



ANNUAL REPORT

Encorp Pacific (Canada)

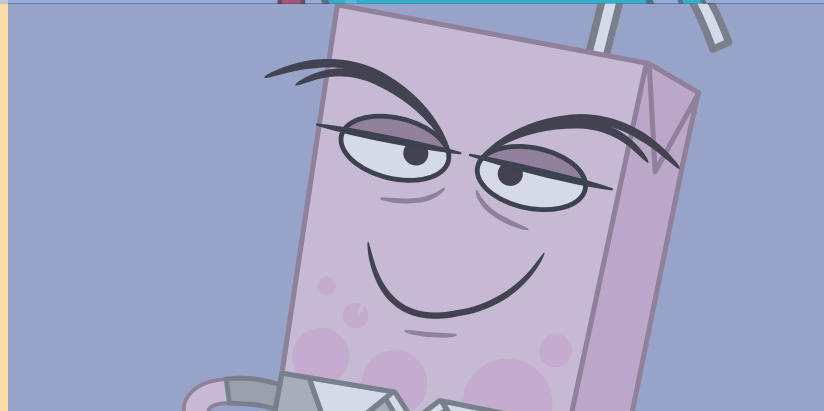
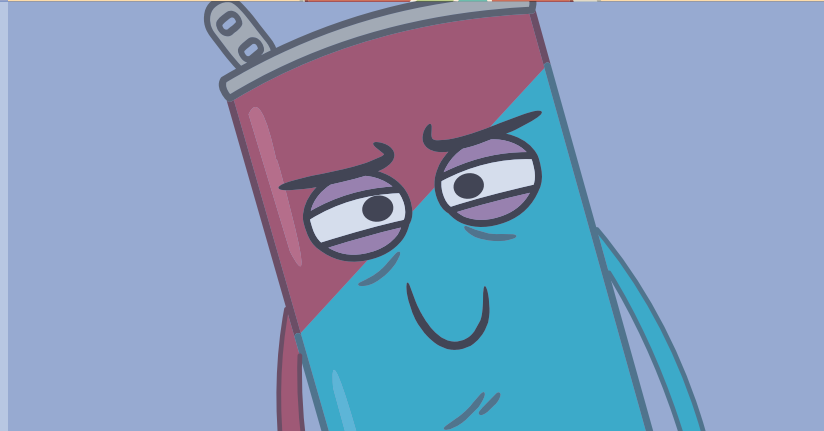
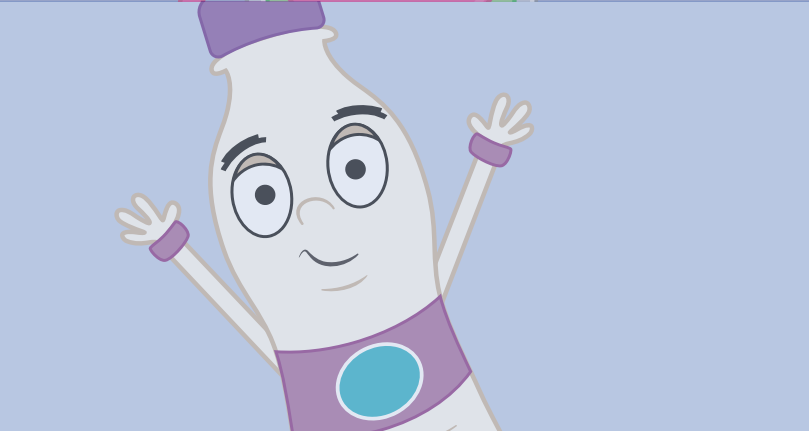
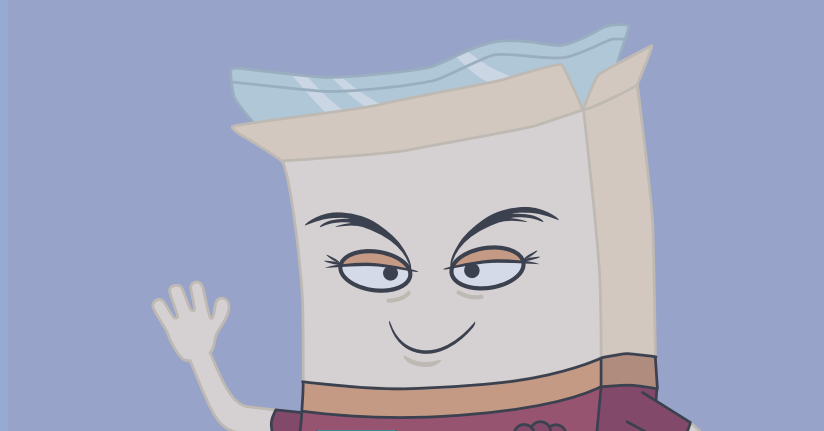
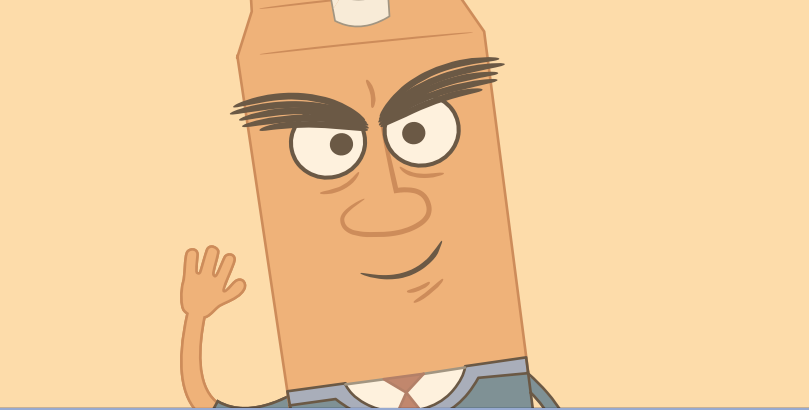
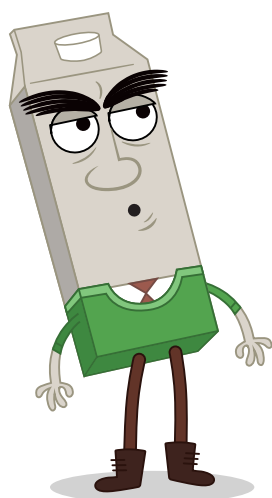


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Executive Summary

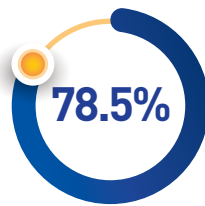
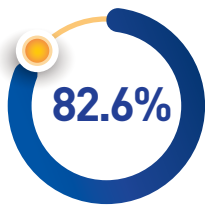


Encorp Pacific (Canada) is the not-for-profit stewardship agency appointed by its member producers to fulfill the requirements of the Recycling Regulation (BC Reg. 449/2004) under the Environmental Management Act for Beverage Containers – Schedule 1. The Encorp Stewardship Plan encompasses all ready-to-drink 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.

More information is available at: www.return-it.ca

2025 RECOVERY RATE

75% Regulated Requirement



4.1% Under Plan Target

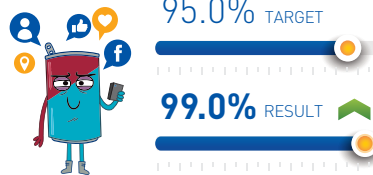
3.5% Above Regulation

	ALUMINUM	GLASS	PLASTIC ≤1L	PLASTIC >1L	DRINK BOX	BAG-IN-A-BOX	BI-METAL	GABLE TOP	POUCHES	CERAMICS
2025 RECOV.	81.5%	89.2%	75.6%	94.0%	50.8%	56.4%	88.1%	64.1%	20.9%	40.7%
2024 RECOV.	82.3%	87.6%	77.8%	86.5%	48.3%	55.9%	79.4%	60.6%	23.7%	—
TARGET	84.6%	94.8%	76.8%	86.7%	75.0%	75.0%	88.0%	75.0%	75.0%	—

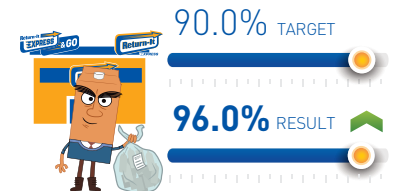
PUBLIC EDUCATION MATERIALS & STRATEGIES

Every year, Encorp develops and implements a comprehensive strategic marketing plan to increase consumer awareness and participation in responsible beverage container recycling across British Columbia. Annual market research measures key indicators, program awareness and return-location awareness. See a detailed overview of Public Educational Materials and Strategies, starting on page 6.

PROGRAM AWARENESS



LOCATION AWARENESS

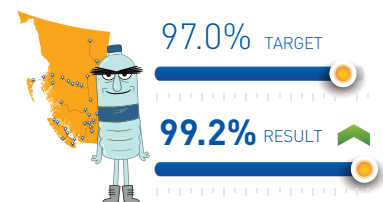


COLLECTION SYSTEM AND ACCESS

Over the past 30 years, Encorp has developed an extensive network of dedicated return locations through the Return-It program to ensure province-wide accessibility and strong environmental outcomes. To maximize participation and operational efficiency, Encorp has developed a comprehensive suite of collection systems and facilities. See a detailed overview of Collection System and Facilities, starting on page 19. See a detailed overview of GIS Mapping and Accessibility Analysis on page 25.

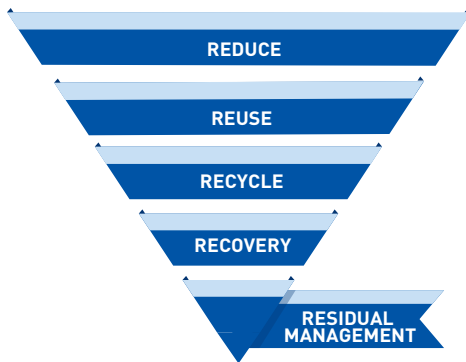

	2025	2024	Change
Independent Return-It Licensed Depots	162	163	(1)
Return-It Corporate Depots	4	2	2
Return-It Express & GO	22	18	4
Total Return-It Network	188	183	5

ACCESS LEVEL



PRODUCT ENVIRONMENTAL IMPACT

Encorp’s operations and activities are aligned with the Government of BC’s CleanBC policy to reduce greenhouse gas emissions and mitigate climate impacts. Through on-site compaction, material consolidation and responsible end-of-life processing, Encorp continues to reduce transportation impacts and maximize material recovery, contributing to a lower-carbon circular economy. See a detailed overview of Environmental Impact, starting on page 31.

Target, an overall 6% reduction in GHG emissions from 2019 baseline

	2025	2024
Metric tonnes of materials diverted from landfill	84,590	87,438
GHG emissions and MT-CO ₂ , eq avoided	135.4	125.9
GHG reduction target performance against the 2019 baseline	(44%)	(50%)


POLLUTION PREVENTION HIERARCHY

The pollution prevention hierarchy reinforces a circular economy approach, ensuring materials are treated as valuable resources, rather than waste. Material collected under the Encorp programs falls within the Recycle tier of the hierarchy. Encorp works closely with its member producers to reduce environmental impacts throughout the product lifecycle. See a detailed overview of Container Recycling End Fate Report, starting on page 27.

PRODUCT SOLD, COLLECTED & RECOVERY RATE

All Encorp producer members are required to submit monthly BC sales data. This data is reviewed to ensure accuracy and timeliness. Sales volumes (by units) are then used to calculate the recovery rate, which is determined by comparing the number of units collected to the number of units sold during the annual reporting period. See a detailed overview of Product Sold / Collected & Recovery Rate on page 33.

Total Sales in Units	1,774,196,165
Total Product Collected in Units	1,392,361,693
Recovery Rate	78.5%
Provincial Per Capita Recovery	244.4



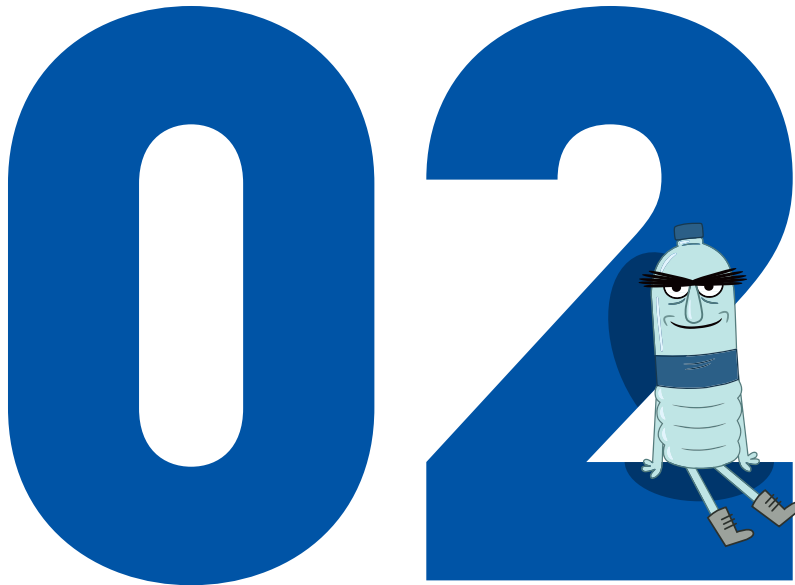
SUMMARY OF DEPOSITS, REFUNDS, REVENUES & EXPENDITURES

As a not-for-profit stewardship organization, Encorp has developed a cost-effective system to recycle all beverage containers registered with the Return-It program. The program is funded through three primary revenue sources: the commodity value of collected containers, unredeemed deposits and container recycling fees (CRFs). These revenues support the full operation of the program, including collection, transportation, material consolidation, responsible processing and recycling, consumer education and outreach initiatives and overall program administration. See a detailed overview of Summary of Deposits, Refunds, Revenues and Expenditures on page 38.

Encorp maintains a strong commitment to transparency and accountability. An independent third-party auditor is engaged to audit both the financial statements and select non-financial information prepared by management, ensuring accuracy, compliance and responsible financial stewardship. See a detailed overview of Financial Statements, starting on page 47.

Deposits Collected	\$177,421,041
Refunds Issued	\$139,236,749
Total Revenue	\$169,262,352
Total Expenses	\$135,317,961





PROGRAM OUTLINE

2.1 Message from the Chair

2.2 Message from the CEO

2.1 Message from the Chair

After more than 30 years of successfully operating British Columbia's beverage container collection program, it is important not to become complacent. The world of product stewardship, where Encorp Pacific was once a pioneer, continues to evolve. Extended Producer Responsibility (EPR) is now embedded in public policy and in the public consciousness. As programs converge across sectors and jurisdictions, there are increased opportunities to share innovative technologies and best practices. At the same time, our business, like others, is increasingly affected by economic and political forces beyond our control.

