Brewers Distributor Limited

Annual Report to the Director

2014 Calendar Year

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BDL 2014 Product Stewardship Report to the Director, Waste Management

1. Executive Summary

Products within plan:	Refillable Glass Beer, Cider & Cooler Containers and Metal Beverage Alcohol Cans
Program website:	http://www.EnviroBeerBC.com

Recycling Regulation Reference	Topic	Summary (5 Bullet Maximum)
Part 2, Section 8(2)(a)	Public Education Materials & Strategies	• 96% of all respondents (99% of those with the relevant product) aware of BDLs program in SABC consumer awareness survey (highest among all programs in BC) o Rated among the most convenient of the existing programs • Revamped program website, www.EnviroBeerBC.com launched in 2014, includes "Postal Code Lookup" of contract collection return locations, social media links and video content for enhanced SEO • 6 public consultations held as part of Schedule 1 stewardship plan renewal process (Vancouver, Whistler, Victoria, Kelowna, Prince George and a webinar) • Continued roll-out of new branding and posters distributed for display, including electronic signage, at all authorized return locations • Continued promotion of the "BC Recycles" portal as a one-stop location for information on recycling in the province
Part 2, Section 8(2)(b)	Collection Systems & Facilities	• BDL delivers beer to retail locations and licensed establishments and collects containers at retail locations, licensed establishments and container depots • BDL operates 2 warehouse facilities and 54 delivery vehicles in BC • There are 1,135 container redemption facilities for BDL program containers in the province; see section 6 regional district detail
Part 2, Section 8(2)(c)	Product Environmental Impact Reduction, Reusability & Recyclability	• 15% of containers are refillable glass containers: these have a 90% reduction in energy use; • 85% of containers are recyclable metal (principally aluminum) containers: these have a 95% reduction in energy use; • All associated secondary packaging is returnable and recyclable; • Estimated waste diversion of 28,711TN
Part 2, Section 8(2)(d)	Pollution Prevention Hierarchy & Product Component Management	• Reduction of new materials used continues to be realized through the reuse of refillable bottles • BDL worked with partners to refine reporting parameters surrounding refillable bottles • 100% of aluminum containers collected were recycled in 2014
Part 2, Section 8(2)(e)	Product Sold and Collected & Recovery Rate	1. 623 million containers sold 2. 93.14% recovery rate
Part 2, Section 8(2)(e.1)		See Section 7 for estimated breakdown per regional district.
Part 2, Section 8(2)(f)	Summary of Deposits, Refunds, Revenues & Expenses	Deposits Received: $62,324,209 Deposits Refunded: $58,047,570 Audit of B.C. Brewers' Recycled Container Collection Council Financial Statements and Third Party Test procedures in accordance with Sections 8(2)(b), (d), and (e) of the Recycling Regulation conducted by KPMG LLP.

Comparison of Key Performance Targets Part 2 – Section 8(2)(g); See full list of targets in Plan Performance		
Priority Stewardship Target (as agreed with Ministry File Lead)	**Performance**	**Strategies for Improvement**
1. Container Return Rates 85% return rate in all container categories and overall return rate	Targets Achieved: • 96.6% return rate for refillable industry standard bottles (ISB) • 90.3% return rate for refillable proprietary glass bottles • 92.8% return rate for aluminum cans	N/A
2. Consumer Accessibility: Improve consumer access to BDL authorized locations from 181 to 347 by 2014 (42 bottle depots, 305 licensee retail stores)	Targets Partially Achieved: • Surpassed 2014 depot target by +50% (71) • 120 contracted collection retail sites with an additional 22 contracts under consideration	• Focus on contracted collection location within LRS sites • Renewing contracts with existing sites
3. Consumer Awareness Improve consumer awareness. Maintain 85% awareness levels, expansion of BDL branded informational materials	Targets Achieved: • 96% aware of beer container deposits; • Program rated among the highest for convenience for existing programs (based on SABC consumer awareness survey) • BDL branded posters distributed for display at all authorized return locations	N/A

2. Program Outline

Brewers Distributor Limited (BDL) is a joint venture company owned by Molson Coors Canada and Labatt Breweries of Canada. BDL distributes beer throughout Western Canada. BDL operates warehouses and distribution facilities throughout British Columbia and distributes beer to all types of provincial liquor stores including government-run LDB outlets, private licensee retail stores (LRS) and LDB rural agency stores (private businesses authorized by the LDB to sell liquor with other goods in small or remote communities) as well as bars, restaurants, and other licensed establishments.

