



2024 ANNUAL REPORT

30 years of beverage container recycling

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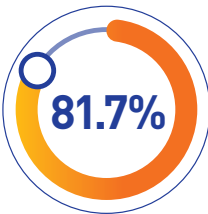
Executive Summary, Program Performance



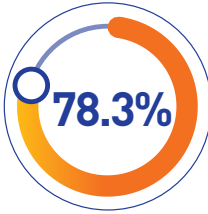
Encorp Pacific (Canada) is the not-for-profit stewardship agency appointed to fulfill the requirements of the Recycling Regulation, Schedule 1, Beverage Container Product Category (BC Reg. 449/2004). The Encorp Stewardship Plan includes all ready-to-drink beverage containers sold in British Columbia 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 and stand-up pouches, as well as refillable bottles on behalf of appointed producers.

return-it.ca

2024 RECOVERY RATE
75% Regulated Requirement



Stewardship
Plan Target



Actual
Recovery Rate

▲ 3.3% Above Regulation

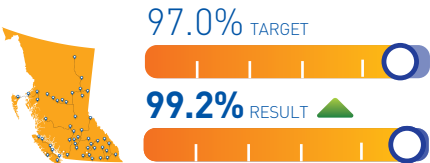
▼ 3.4% Under Plan Target

	ALUMINUM	GLASS	PLASTIC ≤ 1L	PLASTIC > 1L	DRINK BOX	BAG-IN-A-BOX	BI-METAL	GABLE TOP	POUCHES
2024 RECOVERY	82.3% ▼	87.6% ▼	77.8% ▼	86.5% ▲	48.3% ▼	55.9% ▲	79.4% ▲	60.6% ▼	23.7% ▼
2023 RECOVERY	84.1%	89.9%	78.6%	78.3%	58.8%	54.2%	78.6%	62.7%	33.0%
TARGET	83.4%	94.3%	75.6%	86.5%	75.0%	75.0%	87.0%	75.0%	75.0%

COLLECTION SYSTEM AND ACCESS

99.2% of BC’s population has access to a beverage container return facility, compared to the target in Encorp’s Stewardship Plan of 97%. Return-It’s collection system and consumer access are measured annually by using GIS mapping of all collection locations and matching the location to the population base and drive time radius. In urban areas, the drive time radius is set at 30 minutes; however, most locations are within a 15-minute drive time and 45 minutes in rural areas. See GIS Mapping and Accessibility on page 34.

2024 ACCESS LEVEL



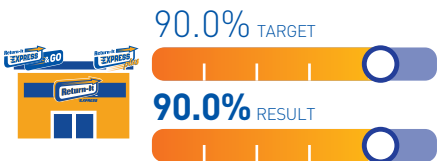
CONSUMER AWARENESS OF LOCATIONS

The Return-It™ network consists of both corporate and independently owned and operated Return-It depot collection facilities that have collection agreements with Encorp.

Consumer awareness of locations and program are measured using the same market research study and methodology.

	2024	2023	Change
Depots	163	162	1
Corporate Express	20	18	2
Total Return-It Network	183	180	3

2024 AWARENESS OF LOCATIONS



2024 PROGRAM AWARENESS



95.0% TARGET

99.0% RESULT

PUBLIC EDUCATION MATERIALS & STRATEGIES

Consumer awareness levels 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, Return-It conducts a Segmentation Analysis to better understand consumer behaviour and identify target audiences, particularly around the throw-away behaviour of each target group. See Research and Segmentation Analysis on page 10.

PRODUCT ENVIRONMENTAL IMPACT

Encorp's activities in 2024 contributed to the reduction of about 125.9 thousand tonnes of carbon dioxide equivalent (CO₂e) being released into the atmosphere, compared to 125.2 thousand tonnes in 2023. See Environmental Report on page 41.

Containers collected by Encorp in 2024 were shipped to recyclers for further processing into new material in accordance with Section 8 of the Recycling Regulation. See End Fate information on page 37.



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

	2023	2024
Metric weight of materials diverted from landfill	90,283	87,438
GHG emissions and MT-CO ₂ eq avoided	125.2	125.9
GHG reduced from Encorp's operations compared to 2019 baseline	(33%)	(50%)

MANAGEMENT OF PROGRAM COSTS

Return-It has continued its commitment to circularity by managing the sale and recovery of beverage containers across British Columbia. In 2024, over 1.3 billion containers were prevented from going to landfills, representing a 78.3% overall recovery rate. The provincial per capita recovery rate averages 239.9 units per person. These figures highlight not only the scale of Encorp's operations but also the collective effort of people living in British Columbia in contributing to a more sustainable future. See Deposits, Refunds and Recovery on page 44.

In British Columbia, a deposit is paid on every eligible beverage container sold in BC. In 2024, Return-It issued \$136,729,692 in deposit refunds; unclaimed deposits are used to 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 (CRF) 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 57.

PRODUCT SOLD AND COLLECTED AND RECOVERY RATE

Total Sales in Units	1,747,189,325
Total Product Collected in Units	1,367,296,925
Recovery Rate	78.3%
Provincial Per Capita Recovery	239.9

SUMMARY OF DEPOSITS, REFUNDS, REVENUES AND EXPENSES

Deposits Collected	\$174,731,036
Refunds Issued	\$136,729,692
Total Revenue	\$139,050,152
Total Expenses	\$123,567,393

The background features a collage of various recycling symbols in a light orange color. These include a recycling triangle, a bottle, a can, a jug, a glass, and a box. A large, solid blue rectangle is centered on the page, serving as a backdrop for the text.

02

PROGRAM OUTLINE

2.1 Message from the Chair

This past year marked Encorp's 30th anniversary, a true milestone for an organization formed initially as a practical response to a set of urgent challenges with no real assurance that it would stand the test of time. Now, three decades later, we have an opportunity to reflect on the journey of our organization, its challenges, solutions and successes over the years. While 2024 was a time to celebrate past achievements, the Board of Directors and management team remained keenly focused on continuing to deliver efficient recovery and recycling of used beverage containers and to position ourselves for the future.

Convenience for consumers remains a primary challenge, one that Encorp is addressing by bolstering its commitment to the Express program. This includes expanding access to over 110 locations, including 20 Express locations, with nearly 350,000 registered Express customers, who are now realizing the ease and convenience of the service.

Much of the work undertaken in 2024 was laying the groundwork for the kind of resiliency and adaptability needed to ensure the continued success of the beverage container return system in BC over the next 30 years. Projects such as the new Return-It app, research and development into AI counting, and construction of our first corporately owned and operated full-service return facility were part of our broader commitment to ensure the system is configured to meet the unique and, in some cases, unprecedented challenges that lie ahead. Whether they're economic challenges prompted by geopolitical events, geographic challenges prompted by high real estate and planning costs, or demographic and lifestyle changes among BC consumers, our task is to ensure the system is adequately equipped to deliver the recycling services British Columbians deserve and expect.

Of particular value were the 10 in-person depot meetings held throughout the province in 2024. Since the pandemic, this was one of the first opportunities we've had to gather

in groups with our depot partners. The depot network has been the backbone of the recycling system in BC since its inception, and we hope that the willingness to collaborate continues.

Encorp Pacific has come a long way over the last 30 years. Everything we've achieved in the past and everything we hope to achieve in the future are only possible with the support and collaboration of our many partners and stakeholders. Let me take this opportunity to thank everyone who has contributed over the past 30 years to a program widely regarded as a model for managing used beverage containers. To our founders, our Board members, our excellent management and staff, our depot partners and our service providers past and present – thank you. Together, we look forward to continued collaboration for many more years to come.



Dan Wong
Board Chair

A stylized, handwritten signature in black ink, appearing to read 'Dan Wong'.

2.2 Message from the CEO

As we mark Encorp's 30th anniversary, 2024 has been a year of both reflection and momentum—a time to recognize how far we've come and to sharpen our focus on where we're headed. What began in 1994 as a system to collect and recycle beverage containers on behalf of appointed producers has grown into a cornerstone of British Columbia's circular economy.

This past year, our network continued to expand, driven by our commitment to make recycling more convenient and accessible for everyone, particularly in the Lower Mainland. Our easy and convenient Express collection program continues to grow. Today, nearly 350,000 British Columbians use Express, and we've seen strong growth in user satisfaction, resulting in 15% of our returns through this channel. With 57% of our depot network now offering the Express service, we're at the tipping point towards full provincial adoption. We opened new Express & GO stations in Steveston and Lumby, reopened critical depot locations in Abbotsford, Hope and Burnaby, and supported partners through cost-sharing and pilot programs aimed at operational efficiency.

We also deepened our relationships with Indigenous communities through our ongoing partnerships with the First Nations Recycling Initiative (FNRI) and the Indigenous Zero Waste Technical Advisory Group (IZWTAG), helping address accessibility challenges in remote regions. At a regional level, in-person depot meetings reconnected us with operators and directly led to action, such as introducing a new optional insurance offering, and collaborating with BC Centre for Disease Control on the safe disposal of syringes found in containers.

While we celebrate progress, we continue to navigate challenges. The global macroeconomic environment remains an unpredictable trial for most industries, and we are not exempt: tariffs negatively impact the cost of recycling since we rely heavily on an integrated North American market for recycling. New complex container

types entering the market, and changes in consumer preferences require constant adaptation. Advancement in technology is occurring at an unprecedented pace; by embracing the adoption of these advancements, we will find and build efficiencies into all facets of the system. From new software to technology-driven material processing, and the two AI pilots Encorp has launched, we are preparing for the future.

In 2024, we strengthened national deposit return collaboration through the Beverage Container Recycling Network of Canada, launched our new Brand Owner newsletter, *Container Talk*, and helped clarify registration and Container Recycling Fee (CRF) compliance processes. We also continued to invest in public awareness and education, targeting youth, multicultural audiences, and underperforming container types with targeted campaigns.

Thank you to our business partners, depot operators, staff and every British Columbian who contributed to our mission this year. Your dedication and collaboration are what drive beverage container circularity in British Columbia.



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 business model that enhances in-house strength with outsourced expertise, Encorp is able to adapt 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:

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

As a leader in extended producer responsibility, over the last 30 years Encorp has diverted billions of containers from landfills and waterways. Encorp recovers a variety of materials, including aluminum cans, plastic bottles, drink boxes, gable top cartons, glass, bi-metal, pouches and bag-in-a-box packaging. Encorp develops, manages and improves systems to recover used beverage containers for recycling, promoting circularity through innovation and partnership.

Encorp's Business Model

In the beginning, Encorp's business model 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 2024, Encorp owns and leases seven properties, operates 20 Express locations and three compaction trucks.

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

transportation, customer service, information technology and public transparency. Some 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 flexibility of this model makes it possible for Encorp to continue adapting to constantly changing market trends, to balance efficiency and 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 in 2021 as part of the United Way's Social Purpose Institute. Encorp uses the social purpose as a guide and opportunity to review all aspects of the organization to foster a world where nothing is waste.

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.



03

PUBLIC EDUCATION MATERIALS AND STRATEGIES

3.1 Strategic Marketing Plan

Every year, Encorp develops a strategic marketing plan focused on building consumer awareness and promoting responsible beverage container recycling behaviours. With a strategically allocated budget, Encorp combines data-driven insights and creative strategies to drive positive impact. Encorp continually monitors and assesses its efforts, measuring success through recovery rate achievements, brand awareness growth and the fulfillment of its stewardship plan objectives. Through targeted campaigns and innovative initiatives, Encorp strives to make recycling easier and more accessible for British Columbia residents.

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:** 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

For over two decades, Encorp has conducted an annual benchmark study to assess consumer behaviour, measure brand awareness and evaluate program knowledge across British Columbia. These insights are essential to shaping marketing strategies, ensuring initiatives resonate with diverse audiences and effectively promote recycling behaviour. By continually analyzing the evolving needs and habits of consumers, Encorp remains agile and impactful in its approach.









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

- 1. 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.
- 2. 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.
- 3. 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. With approximately 20% of beverage containers not recovered in BC, gaining insights into why consumers choose to discard rather than recycle is essential to Encorp’s mission. In September 2024, Encorp conducted a survey with 1,233 adults aged 18+ from across BC, ensuring a representative sample from all regions. These findings help guide Encorp’s strategies to reduce waste and encourage more people in British Columbia to return their beverage containers for recycling.

When surveyed about which types of beverage containers can be returned for a deposit refund in BC, results showed that overall awareness remained strong, with a consistent 99% awareness level for most container types. However, Encorp observed a slight decrease in awareness around aluminum containers. With the rising popularity of mocktails and non-alcoholic beverages, some consumers are uncertain about whether these containers are eligible for a refund. Encorp will use this as an opportunity to raise awareness that eligible aluminum containers, including those for mocktails and non-alcoholic beer, are part of the Return-It deposit system.

Knowledge of Containers Returnable for Deposit Refund

	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)
Any Type (NET)	<div><div></div></div> 99%	99%	100%	99%
Non-Alcohol (NET)	<div><div></div></div> 98%	98%	99%	97%
Aluminum cans 	<div><div></div></div> 95%	98%	99%	97%
Plastic bottles 	<div><div></div></div> 94%	94%	93%	88%
Glass bottles 	<div><div></div></div> 89%	90%	90%	86%
Drink boxes 	<div><div></div></div> 78%	76%	78%	64%
Cartons 	<div><div></div></div> 75%	75%	74%	54%
Bi-metal cans 	<div><div></div></div> 77%	74%	71%	68%
Bag-in-a-box 	<div><div></div></div> 50%	52%	46%	40%
Drink pouches 	<div><div></div></div> 44%	43%	44%	33%

3.2 Research and Segmentation





In 2022, milk and plant-based beverages were incorporated into the Return-It system, allowing consumers to return them for a deposit refund at Return-It locations across the province. For the third consecutive year, awareness of this change has remained steady, with 82% for milk and 62% for plant-based beverages. Encorp continues to build on this momentum by deploying specialized awareness campaigns. Additionally, awareness of sport and energy drinks returned to previous levels, indicating that previous education efforts were effective in maintaining consumer understanding.

Knowledge of Beverages Returnable for Deposit Refund

	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)
Any Type (NET)	<div><div></div></div> 99%	99%	99%	99%
Non-Alcohol (NET)	<div><div></div></div> 98%	98%	99%	97%
Pop/soft drinks	<div><div></div></div> 94%	95%	97%	95%
Water	<div><div></div></div> 90%	90%	88%	83%
Juice	<div><div></div></div> 88%	85%	85%	80%
Sport/health/energy	<div><div></div></div> 84%	78%	83%	82%
Milk	<div><div></div></div> 82%	82%	81%	23%
Plant-based beverages	<div><div></div></div> 62%	62%	62%	29%

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.