Throughout, increasing accessibility and expanding our network of collection locations remains a primary strategic objective. This past year marked the largest increase in net new locations added to Encorp's Return-It network in over a decade. In October, following nearly two years of planning and development, we opened our first corporately owned and operated location on Grandview Highway, serving a much-needed area in East Vancouver. Originally established to fill a service gap when a local depot closed in 2021, this location also gives us the capacity to test new counting equipment, pilot collaboration projects with other EPR programs, and deliver a service model that helps redefine what the depot experience can be.

Likewise, the continued expansion and enhancement of the Express program remains a key factor in improving the customer experience and, ultimately, increasing recovery rates. In addition to two independent depots adopting the Express program, Encorp introduced six Express locations in key areas across Metro Vancouver.

At the same time, Artificial Intelligence (AI) offers the potential to enhance the efficiency and overall performance of the Return-It program. In 2025, we continued to explore and test AI applications for beverage container counting, with plans to pilot an AI-driven counting solution in the field in 2026.

Still, 2025 was not without challenges. The fire that destroyed the Nechako Bottle Depot in Prince George was devastating. However, the speed and determination with which the depot owners mobilized and secured a new location was truly remarkable and inspiring.

If 2025 has taught us anything, it is the importance of building resilience within our system and having the courage to reconsider long-standing processes where it makes sense to do so. In an unpredictable global environment, the Board and management have shifted attention towards strengthening domestic capacity and mitigating risks in the face of external forces we can't control. Less than two years ago, few would have expected a beverage container recycling program to be affected by geopolitical conflicts and trade disruptions. Yet within these challenges lie opportunities for Encorp to reassess, innovate, and strengthen its systems to ensure long-term sustainability and success.

As always, I would like to thank our Board members, management team, staff, depot partners and service providers for their dedication, collaboration and the many achievements in 2025. A special thank you to outgoing Board member John Irving for his contributions over many years, and a welcome to Jennifer Chan as our newest Board member. Together, we look forward to the continued success of the Return-It program.



Dan Wong
Board Chair

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

2.2 Message from the CEO

After three decades of operating British Columbia’s premier beverage container recycling and deposit return system, it would be reasonable to assume the program has reached maturity. In 2025, however, our experience underscored the need for sustained and creative continuous improvement. Accordingly, we strengthened our strategic focus on the customer experience, enhancing operations, efficiencies and environmental outcomes. Although external conditions remained beyond our control—including the impact of US tariffs on the recycling sector—our primary focus in 2025 was to deliver convenience and affordability for BC consumers while advancing used beverage container recycling.

To improve convenience and strengthen the customer experience, we launched the Return-It App in July, providing consumers with a single platform to manage their beverage container recycling. The app enables users to locate nearby Return-It locations and manage key aspects of their Return-It Express account from a mobile device. Customers can review prior Express drop-offs, track bag counts and monitor deposit refunds. When ready, they may request an e-transfer or donate funds to a preferred charity or fundraising group. While the app represents an important advancement, it is an initial step. We will continue to introduce enhancements that further improve traceability, accountability, and the overall customer experience.

Consistent with our focus on convenience, 2025 also represented an important milestone for Encorp with the opening of our first full-service corporately owned and operated depot in East Vancouver. As British Columbia’s collection network faces increasing pressure due to retirements and rising land costs—particularly in high-demand urban markets—we must either accept a gradual decline in accessibility or take action to maintain a best-in-class network. In response, we expanded our footprint by opening the East Vancouver depot, established our third small-format Return-It Express drop-off location in a growing area of Langley, and added four Express & GO stations across Metro Vancouver.

Encorp Pacific now owns and operates 14% of the BC Return-It collection network through our province-wide Express & GO stations and depot network. This expanded presence allows us to improve customer experience, implement new technologies and increase operational efficiency—work intended to reduce overall cost while increasing the convenience of beverage container recycling and circularity for consumers across British Columbia.

We also enhanced communication and collaboration with depot operators. In the summer of 2025, we hosted a province-wide depot webinar to provide updates on initiatives intended to improve collection and recovery rates. The

session also provided an opportunity to receive operators’ questions and feedback. During the webinar, we announced the establishment of the Return-It Depot Roundtable (RDR), a dedicated forum to support ongoing collaboration between depot operators and Encorp to advance network-wide improvements.

Collaboration remains a core priority at Encorp. Engagement with other Producer Responsibility Organizations (PROs) in BC, as well as with deposit return systems across Canada and internationally, supports our learning and informs our continuous improvement efforts.

I would also like to highlight the progress made in supporting remote First Nation communities. Access to beverage container recycling is often assessed with reference to the general population; however, it is equally important to support residents of remote areas, including First Nation communities, many of which are accessible only by forest service roads or water. In 2025, we helped remove 473,915 beverage containers from these communities and returned full deposit refunds, which are being used to support local projects, school programs and reinvestment in waste diversion initiatives.

Our mission is to foster a world without waste and contribute to a better future for people, communities and the environment. We extend our sincere appreciation to all those who help advance this mission every day, including brand owners, staff, depot operators, transporters, consolidators, recyclers, First Nation communities, and the many consumers who choose to return and recycle their beverage containers.



Cindy Coutts
President and CEO

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



PUBLIC EDUCATION MATERIALS & STRATEGIES

- 3.1 Strategic Marketing Plan
- 3.2 Research and Segmentation
- 3.3 Public Education

- 3.4 Recycling Programs and Initiatives
- 3.5 Stakeholder Education

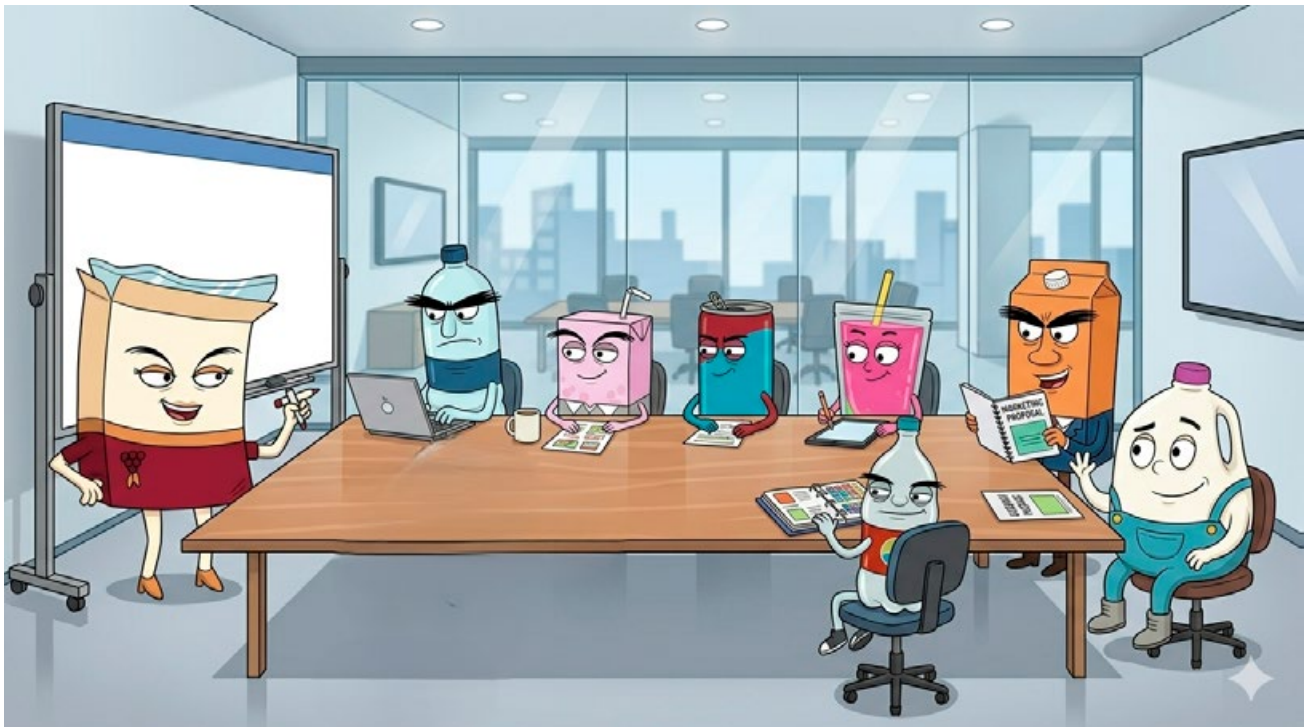
3.1 Strategic Marketing Plan

Encorp develops and implements an annual Strategic Marketing Plan to support achievement of Stewardship Plan objectives and compliance with applicable regulatory requirements. The purpose of the plan is to promote consumer awareness and encourage participation in responsible beverage container recycling across the province.

The Strategic Marketing Plan is evidence-based and informed by performance data, consumer research, and program priorities. Marketing activities are evaluated against established key performance indicators (KPIs), Stewardship Plan targets and regulatory performance requirements.

The annual marketing strategy is developed through the following structured process:

1. **Data Review and Opportunity Assessment:** Internal program data and relevant external data sources are reviewed to assess performance trends, regional recovery outcomes, consumer behaviour patterns and market dynamics. This analysis identifies performance gaps and opportunity areas requiring increased awareness or participation.
2. **Consumer Research:** Target audiences are defined through annual benchmark studies and consumer segmentation analysis conducted by independent third-party research providers. Research findings are used to identify awareness levels, participation barriers, behavioural drivers, and communication preferences to inform evidence-based marketing strategies.
3. **Objective Setting:** Measurable objectives are established to support Stewardship Plan targets. Objectives may be tailored to specific regions, demographic segments, consumer behaviour, or container categories.
4. **Tactical Development:** Creative materials and messaging are developed to promote responsible recycling behaviour and align with regulatory requirements for consumer education and awareness. Media channels and communication tactics are selected based on their ability to effectively reach defined target audiences and support efficient use of program funds.
5. **Performance Measurement, Monitoring and Optimization:** KPIs are established to measure marketing effectiveness, including awareness, engagement, and behavioural indicators. Campaign performance is monitored throughout the implementation period, allowing for data-informed adjustments where necessary.



3.2 Research and Segmentation

Since 1999, Encorp has conducted annual market research to evaluate program knowledge, including awareness of the deposit refund program, return location awareness and participation levels.

The benchmark study measures performance against Stewardship Plan targets and provides insights into emerging trends. These insights inform marketing strategies and support ongoing program development to better meet evolving consumer needs.

The study methodology is designed to ensure accurate regional and demographic representation across British Columbia:

- Regional Quotas:** Ensure sufficient sample sizes across key areas, including Vancouver, the Lower Mainland, the Okanagan, Northern BC and the Kootenays.
- Specific Sub-Samples:** Samples of at least 200 per group are collected to support analysis of key populations, including individuals with mobility disabilities, First Nations respondents and those who primarily speak a language other than English.
- Census Representation:** Uses the most recent Statistics Canada data, weighting results by age, gender and region to reflect provincial population distribution.

In 2025, an independent third-party research firm conducted a province-wide survey of 1,403 British Columbia residents aged 18 and older, with census representation across all regions. This section summarizes key findings related to program awareness and knowledge, return location awareness, and consumer preferences for return locations.

Program Awareness and Knowledge









2025 Result **99.0%**

Stewardship Plan Target **95.0%**

To evaluate program awareness, survey participants are asked which beverage containers are eligible for a deposit refund in BC. While awareness varies by container type, overall awareness remains exceptionally strong at 99%, exceeding the Stewardship Plan target.



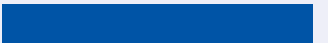






Analysis by container and beverage type identifies consumer knowledge gaps and informs targeted marketing and education efforts to improve understanding of the deposit refund system.

Knowledge of Containers Returnable for Deposit Refund

	2025 (n=1,403)	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)
Any Type (NET)	99%	99%	99%	100%
Non-Alcohol (NET)	98%	98%	98%	99%
Aluminum cans 	96%	95%	98%	99%
Plastic bottles 	94%	94%	94%	93%
Glass bottles 	88%	89%	90%	90%
Drink boxes 	78%	78%	76%	78%
Bi-metal cans 	77%	77%	74%	71%
Cartons 	76%	75%	75%	74%
Bag-in-a-box 	49%	50%	52%	46%
Drink pouches 	45%	44%	43%	44%

3.2 Research and Segmentation

Knowledge of Beverages Returnable for Deposit Refund

	2025 (n=1,403)	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)
Any Type (NET)	 99%	99%	99%	100%
Non-Alcohol (NET)	 98%	98%	98%	99%
Pop/soft drinks	 94%	94%	95%	97%
Water	 89%	90%	90%	88%
Juice	 89%	88%	85%	85%
Sport/health/energy	 85%	84%	78%	83%
Milk	 83%	82%	82%	81%
Dealcoholized	 81%	–	–	–
Plant-based beverages	 63%	62%	62%	62%

Return Location Awareness

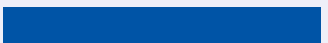








2025 Result **96.0%**

Stewardship Plan Target **90.0%**

To evaluate return location awareness, survey participants were asked where they can return beverage containers for the deposit refund in BC. Overall awareness of any return location reached 96%, exceeding the stewardship plan target. Among specific options, Return-It depots had the highest recognition at 92%.









This high level of awareness is reflected in reported behaviour, with participants identifying depots as both their preferred and most frequently used return location. However, awareness of alternative return options remains lower, indicating an opportunity for continued education to support broader understanding of available return channels, particularly in communities without a Return-It depot.

Knowledge of Return Location for Deposit Refund

	2025 (n=1,403)	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)
Any Location (NET)	 96%	96%	97%	97%
Return-It/ Bottle Depot 	 92%	90%	93%	95%
Retailer (Net) 	 63%	60%	65%	64%
Grocery Store 	 51%	47%	53%	51%
Liquor Store 	 49%	47%	53%	53%

3.2 Research and Segmentation

Preference and Usage of Return Location for Deposit Refund





		2025 (n=1,403)	2024 (n=1,233)	2023 (n=1,201)	2022 (n=1,252)
Return-It/ Bottle Depot		 88%	79%	80%	81%
Retailer (Net)		 47%	25%	24%	20%
Grocery Store		 38%	18%	15%	15%
Liquor Store		 38%	14%	16%	13%

Express Program Research

As the Return-It Express program continues to expand into new areas across the province and more consumers adopt the service, it is important to regularly evaluate consumer perceptions and usage behaviour. Ongoing research helps assess awareness, satisfaction and barriers to participation, ensuring the program continues to meet consumer needs.

These insights support data-driven decision-making, helping to guide program improvements, optimize service delivery and inform communication strategies as the program grows across British Columbia.

Impact of Express Service on Behaviour

		2025 (n=325)	2024 (n=217)	2023 (n=202)	2022 (n=219)
Taking more containers to bottle depots	 49%	45%	33%	43%	
Visiting bottle depots more frequently	 38%	39%	28%	38%	
Putting fewer containers in the curbside blue box / building recycling facility	 20%	29%	24%	30%	
Throwing fewer containers in garbage	 22%	25%	23%	25%	

3.2 Research and Segmentation

In 2025, Encorp refreshed its consumer segmentation model to better reflect the evolving recycling and container return behaviour of people in British Columbia. The work included a comprehensive quantitative study examining self-reported container generation and return habits, barriers to participation and key demographic characteristics. The analysis resulted in a new segmentation framework that replaces the previous model.

