

# ENCORP PACIFIC (CANADA)

Stewardship Plan Title: Encorp Pacific (Canada), Proposed Amendments to Program Targets in the Approved Plan

Product Category: Beverage Containers (BC Reg. 449/2004) Schedule 1

Submission Date: **Amendment – March 15, 2019**

Original Approval Date: July 19, 2007

Program Consultation Website: [www.returnit.ca/consultation2018](http://www.returnit.ca/consultation2018)



**Encorp Pacific (Canada)**  
2018 – 2022 Stewardship Plan Performance Targets

**Revised Performance Targets**  
**Consultation Timeline March 15, 2019 – April 30, 2019**

**Background**

Encorp Pacific (Canada) is the not-for-profit stewardship agency appointed by producers of packaged ready-to-drink beverages to fulfill their obligations under the Recycling Regulation, Schedule 1, Beverage Container Product Category (B.C. Reg. 449/2004). The stewardship plan covers all containers for ready-to-drink beverages sold in British Columbia, except refillable beer bottles and aluminum beer cans. This includes soft drinks, juice, water, wine, coolers, and spirits among other drink categories.

The original plan was approved by the Ministry of Environment in 2007. Encorp's second plan, covering 2013-2017, was approved in 2014. In 2017 Encorp applied to the Director and was approved to continue operating under the current plan with no changes except to update program performance targets and to address certain policy items that have been introduced since the approval of the current plan.

The initial public consultation on the proposed targets was conducted between May 8, 2018, and June 22, 2018. Once all input was received Encorp carefully reviewed and considered all the comments and suggestions provided. While we found that the majority of the feedback regarding the proposed targets was fairly positive, there were some concerns with regard to the recovery rates.

As a result of the consultation process and several discussions with the Ministry of Environment and Climate Change Strategy (MOECCS), Encorp has further revised and also expanded the categories of the proposed recovery rates. The public consultation on these proposed changes will be conducted between March 15<sup>th</sup> and April 30<sup>th</sup>, 2019. Once consultation has been completed and Encorp has reviewed and considered all input, we will then submit our final performance targets for consideration by the Statutory Decision Maker (SDM).

### **Proposed Performance Targets – Recovery Rates**

Upon careful consideration of the results of the initial consultation as well as discussions with MOECCS staff, Encorp has revised the recovery rate performance targets from the original 77.1% overall rate to an 80% overall recovery rate to be achieved by 2022.

Included in this amendment to our proposed performance targets, Encorp has provided the table below outlining the original performance targets provided in the first consultation period and the proposed revisions to the targets. For further clarification we have also expanded the categories of the revised performance targets to provide a breakdown of each of the commodity types within categories to match the requirements under the Recycling Regulation.

Performance targets originally submitted for consultation:

	<b>% of sales mix</b>	<b>2017 Actual</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Aluminum</b>	33.4%	80.4%	80.7%	80.9%	81.2%	81.4%	81.5%
<b>Glass</b>	17.6%	87.5%	87.7%	87.9%	88.1%	88.3%	88.5%
<b>Plastic</b>	39.6%	71.2%	71.4%	71.6%	71.8%	72.0%	72.3%
<b>Polycoat *</b>	8.2%	58.0%	58.2%	58.7%	59.0%	59.2%	59.4%
<b>Other **</b>	1.2%	57.8%	58.2%	58.6%	59.3%	59.7%	60.0%
<b>Overall rate</b>		<b>75.8%</b>	<b>76.2%</b>	<b>76.4%</b>	<b>76.7%</b>	<b>76.9%</b>	<b>77.1%</b>

\* Polycoat includes drink boxes (tetra pak) and gable top containers

\*\* Other includes bi-metal, bag-in-box, and multi-laminate pouches

Proposed performance targets and categories for consultation:

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Aluminum cans</b>	81.0%	81.5%	82.0%	83.0%
<b>Non-Refillable Glass</b>	91.5%	92.5%	93.5%	94.0%
<b>≤ 1 litre Plastic</b>	72.5%	73.0%	74.0%	75.0%
<b>≥ 1 litre Plastic</b>	85.0%	85.0%	85.0%	85.0%
<b>Drink Boxes</b>	57.5%	58.0%	58.5%	59.0%
<b>Bag in Box</b>	49.5%	50.0%	50.5%	51.0%
<b>Bi Metal cans</b>	83.0%	83.5%	84.0%	84.0%
<b>Gable Top</b>	71.0%	71.5%	72.0%	72.5%
<b>Pouches</b>	27.0%	29.0%	32.0%	35.0%
<b>Overall</b>	<b>77.9%</b>	<b>78.5%</b>	<b>79.2%</b>	<b>80.0%</b>

The proposed performance targets have been increased based on achieving an overall 80% recovery rate by 2022.