Methods for Returning for Deposit Refund

	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)
Return-It/ Bottle Depot 	<div><div></div></div> 79%	80%	81%	80%
Retailer (Net) 	<div><div></div></div> 25%	24%	20%	24%
Grocery Store 	<div><div></div></div> 18%	15%	15%	15%
Liquor Store 	<div><div></div></div> 14%	16%	13%	18%

3.2 Research and Segmentation

In 2024, 79% of respondents indicated a Return-It Bottle Depot as their preferred location to return beverage containers. When asked about convenience, 83% of customers who prefer to return containers to a Return-It depot found it convenient, with Express users reporting the highest satisfaction at 93%. These results highlight the effectiveness of the Return-It Express service in providing a positive and convenient recycling experience.


Convenience of Returning Containers

	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)	2021 (n=1,221)
Depots	<div></div> 83%	78%	78%	78%
Express Users	<div></div> 93%	87%	87%	92%

In 2024, the Return-It Express system continued its strong growth, reaching nearly 350,000 registered users. As Encorp expanded Express into new markets, the focus remained on understanding how this convenient service influences consumer behaviour and satisfaction. As part of the annual research study, additional insights are gathered from registered Express users.

The latest survey results show positive behavioural shifts, with 45% of respondents taking more containers to bottle depots and 39% visiting depots more frequently. These insights reinforce the impact of Express on encouraging better recycling habits and reducing the number of containers ending up in the garbage.

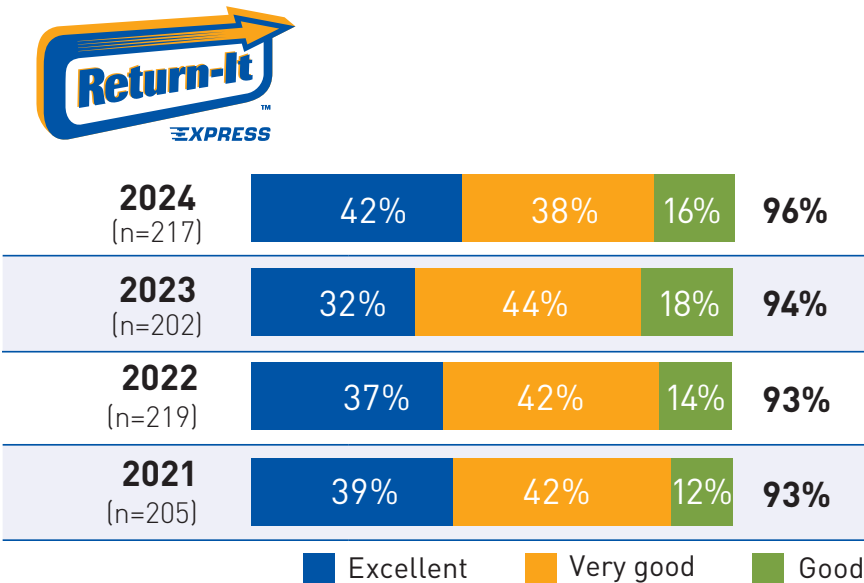
Impact of Express Service on Behaviour

	2024 (n=217)	2023 (n=202)	2022 (n=219)	2021 (n=216)
Taking more containers to bottle depots	<div></div> 45%	33%	43%	37%
Visiting bottle depots more frequently	<div></div> 39%	28%	38%	25%
Putting fewer containers in the curbside blue box / building recycling facility	<div></div> 29%	24%	30%	21%
Throwing fewer containers in garbage	<div></div> 25%	23%	25%	21%

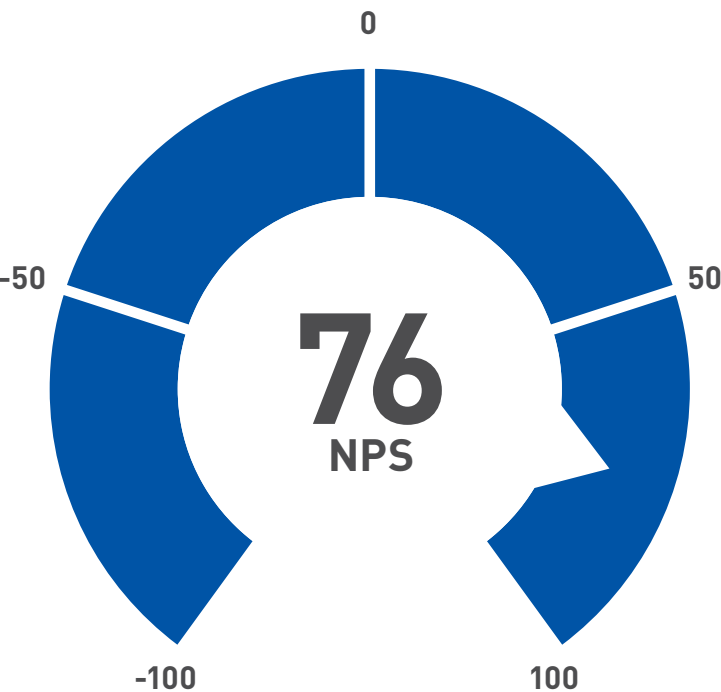
3.2 Research and Segmentation

Survey results showed strong satisfaction levels, with 96% of users rating the service as Good to Excellent.

Express Service Overall Rating



Net Promoter Score



The Net Promoter Score (NPS) is a measure of customer loyalty and satisfaction, calculated based on the question:

“How likely are you to recommend our service to a friend or colleague?” Above 70 is exceptional, and is often associated with customer-centric companies like Apple or Amazon.

3.2 Research and Segmentation

This segmentation analysis is based on the 2024 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 16% (in 2023) to 19% (in 2024). Although the segment grew in size, there was a positive shift in the reduction of discarded containers from 25% (in 2023) to 22% (in 2024), showing progress in influencing recycling behaviour within this segment.
- Convenience Trashers continue to account for the largest share of discarded containers at 55% in 2024. While this represents an increase from 52% in 2023, it remains an improvement compared to 65% 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	43% people 17% containers produced 3% discarded	19% people 46% containers produced 7% discarded	8% people 19% containers produced 55% discarded	11% people 13% containers produced 13% discarded	19% people 5% containers produced 22% discarded
Key demographics	Average age 53 Equally male and female	Average age 50 Equally male and female	Ages 18-34 61% male	Ages 25-44 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 Public Education

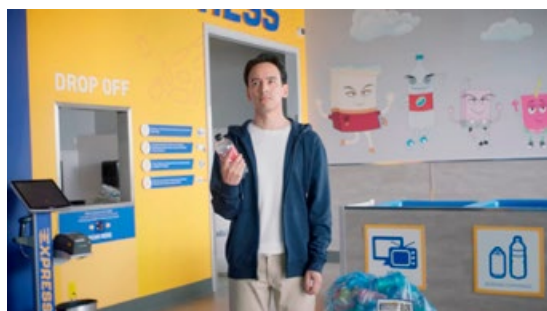
Encorp is dedicated to raising awareness about the importance of recycling and the benefits of the beverage container recycling program.

Through strategic messaging, consumers are educated on key aspects of the program, including:

- Which beverage containers are regulated and accepted.
- The harmonized 10-cent deposit—paid at purchase and refunded upon return.
- Where to return containers for a refund and recycling.
- How collected materials are processed and the environmental benefits of recycling.
- Container Recycling Fees (CRF).
- How deposits and CRFs are determined and used.

To keep beverage container recycling top of mind, Encorp has implemented a comprehensive outreach plan, leveraging television, YouTube, radio, Spotify, social media, Google ads and other media platforms. By utilizing diverse channels and compelling content, Encorp effectively engaged BC residents and encouraged participation.

Television



Television (TV) remains a key component of Encorp's communication and public education strategy, offering broad reach and delivering messages quickly and effectively. Encorp's TV campaigns played a vital role in raising awareness, promoting recycling messages and educating consumers.

During the promotion, a mix of existing and new ads targeted youth and other key demographics. These ads included "Myth Busting", "Super Containers" and "Outside Oh-No's".

A new Myth Busting campaign was launched to address common misconceptions about beverage container recycling, particularly focusing on plastics. The new video aimed to educate consumers, raise awareness and highlight how returning beverage containers plays a vital role in BC's circular economy—ensuring materials are properly collected, processed and transformed into new products.

Return-It.ca and Return-It Blog



Encorp's website and blog offer BC residents a convenient way to access important information, including depot locations, accepted container types, service updates and helpful recycling tips. Stay informed on the latest developments and projects by visiting return-it.ca/blog for recent posts on beverage container recycling.

Radio and Audio Streaming



Radio and Spotify continued to be key platforms for Encorp to reach target audiences in 2024. With consumer media habits constantly evolving, Encorp regularly reviews and evaluates its approach to ensure effective outreach each year.

As part of this strategy, Encorp partnered with local radio stations like CFOX and Virgin Radio, and with local podcast shows to promote beverage container recycling and connect with key demographics.

3.3 Public Education

Annual Report



Encorp's full Annual Report is available on Return-It.ca, where visitors can view it online or download a PDF for easy access.

Corporate Videos



Encorp's corporate videos provide an engaging and educational look at the recycling process and the importance of recycling all types of beverage containers. Frequently shared on social media, these videos have attracted significant attention and can be found on Encorp's YouTube channel at youtube.com/@EncorpPacific.

Designed to both inform and entertain, Encorp's videos help consumers understand what happens to their beverage containers after they are collected for recycling.

In 2024, these videos received 16,097,182 views, educating consumers on container types and reinforcing the message to recycle all their beverage containers.

Social Media



Social media plays a vital role in Encorp's educational efforts, serving as a powerful tool for providing system updates, educating consumers and raising awareness about beverage container recycling.

In 2024, Encorp merged the Return-It Gang social media accounts with Return-It's main social media platforms, bringing everything together in one place. This consolidation allows Encorp to keep consumers informed with the latest updates while maintaining the Return-It Gang's fun and engaging personality. With a lighthearted tone, the Return-It Gang helps make recycling messages more relatable and entertaining.

At the same time, Encorp continues to share formal announcements and key updates, such as new partnerships, depot openings and program changes. By leveraging social media, a broader audience across the province can be effectively reached and engaged.

Google Search Ads

Google offers grants to non-profit organizations to support text-based search advertising. Encorp actively applies for and utilizes this grant to run search ads, ensuring that audiences find reliable information when searching for beverage recycling-related topics.

Caps On and Straws In Campaign



As in previous years, Encorp promoted the "Caps On and Straws In" campaign to educate BC residents on the importance of keeping caps on beverage containers, as well as pushing straws into drink boxes

and pouches for proper recycling. The goal is to remind consumers that caps and straws are part of the beverage container and should be recycled together.

This campaign was primarily shared through Return-It social media channels, using engaging posts throughout the year to spread the message.

3.3 Public Education

Plastic Beverage Container Recycling



To encourage the recycling of plastic beverage containers in British Columbia, Encorp launched an awareness campaign to assure the public that every plastic beverage container returned in BC is responsibly managed.

The goal was to reinforce consumer confidence in the recycling process and to debunk common recycling myths.

To achieve this, a variety of engaging creative assets were developed, including static posts for Meta, educational videos for TikTok, a 15-second video for Connected TV and more.

Overall, the campaign generated millions of impressions and positive feedback. You can find more videos on Encorp's YouTube channel at youtube.com/@EncorpPacific.

Gable Top Awareness Campaign



The approach focused on analyzing popular content trends across social platforms and leveraging them to improve awareness that gable top containers are part of the deposit system. By creating content that felt native to

each platform, the campaign provided a more engaging experience for the audience.

To encourage gable top container recycling, interactive quizzes and lighthearted reminders were developed, making recycling both fun and memorable.

The campaign was promoted across social media platforms, including Meta and TikTok, as well as Connected TV, reaching a broader audience.

The results were highly successful, generating millions of impressions.

18 to 24 Youth Campaign



In 2024, Encorp continued its efforts to engage 18- to 24-year-olds, a key demographic that research shows plays a significant role in the improper disposal of beverage containers.

The campaign was designed to resonate with young adults while delivering an important message: hold on to your drink container until you can return it.

The campaign included leveraging Connected TV, pre-roll ads, YouTube and streaming audio advertisements to reach the target audience. Additionally, the campaign ran social media ads on platforms like Instagram, TikTok, Tinder and Twitch, recognizing these as key channels for engaging and influencing this demographic.

Through relatable and engaging content, the youth campaign encouraged better recycling habits among this age group.

For more youth-related content, visit Encorp's YouTube channel at youtube.com/@EncorpPacific.



Surrey Residents

In 2024, Encorp continued to focus on Surrey, recognizing its status as the second-largest city in BC and a rapidly growing region. With this growth, reinforcing awareness about recycling used beverage containers among residents remained a priority.

As part of these efforts, Encorp implemented a geotargeted strategy featuring transit shelter ads, social media, digital ads and radio.

Launched over the summer, these initiatives reached a wide audience and generated hundreds of thousands of impressions.

3.3 Public Education

Milk Recovery



Milk and plant-based beverage containers remain a key focus for Encorp, as efforts continue to raise awareness and educate consumers about their inclusion in the Return-It system.

As part of this effort, several new assets were created, including the “It’s What Inside That Counts” videos. These videos featured milk containers talking to themselves in a mirror, playfully reminding consumers that they, too, can be returned for the deposit refund.

To promote the videos, Connected TV, YouTube and social media were leveraged. Out-of-home advertising and radio were also utilized to maximize reach. Additionally, the website and print assets such as brochures reinforced the message, and reminded BC residents about the inclusion of milk containers in the system. For more information, visit return-it.ca/milk.

Reaching and Engaging Multicultural Communities



Encorp continued to develop and implement strategic ethnic communication initiatives to raise awareness and understanding of the beverage container recycling program

among multicultural audiences new to BC who may be less familiar with the deposit return system.

Extensive research was conducted to identify the types of beverage containers most commonly consumed within these communities and to determine the most effective media channels for outreach. As a result, a mix of print, online video, WeChat and social media platforms were selected to maximize engagement.

The outreach proved highly successful, generating millions of impressions and strong engagement—particularly around recycling tips, reminders and efforts to increase recovery rates in communities.

Encorp remains committed to using in-language communication as part of its ongoing efforts to educate all people living in BC about recycling used beverage containers.