Segmentation Analysis

Following the data analysis, five distinct consumer segments were identified and defined based on attitudes toward recycling and container return or discard behaviour. By focusing on behavioural drivers—how people actually return containers—this model enables more precise audience targeting, clearer messaging and more effective program planning that aligns with how consumers make recycling decisions.

The new segmentation analysis, combined with other data insights, will support the development of targeted marketing strategies, inform program design and ultimately contribute to improved environmental outcomes.



	Cynical Discarders	Overconfident Contributors	Reliable Returners	Convenience Recyclers	Depot Loyalists
Segment sizing	27% of people 10% of containers produced 36% discarded	16% of people 46% containers produced 31% discarded	22% of people 18% containers produced 3% discarded	16% of people 11% containers produced 26% discarded	19% of people 15% containers produced 4% discarded
Key demographics	<ul style="list-style-type: none"> • Youngest (Gen-Z-skewing) • Gender balanced • Many young singles/couples (often living with parents) • Metro Van/major urban • Multi-unit homes 	<ul style="list-style-type: none"> • Middle-aged • Male skewed • Families with kids • Outside Metro Van in medium/small cities • Single detached homes 	<ul style="list-style-type: none"> • Oldest • Gender balanced • Older couples/singles • Outside Metro Van/ Fraser Valley • Mixed dwellings 	<ul style="list-style-type: none"> • Average age (Millennial-skewing) • Female skewed • Singles/couples • Metro Van/most urban • Most multi-unit homes 	<ul style="list-style-type: none"> • Slightly older • Slight female skew • Older singles/couples/family • Outside Metro Van/ Fraser Valley • Single detached homes
Depot use	Use depots sometimes, but lean on retailers.	Regular depot users; low retailer use.	Consistent depot returners; very low retailer use.	Lowest depot use; rely on curbside/building recycling.	Highest depot use of all segments.
Recycling mindset	Skeptical about impact; often believes outcomes are doubtful and defaults to discarding when unobserved.	Confident in their habits; believes they recycle/return well overall. Assumes occasional discards don't matter.	High system trust; believes recycling works and understands the difference between recycling and returning.	Sees recycling as "good enough"; prefers convenience over deposit returns.	Values the deposit system; deliberately returns to depots because it's the "right channel."
System convenience – find returning convenient	77%	86%	91%	59%	89%.

3.3 Public Education

Encorp's public education initiatives utilize a combination of paid media strategies and consumer support channels. Communication tactics are evaluated and selected annually as part of the strategic marketing plan to ensure they effectively reach defined target audiences and support efficient use of program funds. Consumer messaging varies across tactics depending on their reach, the timing and context in which consumers are most likely to encounter them, and the intended consumer behaviour or call to action.

Television



Television remained one of Encorp's most effective mass-reach channels. Traditional linear TV continues to provide cost-effective, province-wide reach, helping raise broad awareness of the Return-It recycling program while reinforcing positive recycling behaviours.

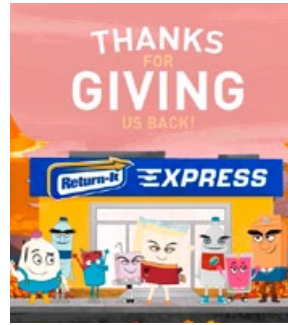
Encorp also continued its long-standing partnership with Corus Entertainment, given its strong position in the BC market, particularly through its news programming and on-air personalities. As part of this year's partnership, a special series of TV segments was produced featuring President and CEO Cindy Coutts and host Karen Khunkhun from CFOX at the brand-new Grandview Return-It location.

During the on-site segments, Cindy toured the newest corporate depot and shared Return-It's ongoing efforts to improve convenience for BC residents. She also highlighted how the new location supports long-term plans to modernize and expand access to recycling services across the province.

Connected TV / Pre-Rolls / YouTube

While traditional linear TV enables broad reach, on-demand video platforms provide the benefit of an audiovisual medium while allowing stronger audience targeting, better frequency control and more efficient delivery to specific segments. The channels help reach audiences who are increasingly consuming television and video content in new ways, ensuring the Return-It message remains visible across both traditional and digital viewing environments.

Social Media



As younger audiences increasingly turn to social platforms as their primary source of information and entertainment, social media remains an important communication channel for raising awareness of the Return-It program and promoting responsible recycling behaviour. In 2025, Encorp focused on meeting these audiences where they are, showing up in ways that feel current, relevant and true to the Return-It brand.

To strengthen engagement, Encorp participated in select viral trends and cultural moments that aligned with recycling messaging. This approach helped Return-It remain visible in fast-moving digital spaces while building meaningful connections with younger audiences across British Columbia.

The much-loved Return-It Gang continued to play a key role in communicating recycling messaging, especially on social media. Their playful and recognizable personalities support educational goals while keeping the tone approachable and relatable. For example, the "Caps On and Straws In" campaign reminds consumers that caps and straws are part of the beverage container and should be recycled together.

Social channels were also used to share important updates, including promotions, depot openings and the launch of the Return-It App.



3.3 Public Education

Digital Ad Re-Marketing

Online digital advertising has long been a core component of Encorp’s marketing channel mix. While digital ads remain a cost-effective way to reach consumers, capturing and maintaining attention in the increasingly crowded online environment continues to be a growing challenge.

In 2025, Encorp shifted its strategy away from broad awareness campaigns towards highly targeted digital re-marketing based on key recycling behaviours and engagement triggers. By leveraging digital data—such as searches for depot locations on the Encorp website, Return-It Express sign-ups, or location signals from visits to a depot—these consumer interactions could be used as triggers for personalized digital advertisements through re-marketing.

To further enhance performance, Encorp implemented continuous audience and creative testing. Visuals, messaging and targeting strategies were regularly refined to determine the most cost-effective ways to reach priority audiences. This approach helped focus efforts on regions with lower recovery rates while continuously strengthening overall campaign effectiveness.

Website



Drink Containers Don't Belong In The Trash

In B.C., every time you buy a beverage, you pay a 10-cent deposit. The good news? You can get that money back by returning your empty containers to a Return-It location.



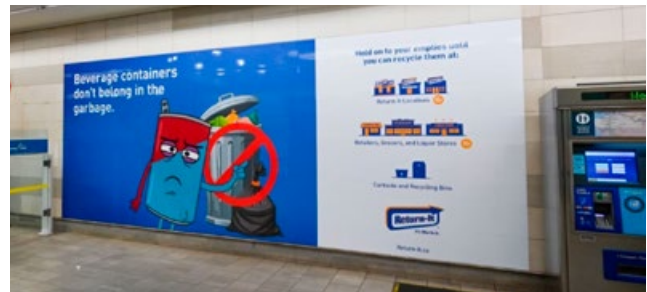
Encorp’s website remains a central digital resource for residents across British Columbia seeking information about the Return-It program. While the most frequent use of the site is to locate nearby depot location, it also provides comprehensive information on accepted container types, container recycling fees (CRFs) and the recycling process for returned containers. In 2025, the website recorded more than 12.7 million visits and attracted approximately 1.7 million unique visitors, demonstrating its continued importance as a key information and engagement platform.

Visitors can also stay informed about new initiatives, program developments and updates through the Return-It blog at return-it.ca/blog.

Brand Registry for Customers

Encorp’s Registered Brands Database is a comprehensive, searchable resource that lists beverage brands and containers included in the Return-It program. Customers can use the database to determine whether a beverage container is registered in the program and eligible for a deposit refund. The database is available at return-it.ca/registeredbrands.

Transit Ads



In 2025, SkyTrain station wall murals were introduced as a new tactic to remind consumers—while they are out and about—that there are many convenient options to return and recycle used beverage containers. While consumers are encouraged to visit Return-It depots as the preferred option for redeeming deposit refunds, alternative recycling options are also available for those on the go when a depot is not nearby.

To maximize visibility, wall murals were strategically placed in high-traffic SkyTrain stations across Vancouver and Surrey, reaching a large volume of daily commuters.

New Location Opening



Official ribbon-cutting ceremony with City of Vancouver representatives

In 2025, Encorp opened a brand-new Return-It location on Grandview Highway, restoring convenient beverage container recycling access to the East Vancouver neighbourhood.

To promote the opening, Return-It partnered with radio station MOVE 103.5 FM for a live on-site broadcast, inviting listeners to enjoy

hot dogs, win prizes and experience the new recycling facility first-hand. A local mail drop campaign was also conducted in advance of the event to invite nearby residents.

Encorp hosted an official ribbon-cutting ceremony attended by City of Vancouver Councillors Mike Klassen and Lisa Dominato. The ceremony began with a welcoming drum performance by Coastal Wolf Pack, a local First Nations group. The event was further promoted through a press release and social media outreach, and covered on local news outlets.

3.3 Public Education

Radio / Spotify



Radio and Spotify have long been part of Encorp's marketing mix, serving as an effective way to reach consumers while they are on the go. Recognizing that it may be unrealistic to expect someone to interrupt their activities to return a single beverage container, the core message focuses on encouraging consumers to simply hold on to their container, rather than dispose of it in the trash.

Encorp also partnered with local radio personalities to promote the ease and convenience of the Return-It Express program, while also raising awareness of lesser-known container types that are eligible for deposit refunds. By leveraging trusted voices, these messages were delivered in a more natural and engaging way, helping to connect with key audiences more effectively.

Ethnic and New to Canada Marketing



British Columbia is one of Canada's most culturally diverse provinces and this diversity plays an important role in how Encorp communicates with newcomers to Canada and individuals for whom English is a second language. This

audience is a key focus, as many may come from regions without established recycling programs or deposit return systems. With a steady influx of new immigrants to BC, it is essential to reach these individuals early—educating them about the Return-It program and helping to build positive recycling habits from the start.

To better engage these communities, Encorp expanded its ethnic marketing efforts beyond simple translation of campaign assets and landing pages. Creative and messaging were thoughtfully adapted to reflect cultural context, values and communication preferences, making them more relevant and impactful.

Cultural moments such as Lunar New Year, Diwali and Mid-Autumn Festival were leveraged to deepen engagement. Media tactics included in-language digital and social advertising, WeChat, influencer partnerships, YouTube, geo-targeted outreach and digital out-of-home placements.

Customer Relations

Encorp has a dedicated customer relations team that provides support for the Return-It program. Customers can contact the team through email, phone and live chat. Information is also available through self-serve channels such as Return-It.ca, the Knowledge Centre or the ChatBot. Customers commonly seek assistance with navigating the Express program, understanding eligible containers within the Return-It program and addressing general recycling inquiries, including questions related to other extended producer responsibility programs.



3.4 Recycling Programs and Initiatives

Encorp's commitment to increasing the recovery and recycling of beverage containers is reflected in the development and implementation of various recycling programs and initiatives. These programs are designed to make beverage container recycling easier by removing barriers, providing collection bins for diversion and supporting accessibility for residents in remote First Nation communities.

Return-It Express Program

The Return-It Express program, first launched in 2013 as a pilot initiative, was designed to make recycling as convenient as possible for consumers across British Columbia. With this program, users simply collect their refundable containers in a transparent bag at home, visit a Return-It Express location, print a label, and drop off the bag—no sorting, no lineups, no hassle. Deposit refunds can be received electronically or by cheque, or donated to charitable organizations, offering flexibility to participants.

Since its introduction, the Express program has experienced consistent year-over-year growth in both number of containers returned and registered users. As more depot locations opt into the program and additional stand-alone Express & GO stations are established, Encorp continues to support expansion efforts through targeted marketing and educational material.

Express Provincial and Geotargeted Promotion



The Express program modernizes the customer experience by eliminating traditional barriers such as sorting and lineups—factors that may have previously discouraged consumers from returning their used beverage containers. The program reached a tipping point and is now available at the majority of depot locations. Encorp continues to support its growth through both province-wide advertising and targeted promotional efforts when new locations are introduced.

To build broad awareness across British Columbia, a multi-channel marketing strategy is employed. This includes

traditional advertising, ambassador activations at community events and engagement through social media platforms.

In addition, targeted outreach is used to support new locations—particularly in communities where the service is newly introduced. Residents within a five-kilometre radius are reached through localized digital advertising, social media campaigns and direct mail brochures.

Strategic partnerships with media platforms such as The Daily Hive, Curiosity Vancouver and CFOX radio further extend the reach of the Express program messaging and highlight its benefits to a wider audience.

Express Provincial Mail Drop

Mail drops continue to be an effective tactic for promoting new locations and increasing awareness of the Return-It Express system. Distributed across the province, these brochures provide clear, easy-to-follow instructions on how to use the program, along with information on which beverage containers are accepted.

By delivering concise and accessible guidance directly to households, mail drops help reduce barriers to participation and encourage greater adoption of the Return-It Express service.

Express Return-It to Win-It



While consumers have already responded positively to the core benefits of the Express program—no sorting, no lineups, no hassle—Encorp reintroduced its “Return-It to Win-It” contest to further increase sign-ups and incentivise container returns.

Open to all Express account holders, the promotion rewards participants with points for every eligible container returned, along with digital scratch tickets that unlock bonus points. These points can be redeemed for limited-edition Return-It Gang plush characters or used to enter sweepstakes for monthly \$1,000 prizes and a \$10,000 grand prize, offering participants flexibility in how they choose to engage.

3.4 Recycling Programs and Initiatives

Supported by a comprehensive marketing campaign—including email, paid social, digital media partnerships and in-depot promotion—the contest delivered strong results. These included increased container return volumes during November and December, a doubling of Express registrations year over year and an additional 10,000 weekly active users, demonstrating high engagement and sustained interest among Express participants.

Return-It App

In 2025, Encorp launched the Return-It App, providing customers with a convenient way to manage their Express account and access helpful program information, such as a location finder. Through the app, customers can review their past Express bag drop-off history, redeem deposit refunds, and donate refunds to their preferred charity or fundraising group.

Return-It School Program



BC Christian Academy — 1st Place, High School Category, Return-It School Contest 2024–2025

The Return-It School program has been a long-standing initiative in elementary and secondary schools across British Columbia for over two decades. Designed to educate and engage students, the program offers a multifaceted approach to learning about recycling and environmental responsibility. Digital activity books provide interactive experiences through sorting games, colouring activities and recycling trivia, while a virtual presentation helps students better understand the province’s beverage container recycling system.

In addition, schools receive dedicated beverage container recycling bins free of charge, along with educational resources that support teachers in delivering curriculum-aligned content. These tools play an important role in fostering awareness and instill strong values of environmental stewardship in students.

The program also includes an optional contest component, offering prizes of \$5,000 for first place and \$2,500 for second place. Participating schools submit essays that showcase their recycling initiatives and highlight how they are promoting environmental stewardship within their communities.

