



Brewers Recycled Container Collection Council (BRCCC)

Schedule 5 Secondary Packaging Stewardship Plan **DRAFT**



2022 – 2026

Submitted to: Director
Environmental Standards Branch
BC Ministry of the Environment & Climate Change Strategy
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Glossary of Terms & Abbreviations

BDL	Brewers Distributors Ltd.
BRCCC	Brewers Recycled Container Collection Council
EPR	Extended Producer Responsibility
IC&I	Industrial, Commercial & Institutional
ISB	Industry Standard Bottle
LDB	Liquor Distribution Branch
LRS	Liquor (private) retail stores
PPP	Packaging and paper products
Recycle BC	Stewardship agency responsible for residential PPP in BC
SKU	Stock keeping unit

1. INTRODUCTION

The Brewers Recycled Container Collection Council (BRCCC) is a not-for-profit society registered in British Columbia, created to steward and administer the collection of used beverage alcohol cans and refillable bottles in British Columbia and all ancillary functions to this purpose, including the stewardship of the associated secondary packaging in compliance with the *Recycling Regulation*. In BC, the *Recycling Regulation* under the *Environmental Management Act* sets out the requirements for Extended Producer Responsibility (EPR), including the requirement for packaging and paper products stewardship plans.

This stewardship plan works in conjunction with BRCCC's Schedule 1 stewardship plan – a program that has been in place since the end of Prohibition (1927) and which has attained a recovery rate approximately 90% year over year. This plan reinforces existing consumer practices that has underpinned its success for decades, resulting in BRCCC recovering the majority of its packaging and printed paper (PPP) before the regulation came into force and replaces BRCCC's previous Schedule 5 Stewardship Plan which was approved by the BC Ministry of the Environment and Climate Change Strategy (the "Ministry") on July 31, 2016.

2. DUTY OF PRODUCER

Under Section 2 of the *Recycling Regulation*, a producer must have an approved plan under Part 2 [Extended Producer Responsibility Plans] and comply with the approved plan with respect to a product in order to use in a commercial enterprise, sell, offer for sale or distribute the product in British Columbia.

3. APPOINTMENT OF STEWARDSHIP AGENCY

The *Recycling Regulation* indicates the following:

- *Before the agency begins to carry out the duties of the producer under Part 2 of the Recycling Regulation the producer must notify the agency in writing of the appointment, specifying the duties under Part 2 the agency will perform on behalf of the producer – Section 2(2)*
- *A copy of any notification the agency received from the producer is available upon the request of a director – Section 2(4)(b)*
- *The stewardship plan confirms the duties that the agency will perform on behalf of each producer that has joined the agency; or alternatively, state how written confirmation will be provided to a director under the Regulation – Section 2(3)(a)*

All of the brewers for whom BRCCC acts as the product steward under Schedule 1 of the *Recycling Regulation* were invited to join BRCCC's Schedule 5 program when it was implemented. Once the stewardship plan obtains the Ministry's approval, BRCCC will re-connect with the brewer members and offer agency services for both Schedule 1 and Schedule 5 regulatory obligations.

The producers for whom BRCCC is the product stewardship agency under Schedule 5 will be updated as the renewed plan is implemented. A complete list of represented producers will be provided to the Ministry at the end of BRCCC's implementation period following Director approval.

The list of producers that BRCCC currently represents will be provided upon plan submission.

BRCCC is a not-for-profit society under the BC Societies Act established by the brewing sector to transparently administer the financial and logistical requirements of the industry's stewardship in BC. The BRCCC Board of Directors is composed of members representing Brewers' Distributor Ltd. (BDL), Labatt Breweries Ltd., Molson Coors Canada, Sleeman Breweries Ltd., the BC Craft Brewers Guild and Beer Canada. Board members collectively represent over 95 percent of the beer volume sold in the province, with a cross section of brand owners from local, national and international companies.

BRCCC expects that it will again be the product stewardship agency for the majority of beer secondary packaging generated in the BC marketplace. It should be noted that BRCCC acts as the product steward for beer secondary packaging for both the domestic and imported brands represented by each of these brewers, cider manufacturers and brewery agents. As a result, BRCCC brand owners account for the vast majority, but not necessarily all, of the beer sold in BC.

Brewers Distributor Limited (BDL), a privately-owned distribution and logistics company operating in the western Canadian provinces of British Columbia, Alberta, Saskatchewan and Manitoba, acts as BRCCC's service provider in discharging these stewardship objectives. BDL's operations in BC comprise of two primary elements: the warehousing and distribution of beer, cider and coolers for a number of breweries and liquor suppliers to retail locations and licensed establishments throughout BC¹, for sale to the public ("full goods"); and the collection of certain beer, cider and beverage alcohol containers (i.e., refillable glass bottles and aluminum beverage alcohol cans) and related packaging as the sub-contractor acting on behalf of BRCCC, the product stewardship agency representing the majority of brewers and cider manufacturers ("product stewardship").