### **Action Plan**

Encorp's Board and management are making significant investments in new systems and infrastructure to attract and retain consumers to our collection network. We have identified and are currently in the process of implementing several specific and targeted initiatives that will re-define the recycling experience for consumers in BC. and lay the ground work needed to enable us to increase the recovery rates.

People in BC want to recycle and they want to do the right thing, but if the experience doesn't meet their expectations they may choose to discard containers rather than recycle them. Our plans include several components that will transform the way customers recycle beverage containers, provide additional convenience, reduce confusion and provide new ways for Encorp to reach consumers with informational messages specific to individual container types.

### **Return-It Express:**

Convenience remains the most important factor in consumers recycling their beverage containers. Implementing the ability for customers to access Express services in current depot locations provides a level of convenience that has proven to attract new customers and increase the number and variety of containers registered users recycle. Express is a newly offered service that allows customers to put all their refundable containers into a bag and drop it off at the depot, then shortly after view their balance and redeem the deposit refund via Interac e-transfer through an online account. This solution involves no sorting and no line

ups which makes it fast, easy and rewarding. Through surveys of current users and internal data analysis Encorp has confirmed that this type of convenience is not only desired but proven highly effective. Customers that wish to receive cash would still have that option through the traditional method at these locations.

In addition, our plan includes the installation of a smaller footprint Express model to be opened in strategic areas where population density, real estate availability, or licensing of depots has created siting challenges. This smaller model relies on providing the deposit refund through the online account as described above. There is no cash option in the smaller footprint model. In order to proceed with these kinds of strategic installations a regulatory change would be required to remove the current mandate for depots to provide a cash refund.

Currently there are over 30 locations open within existing depots in the Lower Mainland and we have plans to install more than 35 Express kiosks in existing depots from Chilliwack through to Whistler to be opened by July 2019. This will bring the total number of Express locations to more than 60 within the Lower Mainland where our research study shows that the majority (80%) of the unredeemed containers are discarded. In total our plan includes the installation of over 100 Express locations within existing depot locations throughout the province over the next three years. We also intend to site some additional standalone Express locations within the next three years where siting traditional depots has proven to be problematic.

### **Depot Facility Renovations:**

Research confirms that the second most important factor is the experience customers have while recycling beverage containers. In any retail environment the throughput of heavy customer traffic results in wear and tear on the facilities. In the past five years the increase in the number of beverage containers collected at Return-It depots has increased by 6% or 50 million more units and the facilities have, in many cases, begun to show significant wear and tear.

Encorp has developed a program to facilitate the renovation and upgrading of 30 depots in 2019 as part of an overall plan to renovate 100 depots within the next three years. Encorp has committed significant funds on an annual basis to be available for capital improvements to improve the Return-It depot network. Renovations will incorporate a standardized package of improvements designed to provide a more streamlined and consistent consumer experience that will include an updated Express kiosk. These improvements include many aspects that will enhance the customer experience such as automatic sliding doors, environmentally friendly lighting, and commercial grade hand washing stations.

## **Collection of Containers from the Industrial, Commercial, and Institutional (IC&I) Sector:**

Encorp is also taking steps to determine the magnitude of refundable beverage containers that are not being captured in the IC&I sector. Initial analysis shows that this sector has the lowest recovery rates of refundable beverage containers. While beverage containers consumed and discarded within the IC&I sector may be recycled, they are often not recorded in Encorp's system as IC&I recycling streams are being recycled through commercial agreements outside of the Encorp network.

A more in-depth analysis of waste audits within this sector will be conducted to establish a base line for improvement. The initial analysis has begun with our participation in the Metro Vancouver waste audit which includes the IC&I sector. Our internal analysis is scheduled for completion in the second quarter of 2019. We are also piloting several different initiatives to collect or capture containers from IC&I venues. Currently programs are in progress to test statistical counting from material recovery facilities (MRFs) beginning in 2019 and to increase the installation of convenient, dedicated beverage recycling bins at public venues.

## **Underperforming Container Types:**

Special focus will be allocated to increasing the recovery rate of underperforming container types. There are several initiatives that directly focus on plastic bottles, polycoated containers and other hard to recycle beverage packaging types. These include initiatives like:

- Specifically targeted advertising campaigns with dedicated creative messaging
- Partnerships with retail locations where product is being sold
- On package messaging of the deposit level and recycling of containers at Return-It locations
- Direct consumer educational messages delivered through the Express system and awareness campaigns.

## **In Conclusion**

Encorp has and will continue to deliver the best known and most respected EPR program in British Columbia. We recognize through continuous improvement, that recovery rates must increase and the Return-It program must continue to deliver the high standards and results that have already been attained. We have reviewed and carefully considered feedback provided by the public and Ministry staff including increasing the recovery rate targets and providing additional details outlining our plans to meet the revised targets.

In summary, we request your input by April 30, 2019 with regard to the amended performance targets and category breakdown.

We look forward to the Ministry of Environment and Climate Change Strategy's approval of Encorp's 2018- 2022 Stewardship Plan.