Stories from the 2025 contest winners can be found at returnitschool.ca/schoolnews/article-42/, and appreciation is extended to the program’s judges for their contributions.

Partnerships and Sponsorships



Return-It’s Ambassador Team activation at the PNE Fair, 2025

Partnerships and sponsorship have become a key component of Encorp’s marketing strategy, helping to reach unique target audience and promote responsible recycling behaviour in environments where beverages are consumed.

A partnership with the Vancouver-based e-sports team Vancouver Surge extend the message of responsible recycling to a younger niche audience that has traditionally been difficult to engage.



Jillian Harris visits the Return-It Express & GO station in Kelowna

In 2025, Encorp also collaborated with local lifestyle influencer and celebrity Jillian Harris. With an audience of more than 1.5 million followers, she helped promote the ease and convenience of the Return-It Express program, while also raising awareness of lesser-known container types eligible for deposit refunds.

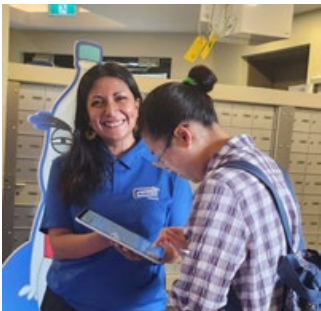
Sponsorships with the Vancouver Canadians and the PNE have delivered multiple benefits. These partnerships enable consistent recycling messaging to be shared with guests at the point of consumption, increasing awareness of the Return-It

3.4 Recycling Programs and Initiatives

program and encouraging proper recycling behaviour. Beyond awareness, these sponsorships also require that appropriate recycling bins are available on-site, making it easier for consumers to make responsible recycling choices.

Through a collaborative effort, the PNE and Encorp partnership went a step further by introducing a first-of-its-kind branded midway game. The Return-It “Roll-a-Ball” game challenges players to race their Return-It Gang character to the depot for a chance to win a limited-edition plush character, combining entertainment with educational messaging.

Return-It Ambassador Team



In 2025, Encorp leveraged its brand ambassador team to pilot a business and strata engagement strategy. This direct, community-based outreach strategy focused on influencing recycling behaviour at the point of consumption. The target

audience included quick-service businesses and multi-unit residential buildings in Vancouver and Surrey—two regions identified as having lower recovery rates.

Through this initiative, brand ambassadors engaged directly with hundreds of businesses and property management organizations, distributing recycling bins, brochures, and posters to support and encourage proper recycling practices.

First Nations Outreach and Support



For many First Nation communities across British Columbia, access to goods and services remain a significant challenge. Numerous communities are only reachable via logging roads or by water, creating barriers to regular recycling and waste management services.

Encorp, in partnership with the First Nations Recycling Initiative (FNRI) and the Indigenous Zero Waste Technical Advisory Group (IZWTAG), is committed to supporting

communities facing these accessibility challenges. Together, these partnerships focus on facilitating the removal and recycling of refundable beverage containers while building long-term, sustainable systems.

The progress made in 2025 lays the foundation for a lasting partnership rooted in environmental stewardship and respect for the land and water.

2025 Impact

Containers removed: 473,915 | Deposits returned: \$47,391

The First Nations Recycling Initiative (FNRI),

supported by 13 product stewardship agencies including Encorp, was established to collaborate directly with First Nation communities on removal of regulated recyclable materials. Through FNRI, community cleanup events and in-community data gathering helps participating stewardship agencies to better understand material accumulation and recycling behaviours within communities.



In 2025, 36 collection events were held across First Nation communities throughout British Columbia. FNRI has played a key role in education, helping collect and sort used beverage containers in First Nation communities.

The Indigenous Zero Waste Technical Advisory Group (IZWTAG) is an independent



IZWTAG
INDIGENOUS ZERO WASTE
TECHNICAL ADVISORY GROUP

society dedicated to helping First Nation communities implement zero-waste programs. IZWTAG provides hands-on training and technical support for establishing waste diversion systems and eco-depots. Encorp, through FNRI, partners with IZWTAG to ensure that beverage container recycling infrastructure is integrated into broader zero-waste initiatives, supporting long-term sustainability and community self-sufficiency.

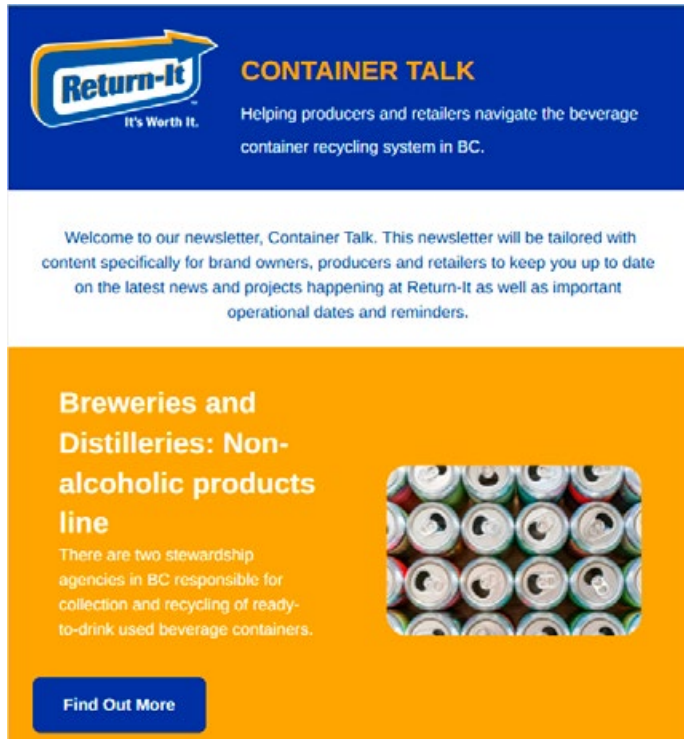
Stewardship Agencies of BC (SABC)

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

3.5 Stakeholder Education

Educating consumers about the Return-It program is a key responsibility of Encorp. This education also extends to other important stakeholders, including brand owners and service providers such as depots and transporters.

Brand Owner Newsletter



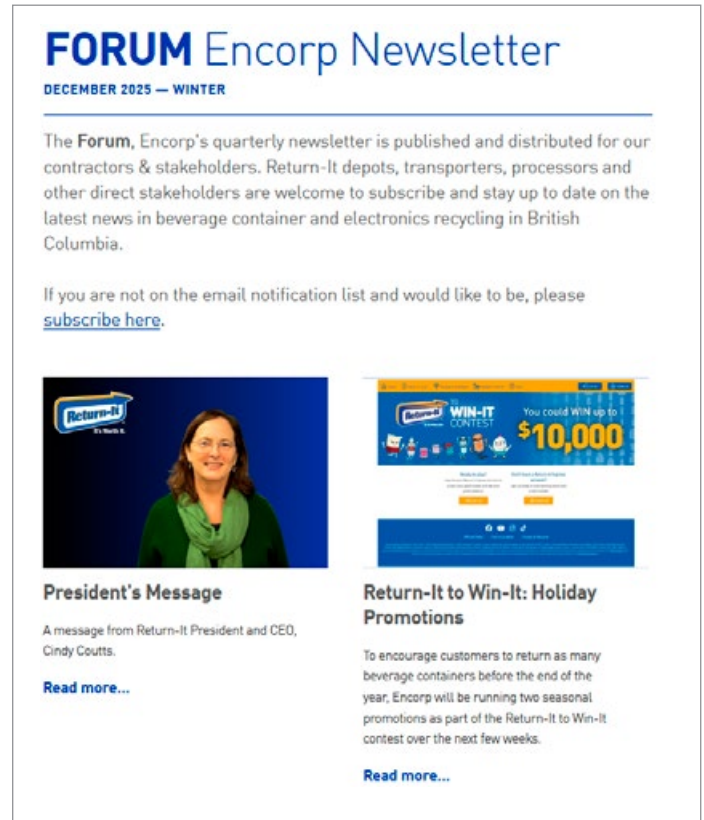
The screenshot shows the top of the 'Container Talk' newsletter. It features the Return-It logo with the tagline 'It's Worth It.' and the title 'CONTAINER TALK' in orange. Below the title is the subtitle 'Helping producers and retailers navigate the beverage container recycling system in BC.' A welcome message follows, stating the newsletter is tailored for brand owners, producers, and retailers. A featured article titled 'Breweries and Distilleries: Non-alcoholic products line' is highlighted with an orange background. The article text mentions two stewardship agencies in BC and includes a 'Find Out More' button. An image of various beverage cans is also visible.

The Brand Owner Newsletter provides content tailored for brand owners, producers and retailers. It is designed to help stakeholders understand and navigate the compliance requirements associated with selling ready-to-drink beverage containers in British Columbia and their obligations as producers. Topics include the importance of timely sales reporting, maintaining up-to-date container registrations and updates to container recycling fees (CRFs).

Brand Registry and Depots

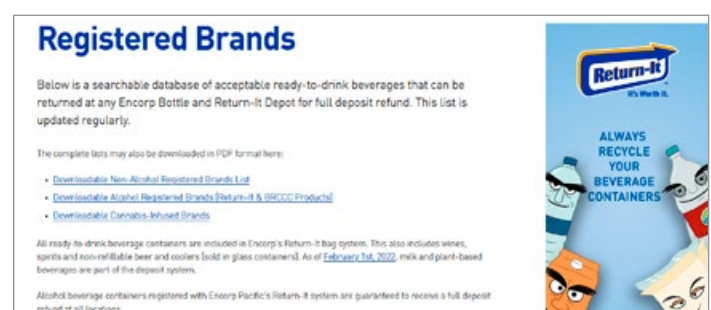
Producers participating in the Return-It program are required to register the beverage containers they sell in British Columbia. Timely and accurate registration is essential for public trust, accountability in recovery reporting, and ensuring deposit refunds reach consumers. As key collection partners, depots often are the first to spot new, unregistered containers entering the BC market. When identified, the Encorp Brand Registry team engages the producer to update the database or, in rare cases, report them for non-compliance.

Forum Newsletter



The screenshot shows the 'FORUM Encorp Newsletter' for December 2025 - Winter. It includes a welcome message for contractors and stakeholders, a link to subscribe, and two featured articles: 'President's Message' by Cindy Coutts and 'Return-It to Win-It: Holiday Promotions'. The 'Win-It' promotion offers a \$10,000 contest. The newsletter also features a 'Find Out More' button.

The Forum Newsletter provides content tailored for depots, transporters and consolidators. It keeps Encorp's service providers informed about latest marketing initiatives, operational reminders—such as best practices for handling cash—and other network updates, including new location openings.



The screenshot shows the 'Registered Brands' page. It features a search bar and a list of registered brands, including 'Downloadable Non-Alcohol Registered Brands List', 'Downloadable Alcohol Registered Brands (Return-It & BECOG Products)', and 'Downloadable Cannabis-Infused Brands'. A sidebar on the right contains the Return-It logo and the slogan 'ALWAYS RECYCLE YOUR BEVERAGE CONTAINERS' with an image of various beverage containers.



COLLECTION SYSTEM AND FACILITIES

- 4.1 Collection System and Facilities
- 4.2 How the Collection System Works
- 4.3 Collection, Transportation and Processing Map
- 4.4 GIS Mapping and Accessibility Analysis

4.1 Collection System and Facilities

The BC Recycling Regulation requires producers, or an agency acting on their behalf, to “provide for reasonable and free consumer access to collection facilities or collection services” throughout British Columbia. Considering the characteristics of ready-to-drink beverages—including high purchase frequency, short consumption time, wide distribution across the province, and container size and type—Encorp identified early in program development that a network of dedicated return locations would be the most effective method for collecting containers at end of life.

Over the past 30 years, Encorp has developed and maintained an extensive network of dedicated return locations through the Return-It program, enabling consumers across the province to conveniently return beverage containers and redeem deposit refunds. Beyond simply meeting regulatory requirements, Encorp continually works to meet and exceed consumer expectations for accessibility, convenience and ease of use.

To maximize public participation and achieve strong environmental outcomes in an effective and efficient manner, Encorp has established a comprehensive suite of collection systems and facilities.

Total Collection Facilities
Total 2025 = 188 | **Total 2024 = 183**

Return-It Depot

	2025	2024
Independent	162	163
Corporate	4	2

Return-It depots are the most common collection locations in the province and represent the traditional model of beverage container return through dedicated bricks-and-mortar facilities.

The majority of depots are independently owned and operate under license agreement with Encorp to collect used beverage containers in the Return-It program. In addition to beverage containers, many depots also participate in other extended producer responsibility (EPR) programs, accepting additional recyclable materials under separate agreements not associated with Encorp.

Recognizing that convenience and proximity are key drivers of consumer behaviour, Encorp has also taken an active role in addressing gaps within the collection network by establishing corporately owned and operated bricks-and-mortar locations. These sites prioritize the Return-It Express program, allowing consumers to use the bag drop system that enhances speed and ease of use, as well as the installation of consumer-friendly technology to efficiently count and sort used beverage containers.

This approach also enables the use of smaller-footprint facilities in dense urban areas—such as downtown Vancouver—where space constraints make traditional depot models less feasible.

New locations in 2025: Vancouver and Langley



Return-It Express & GO Stations **2025 = 22** | **2024 = 18**

Express & GO stations are an innovative solution designed to further enhance consumer accessibility to the Return-It Express program. Constructed using repurposed shipping containers, these self-serve stations accept beverage containers through the Express bag drop system.

These stations offer numerous benefits for consumers, including extended operating hours that allow for drop-off at a time that suits their schedule. Security is also a key feature: stations are accessible only to registered users via a one-time PIN code and are monitored 24/7 through cameras and alarm system.

One of the primary advantages of utilizing repurposed shipping containers is their ease and flexibility of deployment. With the ultimate goal of increasing accessibility and diverting more beverage containers for recycling, Express & GO stations have proven to be an ideal solution, both in highly dense urban areas—where their small footprint can be seamlessly integrated into locations such as a grocery store parking lots—and in rural communities where establishing a traditional depot may not be practical.

Collection System and Facilities

4.1 Collection System and Facilities

By addressing two distinct accessibility challenges, Express & GO stations provide a practical, scalable solution that ensures beverage container recycling remains easy, secure and convenient for all BC residents.

New locations in 2025: Surrey (x2), Vancouver and Mission



Other Collection Channels

Return-to-Retail

2025 = 417 | 2024 = 419

Under the Recycling Regulation, retailers that sell ready-to-drink beverage containers are required to accept back the containers they sell and return deposits to consumers. While return-to-retail improves accessibility and convenience for consumers, beverage container collection is not the core business of retailers. To help retailers meet their regulatory obligations, Encorp works closely with many large grocery chains—both directly and through the Retail Council of Canada—to coordinate timely pickup and transportation of collected containers.

Recycle BC Curbside Recycling

In British Columbia, the curbside recycling program for the Packaging and Paper Product Category (Schedule 5) is managed by Recycle BC. For a variety of reasons, some consumers choose to place refundable beverage containers in their curbside recycling, forgoing their deposit refund. Although these containers are not directly collected or processed by Encorp, the volumes captured are included as part of the province's overall recovery rate for used beverage containers.