In addition to the distribution of full goods, BDL collects refillable domestic beer, cider, and cooler glass bottles and imported & domestic alcohol cans sold in British Columbia on behalf of stewards. Much of this container recovery occurs as a closed loop transportation system, with container returns occupying trailers returning from delivering full goods.

BDL's stewards are comprised of breweries and other alcohol beverage manufacturers operating in the province as well as import brewers who designate BDL as their product steward when they obtain a Liquor Distribution Branch (LDB) approval to sell their products into British Columbia.

The stewards use glass containers that include the industry standard brown refillable glass beer bottle as well as non-standard proprietary refillable beer, cider and cooler bottles and alcohol cans. BDL also distributes and collects beer kegs. Brewers that subscribe to BDL's stewardship plan fund its product stewardship functions through a cost recovery mechanism established by the British Columbia Brewers' Recycled Container Collection Council (the Council). The Council is a not-for-profit society comprised of domestic and import beer industry representatives. Costs incurred by brewers in funding the container recovery system are internalized in brewers' cost-of-doing-business and are not levied to consumers as an additional visible eco-fee separate from the shelf price.

Customers can return program containers to retail locations where beer is purchased or to container return depots. BDL collects its containers from licensees, retail locations and selected container return depots. Refillable bottles collected by BDL are returned to manufacturers for reuse. Damaged or broken bottles BDL collects are sent to Pacific Metals Recycling International in Vancouver for recycling. Aluminum cans are compressed and sent to ALCOA in the United States to be recycled into new cans and other products.

Information on BDL's product stewardship system can be found at http://www.EnviroBeerBC.com

3. Public Education Materials & Strategies

BDL continues to enjoy very strong consumer awareness of its program for beverage containers and very high levels of consumer satisfaction with their access to return locations. In late 2013, the Stewardship Agencies of BC undertook a consumer awareness benchmarking survey with respect to the various stewardship programs operating in BC (results were received in Q2 2014). BDL's program for beer containers was the most well-known of the stewardship programs. Among all respondents, 96% of BC residents were aware of the program for beer containers, with 99% of those with the relevant product being aware of BDL's program. A similarly high level of consumers, 96% of all respondents and 99% of program users, expressed satisfaction with their level of convenience with respect to access to return locations. This result was again amongst the highest achieved for any stewardship program in BC. These consumer awareness and satisfaction results are very similar to results obtained by BDL in its consumer surveys undertaken in 2013, 2011, 2006, 2000 and 1997.

In 2014, BDL's consumer awareness strategy has focused on a) educating stakeholders – principally the consumer – about how BDL's stewardship system operates and the environmental benefits it delivers; and b) promoting the authorized return locations within its stewardship network. Furthering both of these objectives, BDL revamped its program website, www.EnviroBeerBC.com, in 2014. This website features a new 3-minute video that highlights how BDL's program operates and the results it has achieved. There is also a postal code look-up function on the website to help BC consumers locate their nearest authorized return location. In addition, the website is also linked to the Twitter account @EnviroBeerGuy (run by the Director, Sustainability of Canada's National Brewers and which has over 600 followers). All of these functionalities increase the website's search engine optimization to ensure it is among the top results when BC consumers search for information on beer container returns.

The graphic look and feel of the EnviroBeerBC website has been replicated on all promotional posters provided to authorized depots. In doing so, BDL intends to reinforce for the public which depots are authorized BDL return locations and which ones are not. As in 2013, BDL distributed new promotional posters to its authorized return locations. In 2014, the promotional materials provided to collection partners included electronic signage for the first time.

