The BC EPR Model: A Leader in North America

Allen Langdon
President and CEO
Encorp Pacific
Presentation Overview

- Overview of EPR IN BC
- EPR for Packaging in BC
- Overview of Encorp System
- Benefits of EPR
- Impact on Municipalities
- What’s Next?
Extended Producer Responsibility

• Extended to what?
  – End-of-life (EOL) management of products and packaging

• Responsible for what?
  – Collecting, recycling and diverting material from landfill
  – Paying the costs associated with activities set out in the a stewardship plan approved by the BC Ministry of Environment

• Whose responsibility?
  – Producer—the business that provides the product of packaging to the BC residential consumer is responsible
  – Producer also known as the “steward” in some other provinces
EPR is the law in BC

- July 2004 – BC enacted Environmental Management Act (EMA)
- October 2004 – BC filed *Recycling Regulation*
- Product categories included as separate schedules under the regulation (beverage containers are Schedule 1)
- There are now over 15 stewardship agencies in BC that manage materials such as paint, tires and electronics
Packaging EPR in BC

Encorp Pacific – 75.8% recovery rate (2017)
• Schedule 1 – Beverage Containers (both residential and IC & I)

Recycle BC – 75% recovery rate (2017)
• Schedule 5 – Packaging and Paper Products (residential only)
Overview of Encorp Pacific

• Federally incorporated, not-for-profit corporation under the Canada Not-for-profit Corporations Act.
• Used Beverage Container (UBC) management is our core business. Also a service provider to Electronic Products Recycling Association (EPRA) (2006) and Major Appliances Recycling Roundtable (MARR) (2018)
• Five Members
  • Canadian Beverage Assn. (soft drinks),
  • Juice Council of BC,
  • Retail Council of Canada (grocery trade),
  • Canadian Bottled Water Assn., and
  • Beverage Alcohol Containers Mgmt. Council of BC.
Our Mandate

• To manage, promote and facilitate the recycling of used packaging and end of life products through:
  • Network of depots
  • Transportation and processing logistics network
  • Public awareness and education
  • Outdoor spaces and special events support
Corporate Governance

• 9 Board members:
  – 7 industry members
  – 2 unrelated members

• By practice unrelated members chair Audit and Governance Committees

• Advisory Committee
  – Government, recycling/NGOs, citizens, depots, small brand-owner
Encorp’s Stewardship Obligation

• Must file a stewardship plan every five years.
• Must include:
  – Minimum 75% recovery rate
  – Convenient access to collection points
  – Consumer awareness
  – Consultation process
• Reporting requirements
  – Financial, recovery rate and non-financial (end fate) audits.
  – Annual report to Ministry of Environment
System Infrastructure

• 170+ independently owned depots (93% of unit volume)
• Retail (7% of volume)
  • 350+ Grocery Stores
  • 220 Government Liquor Stores
• One billion containers collected and recycled (75.8% recovery rate)
• 94,000 metric tonnes recycled (plus 25,000 tonnes of electronics)
Beverage Containers in the System

- Encorp is responsible for any liquid that is a ready-to-serve sealed drink, except:
  - Milk and milk substitutes, including rice milk, soya milk, infant formula, meal replacements, dietary supplements
- Beer in aluminum cans and refillable glass
  - Brewers Distributor is the steward.
Consumer Awareness

• 4.5 million annual budget
  – Research and Segmentation analysis
  – Public information tools & social media
  – Outreach Programs (Schools, Ambassadors etc)
  – Specific container education & awareness
  – Partnerships & Community support programs
  – Use of traditional and non traditional media

www.returnit.ca/ar2017
## Containers Collected

<table>
<thead>
<tr>
<th>Container Type</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminum</td>
<td>362 million units</td>
</tr>
<tr>
<td></td>
<td>33% of product mix</td>
</tr>
<tr>
<td>Plastic</td>
<td>380 million units</td>
</tr>
<tr>
<td></td>
<td>39% of product mix</td>
</tr>
<tr>
<td>Glass</td>
<td>207 million units</td>
</tr>
<tr>
<td></td>
<td>17% of product mix</td>
</tr>
<tr>
<td>Drink Boxes/Gable Tops</td>
<td>65 million units</td>
</tr>
<tr>
<td></td>
<td>8% of product mix</td>
</tr>
<tr>
<td>Bi-Metal</td>
<td>4 million units</td>
</tr>
<tr>
<td></td>
<td>.4% of product mix</td>
</tr>
<tr>
<td>Bag-in-Box</td>
<td>1.8 million units</td>
</tr>
<tr>
<td></td>
<td>.3% of product mix</td>
</tr>
<tr>
<td>Pouches</td>
<td>2 million units</td>
</tr>
<tr>
<td></td>
<td>.5% of product mix</td>
</tr>
</tbody>
</table>
Recycling Markets