Multi-Language Consumer Brochures



In addition to printed brochures, Encorp provides digital brochures on its website. As in previous years, the brochures were published in Korean, Punjabi, Simplified Chinese and Traditional Chinese to ensure accessibility for diverse communities. They are available online at return-it.ca/beverage/recycling/brochures-posters/.

3.4 Recycling Programs and Initiatives

Encorp's commitment to increasing the recovery and recycling of beverage containers is reflected in the ongoing implementation of targeted initiatives and annual specialty programs. The organization remains focused on boosting awareness and participation through Return-It Express, strengthening brand and system recognition, and improving container recovery rates through strategic partnerships and the placement of dedicated beverage recycling bins.

Return-It Express

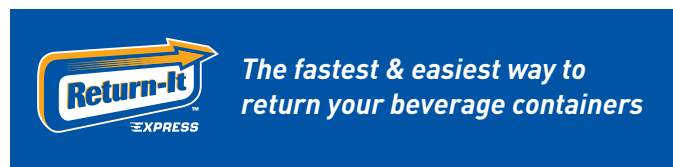


In 2024, the Express campaign focused on increasing awareness of the simplicity and convenience of Return-It Express. Using a multi-channel approach, Encorp highlighted key benefits—no sorting, no lineups and no handling cash—to encourage participation.

Alongside traditional media advertising, the campaign incorporated targeted strategies such as ambassador team activations at key community events, social media engagement and mail drops. By the end of the year, nearly 350,000 Express accounts had been registered.

Social media played a vital role in reaching specific communities, neighbourhoods and remote locations. For each new Express site, Encorp uses a 5-kilometre targeting radius to engage potential customers with tailored social media content.

Additionally, The Daily Hive, Curiosity Vancouver and CFOX radio were instrumental in amplifying the campaign's reach and impact.



Express Direct Mail



In 2024, the annual province-wide Express mail drop was conducted, delivering essential information directly to households across British Columbia.

In total, over 1,000,000 Express brochures were distributed, offering clear instructions on how to use Return-It Express, which beverage containers are accepted and helpful tips to make the most of the program.

Express & GO



To promote the grand opening of each new Express & GO location, a comprehensive marketing plan was put in place. This included a brochure mail drop, press release, blog post and social media promotion to generate awareness.

Additionally, an ambassador team activation was launched to guide customers through their first Express & GO experience, ensuring a smooth and positive introduction. This personalized approach helps foster customer confidence and encourages ongoing use of the service.

3.4 Recycling Programs and Initiatives

First Nations Outreach and Support



British Columbia has some of the most stunning and picturesque landscapes in the world, from the scenic coastline to the towering mountains. While the beautiful landscape makes for stunning pictures, it can pose serious accessibility challenges. First Nations communities often face the challenge of accessibility for all services, as many are only accessible by logging roads or by water, via barge or water taxi.

In 2024, Encorp placed a higher emphasis on working collaboratively with its First Nations partners to find ways to support First Nations communities with the collection and recycling of used beverage containers.

The First Nations Recycling Initiative (FNRI) is a program supported by 13 product stewardship agencies, including Encorp, specifically created to support and collaborate with Indigenous communities on recycling regulated material. Through FNRI, participating stewardship agencies work together on community cleanup events and data gathering to better understand the accumulation and recycling behaviours happening in communities. In 2024, just under 30 collection events were completed in First Nation communities all around BC. Encorp uses collection events as an opportunity to remove used beverage containers, particularly from First Nations with challenging constraints. In partnership with FNRI, Encorp is in the beginning stages of setting up collection bags for a handful of remote First Nations communities. Encorp hopes to build on the learnings and momentum of 2024 and expand the number of communities it engages with and provides support for removal of used beverage containers.

Another close partner that Encorp works with is the Indigenous Zero Waste Technical Advisory Group (IZWTAG), an independent society assisting First Nations to implement zero-waste community programs. IZWTAG provides a significant amount of the in-community training and, as Encorp works to ensure that used beverage containers are diverted from the trash in First Nations communities, the boots-on-the-ground support that IZWTAG provides in teaching First Nations communities how to separate materials has been invaluable.

Return-It School Program



Since 2000, the Return-It School program has empowered elementary and high schools across BC to promote recycling and environmental stewardship. Through this initiative, schools receive free beverage container recycling bins, access to online resources and recycling tips, and the opportunity to share their recycling success stories in a contest for a chance to win \$5,000 for first place or \$2,500 for second place.

The program also offers educational learning materials, including digital activity books, which feature sorting games, colouring activities and recycling trivia to help students understand how recycling works in BC. Schools can also request a virtual Return-It Man presentation to learn more about recycling in the province.

Read the stories from the 2024 contest winners at returnitschool.ca/schoolnews/article-41/.

3.4 Recycling Programs and Initiatives

Ambassador Team



The Recycling 101 Ambassadors are a team of enthusiastic “recycling scientists” dedicated to educating BC residents on the fundamentals of beverage container recycling.

In 2024, the team participated in 18 events, engaging with 24,196 people and distributing 1,930 educational brochures. To make learning accessible for all ages, the ambassadors provided brochures for adults and activity books for children, reinforcing key recycling concepts in an engaging way.

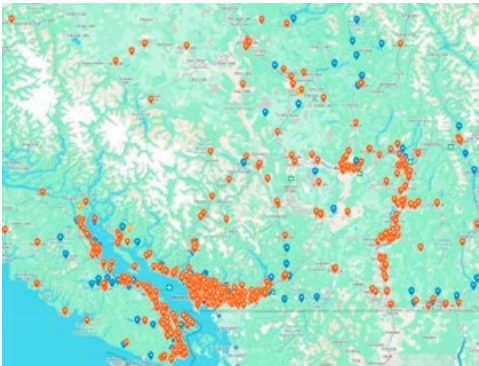
Visitors also had the chance to engage with interactive games, which illustrated how beverage containers are recycled, and took part in the popular contactless Return-It Express game. This fast-paced challenge encouraged participants to sort beverage containers by placing their hands over sensors as quickly as possible.

These hands-on experiences not only attracted more participants but also gave ambassadors the opportunity to have meaningful conversations about recycling, answer questions and inspire new recycling habits.



Outdoor Spaces/ BC Parks/IC&I Bins

In 2024, the focus remained on provincial parks, protected areas and recreational sites that draw substantial visitors throughout the year. Collaborating closely with BC Parks and municipalities, Encorp ensured the strategic placement of outdoor bins dedicated to beverage recycling in popular spots.



By the end of the year, 61 new recycling bins were installed across parks and municipalities, expanding access to beverage container recycling in key locations. This included 11 new bear-proof bins placed in BC parks and 13 bear-proof bins distributed to municipalities across the province. Whether in provincial parks, urban centres or rural areas, both residents and tourists now have more convenient options to recycle their beverage containers. To explore all current bin locations, visit the map at return-it.ca/2024BinMap.

Encorp also continued its focus on the Industrial, Commercial and Institutional (IC&I) sector, recognizing its potential for high-volume beverage consumption. Through partnerships with major venues such as Nat Bailey Stadium, Rogers Arena, BC Place and UBC, Encorp helped strengthen existing beverage recycling programs. Additionally, in the institutional sector, Encorp provided collection bins and services at 11 major hospitals—including Vancouver General Hospital, Lions Gate Hospital, Richmond Hospital, St. Paul’s Hospital and BC Women’s Hospital—further reinforcing the commitment to sustainable waste management.

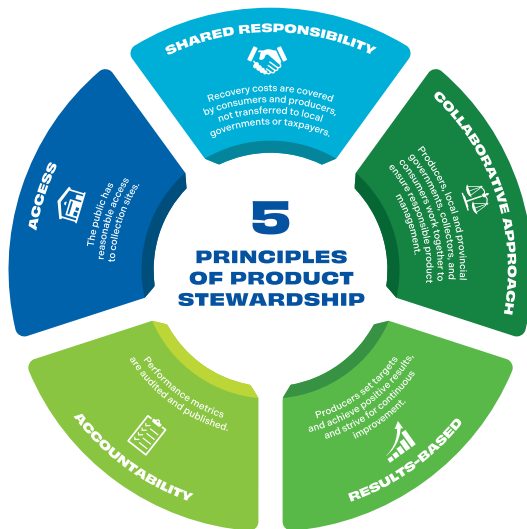
Since the inception of the program in 2009 to the end of 2024, Encorp has installed 29,247 bins.

Bins

716	Park Bins
690	Municipality & Streetscape Bins
6,191	Commercial Venue Bins
2,870	Collapsible Bins for Residential Buildings
18,780	School Bins

3.4 Recycling Programs and Initiatives

Stewardship Agencies of BC (SABC)



Encorp is a key member of the Stewardship Agencies of BC (SABC), a coalition of extended producer responsibility (EPR) organizations working collaboratively to promote and manage responsible end-of-life recycling programs across British Columbia. Through active participation and leadership in various committees, Encorp plays a vital role in shaping public education initiatives and supporting joint stewardship projects.

Sports Team Partnerships



In 2024, Encorp expanded its partnerships to engage with younger audiences and promote beverage container recycling in new and impactful ways. Partnering with the Vancouver Warriors, Encorp promoted recycling through digital signage at Rogers Arena and provided recycling bins at events to encourage responsible disposal.

Recognizing the growing influence of esports, Encorp also continued its collaborations with professional gaming organizations to connect with a broader demographic.

This included a partnership with the Vancouver Surge, Vancouver's professional Call of Duty League.

These initiatives not only help reinforce recycling habits at live events but also extend Encorp's reach to new and diverse audiences, fostering stronger connections with communities while promoting environmental responsibility.

PNE Partnership



In 2024, Encorp continued its partnership with the PNE and Playland to promote beverage container recycling in an engaging and interactive way.

As part of this collaboration, training was provided for PNE seasonal staff, reintroducing the popular Return-It-themed midway game. The Return-It "Roll-a-Ball" game invited guests to race their favourite Return-It Gang character to the recycling depot. Winners received a plush Return-It character, just like the ones featured in Return-It commercials.

Additionally, the PNE aired promotional messages over their loudspeakers throughout the Playland season, further spreading the word about recycling. The Return-It ambassador team was on-site during the PNE Fair and Winter Fair, where they engaged with over 11,000 people and generated more than 150,000 impressions.

Overall, this partnership was a fantastic way for visitors to learn about Return-It and the importance of recycling beverage containers while having fun at the amusement park.

3.4 Recycling Programs and Initiatives

Major Media Partnerships



Encorp continued its partnership with Corus Entertainment this year to further expand the reach and awareness of its recycling messaging and services. Corus is well-known for its strong news programming and extensive province-wide audience, making it an ideal partner to help amplify Encorp's commitment to sustainability.

Collaboration with Kristi Gordon

As part of this collaboration, Global News personality and Senior Meteorologist Kristi Gordon sat down with Encorp President and CEO Cindy Coutts in 2023 to discuss the importance of recycling beverage containers. The segment highlighted refundable beverage containers and detailed their journey after recycling. Due to its positive impact, it continued to air in 2024, running for several weeks throughout April, June and October to reinforce the message of responsible recycling.

Additionally, Corus shared the segment across its digital and social platforms, ensuring viewers could access and share the content online throughout the year.



Waste Reduction Week



Waste Reduction Week (WRW) was promoted from October 21st to 25th with educational messaging shared across multiple platforms, including TV, Connected TV, pre-roll, YouTube, digital banners, streaming audio/radio and social media.

For TV and Connected TV, Encorp aired a selection of videos, including "Myth Busting", "Plastic Oh-No's", "It's Just What We Do" and "Better with Express". Additionally, out-of-home ads featured drink boxes and pouches to emphasize the importance of recycling these commonly used container types.

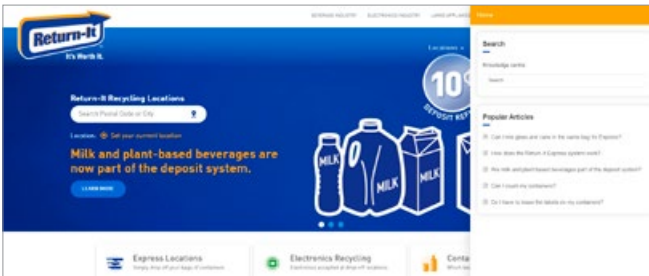
On social media, Encorp highlighted each day's WRW micro-theme, such as "Circular Economy Monday" and "Plastics Thursday", through a series of engaging posts, which can be found on the Encorp Facebook and Instagram pages.

Finally, Encorp utilized YouTube to promote the recycling of plastic, aluminum, gable tops, drink boxes and pouches, reaching a wide audience with engaging content.




3.5 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.

Encorp offers a variety of channels for customers to reach out when issues arise. Customers can find many answers to their queries through self-serve channels such as Return-It.ca, Knowledge Centre and ChatBot. For customers who can’t find the information they are looking for or who need support in real time, the Encorp customer relations team is available via phone and live chat.



In 2024, the customer relations team assisted over 25,000 customers while maintaining an overall customer satisfaction rating of over 83%.

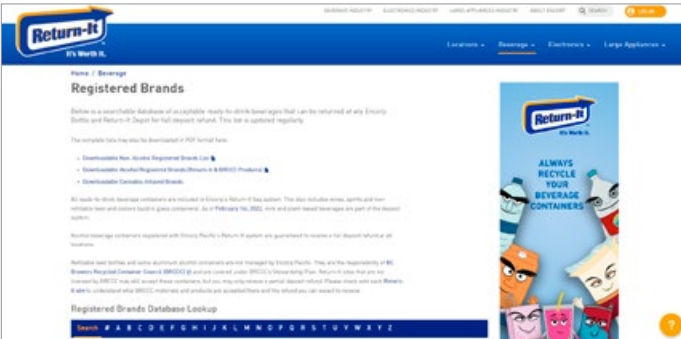
Brand Owner Newsletter



New for 2024 was the launch of a Brand Owner newsletter, tailored with content specifically for brand owners, producers and retailers. The newsletter was created to help educate and navigate brand owners through the compliancy requirements of selling ready-to-drink beverage containers in BC and their obligations as producers. Some of the topics covered in the

first year included the importance of timely sales reporting, introduction of new or seasonal beverage containers and changes to container recycling fees (CRFs).

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 to ensure compliance with the BC Recycling Regulation, 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/.



COLLECTION SYSTEM AND FACILITIES

COLLECTION SYSTEM AND FACILITIES

4.1 Collection System and Facilities

In 2024, Encorp celebrated 30 years of environmental stewardship, marked by growth, innovation and resilience within its collection network. With a diverse array of collection points—including depots, retailers and Express—Encorp expanded access to convenient recycling options across BC. The Return-It Express program continued its strong growth, now representing approximately 15% of total collections, while strategic depot reopenings, relocations and investments in AI-driven efficiency underscored Encorp's commitment to providing accessible and effective recycling solutions.