BDL submitted its Schedule 1 stewardship plan renewal to the Director for approval in late 2014. Prior to this submission, BDL undertook extensive public consultations, reaching out to well over 750 stakeholders. As part of the consultation process, BDL undertook consultations in Whistler, Vancouver, Victoria, Kelowna and Prince George and also held a webinar about its draft stewardship plan renewal. As well, BDL's draft Schedule 1 stewardship plan renewal was included in the delegate package at the CWMA conference in October 2014. Stakeholders generally expressed significant satisfaction with BDL's program and its performance.

BDL continues to work with ABLE BC to get more private retail liquor stores to sign up as unlimited return locations. ABLE BC regularly informs their members of this member benefit through newsletters, publications and surveys.

Finally, BDL continues to maintain its membership in the Stewardship Agencies of BC (SABC). As a member of SABC, BDL funds the Recycling Council of BC's (RCBC) various consumer information vehicles, such as the Recycling Hotline, the RCBC website and the Recyclepedia. BDL also directs consumers to the 'BC Recycles' portal as a one-stop location for information on recycling in BC.

4. Collection System and Facilities

Consumers can take back BDL program containers for redemption to BDL Authorized Depots, Licensee Retail Stores (LRS), Government Liquor Stores (GLS) and Rural Agency Locations (RAL). BDL also collects containers from several thousand licensed establishments (i.e. bars and restaurants). Table 1 outlines the number and type of Collection Facilities operating in the province. In 2014, BDL utilized its 2 warehouses for the collection, storage and sorting of containers. BDL also operated a fleet of 54 vehicles for the distribution of product and collection of containers. All secondary packaging associated with BDL's containers is also accepted for return and recycling.

Table 1 – BC Container Redemption Locations for Beer Containers

Return Location Type	2014	2013
BDL Authorized Depots	71	65
Licensee Retail Stores	648[1]	646
Government Liquor Stores	195	197
Rural Agency Locations	221	222
Total Locations	1,135	1,130

[1] The number of LRS sites also includes a subset of LRS locations acting as contracted collection partners

British Columbians have wide access to container returns with 1,135 authorized retail and depot redemption locations across the province. As outlined in Table 2 below, collection facilities can be found in all British Columbia Regional Districts. With convenient access to return locations, BDL is able to ensure a high rate of return of containers.

Table 2 – Number of Collection Locations by Regional District

Regional District	2014	2013
Alberni-Clayoquot	19	19
Bulkley-Nechako	28	28
Capital	77	77
Cariboo	42	43
Central Coast	3	3
Central Kootenay	49	49
Central Okanagan	40	40
Columbia-Shuswap	40	40
Comox Valley	26	26
Cowichan Valley	30	29
East Kootenay	39	39
Fraser Valley	58	58
Fraser-Fort George	39	39
Greater Vancouver	275	274
Kitimat-Stikine	17	17
Kootenay Boundary	22	22
Mount Waddington	19	19
Nanaimo	46	45
North Okanagan	33	33
Northern Rockies	5	5
Okanagan-Similkameen	38	38
Peace River	31	29
Powell River	13	13
Skeena-Queen Charlotte	15	15
Squamish-Lillooet	20	20
Stikine	1	1
Strathcona	30	29
Sunshine Coast	14	14
Thompson-Nicola	66	66
Grand Total	1135	1130

BDL is currently negotiating contracts to expand the number of contracted collection retail locations in the province to continue to improve consumer access to convenient return locations. BDL is striving to increase the number of locations that accept unlimited container returns in the province over the next few years. There are also 71 BDL Authorized Depots operating in the province. Consumers can visit http://envirobeerbc.com/locations/ to search for an Authorized Depot by postal code.

5. Product Environmental Impact Reduction, Reusability and Recyclability

Environmental awareness and sustainability has been of long standing importance to BC brewers. Brewers in the province have taken back containers and packaging since they started brewing in the province over 130 years ago. Collecting containers efficiently and maximizing return rates is as important a business strategy for BDL shareholders today as it was before the introduction of government product stewardship regulations and requirements. BDL's efficient closed loop distribution system, with product delivery and container pickup at licensed establishments and retail locations, continues to generate high packaging and container return rates in a low cost manner. Coordinating delivery of full goods and container pickups also minimizes fuel costs and related environmental impacts. The system has enabled the brewing sector to maintain a significant amount of production in refillable containers and maintain its exceptional return rates as the B.C. liquor retailing system has evolved. New entrants into the BC beer market have a ready-made platform available to market and recover product in refillable containers.

