targets in the approved stewardship plan have been identified and reported on by management in the annual report.
2. The description of progress against targets to date is supported by records of progress maintained by Encorp.
3. Reporting on the “coverage” of the collection network is based on the percentage on British Columbia residents living within 30 minutes (urban areas) or 45 min (rural areas) of a container redemption facility.



Encorp Pacific (Canada)
100-4259 Canada Way, Burnaby, BC V5G 4Y2
Tel 1-800-330-9767 Fax 604-473-2411
Customer Relations Team: 1-855-350-2345
Email: customerservice@returnit.ca return-it.ca