Overview

Since its inception, Encorp's extensive collection network—including depots, retailers and other collection points—has successfully diverted over 26.1 billion beverage containers, reinforcing the organization's commitment to sustainability.

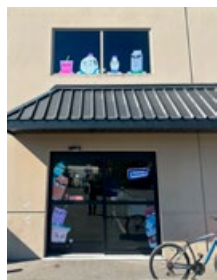
The past year was one of growth and adaptation, with reopenings of previously closed depots, relocations to upgraded facilities and the addition of brand-new collection sites. Thankfully, unlike 2023, Encorp avoided major fire-related disruptions, and no severe weather events impacted deposit refunds or container collection operations. With stable conditions, Encorp's logistics network functioned smoothly, ensuring uninterrupted collection, consolidation and recycling processes.

The Return-It Express program continues to expand, now accounting for 14.6% of total collection—an increase from 13.2% in 2023. By year-end, nearly 350,000 consumers were registered, and 12 new Express locations were added, making convenient, cashless recycling even more accessible across BC.

Highlights of 2024

Depot Reopenings: Resilience and Renewal

One of the most significant highlights of the year was the reopening of two Return-It depots that had previously closed due to tragic fires.



In Abbotsford, the former Moe's Bottle Depot, which closed in late 2021, reopened under new branding as McMillan Return-It, bringing back a vital recycling service to the community.

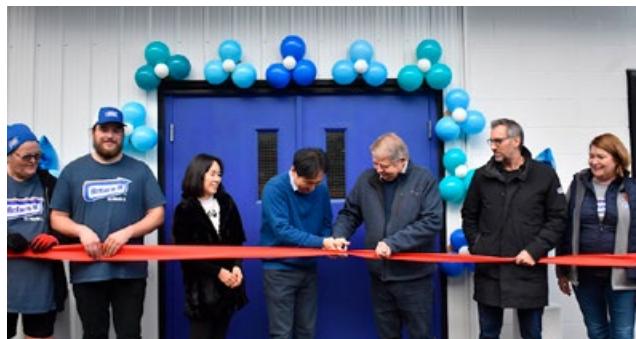
In Scotch Creek, after the devastating 2023 forest fires completely destroyed the original depot, a new owner stepped in to rebuild and relaunch the business, restoring recycling access to the area.

Encorp is looking forward to seeing both of these depots flourish in the years ahead, and continuing to serve their communities with renewed strength and commitment.

Depot Relocations: Investing in Long-Term Infrastructure

Several depots underwent significant relocations in 2024, enhancing accessibility and ensuring long-term service for their communities.

In Hope, the depot moved into a brand-new facility—a project made possible by inspiring community efforts, led by Mayor Victor Smith, who played a pivotal role in securing the new location. *"We're hoping to up our recycling. Do more here. And make a difference in the environment,"* said Mayor Smith, who cut the ribbon and gave a quick speech during the reopening. During his speech, Smith said that *"the District of Hope supported the relocation and the depot continuing to exist in Hope"*. He also stressed that the depot was an important part of the community for many children, seniors and low-income families. The upgraded facility has been welcomed enthusiastically by local residents, who appreciate the improved convenience and service.



In Burnaby, the Edmonds depot relocated to a new site on Kingsway in September, ensuring continued service to residents of southeast Burnaby. This new location also introduced Return-It Express, providing an additional convenient cashless collection option.

4.1 Collection System and Facilities

Shifts in Collection Trends: A Changing Landscape

Although beverage sales increased by 1.2%, there was a slight decline in volume collected of 0.6% year over year.

- The traditional independent Return-It depot network, which remains the largest collection channel, saw a 0.7% decline in volume.
- However, Express volume within depots grew by 8.3%, while walk-in container volume declined by 2.3%.
- Depots offering Express maintained slight growth, whereas those depots without Express saw a total volume decline of more than 2%, reinforcing the growing popularity and consumer preference for the Express model.

Overview of Encorp's Collection Network

Encorp utilizes multiple collection avenues to ensure the network meets the accessibility needs of BC consumers. This includes the independently contracted depot network, retail partners and corporate-run Express drop-off locations.

The collection network consists of 163 Return-It depots (an increase of one over 2023) operating under collection agreements with Encorp, and 20 Express locations across BC. Additionally, Encorp partners with retail collection points to further enhance accessibility.

For 30 years, Encorp's collection network has made recycling convenient for people living in British Columbia. However, growing urban densification and redevelopment present challenges to the long-term sustainability of many depot locations. Recognizing this, Encorp actively monitors redevelopment trends in metropolitan and urban centres, where depot closures are becoming more common. Encorp continues to collaborate with local governments to advocate for recycling infrastructure in urban planning and to ensure that zoning allows for convenient collection sites near where people live. Maintaining and expanding accessibility is critical, as research consistently shows that convenience drives higher recycling rates. Looking ahead, the Express program will play an increasingly vital role in serving urban communities, and Encorp is committed to expanding Express-only sites in high-density areas to provide seamless and accessible recycling solutions.



4.1 Collection System and Facilities

In-Person Depot Regional Meetings



One of the greatest impacts of COVID-19 was to the way people communicated, forcing people to switch from in-person to digital formats. Luckily, by 2024, with the major impacts of the pandemic largely behind us, Encorp was excited to arrange a series of in-person meetings with its depot partners from all around BC.

Between February and July 2024, Encorp hosted 10 regional meetings across BC to meet and discuss a variety of topics with depots. The meetings were an opportunity to reconnect in person and to provide all depots with an opportunity to have their voice heard, share their opinions and have a constructive two-way dialogue with Encorp.

In addition to having open discussion with depots, Encorp also prepared presentations on a variety of topics, with the hope of prompting discussion and brainstorming to solve some of the common challenges faced by the beverage container recycling program in BC. At the conclusion of the 10 regional meetings, a summary of key themes was prepared and shared with all depots. Encorp would like to thank the depot owners/operators who were able to participate for their time and thoughtful insights.

Discussion Topics

1. Recycling Trends: Global and Local	5. Operating & Technology Trends
2. Marketing	6. Depot Optimization Opportunity
3. Gap Analysis	7. Depot Operating Standards
4. Express Program	8. Open Q&A

Depot Efficiency Efforts

In 2024, Encorp continued to work with depot partners to implement the simplified sort procedure to increase depot efficiency and reduce wait times for consumers. Encorp also embarked on a research and development project aimed at utilizing Computer Vision and Artificial Intelligence to categorize and count containers. Lastly, Encorp also launched a pilot project aimed at helping depots identify opportunities to enhance their operations and drive improvements.

Simplified Sort Procedure



The simplified sort procedure, first introduced in late 2021, has continued to expand across the Return-It network, eliminating the need for consumers to sort their used beverage containers by size and content. By the end of 2024, 96% of depots had adopted the new system, with only seven locations still operating under the previous method. While falling slightly short of the target for full implementation in 2024, Encorp made significant progress, adding 23 more depots to the program. Encorp remains committed to achieving full adoption in 2025. The simplified sort process has been widely embraced, both by depot operators and consumers. Depots benefit from a more efficient use of customer areas, while consumers save time, needing to sort containers into only eight categories instead of the previous 28. As a result, customers are served more quickly, reducing wait times and improving the overall depot experience.

Artificial Intelligence R&D Project

Encorp has been closely monitoring the widespread use and growth in artificial intelligence and analyzing how it can be applied to collection operations to increase efficiency. In 2024, Encorp launched a research and development project with a goal of utilizing camera-based computer vision technology and AI to accurately and quickly categorize and count containers to calculate deposits for walk-in customers and Express bag processing. The project is taking place internally at Encorp's count centre facility in New Westminster, with a goal of increasing the counting speeds by a factor of 10 to service customers faster and more efficiently. By separating the counting and sorting activities using this technology, the material can then be sorted using more traditional sorting equipment, which is widely used in the waste management industry, once customer deposits have been calculated.

4.1 Collection System and Facilities

Depot Optimization Pilot Project

In 2024, Encorp launched a new pilot program aimed at helping depots identify opportunities to enhance their operations and drive improvements. The ultimate goal of the pilot was to help depot partners achieve greater efficiency when collecting used beverage containers. The pilot program involved Encorp arranging for an industrial engineer from a leading BC-based firm specializing in operational efficiency improvement to visit a depot for a day and observe their operations. Based on the observations and discussions with the depot owner, an Operations Efficiencies Opportunities Report was prepared and provided to the operator with a series of potential action items aimed at optimizing business operations. The pilot was fully funded by Encorp and had 23 depots participate from around the province. Feedback from participating depots was overwhelmingly positive and will be evaluated for continuation in 2025.

Efficient & Sustainable Logistics: Powering BC’s Recycling Network

For three decades, Encorp’s logistics network has been the backbone of efficient recycling in BC, built on long-standing partnerships with dedicated transportation providers. These partners collect materials from depots, retailers and other collection sites, and transport them to consolidation facilities where they are sorted and prepared for end recyclers.

Encorp’s logistics system is supported by 43 transport partners, who deliver materials to 15 consolidation sites across the province. In urban centres, Encorp relies on dedicated transporters to facilitate timely collection; in rural and remote areas, the network leverages back-hauling solutions, maximizing efficiency and reducing environmental and financial costs.

A key innovation in the logistics operations is Encorp’s mobile compaction program, which features Canada’s first-of-its-kind hybrid CNG-electric compaction trucks. These specialized vehicles service multiple depots on five key routes, collecting PET, HDPE, gable top cartons and drink box containers from 28 of the province’s busiest depots. As Encorp continues to refine and expand its logistics network, the focus remains on innovation, efficiency and sustainability—ensuring BC’s recycling system remains robust, accessible and environmentally responsible.

Express

Return-It Express

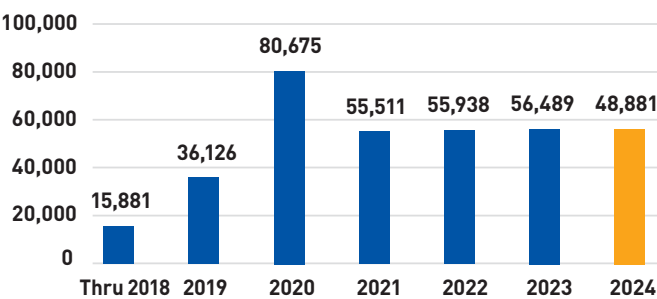
Signing-up for Express requires going through the easy registration process on the Express website at express.return-it.ca. Customers collect their used beverage containers in transparent bags and take them to the Return-It Express drop-off location of their choice. Customers print labels with their account information and place them on their bags.

The empty containers are then sorted and counted at a depot or count centre so the deposit refund can be credited to the customer’s Express account. Customers can redeem their deposit balance via Interac e-transfer—the preferred choice for more than 97% of customer redemptions. Alternatively, customers with larger withdrawals or business accounts will request a cheque to redeem deposits from their Express accounts.

The popular Return-It Express program continued to grow in 2024, with more than 48,000 customers signed up for the program, reaching just shy of 350,000 registered customers at the end of 2024. This is a 16.3% increase from 2023.

Encorp’s marketing efforts to promote the Express program, combined with word-of-mouth popularity, continue to drive registrations averaging 900 new customers per week.

Number of Express Registrations Each Year



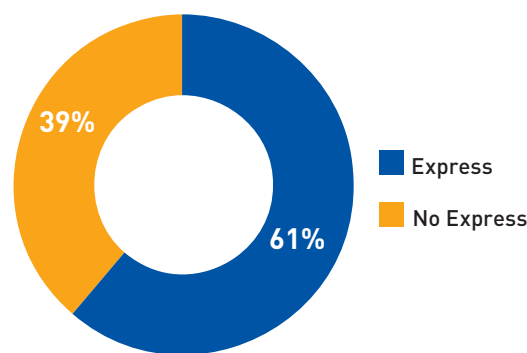
Express continues to grow in volume collected year over year as more consumers participate because of the convenience of the system. In 2024, 19 million more containers were collected through Express compared to 2023, a 9.5% increase.

4.1 Collection System and Facilities

The Express system accounts for approximately 15% of all the volume collected through depots in the network and accounts 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 2024, Return-It Express was offered at 113 locations across BC, including 12 new locations. Ten of these were new in-depot Express locations and two were new Express & GO locations: one in Steveston and another in Lumby.

% of Return-It Network Offering Express



The Express system continues to be a popular fundraising solution for charitable organizations, sports teams and 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.

Expanding Accessibility with Return-It Express & GO



Encorp’s Express & GO stations have become an essential solution for serving consumers in underserved rural communities and high-density urban areas where traditional depots are challenging to establish, due to rising real estate costs and zoning restrictions. By offering a flexible, accessible drop-off option, Express & GO helps bridge the

accessibility gap, giving BC residents more ways to return their used beverage containers. In 2024, Express & GO volume grew by 26% over 2023, reflecting the increasing demand for convenient alternative recycling solutions.

Locations (18)

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
2024	Steveston, Lumby

The Steveston Express & GO station marks a milestone as Richmond’s first Express & GO location. The City of Richmond has been a leader in embracing modern, flexible recycling solutions, prioritizing practical approaches over regulatory mandates. This forward-thinking approach facilitated the swift introduction of the new Express & GO station in Steveston, reinforcing Richmond’s commitment to sustainability.



Richmond Mayor Malcolm Brodie welcomed the initiative, stating: “*Richmond is proud to support sustainable practices and make recycling easier for our residents. The new Express & GO station is a great addition to our city’s recycling infrastructure, and we commend Return-It for their partnership approach.*”

4.1 Collection System and Facilities

Recycle BC Curbside Collection: A Collaborative Approach to Recovery

In 2024, deposit-bearing used beverage containers collected through Recycle BC's curbside program accounted for 7.6% of Encorp's total recovery rate, highlighting the significant role of this collection channel in BC's recycling system.

Collaboration between stewardship agencies is a key component of BC's extended producer responsibility framework. Encorp has a long-standing partnership with Recycle BC, ensuring that deposit-bearing beverage containers collected through curbside blue box programs are accurately counted in Encorp's overall recovery rate. Many BC residents choose to place used beverage containers in their curbside blue boxes alongside other household recyclables due to convenience; this partnership helps ensure those containers are properly tracked and recycled.

