The BC EPR Model: A Leader in North America

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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.
  - New plan filed in July 2018 for years 2018 - 2022.
- 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

Container Type	Units
Aluminum	362 million units **33% of product mix**
Plastic	380 million units **39% of product mix**
Glass	207 million units **17% of product mix**
Drink Boxes/ Gable Tops	65 million units **8% of product mix**
Bi-Metal	4 million units **.4% of product mix**
Bag-in-Box	1.8 million units **.3% of product mix**
Pouches	2 million units **.5% of product mix**

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
- Aeseptic 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-along 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

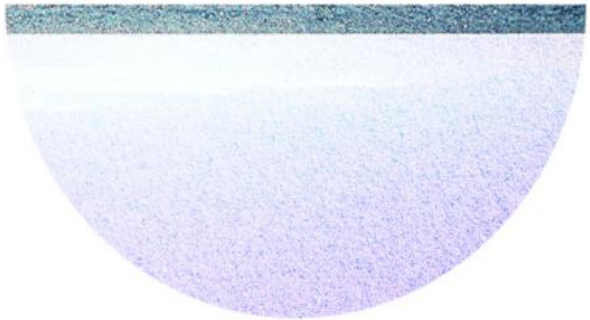
Return-It Express Yaletown

Standard Signage

Signage Wall in Depot

WE'VE SIGNED
THE NEW PLASTICS ECONOMY

Global Commitment



#LINEINTHESAND

Global Commitment

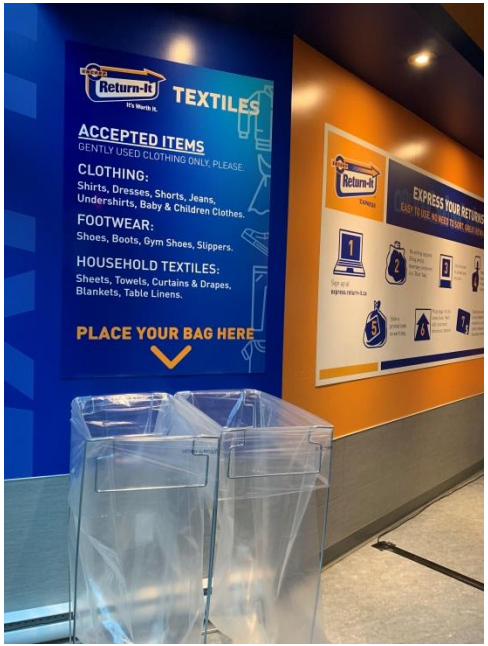
- At the heart of the Global Commitment is a vision of a circular economy for plastic in which it never becomes waste.
- Signatories commit to three actions to realize this vision:
  - **Eliminate** all problematic and unnecessary plastic items.
  - **Innovate** to ensure that the plastics we do need 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

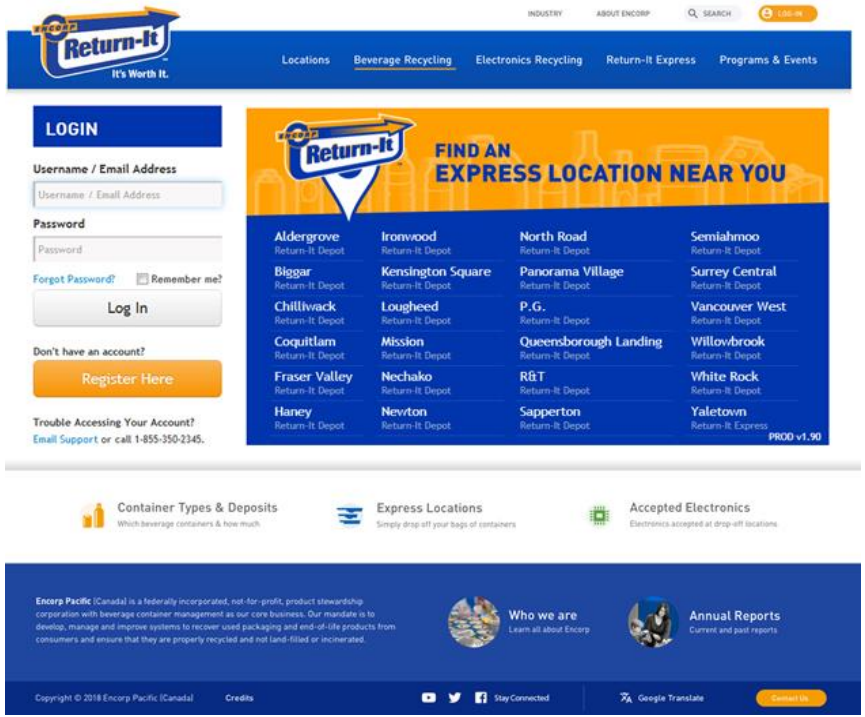
Textile Collection - Pilot

- 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