The economics at the heart of BDL's container recovery program incent recovery rates to be as high as possible. Consider that to get 15 reuses of a refillable bottle requires that 94% of all refillable bottles sold to be returned and reused. As return rates drop to 75%, refillable bottle "trippage" drops to just 4 reuses effectively wiping out the cost savings associated with using refillable bottles. The use of refillable beer containers recovered at high return rates avoids the production of over 90 million one-way glass or other containers annually. Of course, reuse through refilling supports environmental outcomes by dramatically reducing the overall amount of packaging necessary to sell a given amount of product. The use of refillable glass containers in comparison to production of one-way glass from virgin materials reduces energy and pollution associated with manufacturing by approximately 90%. In Canada, the beer industry has further enhanced the efficiencies of refillable containers by developing an industry standard bottle (ISB) which is open to any brewer operating in the country. The ISB is a leading example of design for the environment. The ISB reduces the cost of sorting empty containers, minimizes inventory storage requirements and improves production efficiencies by eliminating the need for brewers to perform costly packaging line changeovers. Many British Columbia brewers are signatories to the Standard Mould Bottle Agreement (sometimes referred to as the Industry Standard Bottle Agreement) and sell many products in the ISB reusable glass bottle. Driven by cost internalization, the economic efficiency of the British Columbia brewing industry reuse and recycling system accrues as savings to consumers and to the environment.

Similarly, recovering aluminum cans at high rates and recycling them efficiently and effectively offsets the production costs of buying aluminum cans for the packaging of beer. BDL's container redemption system generates one of North America's highest return rates for aluminum can containers. Recycling aluminum generates enormous energy and pollution savings in comparison to manufacturing aluminum from virgin materials. Approximately 95% less energy is utilized when making aluminum from recycled material in comparison to virgin aluminum manufacturing.

6. Pollution Prevention Hierarchy and Product / Component Management

BDL brand owners utilize two types of containers under the Schedule 1 product stewardship plan: refillable glass bottles and recyclable metal (principally aluminum) cans. Both methods of materials management are among the highest in the expanded hierarchy (see Figure 1)[2]. All BDL containers are 100% recyclable, non-toxic, and have established secondary markets. The refillable glass bottle has a long history of use and its track record as an environmentally preferable container is well established; especially when compared to the use of one-way glass containers. Reusing glass bottles, in comparison to making new ones,

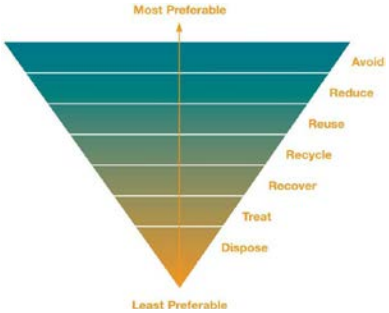

Figure 1 Pollution Prevention Hierarchy

[2] See Zero Waste SA: South Australia's Waste Strategy 2011-2015. 2011 Report

saves considerable energy and reduces CO2 emissions associated with container requirements. Energy requirements associated with washing and cleaning refillable bottles remain lower than those associated with producing new glass stock. For every ton of aluminum recycled, more than 200 GJ of energy are saved from avoided production processes including: bauxite mining, alumina refining, and electrolysis[3]. The energy required to make aluminum cans from recycled aluminum is 95% less than energy utilized in creating virgin aluminum.

BDL records the number of refillable glass bottles shipped to brewers for re-use, as well as the weight of broken or culled glass shipped directly by BDL to glass recyclers. Aluminum cans are crushed into "biscuits" which are weighed prior to shipment to an aluminum recycler. Of the aluminum and glass containers sent directly from BDL to a recycler, 100% were recycled in 2014. The vast majority of the refillable bottles sent to brewers were reused in 2014. Table 3 shows the results for the containers recovered in 2014.