To quantify the impact of this channel, Encorp and Recycle BC employ a rigorous, well-established sampling program to determine the number of used beverage containers collected through curbside recycling. Encorp then integrates these results into its recovery rate calculations, ensuring a comprehensive and accurate measure of the total volume of deposit-bearing containers recovered across all collection avenues.

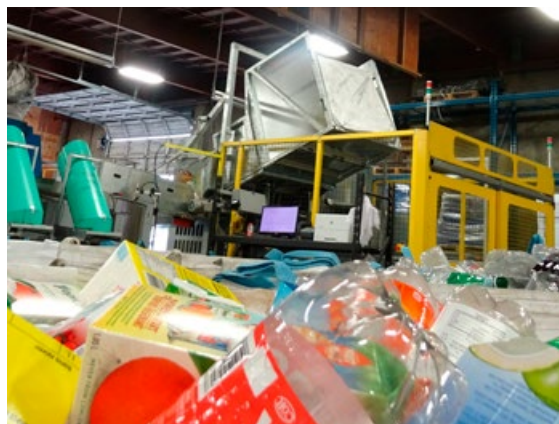
IC&I Sector: Enhancing Visibility in Commercial Collection

To ensure all deposit-bearing beverage containers collected for recycling are accurately accounted for, Encorp has strengthened its collaboration with commercial waste management companies operating in the Industrial, Commercial & Institutional (IC&I) sector. These companies collect mixed recyclables from multi-family buildings, commercial properties, educational institutions and industrial sites, transporting them to material recycling facilities (MRFs) for processing.

Previously, beverage containers collected through this stream were not tracked in Encorp's recovery rate, despite being diverted for recycling. By expanding partnerships with waste management providers, Encorp has gained greater visibility into this collection channel, ensuring these containers are properly recognized in overall recovery reporting through a rigorous sampling process.

As a result of these efforts, the IC&I sector accounted for nearly 3% of Encorp's total recovery rate in 2024, further reinforcing the importance of collaboration in capturing all recycled materials across BC's recycling network.

Retail Collection: A Continued Commitment to Accessibility



For 30 years, Encorp has worked to ensure BC residents have convenient and accessible recycling options. While Return-It depots remain the backbone of the collection network, grocery stores and government liquor stores also play a key role in providing additional collection points, particularly in areas with limited access to depots.

Under BC's Recycling Regulation, retailers that sell beverages—such as grocery stores and liquor stores—are required to accept up to 24 beverage containers per person, per day, provided they are the same types of containers sold in-store. This return-to-retail model offers consumers a convenient way to recycle their beverage containers during routine shopping trips, ensuring even more containers are diverted from landfills and properly recycled.

In 2024, retail collection sites accounted for 1.6% of total recovery, with Encorp collecting:

- 7.5 million containers from 197 government liquor stores.
- 15.2 million containers from 222 grocery stores across the province.

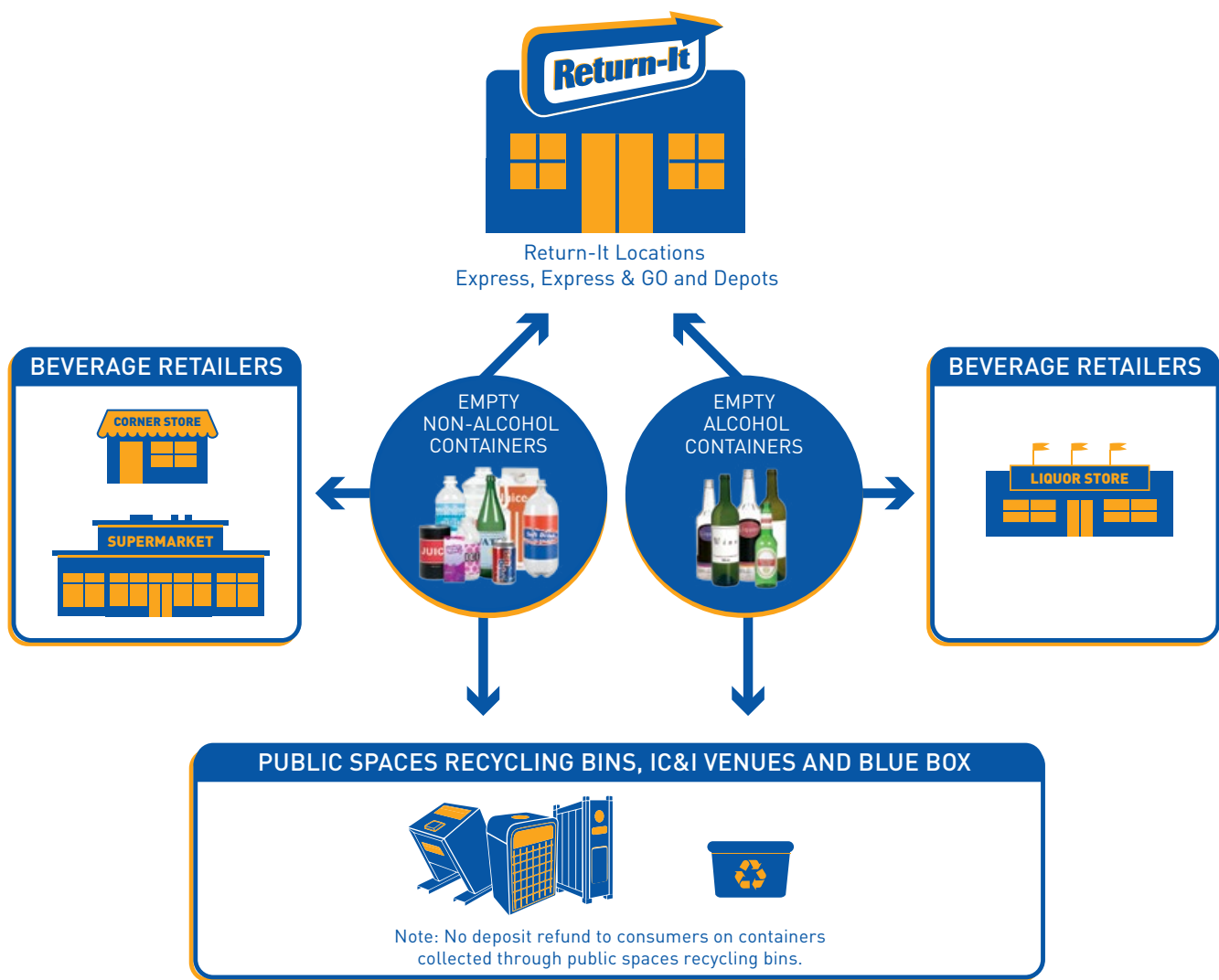
Quality Control and Count Centre: Ensuring Accuracy & Efficiency

Encorp operates a multi-purpose Quality Control and Count Centre in New Westminster, serving as a critical hub for maintaining accuracy, efficiency and compliance within the collection network. This facility plays a key role in daily operations, supporting quality assurance audits, Express bag processing, and sample auditing for various collection, and serves as a research and development hub.

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

For 30 years, Encorp's recycled material network has thrived through strong partnerships with contracted collection, transportation and consolidation providers. Some of Encorp's transportation partners have been with the company since the very beginning, demonstrating their long-standing commitment to supporting BC's recycling infrastructure.

Encorp's transportation network operates through a combination of long-term partnerships and periodic selections through a request for proposal (RFP) process, ensuring a reliable and efficient logistics system. Transporters collect used beverage containers from Return-It depots and other collection points and deliver them to the nearest approved consolidator. Once at the consolidation facility, the material is compacted and prepared for shipment to various end-market recyclers, where it is processed; material that is recovered can be used to create new products.

This well-established and continuously optimized network ensures that beverage containers collected across BC are efficiently transported, processed and reintegrated into the circular economy—a testament to the strength of Encorp's partnerships over three decades of operations.



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. 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 radius, 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

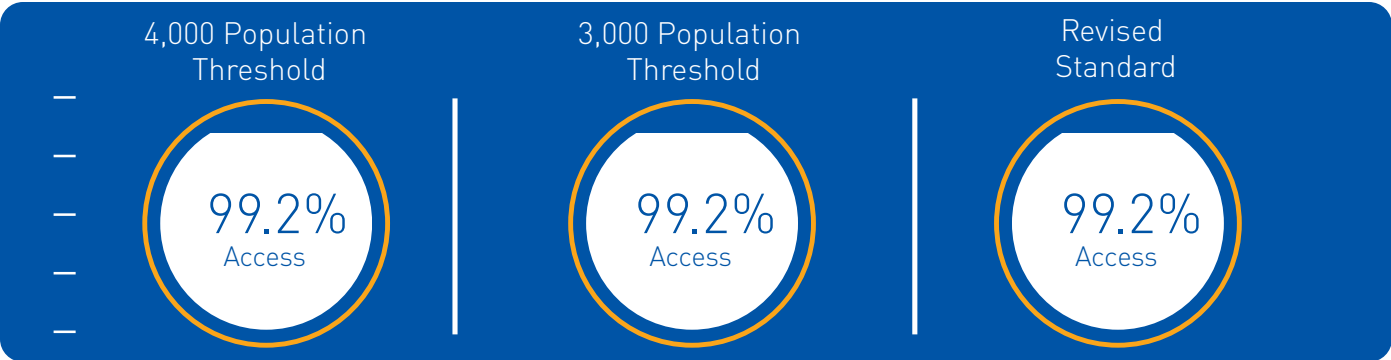
metropolitan area) being assessed for communities where the census subdivision’s total population was equal to or exceeded 3,000.

3. Revised Standard

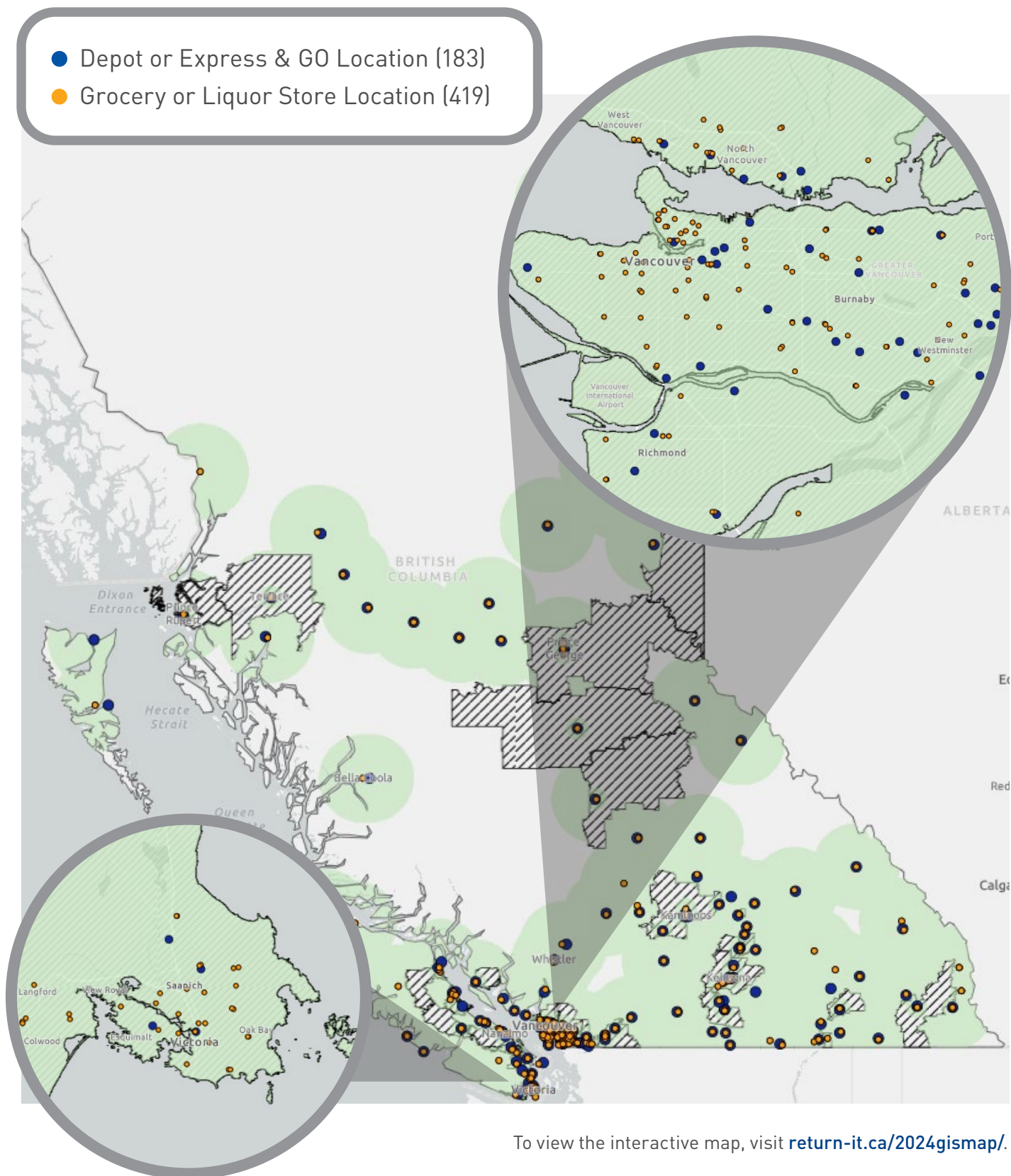
Defines urban accessibility as a facility within a 15-kilometre radius. Rural accessibility is defined as within 60 kilometres when the community is within 200 kilometres of a census metropolitan area (CMA).

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 2024 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. The graphic below shows the percentage of the population found to have access to a Return-It facility under the previously described standards in 2024 provincially.

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 – LGeo



To view the interactive map, visit return-it.ca/2024gismap/.







05




ENVIRONMENTAL IMPACT

5.1 Container Recycling End Fate Report

In 2024, Encorp prevented 1.367 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 the BC Recycling Regulation. By diverting useful resources into recycling streams, used beverage containers in BC are being turned into valuable resources within the circular economy.

