

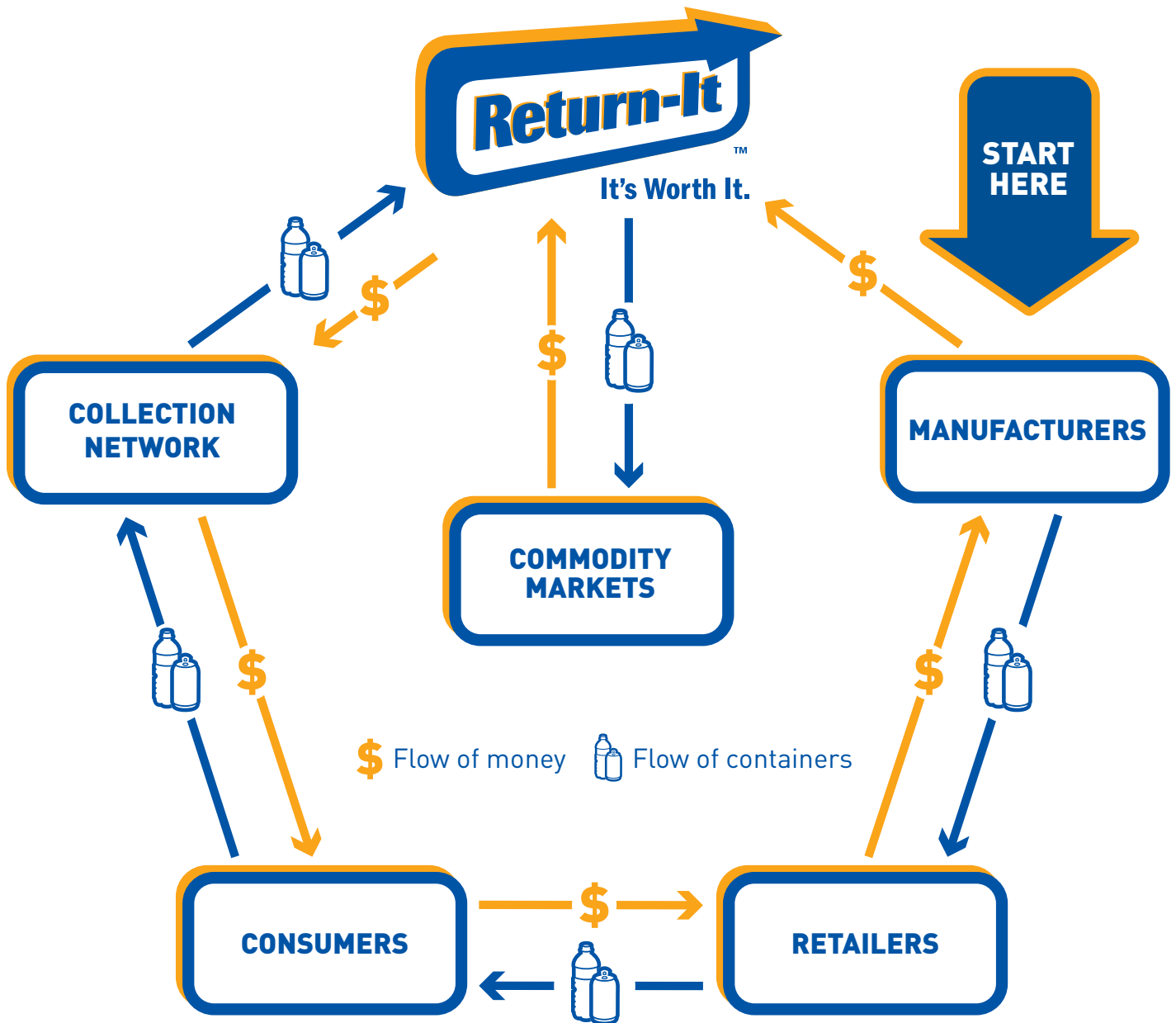
The background features a collage of various plastic bottles and containers in shades of blue and orange. A large, solid blue rectangle is centered on the page, serving as a backdrop for the text. The collage includes a large blue bottle with a cap, a smaller blue bottle, a blue can with a pull tab, 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.

# 07

**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

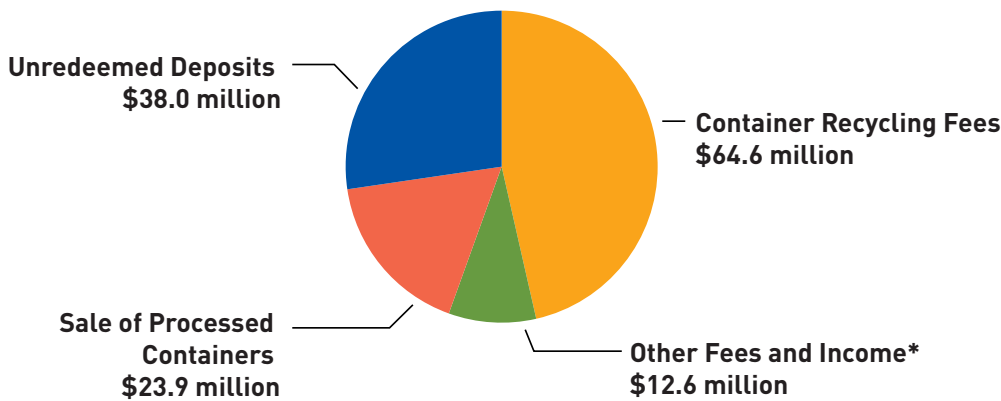
Encorp is paid a deposit for every registered container sold in British Columbia. Unredeemed deposits for those containers not returned by consumers are used to fund the system.

### 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%
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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**

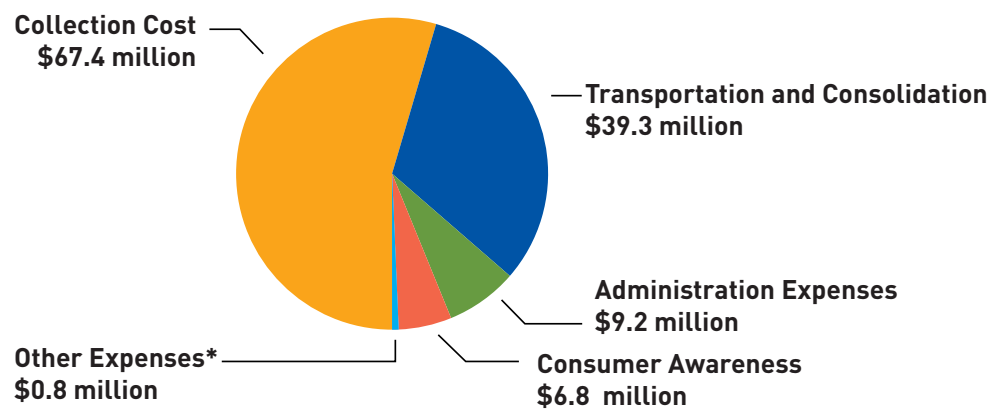
Encorp contracts with various trucking companies to collect containers from depots and grocery retailers and deliver them to contracted consolidation partners, where they are sorted and compacted for shipment to end markets. For these services, Encorp pays them transportation fees, fuel and sorting fees.

**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%
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<b>Total Expenditures</b>	<b>\$123.5 million</b>	<b>100%</b>

\*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