To ensure accuracy and transparency, Encorp collaborates closely with Recycle BC to implement a stringent sampling and auditing process. This process calculates the volume of refundable beverage containers recovered through the curbside stream and ensures they are appropriately accounted for in Encorp's overall recovery rate.

This collaboration reflects the strength of British Columbia's extended producer responsibility framework, where stewardship agencies work together to maximize material recovery, maintain system integrity, ensure cost efficiencies for consumers and supports continuous improvement across collection channels.

Industrial, Commercial & Institutional (IC&I) Sector

Non-residential facilities—including offices, stadiums, schools, healthcare facilities and other institutional buildings—fall within the Industrial, Commercial & Institutional (IC&I) sector. These locations typically contract privately with commercial waste management service providers to manage multiple waste streams, including garbage, organics and mixed recycling.

As with the curbside program managed by Recycle BC, Encorp has implemented robust sampling and audit processes to account for refundable beverage containers recovered through the IC&I sector. Although these containers are not returned through traditional deposit-refund channels, the volumes captured are included in the province's overall recovery rate for used beverage containers, helping maintain visibility into overall material recovery.

Outdoor Spaces and IC&I Bins

Since 2008, Encorp has provided dedicated bins for refundable beverage containers to municipalities, BC Parks and IC&I venues across British Columbia. These bins are strategically placed alongside garbage receptacles in outdoor and high-traffic areas to encourage proper diversion of beverage containers from the waste stream.

While the bins are not serviced directly by Encorp, they are intentionally left unlocked to enable municipalities, community groups or individuals to access the collected containers and return them to an authorized return location to redeem the deposit refund.

This approach supports increased diversion, reduces litter and promotes consumer participation, while enhancing recovery opportunities outside of traditional return channels.

4.1 Collection System and Facilities

Highlights from 2025

Nechako Bottle Depot Destroyed by Fire

On September 28, 2025, a structure fire destroyed the Nechako Bottle Depot in Prince George. Thankfully, no one was injured; however, the building was completely lost.

For the depot owners and team, the loss was both devastating and deeply challenging. In the face of significant disruption, their response was defined by resilience and determination. Almost immediately, efforts were underway to identify alternative locations, develop operational plans and mobilize the resources required to restore service to the community.

Through hard work, collaboration and a strong commitment to maintaining collection services for their customers, the Nechako team successfully established a temporary replacement site within just 60 days of the fire. Their swift action ensured continued service for residents and demonstrated dedication of local operators to serving their community.



New Grandview Location Fills a Gap

A new Return-It location opened in East Vancouver on Grandview Highway in late October, helping restore recycling access for residents who lost their local depot in 2021. The full-service, technology-enabled redemption center was designed with customer experience in mind.

Unlike traditional depots, the facility does not require manual sorting. Beverage containers can be returned through Return-It's Express bag drop service or for cash through reverse vending machines (RVMs), making the process faster and more convenient.

This new location is helping redefine the beverage container recycling experience by focusing on modernization, convenience and improving recovery rates.

Langley Express Expansion

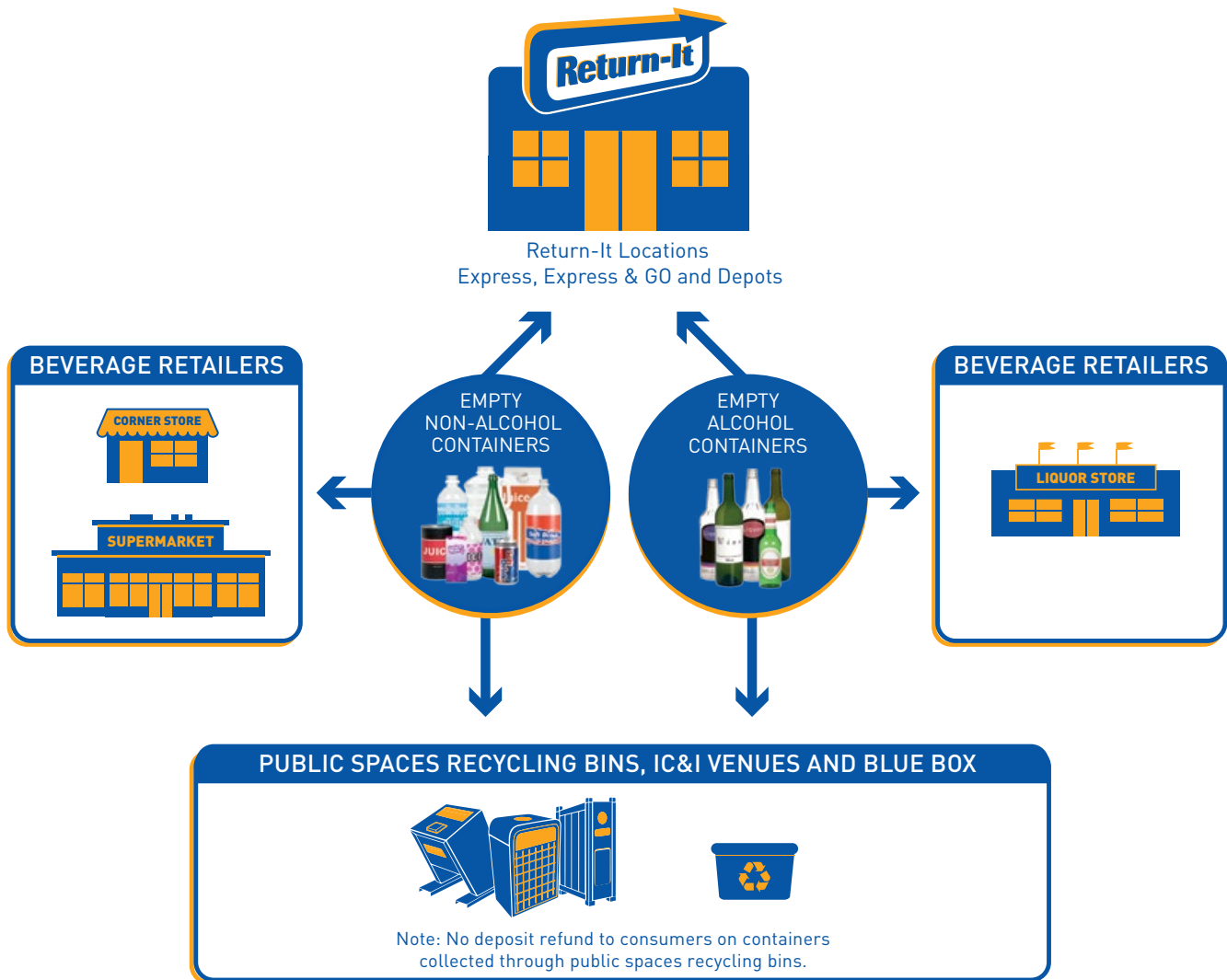
As more consumers learn about and experience the ease and convenience of the Return-It Express program, Encorp continues to look for opportunities to expand the popular service. A new Return-It Express location opened in a growing area of Langley in December 2025. The Langley site operates from a small-footprint commercial building and accepts beverage containers through the Return-It Express bag drop program.



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

Since the program's inception, Encorp has utilized a network of collection sites, transporters and consolidation facilities to manage used beverage containers across the province. Consumers typically return their containers to a Return-It depot to obtain their deposit refund. At these locations, containers are counted, sorted by material type and prepared for transportation.

Transportation providers then move the containers to consolidation facilities, where they undergo additional processing, including baling and preparation for shipment to end-market recyclers.

Encorp remains committed to continuously optimizing its collection and consolidation network to improve operational efficiency while reducing both program cost and environmental impacts.

The map outlines the network of dedicated collection sites, transportation routes and consolidation or processing locations across BC.



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 more stringent 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).

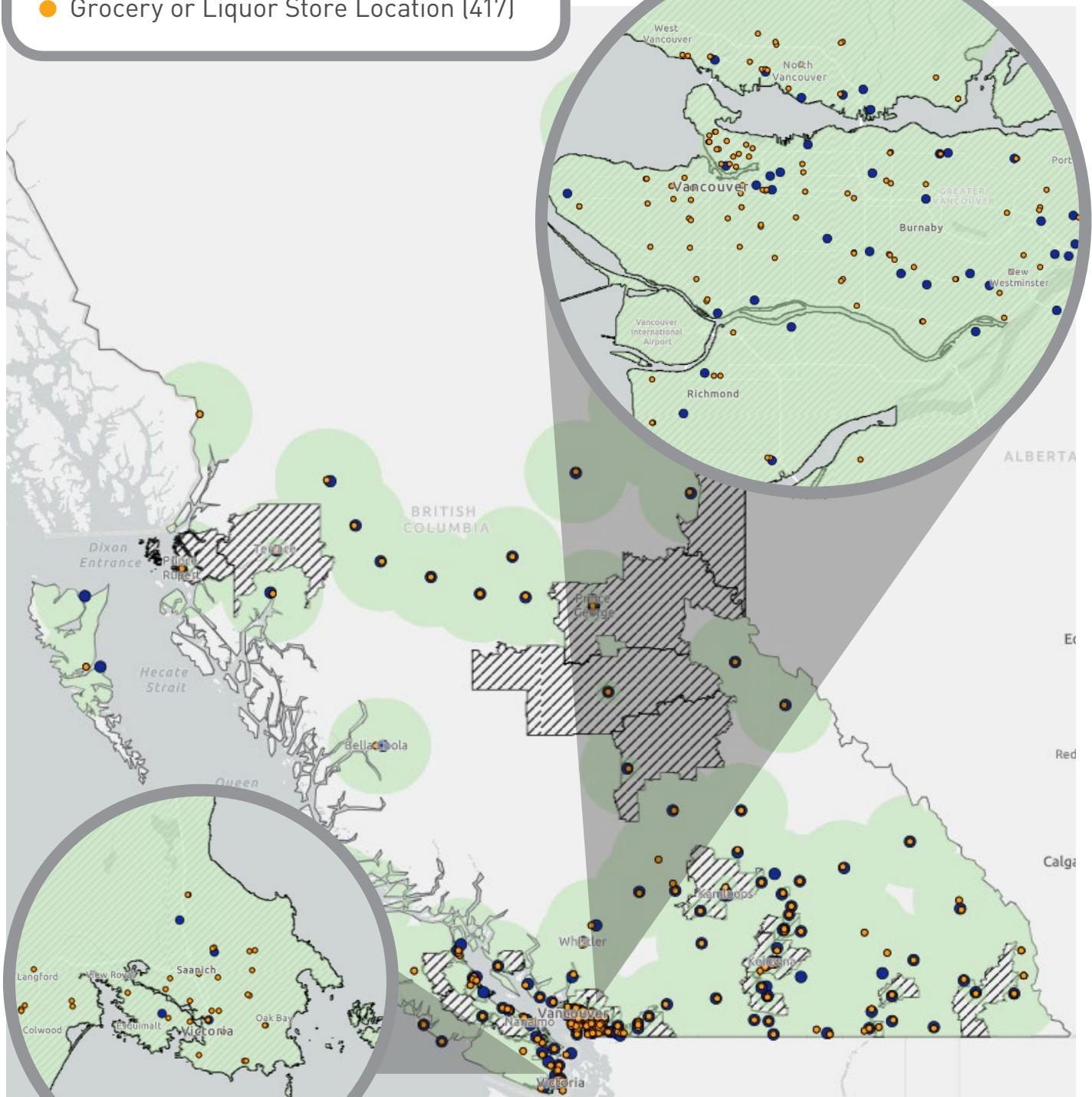
Using specialized Esri ArcGIS Pro processes, drive times and planar distances were calculated from each dissemination block’s centroid to the nearest facility in order to assess whether the resident population had sufficient access under the three standards. Access to 2025 facilities was assessed on 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 location under the previously described standards in 2025 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

- Depot or Express & GO Location (188)
- Grocery or Liquor Store Location (417)



To view the interactive map, visit return-it.ca/2025gismap/.








ENVIRONMENTAL IMPACT




- 5.1** Container Recycling End Fate Report
- 5.2** Materials Used to Make New Beverage Containers
- 5.3** Environmental Report

5.1 Container Recycling End Fate Report

In 2025, Encorp diverted 1.392 billion beverage containers from landfills and the environment. All containers collected through the Return-It program are managed in compliance with the BC Recycling Regulation and are not permitted to be incinerated or landfilled. Each returned container represents recovered value and contributes to advancing a stronger circular economy in British Columbia.

Material Type	Fate of Material* (2025)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
Aluminum 	Aluminum cans are sold to re-melt facilities in the USA, where they are processed into sheet stock for new cans.	40.68%	81.50%	93%	8,016	80,828
Plastic 	Plastic bottles are sold to recycling facilities in British Columbia and Alberta, where they are processed into plastic pellets and flake, mostly food grade for various plastic products, including new bottles and strapping material.	38.01%	83.20%	86%	17,399	20,252
Glass 	Glass bottles are sold to a recycling facility in British Columbia, where they are processed and shipped to manufacturers to be turned into glass bottles in the USA, sandblasting materials in BC and fiberglass insulation in Alberta.	10.09%	89.20%	34%	54,542	17,819
Polycoat 	Polycoat containers are sent to recyclers in the USA, India, South Korea and Malaysia, where they are processed and turned into building boards, kraft paper, plastic pellets, specialty paper and soft tissue paper.	10.50%	58.10%	53%	4,001	14,628
Pouches 	Pouches are sent to a recycler in Quebec, where they are processed into plastic pellets.	0.35%	20.80%	53%	9	10

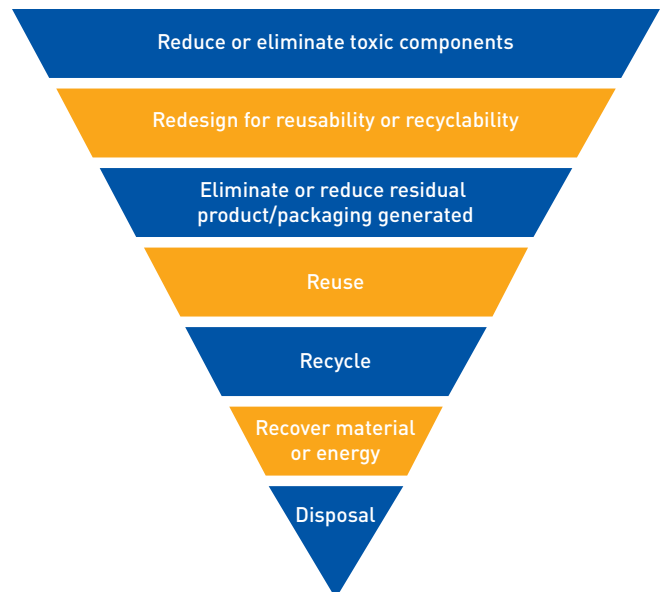
5.1 Container Recycling End Fate Report

Material Type	Fate of Material* (2025)	Containers Sold (% of total)	Recovery % (by weight of total recovered)	Energy Savings	Weight Diverted from Landfill (Mt)	Tonnes CO ₂ Reduced
Bag-In-A-Box 	Plastic bladders are sent to a recycler in Quebec and converted into rubber floor mats, while the cardboard boxes are recycled into paper products.	0.21%	56.40%	53%	490	1,559
Bi-Metal 	Bi-metal containers are sold to local scrap dealers for recycling and metal recovery.	0.16%	79.40%	82%	124	254
Ceramic Bottles 	Ceramic bottles are sent to a recycling facility in British Columbia, where they are processed into sand blasting materials and Foam Glass Gravel.	0.00%	40.70%	34%	9	3
2025 TOTAL		100%	84.70%		84,590	135,353
For Reference 2024 TOTAL		100%	83.57%		87,438	125,923

*Materials collected directly by Encorp.