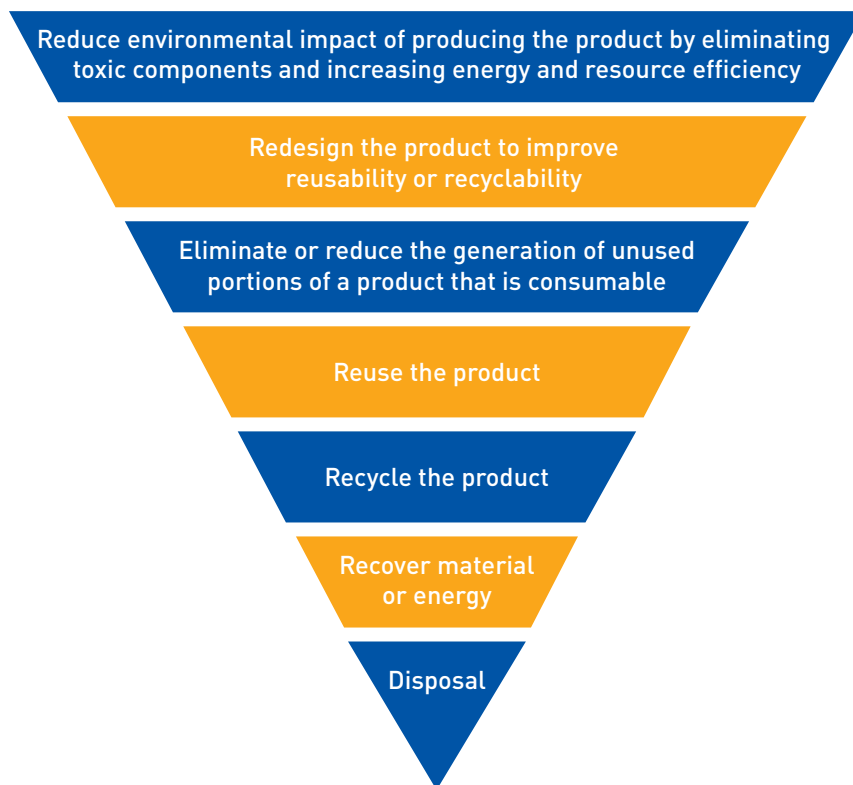
Material Type	Fate of Material* (2024)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
Aluminum 	Aluminum cans collected were sold and shipped to re-melt facilities in the USA and turned back into sheet stock for new cans.	38.42%	82.30%	93%	7,125	71,846
Plastic 	Plastic containers were sold and shipped to a Canadian recycler's facilities in British Columbia and Alberta. The commodity is cleaned and pelletized to become new raw material for manufacturers of various plastic products, including new containers and strapping material.	38.84%	81.41%	86%	18,325	21,331
Glass 	Glass containers were processed in British Columbia and shipped to a manufacturing plant that produces fibreglass insulation in Alberta; facilities that produce glass bottles in the USA; and a facility that manufactures sandblasting materials in Quesnel, BC.	10.87%	87.60%	34%	58,063	18,967
Polycoat 	Polycoat containers collected were sold to end recyclers in the USA, Korea, Malaysia and India. In the USA, the end recycler received the polycoat containers at their facility in Des Moines, Iowa, where they produced building boards that are used as an alternative to traditional roofing panels. In Korea and India, the fibre from the polycoat was recycled to make kraft paper, specialty paper and soft tissue paper. In Malaysia, the fibre was recycled to make kraft paper, and the plastic film is pelletized to become new raw material.	11.01%	53.69%	53%	3,187	11,689

5.1 Container Recycling End Fate Report

Material Type	Fate of Material* (2024)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
Pouches 	Encorp has found a viable end market for this challenging container, which is made from multiple materials, through a recycler in Quebec who makes plastic pallets and flower pots.	0.43%	23.70%	53%	10	10
Bag-In-A-Box 	The plastic bladders inside the bag-in-a-box containers were shipped to a recycler in Quebec who used them to make rubber mats. Cardboard from the outer layer of the box was recycled by local processors.	0.23%	55.90%	53%	522	1,660
Bi-Metal 	Other metal containers including bi-metal were sold to scrap metal dealers for metal recovery.	0.20%	79.40%	82%	206	420
2024 TOTAL		100%	83.57%		87,438	125,923
For Reference 2023 TOTAL		100%	85.00%		90,283	125,149

*Materials collected directly by Encorp.

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 most material being recycled into new products.

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 containers made from multiple materials.

Caps On Report

Caps and lids are considered part of the beverage container and when collected, they can be recycled in the appropriate material stream. Through Encorp's marketing and educational campaigns, consumers are encouraged to leave the caps and lids on containers when returning them to receive their deposit refund.

Encorp conducted regular auditing over a 24-month period. For 2024, the audit was expanded beyond just plastic beverage containers and included gable top cartons and glass bottles. Overall, it was found that 75% of containers were returned with caps, compared to just 48% of containers audited in 2023. This is the final audit of caps committed to by Encorp.

In conclusion, Encorp attributes the significant increase in containers returned with caps to the marketing and educational campaigns targeting consumers, and specifically encouraging the caps-on behaviour. Encorp will continue to promote this message and behaviour as part of its regular marketing and educational efforts.

5.2 Materials Used to Make New Beverage Containers

Many of Encorp's registered brand owners have made significant commitments to increase the use of recycled content in the manufacturing of their beverage containers. Encorp is committed to supporting these efforts by ensuring companies have a reliable supply of recycled material through strong recovery rates and clean streams of materials 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 beverage containers.

In British Columbia under the Recycling Regulation almost any material type is allowed for beverage container use. Of the various materials collected by Encorp in 2024, three material streams are suitable to be recycled and used as material in the production of new beverage containers. Plastic, aluminum and glass material beverage containers collected in British Columbia are shipped to recyclers for processing and sold 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: Approximately 89% of the weight of aluminum beverage containers collected by Encorp was converted to new aluminum beverage containers.

Glass: Approximately 58% of the weight of glass beverage containers collected by Encorp was converted to new glass beverage containers.

Plastic: Approximately 44% of the weight of plastic beverage containers collected by Encorp was converted to flake for new plastic beverage containers.

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



5.3 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 Pacific is engaged in the collection, transportation, densifying and shipping of recyclable material. Encorp's activities take place through a variety of partners and are acknowledged through their Scope 3 emissions reporting. For the 2024 calendar year, Encorp completed its sixth third-party greenhouse gas (GHG) inventory; total GHG emissions were 5,901.41 tonnes of carbon dioxide equivalent (tCO₂e) compared with the baseline year (2019), which was 11,794.75 tCO₂e. The 2024 reporting year represents a decrease of 50% in GHG emissions from baseline. This decrease in GHG emissions comes with an increase in materials processed.

In 2023, Encorp recycled 90,283 metric tonnes of used beverage containers. This decreased by 3% to 87,438 metric tonnes in 2024. 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 in Section 5.1.

In total, BC's used beverage container deposit return system contributed to the reduction of about 125.9 thousand tonnes of CO₂e from being released into the atmosphere in 2024 as compared with 125.2 thousand tonnes in 2023, and 104.8 thousand tonnes in the 2019 baseline year. These steady CO₂e savings reflect the consistently high volumes of recycled aluminum and plastic containers, alongside ongoing efforts to recover and recycle polycoat containers.

Compactor Trucks

In 2020, one hybrid CNG-electric compactor truck was added to the operations by way of a pilot project; since then, two additional trucks have been added to the fleet. These trucks travel to depots and conduct on-site compaction. This compaction reduces the total number of loads required to transport material from the depots to the processing facilities. Furthermore, these compactor trucks are powered by compressed natural gas and not charged by the electrical grid. For the 2024 reporting year, the compactor trucks drove 65,667 kilometres, which reduced diesel-equivalent kilometres by 160,000 kilometres, resulting in a net GHG reduction of 352 tCO₂e.

5.3 Environmental Report

GHG Emissions Summary

The following table is a summary of Encorp's emissions for the 2024 calendar year inventory:

Activity		2019 Baseline (tCO ₂ e)	2024 Operations (tCO ₂ e)	Absolute Change (tCO ₂ e)	Relative Change
Scope 1	Heat	49.29	49.29 [†]	0	0%
Scope 2	Electricity	2.36	2.54	0.18	8%
Scope 3	Electricity	61.8	102.55	40.75	66%
Scope 3	Heat	3,485.21	1,681.46	(-1,803.75)	(-52%)
Scope 3	Paper Consumption	69.98	6.29	(-63.69)	(-91%)
Scope 3	Staff Commuting	29.16	70.6	41.44	142%
Scope 3	Equipment	436.31	217.24	(-219.07)	(-50%)
Scope 3	Transporting People - Road	44.85	19.24	(-25.61)	(-57%)
Scope 3	Transporting People - Air	19.78	22.94	3.16	16%
Scope 3	Transporting People - Water	0.67	0	(-0.67)	(-100%)
Scope 3	Transporting Goods - Road	6,563.90	2,091.37	(-4,472.53)	(-68%)
Scope 3	Transporting Goods - Rail	356.12	912.95	556.83	156%
Scope 3	Compactor Trucks*	0	77.34	77.34	N/A
Scope 3	Transporting Goods - Water	675.32	647.6	(-27.72)	(-4%)
Totals		11,794.75	5,901.41	(-5,893.34)	(-50%)

The table above is a summary of Encorp's emissions for the 2024 calendar year.

* Compactor trucks displaced 160,000 kilometres in diesel-based transportation of goods by road, resulting in a net GHG reduction of 352 tCO₂e, which is represented as a reduction in Transporting Goods – Road line above.

† Estimated based on 2019 baseline.

The background features a collage of stylized icons in light orange and dark blue. These include various types of plastic bottles, a recycling symbol, a recycling bin, and other containers. A large, solid dark blue rectangle is positioned in the center, serving as a backdrop for the title text.

06

DEPOSITS, REFUNDS AND RECOVERY RATES

6.1 Recycling by the Numbers

In 2024, Encorp prevented 1.367 billion containers from going to landfills. By doing so, Encorp ensured that these containers were sent to be recycled into useful new materials and products, which positively impacts British Columbia’s environment.

1.367 Billion

Containers Collected

78.3%

Recovery Rate

\$136,729,692

Deposits Refunded

Container Type	Containers Sold		Containers Recovered		% Recovery Rate	
	2024	2023	2024	2023	2024	2023
Aluminum	671,317,334	635,187,798	552,345,694	534,060,041	82.3%	84.1%
Plastic ≤ 1L	538,000,647	557,924,167	418,448,837	438,673,973	77.8%	78.6%
Plastic > 1L	140,485,888	135,524,092	121,454,603	106,164,738	86.5%	78.3%
Plastic Total	678,486,535	693,448,259	539,903,440	544,838,711	79.6%	78.6%
Glass	190,004,599	195,642,219	166,422,568	175,891,915	87.6%	89.9%
Drink Boxes	120,518,770	115,150,241	58,265,864	67,651,998	48.3%	58.8%
Gable Top Cartons	71,817,821	72,966,559	43,520,605	45,756,471	60.6%	62.7%
Bi-Metal	3,576,470	2,990,711	2,839,389	2,351,812	79.4%	78.6%
Bag-In-A-Box	3,990,919	4,134,591	2,230,834	2,241,884	55.9%	54.2%
Pouches	7,476,877	7,182,510	1,768,531	2,368,736	23.7%	33.0%
Totals	1,747,189,325	1,726,702,889	1,367,296,925	1,375,161,566	78.3%	79.6%

Note: Calculations may show slight variances due to rounding.

6.1 Recycling by the Numbers

RECOVERY BY WEIGHT:

83.6%

2024 Recovery
Rate by Weight

85.0%

2023 Recovery
Rate by Weight

TYPE	ESTIMATED WEIGHT OF CONTAINERS SOLD (Mt)	ESTIMATED WEIGHT OF CONTAINERS RECOVERED (Mt)	RECOVERY BY WEIGHT %
Aluminum	8,660	7,125	82.3%
Plastic	22,509	18,325	81.4%
Glass	66,291	58,063	87.6%
Polycoat	5,936	3,187	53.7%
Pouches	42	10	23.7%
Bag-In-A-Box	933	522	55.9%
Bi-Metal	260	206	79.4%
Totals	104,631	87,438	83.6%

Note: Calculations may show slight variances due to rounding.



6.2 Regional Per Capita Returns

PROVINCIAL TOTALS:

Units Returned	1,367,296,925
Weight Collected (Metric Tonnes)	87,438
Per Capita Units Returned	239.9
Per Capita Weight Collected (Kilograms)	15.3

Regional Breakdown:

Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.-Dec.2024 Per Capita	Jan.-Dec.2023 Per Capita	Change to Per Capita Container Returns
Bulkley/Nechako	Units(000)	5,545	5,667	922	783	47	12,964	328.9	369.5	(40.6) dec.
	Tonnes	72	194	322	24	5	617	15.64 kg	17.0 kg	
Cariboo	Units(000)	9,053	9,950	2,016	1,206	102	22,326	334.2	325.8	8.5 inc.
	Tonnes	117	344	703	37	12	1,213	18.16 kg	18.1 kg	
Central Coast	Units(000)	512	459	75	59	3	1,107	275.3	218.6	56.7 inc.
	Tonnes	7	15	26	2	0	50	12.42 kg	10.5 kg	
Fraser – Fort George	Units(000)	15,811	15,655	2,865	2,213	156	36,700	345.4	360.2	(14.8) dec.
	Tonnes	204	541	1,000	67	15	1,827	17.20 kg	18.0 kg	
Kitimat – Stikine	Units(000)	6,116	5,945	919	807	53	13,840	334.0	348.9	(14.9) dec.
	Tonnes	79	199	321	25	5	628	15.17 kg	15.6 kg	
Skeena – Queen Charlotte	Units(000)	2,768	2,726	507	321	32	6,354	333.1	330.7	2.4 inc.
	Tonnes	36	87	177	10	3	312	16.37 kg	16.5 kg	
Northern Rockies	Units(000)	667	1,149	97	88	5	2,006	432.2	392.1	40.1 inc.
	Tonnes	9	40	34	3	0	85	18.35 kg	16.7 kg	
Peace River	Units(000)	8,200	10,423	1,430	1,302	81	21,436	318.2	315.7	2.5 inc.
	Tonnes	106	360	499	40	6	1,011	15.01 kg	15.0 kg	
Capital Regional District	Units(000)	50,987	38,705	15,557	9,355	514	115,117	250.1	255.9	(5.9) dec.
	Tonnes	658	1,352	5,428	298	65	7,800	16.95 kg	18.0 kg	
Cowichan Valley	Units(000)	14,050	10,788	3,560	1,858	154	30,410	319.2	315.4	3.8 inc.
	Tonnes	181	362	1,242	58	22	1,865	19.58 kg	19.8 kg	
Alberni/Clayoquot	Units(000)	6,038	4,832	1,524	734	53	13,181	363.9	351.1	12.8 inc.
	Tonnes	78	164	532	23	7	804	22.19 kg	21.2 kg	
Comox	Units(000)	9,465	6,881	2,923	1,565	129	20,963	264.4	270.0	(5.6) dec.
	Tonnes	122	240	1,020	49	19	1,450	18.29 kg	18.9 kg	
Mount Waddington	Units(000)	2,183	1,828	409	253	17	4,690	411.0	400.8	10.1 inc.
	Tonnes	28	63	143	8	3	244	21.40 kg	20.5 kg	

Note: Calculations may show slight variances due to rounding.

