

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 cup, 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

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# 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.