4. PRODUCTS COVERED UNDER THE STEWARDSHIP PLAN

Under Schedule 1 of the *Recycling Regulation*, BRCCC is the steward for all refillable glass beer and cider bottles, as well as all metal beverage alcohol cans. Along with Schedule 1 containers, BRCCC also collects secondary packaging returned with its designated program containers and through a variety of collection channels for recycling. This includes cartons and trays respectively comprised of paper, specifically, old corrugated cardboard (OCC) and boxboard materials used as cases for the sale of multi-packs of beer cans or bottles (e.g., 6-packs, 12-packs, 24-packs, etc.), caps, and plastic associated with beer and cider containers (e.g., flexible plastic overwrap and plastic ring carriers used on smaller multi-packs of beer cans).

¹ BDL's customers include pubs, hotels, restaurants, clubs, cabarets, government liquor stores, agency stores (rural agency stores are small general stores in rural areas authorized by the BC Liquor Distribution Branch to sell beer, cider, coolers, wine and spirits with other goods) and licensee retail stores.

This product stewardship plan covers BRCCC's collection of beer and cider secondary packaging (hereafter collectively referred to as "beer secondary packaging") under Schedule 5 of the *Recycling Regulation*. Through this stewardship plan, BRCCC will enable producers to appoint BRCCC as their stewardship agency and thus to comply with Part 2, and more specifically s. 2(3), of the *Recycling Regulation*. This plan is anticipated to run from 2022-2026.

Of note, the sale of beer and cider to licensed establishments (bars and restaurants) occurs in the same packaging as home consumer sales, and beer and cider container returns occur through the same channels (i.e., government liquor retail stores, private retail liquor stores and selected bottle depots) as home consumer (residential) returns. As an example, a small restaurant or café may purchase a small number of cases of beer each week from a private retail liquor store, rather than receive delivery directly from a distributor and have restaurant staff return empty containers of all types and PPP to a local bottle depot during off hours.

This plan addresses the collection and recycling of all beer secondary packaging irrespective of sales channel. However, this plan will attempt to differentiate both secondary packaging supply and secondary packaging recovery between the residential and industrial, commercial and institutional (IC&I) sectors consistent with the Schedule 5 designation of residential PPP wherever possible. Recycle BC is the other stewardship program for residential secondary packaging that operates under a separate stewardship plan in BC. Note that combining product delivery with container pickup increases efficiencies both environmentally and economically, making BRCCC the only beverage container stewardship program that provides take-back services from the commercial sector.

In addition to the Schedule 1 and Schedule 5 materials noted above, BRCCC also uses, collects and recycles a number of other materials that are not covered under the *Recycling Regulation*. To the extent possible, BRCCC also reports on the recovery and recycling of these materials in its annual reports to the Ministry.

Refillable Kegs

- Refillable kegs of various sizes are sold by BRCCC brand owners, primarily to licensed establishments. BDL uses its reverse logistics to collect refillable kegs and arrange for their return to breweries where they are inspected, washed and refilled. Steel beer kegs have an expected service life of over 30 years and require no additional packaging. In 2019, the return rate for these container types were in excess of 101% of the 237,455 kegs sold primarily to licensed establishments in the province.²

Shrink-Wrap

- Pallets of beer are often wrapped in plastic shrink-wrap for stability during shipping. Used shrink-wrap is baled and sold to a processor. It should be noted that BDL also uses plastic wrap on the delivery of its products. However, as this plastic wrap is removed by the vendor and thus not part of what is sold to the consumer, it will not be accounted for in the stewardship plan at this time. That being said, BDL frequently collects used plastic wrap when collecting empty containers from retail and commercial establishments.

² BRCCC's 2020 Annual Report to the Ministry (covers 2019 calendar year)
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Pallets

- Pallets used to transport beer are made of wood and are reused, repaired, and ultimately recycled into local markets.

Can Bins

- Can bins can hold 180 dozen cans, and are used in high volume locations, reducing storage and transportation costs. The bins are reused an average of 20 times and when they reach the end of their useful life, they are recycled.

5. STAKEHOLDER CONSULTATION

BRCCC will continue to ensure all valued stakeholders have opportunities to provide their feedback into this plan. BRCCC is in regular contact with key program stakeholders, including the network of depot owners, private retail liquor store owners, the Liquor Distribution Branch, regional districts and municipalities. BRCCC will engage with stakeholders to review and gather feedback on the draft plan during the consultation process.

BRCCC's Schedule 5 Container Stewardship Plan will be posted publicly for comment on www.envirobeerbc.ca from June 11, 2021 to July 26, 2021 (a total of 45 days). BRCCC will invite the public and other valued stakeholders to provide feedback on ways to improve BRCCC's existing system and to achieve greater environmental performance. Comments are to be submitted to stewardship@BDL.ca and there will be an option to also participate in one of three webinar sessions to provide feedback via a live Q&A session.