6.2 Regional Per Capita Returns

Regional Breakdown:

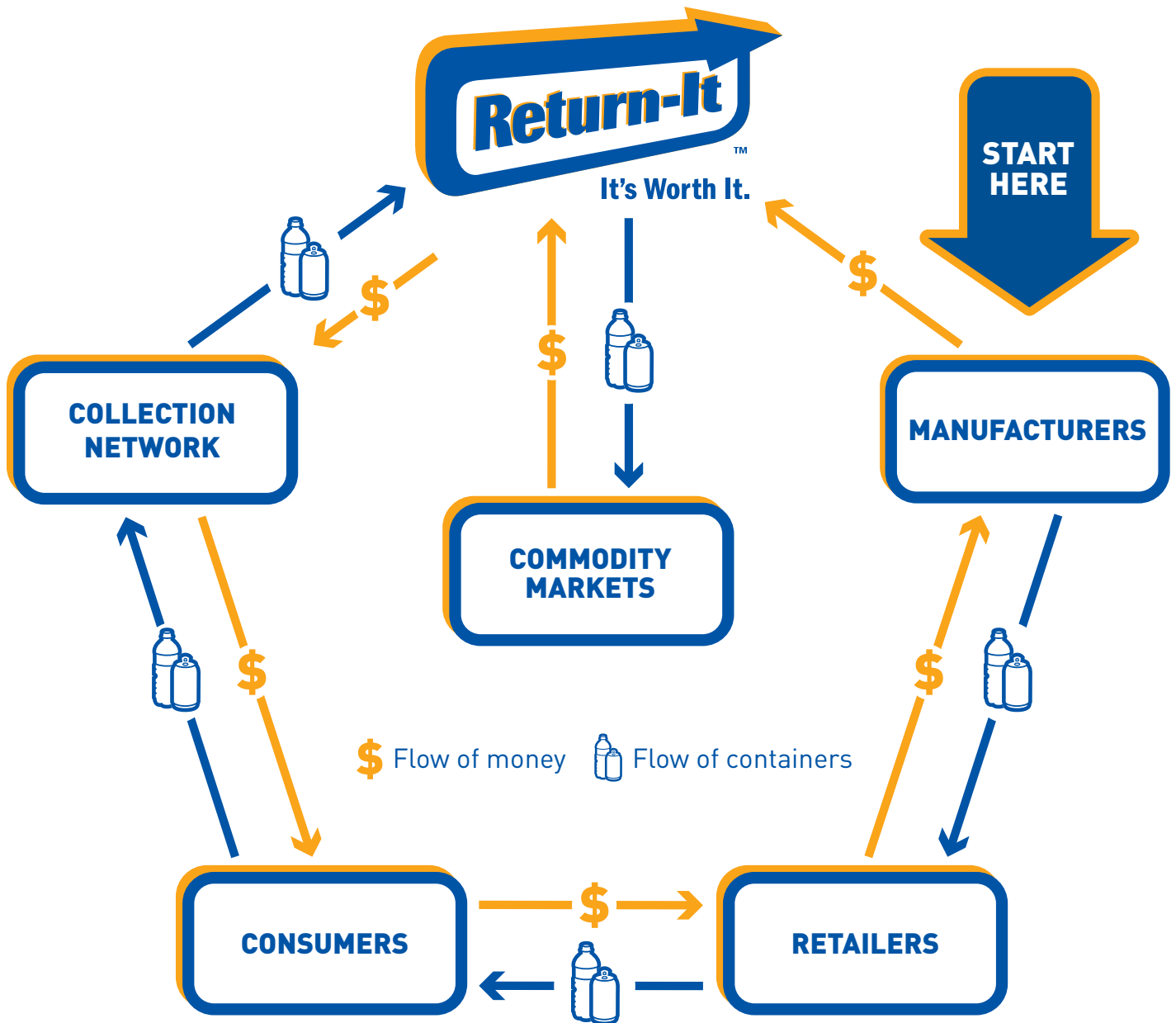
Regional Breakdown:										Change to Per Capita Container Returns
Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.–Dec.2024 Per Capita	Jan.–Dec.2023 Per Capita	
Nanaimo	Units(000)	20,798	16,334	6,260	2,963	235	46,591	250.3	253.0	(2.6) dec.
	Tonnes	268	544	2,184	93	37	3,126	16.80 kg	17.6 kg	
Strathcona	Units(000)	6,470	4,960	1,575	792	70	13,867	269.4	265.0	4.4 inc.
	Tonnes	83	172	550	25	11	841	16.34 kg	16.3 kg	
Greater Vancouver	Units(000)	233,870	254,513	79,328	53,331	3,412	624,453	200.9	204.3	(3.5) dec.
	Tonnes	3,017	8,483	27,677	1,670	302	41,149	13.24 kg	14.3 kg	
Fraser Valley	Units(000)	38,191	40,806	8,832	6,347	455	94,630	261.0	268.0	(7.0) dec.
	Tonnes	493	1,416	3,081	196	48	5,234	14.43 kg	14.8 kg	
Powell River	Units(000)	2,953	2,117	794	441	36	6,341	275.0	287.3	(12.3) dec.
	Tonnes	38	73	277	14	6	408	17.70 kg	19.5 kg	
Squamish – Lillooet	Units(000)	6,749	5,293	2,894	1,089	58	16,083	285.0	278.8	6.2 inc.
	Tonnes	87	188	1,010	35	6	1,326	23.50 kg	23.6 kg	
Sunshine Coast	Units(000)	3,844	2,436	1,777	536	55	8,647	247.3	250.5	(3.1) dec.
	Tonnes	50	85	620	17	9	781	22.33 kg	23.1 kg	
Central Okanagan	Units(000)	30,051	27,935	10,217	4,717	312	73,231	290.9	385.6	(94.7) dec.
	Tonnes	388	977	3,565	148	44	5,120	20.34 kg	23.7 kg	
North Okanagan	Units(000)	13,329	12,351	3,694	1,983	128	31,485	315.5	327.8	(12.3) dec.
	Tonnes	172	426	1,289	62	18	1,967	19.71 kg	21.2 kg	
Okanagan – Similkameen	Units(000)	12,621	12,182	4,714	1,803	155	31,474	335.1	335.9	(0.7) dec.
	Tonnes	163	422	1,645	57	24	2,310	24.60 kg	25.2 kg	
Columbia Shuswap	Units(000)	8,094	6,986	2,587	1,085	78	18,830	301.8	312.1	(10.3) dec.
	Tonnes	104	238	903	34	12	1,291	20.69 kg	21.6 kg	
Thompson – Nicola	Units(000)	22,363	21,708	5,345	3,166	268	52,850	332.7	339.4	(6.8) dec.
	Tonnes	288	750	1,865	98	27	3,029	19.06 kg	19.7 kg	
Central Kootenay	Units(000)	8,021	5,715	2,265	1,158	89	17,249	251.0	258.6	(7.6) dec.
	Tonnes	103	197	790	36	12	1,139	16.58 kg	17.6 kg	
East Kootenay	Units(000)	9,360	8,132	2,364	1,246	93	21,195	292.2	294.7	(2.5) dec.
	Tonnes	121	272	825	39	13	1,269	17.50 kg	18.5 kg	
Kootenay Boundary	Units(000)	4,240	3,429	973	585	51	9,278	262.4	265.1	(2.7) dec.
	Tonnes	55	119	340	19	7	539	15.25 kg	15.6 kg	
Total Units	Units(000)	552,346	539,904	166,422	101,787	6,839	1,367,297	239.9	249.2	(9.2) dec.
Total Weight	Tonnes	7,125	18,325	58,063	3,187	738	87,438	15.3 kg	16.4 kg	

Note: Calculations may show slight variances due to rounding.

PLAN PERFORMANCE

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

CONSOLIDATED 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. Aluminum saw a price decline in late 2023, but by mid-2024 prices had rebounded and, by year-end, surpassed previous-year levels. Plastic experienced a mid-year price boost in 2024 before settling back to 2022 benchmarks by the end of the year.

Unredeemed Deposits

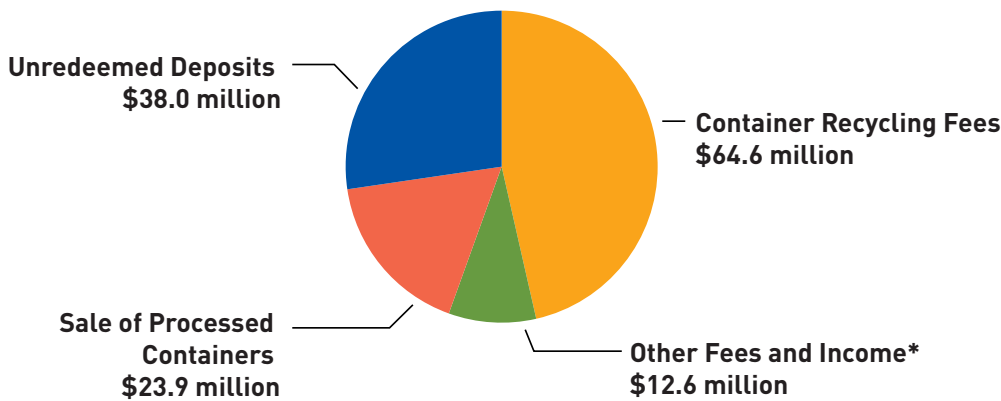
Encorp is paid a deposit for every registered container sold in British Columbia. Unredeemed deposits for those containers not returned by consumers are used to fund the system.

Container Recycling Fees

When the revenue from unredeemed 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	\$64.6 million	46.5%
Unredeemed Deposits	\$38.0 million	27.3%
Sale of Processed Containers	\$23.9 million	17.2%
Other Fees and Income*	\$12.6 million	9.1%
<hr/>		
Total Revenues	\$139.1 million	100%

Note: Calculations may show slight variances due to rounding.
*Other Fees includes professional services for Electronic Products Recycling Association (EPRA) and Major Appliance Recycling Roundtable (MARR), interest income and foreign exchange gain/loss.

7.2 Follow the Money

CONSOLIDATED EXPENDITURES

Deposit Refunds

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

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 Consolidation

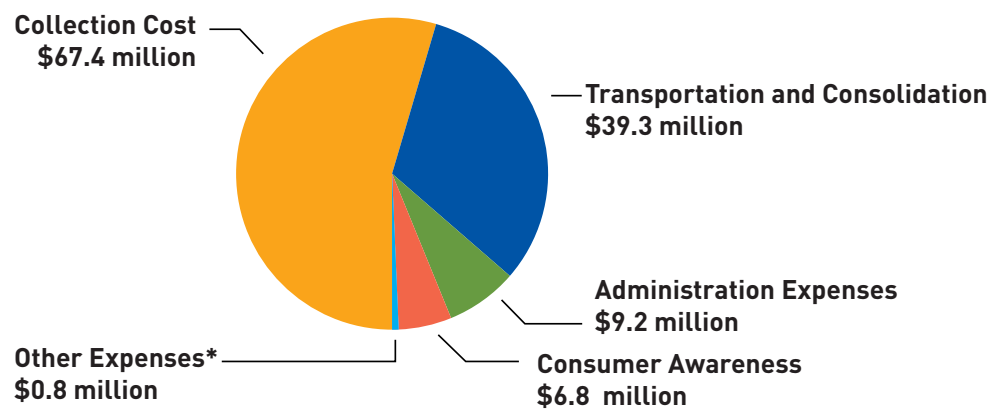
Encorp contracts with various trucking companies to collect containers from depots and grocery retailers and deliver them to contracted consolidation partners, where they are sorted and compacted for shipment to end markets. For these services, Encorp pays them transportation fees, fuel and sorting fees.

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 Cost	\$67.4 million	54.6%
Transportation and Consolidation	\$39.3 million	31.8%
Administration Expenses	\$9.2 million	7.4%
Consumer Awareness	\$6.8 million	5.5%
Other Expenses*	\$0.8 million	0.7%
<hr/>		
Total Expenditures	\$123.5 million	100%

*Other Expenses include amortization.

Note: Calculations may show slight variances due to rounding.

7.3 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, which is refunded when the empty container is returned to an approved location for the deposit refund. When the revenue from unredeemed 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 annually to ensure that they are no more than is necessary to cover the ongoing cost of operating the program.

Container Type	01-Feb-23	01-Feb-24
Aluminum	N/A	2.0 cents
Plastic ≤ 1L	2.0 cents	4.0 cents
Plastic > 1L	1.0 cent	5.0 cents
Polypropylene	2.0 cents	4.0 cents
Glass ≤ 1L	13.0 cents	15.0 cents
Glass > 1L	15.0 cents	15.0 cents
Bi-Metal ≤ 1L	4.0 cents	5.0 cents
Bi-Metal > 1L	N/A	N/A
Bag-In-A-Box	12.0 cents	20.0 cents
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)	1.0 cent	1.0 cent
Gable Top Carton > 1L	1.0 cent	1.0 cent
Drink Pouches	N/A	N/A
Glass Wine & Spirits ≤ 1L	14.0 cents	15.0 cents
Glass Wine & Spirits > 1L	15.0 cents	15.0 cents
Non-Refillable Beer, Cider, Cooler Glass ≤ 1L	11.0 cents	15.0 cents
Non-Refillable Beer, Cider, Cooler Glass > 1L	15.0 cents	15.0 cents
Liquor Plastic ≤ 1L	1.0 cent	1.0 cent
Liquor Plastic > 1L	1.0 cent	1.0 cent
Liquor Bag-In-A-Box	12.0 cents	20.0 cents
Ceramics*	N/A	2,951 cents

*Effective September 1, 2024

The background features a collage of various plastic waste items in a light tan color. These include a bottle, a carton with a straw, a jug, a can, a cup, and a container with a lid. A large, solid blue rectangle is positioned in the center, serving as a backdrop for the text.

08

GOVERNANCE

8.1 Board of Directors

Encorp recognizes that its responsibilities as an Industry Product Stewardship (IPS) organization require 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 nine-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.