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 reuse and recycle level of the pollution prevention hierarchy, with most material being recycled into new products.



5.2 Materials Used to Make New Beverage Containers

Many of Encorp's registered brand owners have made significant commitments to increasing the use of recycled content in the manufacturing of beverage containers. Encorp supports these efforts by helping ensure a reliable supply of high-quality recycled materials. This is achieved through maintaining strong recovery rates and collecting materials in clean, well-sorted streams so they can meet the quality standards required for reuse in new beverage container production.

Under British Columbia's Recycling Regulation, nearly any material type may be used for beverage containers. Among the materials collected through the Return-It program, three streams—aluminum, plastic and glass—are suitable for recycling back into new beverage containers. These materials are collected across the province, sold to recyclers and processed to recover usable new raw materials. The recyclers then supply these recovered raw materials to manufacturers that produce new products, including new beverage containers. Other materials collected through the program are typically downcycled into products that can be used for other applications rather than new beverage containers.

The recycling rate is defined as the percentage of material recovered from the recycling process made into new products or raw materials ready to be introduced into new products. Of the beverage containers collected through the Return-It program:

	By units	By Weight
Recycling Rate	84%	92%
Recycled into New Beverage Containers	54%	38%

Tracking the use of recovered material in the production of new products or new beverage containers is complex and contingent on cooperation among multiple stakeholders throughout the recycling and manufacturing supply chain. Encorp works closely with recyclers to support transparency and reporting through a rigorous downstream accountability program. However, once used beverage containers are sold to recyclers and processed into a marketable commodity, recyclers may sell the recovered material to any buyer based on market demand and economic conditions, regardless of its final application. Encorp relies on physical audits and certified statements from recyclers to compile end fate data.



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 2025 calendar year, Encorp completed its seventh third-party greenhouse gas (GHG) inventory; total GHG emissions were 6,628.15 tonnes of carbon dioxide equivalent (tCO₂e) compared with the baseline year (2019), which was 11,794.75 tCO₂e. The 2025 reporting year represents a decrease of 44% in GHG emissions from baseline. This decrease in GHG emissions comes with an increase in materials processed.

In 2024, Encorp recycled 87,438 metric tonnes of used beverage containers. This decreased by 3% to 84,590 metric tonnes in 2025. 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 135.4 thousand tonnes of CO₂e from being released into the atmosphere in 2025 as compared with 125.9 thousand tonnes in 2024, and 104.8 thousand tonnes in the 2019 baseline year. The increased CO₂e savings reflect the higher volumes of recycled aluminum.

Compactor Trucks

In 2022 Hybrid compactor trucks were added to the operations by way of a pilot project. These trucks travelled to depots and conducted on-site compaction. This compaction reduced the total number of loads required to transport material from the depots to the processing facilities. Furthermore, these compactor trucks were powered by Compressed Natural Gas and not charged by the electrical grid. For the 2025 reporting year the compactor trucks drove 91,927, which reduced diesel-equivalent KM by 178,614 KM resulted in a net GHG reduction of 140.06 tCO₂e. For the 2024 reporting year the compactor trucks drove 65,667 KM, which reduced diesel-equivalent KM by 160,000 KM resulted in a net GHG reduction of 352 tCO₂e, which is reflected in the reduction in the Transporting Goods – Road category in the GHG Emissions Summary.

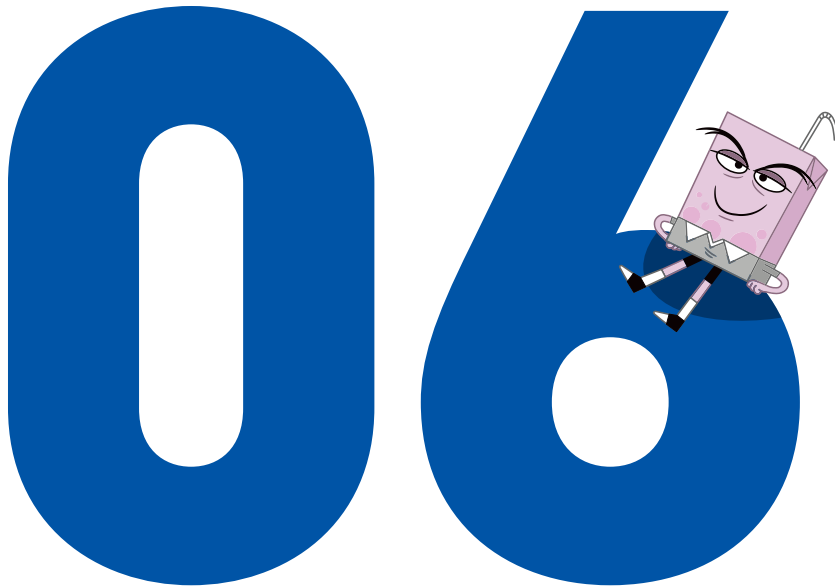
5.3 Environmental Report

GHG Emissions Summary

The following table is a summary of Encorp's emissions for the 2025 calendar year inventory:

Activity		2019 Baseline (tCO ₂ e)	2025 Operations (tCO ₂ e)	Absolute Change (tCO ₂ e)	Relative Change
Scope 1	Heat	49.29	49.29	0	0.00%
Scope 2	Electricity	2.36	2.45	0.09	3.81%
Scope 3	Electricity	61.80	50.59	(11.21)	-18.14%
Scope 3	Heat	3,485.21	1,495.35	(1,989.86)	-57.09%
Scope 3	Paper Consumption	69.98	10.17	(59.81)	-85.47%
Scope 3	Staff Commuting	29.16	57.98	28.82	98.83%
Scope 3	Transporting People - Road	44.85	8.37	(36.48)	-81.34%
Scope 3	Transporting People - Air	19.78	13.34	(6.44)	-32.56%
Scope 3	Transporting People - Water	0.67	1.68	1.01	150.75%
Scope 3	Transporting Goods - Road	6,563.90	2,650.80	(3,913.10)	-59.62%
Scope 3	Transporting Goods - Water	675.32	952.36	277.04	41.02%
Scope 3	Transporting Goods - Rail	356.12	1,041.53	685.41	192.47%
Scope 3	Equipment	436.31	174.18	(262.13)	-60.08%
Scope 3	Compactor Trucks	0	20.38	20.68	N/A
Totals		11,794.75	6,528.77	(5,265.98)	-44.65%

The table above is a summary of Encorp's emissions for the 2025 calendar year.



DEPOSITS, REFUNDS AND RECOVERY RATES

- 6.1 Recycling by the Numbers
- 6.2 Regional Per Capita Returns
- 6.3 Refillable Milk Annual Reporting

6.1 Recycling by the Numbers

In 2025, Encorp prevented 1.392 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.

1.392 Billion Containers Collected | **78.5%** Recovery Rate | **\$139,236,749** Deposits Refunded

Container Type	Containers Sold		Containers Recovered		% Recovery Rate	
	2025	2024	2025	2024	2025	2024
Aluminum	721,677,565	671,317,334	588,127,674	552,345,694	81.5%	82.3%
Plastic ≤ 1L	539,329,040	538,000,647	407,962,471	418,448,837	75.6%	77.8%
Plastic > 1L	135,096,667	140,485,888	126,952,304	121,454,603	94.0%	86.5%
Plastic Total	674,425,707	678,486,535	534,914,775	539,903,440	79.3%	79.6%
Glass	178,924,240	190,004,599	159,640,710	166,422,568	89.2%	87.6%
Ceramics	14,245	—	5,796	—	40.7%	—
Drink Boxes	117,813,681	120,518,770	59,864,069	58,265,864	50.8%	48.3%
Gable Top Cartons	68,479,312	71,817,821	43,868,051	43,520,605	64.1%	60.6%
Bi-Metal	2,835,861	3,576,470	2,499,034	2,839,389	88.1%	79.4%
Bag-In-A-Box	3,795,488	3,990,919	2,141,200	2,230,834	56.4%	55.9%
Pouches	6,230,065	7,476,877	1,300,384	1,768,531	20.9%	23.7%
Totals	1,774,196,165	1,747,189,325	1,392,361,693	1,367,296,925	78.5%	78.3%

Note: Calculations may show slight variances due to rounding.

6.1 Recycling by the Numbers

RECOVERY BY WEIGHT:

84.7% 2025 Recovery Rate by Weight

83.6% 2024 Recovery Rate by Weight

TYPE	ESTIMATED WEIGHT OF CONTAINERS SOLD (Mt)	ESTIMATED WEIGHT OF CONTAINERS RECOVERED (Mt)	RECOVERY BY WEIGHT %
Aluminum	9,837	8,016	81.5%
Plastic	20,920	17,399	83.2%
Glass	61,142	54,542	89.2%
Polycoat	6,885	4,001	58.1%
Pouches	42	9	20.8%
Bag-In-A-Box	869	490	56.4%
Bi-Metal	141	124	88.1%
Ceramics	23	9	40.8%
Totals	99,857	84,590	84.7%

Note: Calculations may show slight variances due to rounding.



6.2 Regional Per Capita Returns

PROVINCIAL TOTALS:

Units Returned	1,392,361,693
Weight Collected (Metric Tonnes)	84,590
Per Capita Units Returned	244.4
Per Capita Weight Collected (Kilograms)	14.8

Regional Breakdown:

Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.-Dec.2025 Per Capita	Jan.-Dec.2024 Per Capita	Change to Per Capita Container Returns
Bulkley/Nechako	Units(000)	5,664	5,389	877	778	47	12,754	323.1	328.9	(5.8) dec.
	Tonnes	77	170	299	28	5	579	14.67	15.6 kg	
Cariboo	Units(000)	9,694	9,948	1,765	1,181	90	22,678	338.5	334.2	4.2 inc.
	Tonnes	132	313	603	45	11	1,105	16.49	18.2 kg	
Central Coast	Units(000)	510	389	76	53	3	1,030	260.1	275.3	(15.2) dec.
	Tonnes	7	12	26	2	0	48	12.01	12.4 kg	
Fraser – Fort George	Units(000)	16,061	15,025	2,619	2,179	126	36,011	334.6	345.4	(10.9) dec.
	Tonnes	219	474	895	78	13	1,678	15.59	17.2 kg	
Kitimat – Stikine	Units(000)	6,382	5,853	863	772	46	13,916	328.0	334.0	(6.0) dec.
	Tonnes	87	185	295	28	5	599	14.12	15.2 kg	
Skeena – Queen Charlotte	Units(000)	3,160	2,882	488	349	27	6,905	360.9	333.1	27.8 inc.
	Tonnes	43	91	167	12	2	315	16.47	16.4 kg	
Northern Rockies	Units(000)	649	857	97	68	4	1,675	356.5	432.2	(75.7) dec.
	Tonnes	9	27	33	3	0	72	15.34	18.3 kg	
Peace River	Units(000)	8,757	10,241	1,394	1,278	70	21,740	320.4	318.2	2.2 inc.
	Tonnes	119	323	476	48	5	971	14.31	15.0 kg	
Capital Regional District	Units(000)	54,255	38,227	15,099	9,211	444	117,236	252.6	250.1	2.5 inc.
	Tonnes	739	1,219	5,159	374	55	7,547	16.26	16.9 kg	
Cowichan Valley	Units(000)	15,453	11,164	3,433	1,874	147	32,071	334.7	319.2	15.5 inc.
	Tonnes	211	350	1,173	72	20	1,826	19.06	19.6 kg	
Alberni/Clayoquot	Units(000)	6,342	4,854	1,445	727	44	13,412	369.4	363.9	5.5 inc.
	Tonnes	86	151	494	28	6	766	21.09	22.2 kg	
Comox	Units(000)	10,326	7,007	2,823	1,593	98	21,847	272.7	264.4	8.3 inc.
	Tonnes	141	223	965	63	15	1,407	17.56	18.3 kg	
Mount Waddington	Units(000)	2,251	1,836	384	253	15	4,738	417.5	411.0	6.5 inc.
	Tonnes	31	58	131	10	2	231	20.39	21.4 kg	

Note: Calculations may show slight variances due to rounding.

6.2 Regional Per Capita Returns

Regional Breakdown:

Region Name		Aluminum	Plastic	Glass	Polycoat	Other	Total	Jan.-Dec.2025 Per Capita	Jan.-Dec.2024 Per Capita	Change to Per Capita Container Returns
Nanaimo	Units(000)	22,182	16,353	6,047	3,035	210	47,827	254.9	250.3	4.5 inc.
	Tonnes	302	521	2,066	118	32	3,040	16.20	16.8 kg	
Strathcona	Units(000)	6,794	4,971	1,527	820	61	14,172	273.3	269.4	3.9 inc.
	Tonnes	93	158	522	32	9	813	15.69	16.3 kg	
Greater Vancouver	Units(000)	249,803	254,152	75,324	55,503	3,008	637,790	206.6	200.9	5.7 inc.
	Tonnes	3,405	8,513	25,737	2,142	245	40,042	12.97	13.2 kg	
Fraser Valley	Units(000)	40,547	40,297	8,457	6,456	380	96,138	260.4	261.0	(0.6) dec.
	Tonnes	553	1,277	2,890	240	41	5,000	13.54	14.4 kg	
Powell River	Units(000)	3,168	2,094	746	429	35	6,472	280.9	275.0	5.9 inc.
	Tonnes	43	67	255	17	6	388	16.83	17.7 kg	
Squamish – Lillooet	Units(000)	7,217	5,143	3,300	913	54	16,627	293.8	285.0	8.8 inc.
	Tonnes	98	164	1,128	37	5	1,431	25.30	23.5 kg	
Sunshine Coast	Units(000)	4,106	2,379	1,707	564	52	8,808	249.0	247.3	1.6 inc.
	Tonnes	56	76	583	24	8	747	21.12	22.3 kg	
Central Okanagan	Units(000)	31,839	27,001	9,894	4,673	258	73,664	289.3	290.9	(1.6) dec.
	Tonnes	434	856	3,381	179	37	4,886	19.19	20.3 kg	
North Okanagan	Units(000)	14,313	12,266	3,624	2,012	116	32,330	322.8	315.5	7.4 inc.
	Tonnes	195	388	1,238	77	17	1,916	19.13	19.7 kg	
Okanagan – Similkameen	Units(000)	13,498	11,961	4,527	1,845	144	31,975	339.0	335.1	3.8 inc.
	Tonnes	184	378	1,547	72	22	2,203	23.36	24.6 kg	
Columbia Shuswap	Units(000)	8,723	6,936	2,517	1,137	76	19,389	308.8	301.8	7.0 inc.
	Tonnes	119	220	860	44	11	1,254	19.97	20.7 kg	
Thompson – Nicola	Units(000)	23,634	21,013	5,105	3,110	195	53,057	335.7	332.7	3.0 inc.
	Tonnes	322	663	1,744	114	24	2,867	18.14	19.1 kg	
Central Kootenay	Units(000)	8,601	5,479	2,169	1,162	80	17,491	255.0	251.0	4.0 inc.
	Tonnes	117	174	741	45	10	1,088	15.86	16.6 kg	
East Kootenay	Units(000)	9,742	7,931	2,386	1,156	68	21,284	292.0	292.2	(0.2) dec.
	Tonnes	133	246	815	46	9	1,249	17.13	17.5 kg	
Kootenay Boundary	Units(000)	4,458	3,267	960	602	46	9,332	262.8	262.4	0.4 inc.
	Tonnes	61	104	328	23	6	522	14.70	15.3 kg	
Total Units	Units(000)	588,128	534,915	159,653	103,732	5,941	1,392,368	244.4	239.9	4.4 inc.
Total Weight	Tonnes	8,016	17,399	54,552	4,001	623	84,590	14.8 kg	15.3	

Note: Calculations may show slight variances due to rounding.