Table 3: Results of Recovered Containers 2014[4]

<table>
<tr><th>Type of Container</th><th colspan="2">Results of Recovered Containers</th></tr>
<tr><td>Aluminum Cans</td><td colspan="2">100% Processed for metal recovery</td></tr>
<tr><td rowspan="3">Refillable Glass Bottles</td><td colspan="2">1% of material shipped, sent directly to a glass recycler[5] for recycling by BDL</td></tr>
<tr><td rowspan="2">99% of material shipped, sent to brewers for reuse</td><td>Estimated 95%-97.25% reused, based on self reported data from select brewers representing majority of refillable bottles collected.[6]</td></tr>
<tr><td>The vast majority of the remaining material is sent to glass recyclers while a small portion may go to landfill[7]</td></tr>
</table>

Although "end fate" data can present a challenge for refillable bottles, as these are not at their end of their life cycle, BDL and its partners continue to work together to improve data reporting. Bottles sent for reuse, are intended to be refilled; however there is some breakage that may occur while bottles are being cleaned or refilled while others may be culled to ensure bottle quality. Although the amount of breakage during refilling is low, BDL aims to work with partners to promote higher order end fate outcomes for materials that cannot be reused.

BDLS product stewardship system also results in energy savings and reduced greenhouse gas (GHG) emissions which are significant and are outlined in Table 4. The estimated GHG reductions associated with the programs recycling and reuse in 2014 are equivalent to pulling close to 15,787[8] cars off of provincial roads.

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[3] PE Americas. Life Cycle Impact Assessment of Aluminum Beverage Cans. 2010 Report.

[4] Results of Recovered Containers reviewed by KPMG LLP

[5] Represents broken glass sent directly from BDL warehouses, with quantity tracked by shipping weights and documents. The recycled material is used to make new glass bottles.

[6] BDL is working with brewers to gain access to additional supporting documents and improve confidence in the reporting data moving forward.

[7] Recycled glass is used in the creation of various new glass products, including glass bottles. A small amount of unrecoverable material may end up in landfill. BDL aims to obtain more accurate information to report the two streams separately in the following years and to work with partners to promote higher order end fate.

[8] http://www.epa.gov/cleanenergy/energy-resources/calculator.html#results

Table 4 - Energy, Greenhouse Gas, and Avoided Pollutants Associated with BDL Container Recovery 2014

Pollution Prevention Metric	Glass Reuse*	Aluminum Recycling	Total Diversion
Weight of Materials Diverted (tonnes)	21,806	6,905	28,711
Avoided GHG Emissions (MT-CO2-eq)	8,286	66,702	74,988
Avoided Energy Consumption (GJ)	148,281	603,221	751,502
Avoided Pollution - Nitrogen Oxides (tonnes)	38	217	255
Avoided Pollution - Sulphur Oxides (tonnes)	133	630	763
Avoided Pollution - Particulate Matter (tonnes)	81	219	300
Avoided Pollution - Solid Waste (tonnes)	1,453	29,671	31,124

Note: Figures in Table 4 have been rounded

In addition to energy savings, recycling aluminum also results in significant reductions in atmospheric emissions. Nitrogen oxides, sulphur dioxides, and particulate matter emissions are reduced by over 60%, 90% and 95% respectively when aluminum is made from recycled materials. For 2014, total reductions in emissions of nitrogen oxides, sulphur oxides and particulate matter from aluminum recycling and the use of refillable bottles in BC are estimated at 255, 763, and 300 metric tonnes respectively.

BDL container management ensures that materials are reused and recycled and prevents the need for significant quantities of virgin aluminum or glass production. As an estimate, there were 31,124 less metric tonnes of solid waste generated in 2014 as a result of aluminum and glass recycling and the use of refillable glass bottles. This reduced tonnage is in addition to the approximate 28,711 tonnes of packaging materials diverted from provincial landfills in 2014 as a result of BDL's container recovery system. When these totals are combined, BDL's product stewardship program reduces solid waste production by approximately 59,835 tonnes annually – equivalent to approximately $6.5 million in Vancouver tipping fees[9]. In summary, BDL's product stewardship program continues to delivery outstanding results for British Columbia's environment.