As of December 31, 2024

CHAIR OF THE BOARD

Dan Wong

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

Michael Forian-Zytynsky

Head of Government Affairs, Keurig Dr. Pepper Canada
Encorp Affiliation – Canadian Beverage Association
Committees – Governance / Human Resources

John Irving

Encorp Affiliation – Unrelated Director
Committees – Governance / Human Resources

John Nixon

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
Committees – Human Resources / Governance

Jane Butterfield

Vice Chair 2024
Encorp Affiliation – Unrelated Director
Committees – Audit / Human Resources

Jamie Sayers

Managing Director, Communications & ESG,
Pattison Food Group
Encorp Affiliation – Retail Council of Canada
Committee – Audit

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.

As of December 31, 2024

Christoph Schultz
Executive Director, Recycling Council of BC

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

Surya Dhulipala
Environmental Initiatives Advisor, BC Liquor Distribution Branch

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

Andrew Doi
Environment Planner, Metro Vancouver

Mark McLaughlin
Chief Commercial Services Officer, Ancillary Services, Simon Fraser University

Chris Beach
Principal, Burns Lake Return-It Depot



The background features a collage of various plastic bottles and containers in shades of blue and orange. A large, solid blue rectangle is positioned in the center, serving as a backdrop for the text. The collage includes a blue water bottle, a blue soda can, a blue sports bottle, and several orange containers, including a large jug and a smaller bottle. The overall design is clean and modern, with a focus on recycling and sustainability.

09

**AUDITED
STATEMENTS**

9.1 Management's Responsibility for Financial Reporting

May 6, 2025

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, 2024
 - 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, 2024, 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.

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.



Encorp Pacific (Canada)
Page 2

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Vancouver, Canada
May 6, 2025

Statement of Financial Position

ENCORP PACIFIC (CANADA)

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 71,383,152	\$ 58,606,838
Accounts receivable, net of allowance for doubtful accounts of \$119,397 (2023 - \$275,759)	7,891,172	6,850,495
Prepaid expenses and deposits	802,334	999,233
	80,076,658	66,456,566
Capital assets (note 4)	32,765,257	13,251,084
	<u>\$ 112,841,915</u>	<u>\$ 79,707,650</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 32,684,633	\$ 27,448,032
Deferred revenue	12,542,466	10,721,835
Advance payment from brand owners	1,953,434	1,964,218
Current portion of debt (note 5)	289,784	2,353,981
	47,470,317	42,488,066
Debt (note 5)	14,282,749	1,613,494
	61,753,066	44,101,560
Net assets:		
Internally restricted reserve (note 6(a))	1,788,234	1,788,234
Geographic coverage reserve (note 6(b))	28,375,248	22,869,362
Investment in capital assets	18,192,724	9,283,609
Unrestricted	2,732,643	1,664,885
	51,088,849	35,606,090
Commitments (note 7)		
	<u>\$ 112,841,915</u>	<u>\$ 79,707,650</u>

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

Approved on behalf of the Board:



 Director



 Director

Statement of Operations

ENCORP PACIFIC (CANADA)

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenues:		
Deposit on containers	\$ 174,731,036	\$ 172,670,289
Deposit refunded	(136,729,692)	(137,516,157)
	38,001,344	35,154,132
Container recycling fees	64,593,980	42,370,708
Sale of recyclable materials	23,911,621	21,768,174
Contract fees	8,943,742	8,615,128
Interest income	3,152,863	3,236,523
Other	446,602	632,063
	139,050,152	111,776,728
Operating expenses:		
Collection	67,388,449	68,828,805
Transportation and processing	39,334,991	38,316,189
	106,723,440	107,144,994
Other expenses:		
General and administrative	9,238,682	9,150,325
Consumer awareness	6,774,974	7,036,423
Amortization	1,356,842	1,079,650
Foreign exchange loss (gain)	(526,545)	157,107
	16,843,953	17,423,505
Excess (deficiency) of revenue over expenses	\$ 15,482,759	\$ (12,791,771)

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, 2024, with comparative information for 2023

	Internally restricted reserve	Geographical coverage reserve	Investment in capital assets	Unrestricted	2024 Total	2023 Total
Balance, beginning of year	\$ 1,788,234	\$ 22,869,362	\$ 9,283,609	\$ 1,664,885	\$ 35,606,090	\$ 48,397,861
Excess (deficiency) of revenue over expenses	-	-	(1,390,940)	16,873,699	15,482,759	(12,791,771)
Net change in investment in capital assets (note 6(b))	-	(9,111,872)	10,300,055	(1,188,183)	-	-
Transfers to reserves: Geographic coverage reserve (note 6(b))	-	14,617,758	-	(14,617,758)	-	-
Balance, end of year	\$ 1,788,234	\$ 28,375,248	\$ 18,192,724	\$ 2,732,643	\$ 51,088,849	\$ 35,606,090

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, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 15,482,759	\$ (12,791,771)
Items not involving cash:		
Amortization	1,356,842	1,079,650
Loss on disposal of capital assets	34,098	189,648
	16,873,699	(11,522,473)
Changes in non-cash operating items:		
Accounts receivable	(1,040,677)	85,429
Prepaid expenses and deposits	196,899	474,117
Accounts payable and accrued liabilities	5,236,601	3,263,311
Deferred revenue	1,820,631	(890,824)
Advance payment from brand owners	(10,784)	150,193
	23,076,369	(8,440,247)
Investments:		
Purchase of capital assets	(20,905,888)	(6,138,585)
Proceeds from sale of capital assets	775	3,800
	(20,905,113)	(6,134,785)
Financing:		
Proceeds from debt	10,750,000	2,300,000
Repayments of debt	(144,942)	(51,968)
	10,605,058	2,248,032
Increase (decrease) in cash	12,776,314	(12,327,000)
Cash, beginning of year	58,606,838	70,933,838
Cash, end of year	\$ 71,383,152	\$ 58,606,838

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

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements

Year ended December 31, 2024

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. The Corporation accounts for this investment using the equity method and provides the disclosures on the balances and transactions of Encorp Pacific Inc. 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, 2024

2. Significant accounting policies:

(a) Controlled entities (continued):

(iii) 1333229 B.C. Ltd.:

The Corporation owns 100% of the issued and outstanding share capital of 1333229 B.C. Ltd. This entity is inactive and has no assets or liabilities.

(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 and ultimate collection is reasonably assured.

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, 2024, the turnaround time was estimated to be 7.5 weeks (2023 - 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 other expenses (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, 2024

2. Significant accounting policies (continued):

(f) Capital assets:

The Corporation records capital assets at cost less accumulated amortization. Except for land, which is not amortized, 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, 2024

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, 2024

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, 2024, government remittances are in an aggregate net payable of \$45,142 (2023 - aggregate net receivable \$414,578).

4. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Infrastructure for operations:				
Land	\$ 27,598,740	\$ -	\$ 27,598,740	\$ 8,531,722
Building	832,631	88,960	743,671	66,676
General:				
Mobile Compaction	3,181,855	1,239,719	1,942,136	2,342,995
Express & Go stations	1,688,870	643,733	1,045,137	1,153,453
Computer hardware	2,870,005	2,111,009	758,996	349,647
Office equipment	1,082,095	968,035	114,060	141,872
Leasehold improvements	749,086	589,833	159,253	179,532
Computer software	362,924	325,175	37,749	139,167
Assets under development	365,515	-	365,515	346,020
	\$ 38,731,721	\$ 5,966,464	\$ 32,765,257	\$ 13,251,084

5. Credit facilities:

		2024	2023
Revolving demand facility	(a)	\$ -	\$ -
Non-revolving term loan	(b)	1,613,626	1,667,475
Non-revolving term loan	(c)	2,268,964	2,300,000
Non-revolving term loan	(d)	1,574,503	-
Non-revolving term loan	(e)	3,025,338	-
Non-revolving term loan	(f)	6,090,102	-
		14,572,533	3,967,475
Less current portion		(289,784)	(2,353,981)
		\$ 14,282,749	\$ 1,613,494

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Credit facilities (continued):

The Corporation has a credit agreement with Royal Bank of Canada ("RBC") dated May 10, 2023 with various amendments thereon (the "Agreement"). The 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, 2024 and 2023.
- (b) a non-revolving term loan in the amount of \$1,702,889 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, 2024, interest related to this loan, which is included in general and administrative expenses, was \$46,421 (2023 - \$48,306).
- (c) a non-revolving term loan in the amount of \$2,300,000. This loan was added on May 10, 2023 and refinanced in an amendment to the Agreement on May 22, 2024. Pursuant to the refinancing, The loan bears interest at a fixed rate of 6.44% per annum. The loan is repayable monthly in blended payments of \$15,811 and repayable in full on May 15, 2026. During the year ended December 31, 2024, interest related to this loan, which is included in general and administrative expenses, was \$151,779 (2023 - \$48,306).
- (d) a non-revolving term loan in the amount of \$1,600,000. This facility was added in an amendment to the Agreement on January 9, 2024, and was drawn on January 26, 2024. The loan bears interest at a fixed rate of 6.05% per annum. The loan is repayable monthly in blended payments of \$10,360 and repayable in full on January 26, 2027. During the year ended December 31, 2024, interest related to this loan, which is included in general and administrative expenses, was \$88,463 (2023 - nil).
- (e) a non-revolving term loan in the amount of \$3,050,000. This facility was added in an amendment to the Agreement on June 5, 2024, and was drawn on June 21, 2024. The loan bears interest at a fixed rate of 6.20% per annum. The loan is repayable monthly in blended payments of \$20,030 and repayable in full on June 21, 2026. During the year ended December 31, 2024, interest related to this loan, which is included in general and administrative expenses, was \$95,519 (2023 - nil).
- (f) a non-revolving term loan in the amount of \$6,100,000. This facility was added in an amendment to the Agreement on October 4, 2024, and was drawn on November 13, 2024. The loan bears interest at a fixed rate of 5.49% per annum. The loan is repayable monthly in blended payments of \$37,423 and repayable in full on November 13, 2027. During the year ended December 31, 2024, interest related to this loan, which is included in general and administrative expenses, was \$27,525 (2023 - nil).
- (g) a revolving lease line of credit in the amount of \$1,000,000. No leases were drawn on this facility as at December 31, 2024 and 2023.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Credit facilities (continued):

The facilities under this credit agreement are secured with first ranking security interest on all property of the Corporation. The facilities are subject to a covenant. The Corporation was in compliance with the covenant as at December 31, 2024.

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

2025	\$	289,784
2026		6,923,081
2027		7,359,668
	\$	14,572,533

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, no amount was transferred from the internally restricted reserve during fiscal 2024 (2023 - \$6,400,185).

(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.

During fiscal 2024, \$9,111,872 (2023 - \$2,539,240) of this reserve was used for the purchase of capital assets.

The reserve level is reviewed annually by the Board of Directors. As a result of the annual review, an amount of \$14,617,758 was transferred to the geographical coverage reserve during fiscal 2024 (2023 - nil).

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2024

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 are as follows:

2025	\$	768,904
2026		607,566
2027		79,650
	\$	1,456,120

8. Related parties:

(a) Encorp Pacific Inc.:

The Corporation owns 100% of Encorp Pacific Inc.

Encorp Pacific Inc. is inactive and its balance sheet at December 31, 2024 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, 2024, the Corporation paid \$197,729 (2023 - \$206,960) 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, 2024, the net US dollar exposure on cash, accounts receivable, accounts payable and accrued liabilities was US\$3,502,508 (CAD\$5,039,759) (2023 - US\$3,997,206 (CAD\$5,294,979)). The Corporation does not use derivative instruments to reduce its exposure to foreign currency risk.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Financial risks (continued):

(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.

(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, 2024, the most significant financial liabilities are accounts payable and accrued liabilities and debt.

10. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year. These reclassifications do not impact total assets or deficiency of revenue over expenses or cash flows reported in the prior year.

9.3 Independent Reasonable Assurance Report



KPMG LLP

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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT

To the Board of Directors of Encorp Pacific (Canada)

We have undertaken a reasonable assurance engagement of the underlying subject matter information detailed within the Annual Report (the "Report") and as included in Appendix 1 of this assurance report (the "subject matter information") based on applicable criteria of Encorp Pacific (Canada) (the "Entity") for the year ended December 31, 2024:

- 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.

Management's Responsibility

Management is responsible for measuring and evaluating the underlying subject matter information against the applicable criteria detailed within Appendix 1 (the "applicable criteria").

Management is responsible for determining the appropriateness of the use of the 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



Encorp Pacific (Canada)
Page 2

Practitioner's 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.

Practitioner's Independence and Quality

We have complied with the relevant rules of professional conduct/code of ethics 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 behaviour.

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 the subject matter information, is subject to more inherent limitations than financial information, given the characteristics of non-financial 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.

Opinion

In our opinion, the subject matter information of the Entity for the year ended December 31, 2024 is, in all material respects, in accordance with the applicable criteria.



Encorp Pacific (Canada)
Page 3

Specific Purpose of Subject Matter Information

The subject matter information has been evaluated and measured against the applicable criteria by the Entity to meet the requirements of regulations 8(2)(d). As a result, the subject matter information may not be suitable for another purpose.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants
Vancouver, Canada
June 27, 2025

ENCORP (PACIFIC) CANADA

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

Year ended December 31, 2024

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

SUBJECT MATTER INFORMATION

Specific information in the Annual Report for which applicable criteria were developed		
Disclosed information	2024 Claim in the Annual Report	Report Reference
Number of collection facilities	183 collection facilities	Collection System and Facilities section of Executive Summary on page 1.
Changes in number of collection facilities	No collection facilities were removed during 2024. 3 collection facilities were added during 2024.	

APPLICABLE DEFINITIONS

The following definitions were applied to the assessment of the number of its collection facilities, and any changes in the number and location of its 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.

A 'Collection Facility' does not include facilities where Encorp does not have a contract with the entity for services, such as retail stores.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2024

APPLICABLE CRITERIA

The following applicable criteria were applied to the assessment of the location of its collection facilities, and any changes in the number and location of its 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, 2024

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	2024 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 (2024)' column from Section 5.1 Container Recycling End Fate Report on pages 37 to 38.

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, 2024

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, 2024

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	2024 Claim in the Annual Report	Report Reference
Product sold	Total sales in units – 1,747,189,325	‘Product Sold / Collected and Recovery Rate’ section of the Executive Summary on page 2.
Product collected	Total product collected in units – 1,367,296,925	
Recovery rate	Recovery rate – 78.3%	

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, 2024

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, 2024

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	2024 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%	'2024 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 – 81.7% target	Recovery rate – 78.3%	'Product Sold / Collected and Recovery Rate' section of the Executive Summary on page 1.

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, 2024

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 driving radius (urban areas) or 45 minutes driving radius (rural areas with a population equal to or exceeding 4,000) of a container redemption facility.



Encorp Pacific (Canada)

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