6.3 Refillable Milk Annual Reporting 2025

Select dairy producers using refillable glass bottles for milk have appointed Encorp Pacific (Canada) to fulfill some annual reporting requirements in compliance with the British Columbia Recycling Regulation. Encorp has not been appointed as their agent to fulfill all regulatory requirements of the BC Recycling Regulation.

Dairy producers that sell milk in refillable glass bottles establish their own deposit values to encourage the return and reuse of bottles. Deposit amounts typically range from \$1.50 to \$2.75, depending on the producer and bottle size.

These refillable glass bottles are not part of the Return-It deposit system. Instead, they operate through independent collection and refill programs managed by the dairies.

2025 Performance Summary

DAIRY PRODUCER GROUP	RECOVERY RATE	TOTAL SALES (UNITS)	TOTAL COLLECTED (UNITS)	DEPOSITS COLLECTED	REFUNDS ISSUED
All Producers	83.6%	3,191,599	2,666,659	\$5,721,751.25	\$4,785,519.50

Note: Data is reported based on information submitted by the dairies listed below. Encorp has not independently audited or third-party verified the reported data.

Bottle Return Process

After consumption, cleaned bottles can be returned to the original store of purchase or any retailer that carries the same brand for sale. Consumers receive a refund of the deposit upon return of undamaged bottles.

Return Locations

For a list of participating retailers and to receive deposit refunds, visit:

- Avalon Dairy: <https://avalondairy.com/where/>
- Cowichan Milk Company: <https://www.cowichanmilk.ca/retail-locations>
- D Dutchman Dairy: <https://dutchmendairy.ca/retail-locations/>

Reuse and Recycling

Returned bottles are transported back to the dairies, where they are cleaned, sterilized and refilled with fresh milk. Bottles that are damaged and unsuitable for reuse are sent to local glass recyclers for processing.



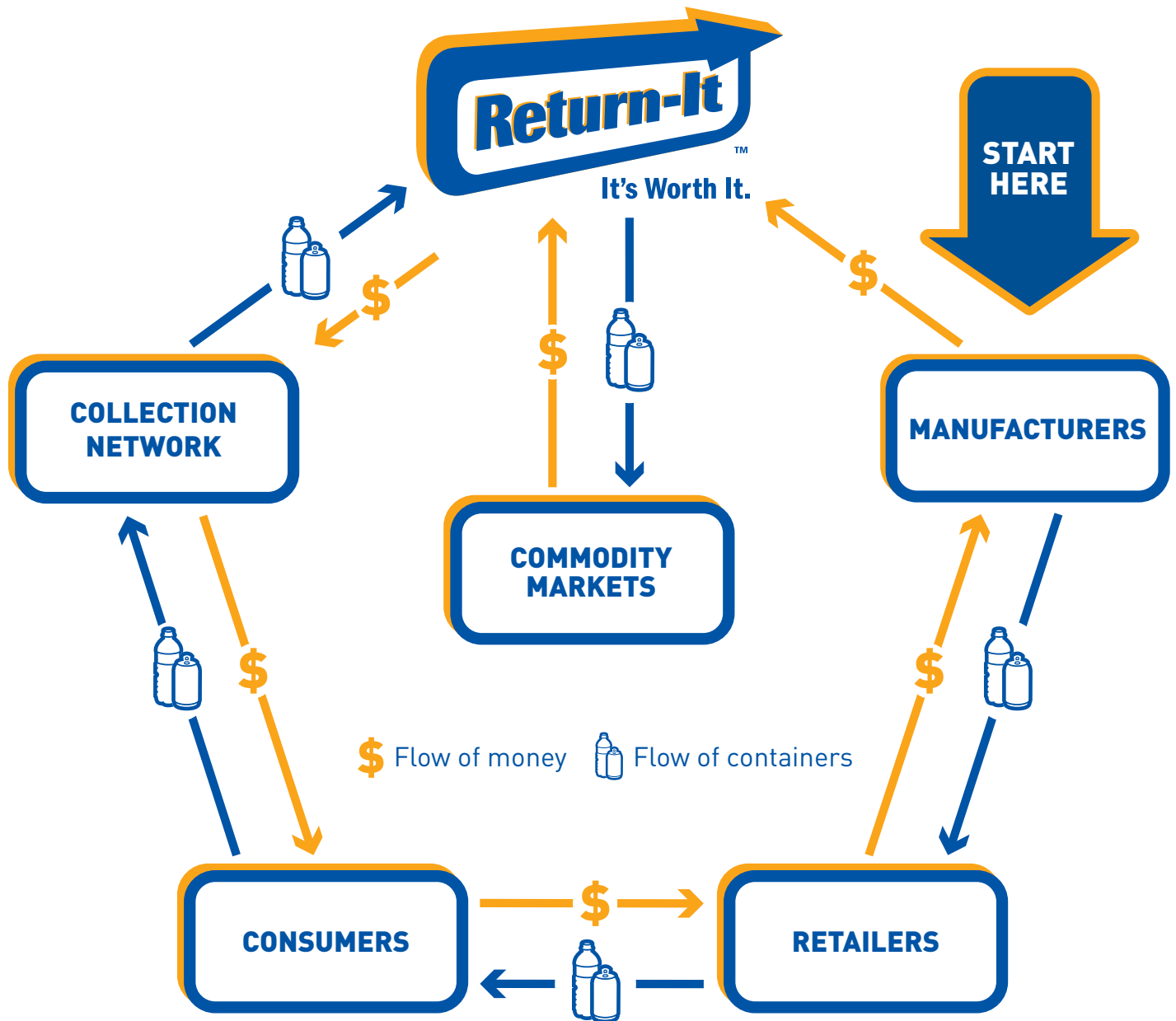


PLAN PERFORMANCE

- 7.1** How Money Flows
- 7.2** Follow the Money
- 7.3** Container Recycling Fees (CRFs)

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

Commodity Value from Collected Containers

Containers collected through the Return-It program are recycled into reusable raw materials. Each container type yields materials with its own commodity value, which is influenced by market conditions. These values fluctuate based on factors such as supply and demand, alternative container materials and tariffs.

Unredeemed Deposits

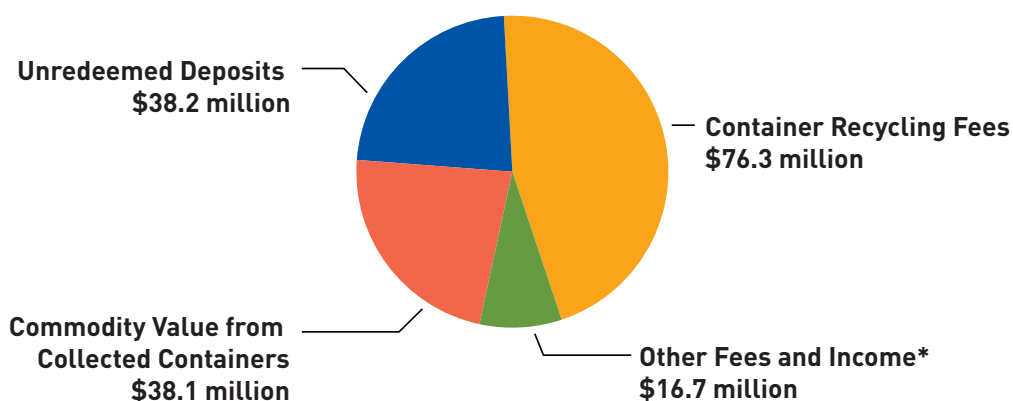
Encorp collects a deposit for every registered container sold in British Columbia. Unredeemed deposits for containers not returned by consumers are used to fund the system.

Container Recycling Fees (CRF)

When the revenue from the commodity value of collected containers and unredeemed deposits is insufficient to cover the net 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 registered containers in BC. The CRF is not a tax or refundable deposit and is calculated annually to ensure the fee accurately reflects the costs required to deliver the program by Encorp, the not-for-profit organization designated as the Producer Responsibility Organization (PRO).

Other Fees and Income*

Revenues and income from service provider contracts.



Where the money comes from

Container Recycling Fees	\$76.3 million	45.1%
Unredeemed Deposits	\$38.2 million	22.5%
Commodity Value from Collected Containers	\$38.1 million	22.5%
Other Fees and Income*	\$16.7 million	9.9%
Total Revenues	\$169.3 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 retailers to reimburse them for the deposits they have refunded to consumers.

Collection

Encorp largely delivers the Return-It program through a network of depots licensed to collect refundable beverage containers registered in the program. Contracted depots receive handling fees for collecting, sorting and preparing containers for transportation.

Transportation and Consolidation

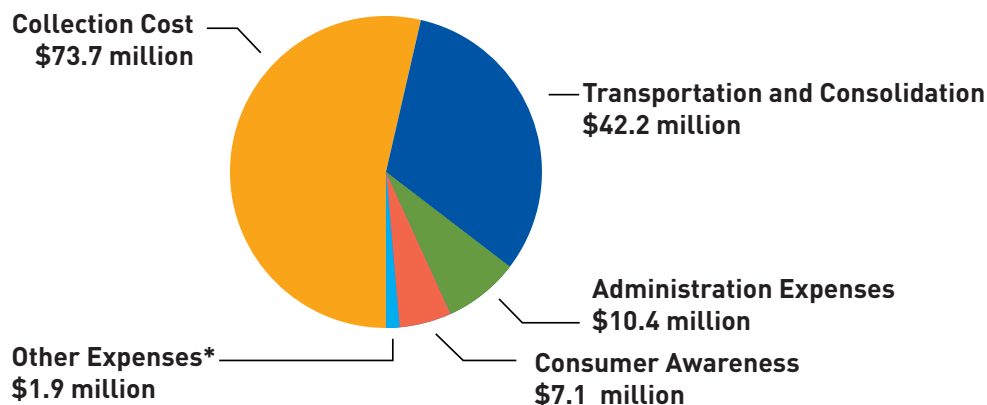
Encorp contracts with various transportation companies to collect containers from depots and grocery retailers and deliver them to contracted consolidation partners, where they are sorted, compacted and prepared for shipment to end markets. For these services, Encorp pays transportation fees, fuel and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

Administration

Administration and management of the recycling program for used beverage containers.

Consumer Awareness and Education

Cost associated with informing consumers about the Return-It beverage container return program, increasing awareness of return locations, and providing educational materials that encourage proper participation and higher return rates.



Where the money is spent

Collection Cost	\$73.7 million	54.5%
Transportation and Consolidation	\$42.2 million	31.2%
Administration Expenses	\$10.4 million	7.7%
Consumer Awareness	\$7.1 million	5.2%
Other Expenses*	\$1.9 million	1.4%
Total Expenditures	\$135.3 million	100%

*Other Expenses include amortization.

Note: Calculations may show slight variances due to rounding.

7.3 Container Recycling Fees (CRFs)

Container recycling fees (CRFs) are the fees Encorp charges its registered brand producers to cover the net cost of recycling a specific beverage container type after revenues from the commodity value of collected containers and unredeemed deposits have been used.

Encorp has developed a cost-effective system to recover and recycle all beverage containers registered with the Return-It program while ensuring producers pay the costs of collecting and managing products to end of life. As a not-for-profit stewardship organization designated as the Producer Responsibility Organization (PRO), Encorp relies on three sources of revenue to fund the Return-It program: the commodity value of collected containers, unredeemed deposits and container recycling fees (CRFs).

A CRF is required only when revenue from commodity sales and unredeemed deposits is insufficient to cover the net cost of recovering and recycling a specific beverage container type. Because commodity values and unredeemed deposits vary by container type, CRFs are calculated separately, with no cross-subsidization of cost between container types.

The CRF is not a tax or refundable deposit. It is calculated annually to reflect the actual costs required to deliver the program without generating unnecessary surplus. Brand producers remit CRFs to Encorp upon the sale and distribution of registered containers in BC. The fee is then passed through the supply chain and ultimately paid by consumers at the point of purchase.

Container Type	01-Feb-25	01-Feb-24
Aluminum	2.0 cents	2.0 cents
Plastic ≤ 1L	5.0 cents	4.0 cents
Plastic > 1L	6.0 cents	5.0 cents
Glass ≤ 1L	13.0 cents	15.0 cents
Glass > 1L		15.0 cents
Drink Boxes ≤ 500 ml	2.0 cents	N/A
Drink Boxes 501 ml – 1L		N/A
Gable Top Carton ≤ 1L	1.0 cent	N/A
Gable Top Carton > 1L		1.0 cent
Bi-Metal ≤ 1L	3.0 cents	5.0 cents
Bi-Metal > 1L		N/A
Drink Pouches	2.0 cents	N/A
Bag-In-A-Box	30.0 cents	20.0 cents
Ceramics	2,951 cents	2,951 cents
Polypropylene	N/A	4.0 cents
Liquor Plastic ≤ 1L	5.0 cents	1.0 cent
Liquor Plastic > 1L	6.0 cents	



GOVERNANCE

- 8.1 Board of Directors
- 8.2 Advisory Committee

8.1 Board of Directors

Encorp, a not-for-profit stewardship agency appointed by its member producers to fulfill the requirements of the Recycling Regulation (BC Reg. 449/2004), operates under a governance model emphasizing high standards of accountability and transparency. The Board of Directors oversees the organization's governance and ensures that these principles are consistently upheld.