7. Product Sold and Collected and Recovery Rate

BDL return rates in all product categories exceeded the 85% performance target established under its 2009-2014 stewardship plan and are well in excess of the 75% target mandated under the *Environmental Management Act* regulations. In 2014, BDL collected close to 580.5 million containers under its product stewardship plan and its overall container return rate was 93.1%. This is the seventh consecutive year that the overall return rate has exceeded 92%. A summary of the recovery rate by container type is presented in Table 5.

Table 5 – BDL Container Recovery Rates 2014 [10]

Container Type	Sales Dozens	Returns Dozens	Recovery Rate (%)
Cans	44,395,401	41,205,245	92.81%
Refillable Glass Containers			
Industry Standard Bottles	5,700,852	5,506,514	96.59%
Non-Standard Bottles	1,840,589	1,661,216	90.25%
Total Refillables	7,541,440	7,167,730	95.04%
Total All Containers	51,936,841	48,372,975	93.14%

Note: Figures in Table 5 have been rounded

[9] Based on Vancouver 2013 tipping fee of $108 per tonne for waste disposal. http://www.metrovancouver.org/media-room/media-releases/MediaReleases/NewGarbageGreenWasteTippingFees2014.pdf

[10] Container data reviewed by KPMG LLP. Sales for non-industry standard refillable bottles were provided by the BC Liquor Distribution Branch (LDB)

Secondary Packaging and Other Containers

In addition to managing the containers designated under its stewardship plan, BDL also sells and collects beer kegs and collects and facilitates recycling with respect to a number of secondary packaging materials including cardboard cases, can flats, and plastic shrink wrap. In fact, BDL collects and recycles all of the packaging that it uses and sells. As stated in previous annual reports, BDL is proud to have been meeting its obligations under Schedule 5 of the Act (Packaging and Printed Paper) for decades prior to its enactment. In 2014, BDL sold approximately 300,016 kegs primarily to licensed establishments. Given the efficiencies of the closed loop system related to keg sales, returns are extremely high for these containers with a return rate of over 98.51% in 2014. This volume is equivalent to over 4.3 million cases of package beer[11]. The volume of beer sold in kegs is equivalent to diversion of approximately 682 tonnes of aluminum or 13,658 tonnes of glass bottles[12].

[11] Assumed 58.67L Kegs and 12 x341 glass bottles as a package

[12] Assumed 7lbs/case of glass bottles and 1lbs per 33 355ml cans

BDL continues to develop targets and methodology to track diversion of secondary packaging and printed paper that may be associated with program container distribution in the province. Table 6 provides an estimate of program diversion (for stewardship containers only) by regional district. As BDL does not compile sales or collection data by Regional District, diversion estimates were assumed to be the same on a per capita basis in each district. Regional District population estimated for 2014 were obtained from the BC Stats website[13].

Table 6 - Program Diversion Estimates by Regional District (Based on Collected Containers)