• Aluminum
  – 100% to new can aluminum in Kentucky

• PET
  – 100% processed at Merlin Plastics in BC or Alberta

• Glass
  – Over 90% to new wine bottle glass in Seattle
  – Balance to sandblasting material in BC

• Aseptic and Gabletop Cartons
  – About 90% to tissue/toilet paper production in South Korea, balance to U.S.
Benefits of the BC Model

• Provides the opportunity to create a reverse-supply chain to manage material with opportunities for standardization and optimization
• Supports a circular economy where producers have influence on both the creation and end-of-life management of their materials
• Provides producers with best long-term opportunity to manage their material in light of increasing costs, volatile commodity markets and continued innovations in packaging types and materials
Impact on Municipalities

• To maximize the benefits of EPR, producers require control of the system in order to develop and optimize a reverse supply chain

• Transition can be difficult but as proven in BC it can be managed with collaboration from industry and local governments

• Key requirement is to provide municipalities with a range of choices and timelines
Requirements for Effective EPR

• Outcomes-based legislation - Provides industry with specific targets and the flexibility to develop the most efficient and effective approach

• Strong Governance for Stewardship Agencies – Balance of industry representation and independent directors

• Effective Oversight – In BC, third-party audits are required both for financial and non-financial information
WHAT’S NEXT?
Return-It Express

• New Drop and Go Program
• Consumer registers online
• Bar code bag of containers and drop off
• Containers are counted and deposits credited to online account
• Redeem through e-Transfer beginning in March
Express Lower Mainland

• Encorp will roll out Express to all depots in the Lower Mainland by July 1st 2019
• Encorp will fund a comprehensive marketing campaign to create consumer awareness
• Expectation in two years, over 110 Express depots will be available to consumers covering all markets in BC with populations over 30,000 people
Express Stand Alone Outlets

• Based on a pilot location in downtown Vancouver, these new stand-alone outlets are smaller and do not offer cash refunds.

• The smaller format is essential for locating in more accessible commercial locations.

• Focus for these stand-alone outlets is dense urban areas where we have the lowest recovery rate in the province and the greatest difficulty siting depots.
Return-It Express Yaletown
Standard Signage
Signage Wall in Depot
WE'VE SIGNED
THE NEW PLASTICS ECONOMY

Global Commitment

#LINEINTHESAND
Global Commitment

• At the heart of the Global Commitment is a vision of a circular economy for plastic in which it never becomes waste.

• Signatories commit to three actions to realize this vision:
  – **Eliminate** all problematic and unnecessary plastic items.
  – **Innovate** to ensure that the plastics we do need are reusable, recyclable, or compostable.
  – **Circulate** all the plastic items we use to keep them in the economy and out of the environment.
Encorp’s Global Commitment

• To recycle 75 percent of the plastic beverage containers sold into the Province of British Columbia by 2022

• To eliminate single use plastic film from our supply chain by 2025
  – Beginning with shift to reusable bags in large depots by the end of 2019
Textile Collection - Pilot

- Evaluate solutions for textile collection and reuse in the Province.
- 4 month pilot program
- 12 participating Return-It locations (lower mainland)
- Partnership with Bank & Vogue Ottawa
Outreach & Partnerships

- Canucks for Kids & Canucks hockey team
- Canadian’s Baseball team
- Whitecaps Soccer team
- Vancouver Titan’s e-sports
• Streetscapes, IC&I and outdoor spaces recycling bin program
• Ambassador team tour with interactive presentations by Return-It Man
• Return-It School recycling program
• Ocean Ambassadors program
• Binners Project
More info: return-it.ca