Encorp's Board consists of nine members: representatives from five member industry groups and two non-affiliated directors with expertise in governance and audit. The five industry groups represented are:

- Beverage Alcohol Containers Management Council of BC
- Canadian Beverage Association
- Canadian Bottled Water Association
- Retail Council of Canada
- Western Dairy Council

The two non-affiliated directors provide independent oversight and specialized knowledge to strengthen the Board's governance function.

CHAIR OF THE BOARD

Dan Wong

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

Neil Antymis, ICD.D, CPA, CGA

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

Emil Joseph

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

Michael Forian-Zytynsky

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

John Irving

Encorp Affiliation – Unrelated Director
Committees – Governance / Human Resources
and Compensation
Resigned March 3, 2025

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 – Governance / Human Resources
and Compensation

Jane Butterfield

Vice Chair 2025
Encorp Affiliation – Unrelated Director
Committees – Audit / Human Resources
and Compensation

Jamie Sayers

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

Jennifer Chan

General Counsel and Chief Privacy Officer,
Providence Health Care
Encorp Affiliation – Unrelated Director
Committees – Governance / Human Resources
and Compensation
Appointed October 27, 2025

8.2 Advisory Committee

As part of Encorp’s accountability and transparency framework, a standing stakeholder Advisory Committee has been established to ensure the Board of Directors receives input from a diverse range of stakeholders.

The Advisory Committee operates independently of the Board and includes representatives from various stakeholder groups, including depots, small brand owners, non-governmental organizations (NGOs), regional districts and local governments. The Committee provides a formal avenue for these external stakeholders to share perspectives and insights with the Board.

As of December 31, 2025

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

The Advisory Committee reviews Encorp’s strategic and operating plans, as well as its financial and operational results. Committee members may also make recommendations to the Governance Committee and the Board of Directors.

The Committee is scheduled to meet on a biannual basis, or more frequently if additional meetings are required.

Andrew Doi

Environment Planner, Metro Vancouver

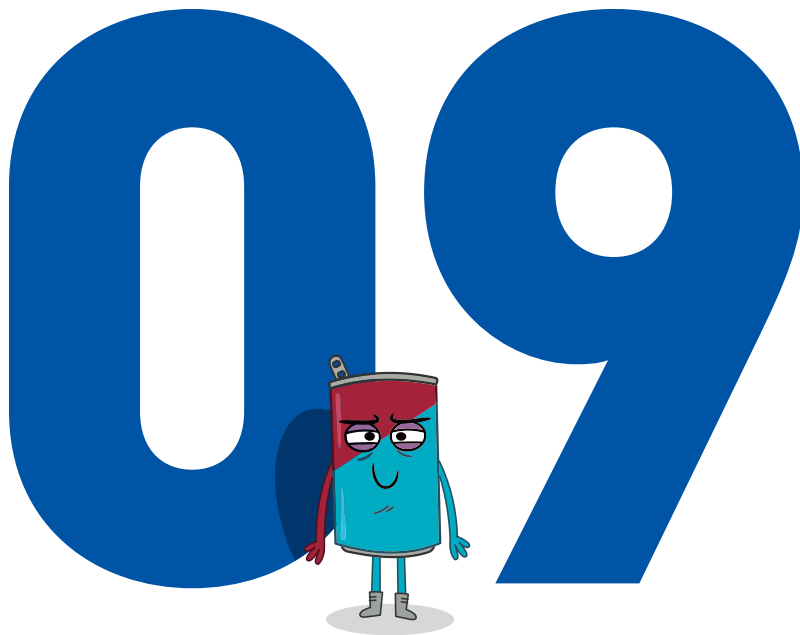
Mark McLaughlin

Principal, Campus & Community Strategies M2 Inc.

Chris Beach

Principal, Burns Lake Return-It Depot





AUDITED STATEMENTS

- 9.1 Management's Responsibility for Financial Reporting
- 9.2 Independent Auditor's Report and Financial Statements
- 9.3 Independent Reasonable Assurance Report

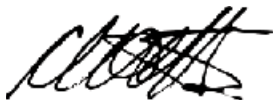
9.1 Management's Responsibility for Financial Reporting

May 6, 2026

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 auditor 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
777 Dunsmuir Street, 11th floor
Vancouver, BC V7Y 1K3
Canada
Tel 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, 2025
- 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, 2025, 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.



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.
- 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 6, 2026

Statement of Financial Position

ENCORP PACIFIC (CANADA)

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash	\$ 106,156,109	\$ 71,383,152
Accounts receivable, net of allowance for doubtful accounts \$63,942 (2024 - \$119,397) (note 3)	10,612,863	7,891,172
Prepaid expenses and deposits	1,528,705	802,334
	<u>118,297,677</u>	<u>80,076,658</u>
Capital assets (note 4)	33,381,967	32,765,257
	<u>\$ 151,679,644</u>	<u>\$ 112,841,915</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 3)	\$ 36,429,769	\$ 32,684,633
Deferred revenue	14,090,133	12,542,466
Advance payments from brand owners	1,855,199	1,953,434
Current portion of debt (note 5)	6,902,705	289,784
	<u>59,277,806</u>	<u>47,470,317</u>
Debt (note 5)	7,368,598	14,282,749
	<u>66,646,404</u>	<u>61,753,066</u>
Net assets:		
Internally restricted reserve (note 6(a))	1,788,234	1,788,234
Geographical coverage reserve (note 6(b))	62,319,639	28,375,248
Investment in capital assets	19,110,664	18,192,724
Unrestricted	1,814,703	2,732,643
	<u>85,033,240</u>	<u>51,088,849</u>
Commitments (note 7)		
	<u>\$ 151,679,644</u>	<u>\$ 112,841,915</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

December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Deposits on containers	\$ 177,421,041	\$ 174,731,036
Deposits refunded	(139,236,749)	(136,729,692)
	<u>38,184,292</u>	<u>38,001,344</u>
Container recycling fees	76,346,065	64,593,980
Sale of recyclable materials	38,138,224	23,911,621
Contract fees	13,555,490	8,943,742
Interest income	2,751,122	3,152,863
Other	287,159	446,602
	<u>169,262,352</u>	<u>139,050,152</u>
Direct operations expenses:		
Collection	73,668,384	67,388,449
Transportation and processing fees	42,209,683	39,334,991
	<u>115,878,067</u>	<u>106,723,440</u>
Other expenses (income):		
General and administrative	10,384,252	9,238,682
Consumer awareness	7,127,546	6,774,974
Amortization	1,470,773	1,356,842
Foreign exchange loss (gain)	457,323	(526,545)
	<u>19,439,894</u>	<u>16,843,953</u>
Excess of revenue over expenses	<u>\$ 33,944,391</u>	<u>\$ 15,482,759</u>

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, 2025, with comparative information for 2024

	Internally restricted reserve	Geographical coverage reserve	Investment in capital assets	Unrestricted	2025 Total	2024 Total
Balance, beginning of year	\$ 1,788,234	\$ 28,375,248	\$ 18,192,724	\$ 2,732,643	\$ 51,088,849	\$ 35,606,090
Excess (deficiency) of revenue over expenses	-	-	(1,474,001)	35,418,392	33,944,391	15,482,759
Net change in investment in capital assets (note 6(b))	-	-	2,391,941	(2,391,941)	-	-
Transfer to geographical coverage reserve (note 6(b))	-	33,944,391	-	(33,944,391)	-	-
Balance, end of year	\$ 1,788,234	\$ 62,319,639	\$ 19,110,664	\$ 1,814,703	\$ 85,033,240	\$ 51,088,849

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, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 33,944,391	\$ 15,482,759
Amortization	1,470,773	1,356,842
Loss on disposal of capital assets	3,228	34,098
	<u>35,418,392</u>	<u>16,873,699</u>
Changes in non-cash operating items:		
Accounts receivable	(2,721,691)	(1,040,677)
Prepaid expenses and deposits	(726,371)	196,899
Accounts payable and accrued liabilities	3,745,136	5,236,601
Deferred revenue	1,547,667	1,820,631
Advance payments from brand owners	(98,235)	(10,784)
	<u>37,164,898</u>	<u>23,076,369</u>
Cash flows from investing activities:		
Purchase of capital assets	(2,090,711)	(20,905,888)
Proceeds from sale of capital assets	-	775
	<u>(2,090,711)</u>	<u>(20,905,113)</u>
Cash flows from financing activities:		
Proceeds from debt	-	10,750,000
Repayments of debt	(301,230)	(144,942)
	<u>(301,230)</u>	<u>10,605,058</u>
Increase in cash	34,772,957	12,776,314
Cash, beginning of year	71,383,152	58,606,838
Cash, end of year	<u>\$ 106,156,109</u>	<u>\$ 71,383,152</u>

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, 2025

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, 2025

2. Significant accounting policies (continued):

(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.

Revenue from sales of recyclable materials 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, 2025, the turnaround time was estimated to be 7.5 weeks (2024 - 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, 2025

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	Lease term or 3 to 5 years
Computer software	3 years

Assets under development are not subject to amortization until development is complete or available for use.

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, 2025

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, 2025

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, 2025, government remittances are in an aggregate net receivable of \$116,825 (2024 - aggregate net payable of \$45,142).

4. Capital assets:

			2025	2024
	Costs	Accumulated amortization	Net book value	Net book value
Infrastructure for operations:				
Land	\$ 27,604,380	\$ -	\$ 27,604,380	\$ 27,598,740
Building	1,574,608	194,971	1,379,637	743,671
	29,178,988	194,971	28,984,017	28,342,411
General:				
Mobile compaction	3,181,855	1,649,039	1,532,816	1,942,136
Express & Go stations	1,930,636	954,169	976,467	1,045,137
Computer hardware	2,503,117	1,750,848	752,269	758,996
Office equipment	1,174,810	798,099	376,711	114,060
Leasehold improvements	1,016,132	671,429	344,703	159,253
Computer software	315,386	311,749	3,637	37,749
	10,121,936	6,135,333	3,986,603	4,057,331
	39,300,924	6,330,304	32,970,620	32,399,742
Assets under development	411,347	-	411,347	365,515
	\$ 39,712,271	\$ 6,330,304	\$ 33,381,967	\$ 32,765,257

5. Debt:

	2025	2024
Revolving demand facility (a)	\$ -	\$ -
Non-revolving term loan (b)	1,557,857	1,613,626
Non-revolving term loan (c)	2,223,630	2,268,964
Non-revolving term loan (d)	2,970,442	3,025,338
Non-revolving term loan (e)	1,545,120	1,574,503
Non-revolving term loan (f)	5,974,254	6,090,102
	14,271,303	14,572,533
Less current portion	(6,902,705)	(289,784)
	\$ 7,368,598	\$ 14,282,749

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2025

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, 2025 and 2024.
- (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, 2025, interest related to this loan, which is included in general and administrative expenses, was \$44,503 (2024 - \$46,421).
- (c) a non-revolving term loan bearing 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 27, 2026. During the year ended December 31, 2025, interest related to this loan, which is included in general and administrative expenses, was \$144,398 (2024 - \$151,779).
- (d) a non-revolving term loan bearing 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, 2025, interest related to this loan, which is included in general and administrative expenses, was \$185,463 (2024 - \$95,519).
- (e) a non-revolving term loan bearing 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 Jan 26, 2027. During the year ended December 31, 2025, interest related to this loan, which is included in general and administrative expenses, was \$94,937 (2024 - \$88,463).
- (f) a non-revolving term loan bearing 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 8, 2027. During the year ended December 31, 2025, interest related to this loan, which is included in general and administrative expenses, was \$333,228 (2024 - \$27,525).
- (g) a revolving lease line of credit in the amount of \$1,000,000 which is subject to separate agreements to be entered into with RBC. No leases were drawn on this facility as at December 31, 2025 and 2024.

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Credit facilities (continued):

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

The aggregate amount of payments due in the next two years is as follows:

2026	\$	6,902,705
2027		7,368,598
	\$	14,271,303

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 amounts were transferred from the internally restricted reserve during fiscal 2025 and 2024.

(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 2025, no amount (2024 - \$9,111,872) 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 \$33,944,391 was transferred to the geographical coverage reserve during fiscal 2025 (2024 - \$14,617,758).

Notes to Financial Statements

ENCORP PACIFIC (CANADA)

Notes to Financial Statements (continued)

Year ended December 31, 2025

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 service fees are as follows:

2026	\$	756,276
2027		362,842
2028		209,342
2029		413,625
2030		50,448
	\$	<u>1,792,533</u>

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, 2025 is as follows:

Cash	\$	2
Shareholder's equity		<u>2</u>

(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, 2025, the Corporation paid \$204,406 (2024 - \$197,729) in directors' fees, which is included in general and administrative expenses.

9. Financial risks:

(a) Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange 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, 2025, the net US dollar exposure on cash, accounts receivable, accounts payable and accrued liabilities was US\$2,431,278 (CAD\$3,332,310) (2024 - US\$3,502,508 (CAD\$5,039,759)). 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, 2025

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, 2025, the most significant financial liabilities are accounts payable and accrued liabilities and debt.

There has been no change in risk exposure from 2024.

9.3 Independent Reasonable Assurance Report



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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 as 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, 2025:

- 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



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, 2025 is, in all material respects, in accordance with the applicable criteria.



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 Section 8(2) of the Recycling Regulation. As a result, the subject matter information may not be suitable for another purpose.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
June 11, 2026

ENCORP (PACIFIC) CANADA

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

Year ended December 31, 2025

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	2025 Claim in the Annual Report	Report Reference
Number of collection facilities	188 collection facilities	'Collection System and Access' section of Executive Summary on page 1.
Changes in number of collection facilities	A net of 5 collection facilities was added during 2025.	

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 (Pacific) Canada ("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, 2025

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, 2025

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	2025 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 (2025)' column from Section 5.1 Container Recycling End Fate Report on pages 28 to 29.

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.

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

Year ended December 31, 2025

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, 2025

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	2025 Claim in the Annual Report	Report Reference
Product sold	Total sales in units – 1,774,196,165	'Product Sold, Collected & Recovery Rate' section of the Executive Summary on page 2.
Product collected	Total product collected in units – 1,392,361,693	
Recovery rate	Recovery rate – 78.5%	

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.

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Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2025

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, 2025

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	2025 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%	'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 – 82.6% target	Recovery rate – 78.5%	'Product Sold, Collected & Recovery Rate' section of the Executive Summary on page 2.

APPLICABLE DEFINITIONS

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

- i. Container redemption facility: an operation, facility or retail premises, or an association of operations, facilities or retail premises, identified in an approved plan for the collection and redemption of a producer's containers.

ENCORP (PACIFIC) CANADA

Appendix 1

Subject matter information, applicable definitions, and applicable criteria

Year ended December 31, 2025

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 3,000) of a container redemption facility.

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