Regional District	Aluminum Units (000)	Aluminum Weight (Tonnes)	Glass Units (000)	Glass Weight (Tonnes)	Total Units (000)	Total Weight (Tonnes)
Alberni-Clayoquot	3,296	45	573	152	3,870	197
Bulkley-Nechako	4,312	59	750	198	5,062	258
Capital	39,766	547	6,917	1,830	46,684	2,377
Cariboo	6,738	93	1,172	310	7,910	403
Central Coast	346	5	60	16	406	21
Central Kootenay	6,407	88	1,115	295	7,522	383
Central Okanagan	20,210	278	3,515	930	23,725	1,208
Columbia-Shuswap	5,529	76	962	254	6,491	331
Comox Valley	6,901	95	1,200	318	8,102	413
Cowichan Valley	8,798	121	1,530	405	10,329	526
East Kootenay	6,199	85	1,078	285	7,277	371
Fraser Valley	30,821	424	5,361	1,419	36,183	1,842
Fraser-Fort George	9,998	137	1,739	460	11,737	598
Greater Vancouver	264,151	3,631	45,950	12,158	310,100	15,789
Kitimat-Stikine	4,182	57	727	192	4,909	250
Kootenay-Boundary	3,236	44	563	149	3,799	193
Mount Waddington	1,230	17	214	57	1,444	74
Nanaimo	16,284	224	2,833	749	19,116	973
North Okanagan	8,838	121	1,537	407	10,376	528
Northern Rockies	644	9	112	30	756	38
Okanagan-Similkameen	8,748	120	1,522	403	10,270	523
Peace River	7,081	97	1,232	326	8,313	423
Powell River	2,127	29	370	98	2,497	127
Skeena-Queen Charlotte	1,939	27	337	89	2,277	116
Squamish-Lillooet	4,430	61	771	204	5,201	265
Stikine	73	1	13	3	85	4
Strathcona	4,790	66	833	220	5,624	286
Sunshine Coast	3,159	43	549	145	3,708	189
Thompson-Nicola	14,229	196	2,475	655	16,704	851
British Columbia	494,463	6,797	86,013	22,759	580,476	29,556

[13] Source: http://www.bcstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationEstimates.aspx

Summary of Deposits, Refunds, Revenues and Expenditures

Costs related to BDL's container collection system are managed by the British Columbia Brewers' Recycled Container Collection Council which operates the program on a cost recovery basis.

a. Refillable Bottles

In the case of refillable bottles, manufacturers are assessed a per dozen fee for the collection, sorting and return of containers based on projected and audited costs. Costs associated with cleaning and reusing refillable bottles are borne by the manufacturer. In the case of refillable bottles, manufacturers retain unredeemed deposits and use these funds to offset container management costs.

b. Recycled Cans

The Council retains unredeemed deposits with respect to can sales and retains revenues from aluminum material sales to offset costs related to: administration, transportation, collection and sorting fees and infrastructure. In 2014, there was no container cost recovery charged to brewers for cans under the program. BDL has also entered into service agreements with several container return depots for collection and sorting services. BDL revenues collected from both cans and bottles pay return location partners for the collection, sorting and return of BDL containers.

In the case of the Liquor Distribution Branch, BDL continues to operate under an agreement with the agency to pay it handling fees for each container collected from its stores. Licensee retail stores that sign up as collection partners are also paid a handling fee for each container collected.

Table 7 – BDL Deposit Summary

	Cans	Industry Standard Bottles (ISB)	Non-ISB Refillable Bottles	Total
Deposits Received ($)	$53,274,481	$6,841,022	$2,208,707	$62,324,209
Refunds Paid ($)	$49,446,294	$6,607,817	$1,993,459	$58,047,570

Note: As deposits are received and paid based on the quantity of bottles sold and collected, the dollar amount provided is based on $1.20 per dozen sold/collected

8. Plan Performance

Plan Target	2014 Result	Strategies for Improvement
1. 85% Return Rate in each container category	Target Achieved: • 96.6% return rate for refillable industry standard bottles (ISB) • 90.3% return rate for refillable proprietary glass bottles • 92.8% return rate for aluminum cans	N/A
2. Improve consumer awareness. Maintain 85% awareness levels	Targets Achieved: • 96% aware of beer container deposits; • 91% satisfied with container return options	N/A
3. Increase number of contracted collection partners. 2014 targets: — 42 bottle depots — 305 licensee retail stores — 347 total locations	Targets Partially Achieved: • Surpassed 2014 depot target by +50% (71) • 120 contracted collection retail sites with an additional 22 contracts under consideration	• Focus on contracted collection location within LRS sites • Renewing contracts with existing sites
4. Benchmark secondary packaging	Targets Partially Achieved: • Tracking of keg containers in place; • Secondary packaging plan including detailed tracking methodology submitted to BC MOE via Schedule 5 plan • Collected information from select brewers regarding reuse rates	• Refine and implement methodology pending government approval