Action	Timeframe
Post plan publicly and send to key stakeholders for consultation	June 2021
Three (3) public consultation webinar sessions	June/July 2021
Hold one-on-one virtual stakeholder meetings	June/July 2021
Chart feedback, revise plan and present to board	July 2021

BRCCC will post the stewardship plan on www.EnviroBeerBC.com for public review. In addition to posting the plan and hosting various stakeholder meetings virtually, the following public consultation actions will be undertaken:

- Member advisories to RCBC and CWMA members about the posting of the stewardship plan and stakeholder feedback mechanisms
- Use of social media to promote the stewardship plan to create additional awareness and encourage feedback
- Inclusion in a UBCM weekly newsletter to their members
- Inclusion in a CWMA information update

Direct e-mail notifications will include, but not limited to, the following:

1. Union of BC Municipalities (UBCM)
2. Coast Waste Management Association (CWMA)

3. Stewardship Agencies of BC (SABC)
4. Recycling Council of BC (RCBC)
5. BC Product Stewardship Council (BCPSC)
6. BC Bottle & Recycling Depot Association
7. ABLE BC
8. Liquor Distribution Branch
9. Ocean Legacy
10. Greenpeace
11. David Suzuki Foundation
12. Ocean Wise
13. Environmental Defense
14. GLOBE Foundation/Delphi Group
15. Metro Vancouver
16. City of Vancouver
17. Municipality of Richmond
18. All B.C. Regional Districts

The final plan will include a complete list of consulted stakeholders with a table outlining the main feedback received from throughout the consultation process and BRCCC's response. BRCCC will also take comments made pertaining to secondary packaging from the Schedule 1 plan consultation into consideration. A complete list of stakeholders from whom specific feedback was obtained, as well as a table outlining feedback received from stakeholders throughout the consultation process (with the general category of stakeholder providing this feedback identified) and how this feedback will be addressed in this final plan will be attached in a separate appendix upon plan submission.

Ongoing Stakeholder Consultation

Complaints from Local Governments

BRCCC intends to maintain continued dialogue with local governments and other stewardship agencies to stay informed and ahead of any potential program cross over issues or feedback that may serve to improve the program and its performance.

BRCCC will invite local governments to meet on an annual basis to provide an opportunity for feedback and actively work with them to provide better education to their residents. BRCCC will track and monitor any inquiries from local governments and report any new program developments as a result.

Complaints from consumers

Consumer inquiries or complaints are directed to the appropriate manager for follow-up and resolution. Through BRCCC's refreshed website, consumers have access to information on BRCCC's product stewardship plans and annual reports and it is continuously updated to provide the latest information as needed. The website provides an e-mail link for consumers who have any questions or complaints regarding either BRCCC's container return or its beer secondary packaging return programs. The website includes an e-mail address, contact phone number and a mailing address for public comments on BRCCC product stewardship activities. Consumer concerns are generally be addressed in writing (for example, e-mail questions are responded to via e-mail).

Coordination and Cooperation with other stewardship programs

There may be some volumes of BRCCC secondary packaging (primarily boxboard) entering other Schedule 5 collection systems. BRCCC actively works with Recycle BC to audit common return locations to identify flows of beer secondary packaging. BRCCC coordinates with stewardship programs as necessary, including financially, to ensure overall recovery performance and efficiency. BRCCC ensures any issues between stewardship programs does not negatively impact the recovery and recycling of relevant secondary packaging. No recovered packaging is double-counted between the various stewardship programs.

6. COLLECTION SYSTEM AND CONSUMER ACCESSIBILITY

Section 5(1) of *Recycling Regulation* requires:

the plan adequately provides for

- *(i) the producer collecting and paying the costs of collecting and managing products within the product category covered by the plan, whether the products are currently or previously used in a commercial enterprise, sold, offered for sale or distributed in British Columbia,*
- *(iii) reasonable and free consumer access to collection facilities or collection services*

BRCCC's stewardship plan places its focus on making it easy, convenient and practical for the consumer to return beer secondary packaging. As mentioned, beer secondary packaging includes:

Cardboard/boxboard cases for bottles and cans

Plastic ring carriers

Plastic shrink wrap (not including shipping materials)

Other (seasonal packaging, etc.)

Consumers have open and easy access to return beer secondary packaging at the authorized locations where they can return their empty beer and cider containers (for example, private retail liquor stores and selected private bottle depots).³ The estimated volume of secondary packaging diverted by weight (tonnes) in each of the regional districts is reported annually.

As of December 31, 2019, there are 1,140 authorized return locations available to consumers for empty beer and cider containers.⁴ Based on BRCCC's GIS survey (2018), 80% of BC consumers (or over 3.3 million BC residents) are within a 10-minute drive of an authorized BRCCC return location and 92% of BC consumers (or over 4 million BC residents) are within a 15-minute drive of an authorized BRCCC return location.

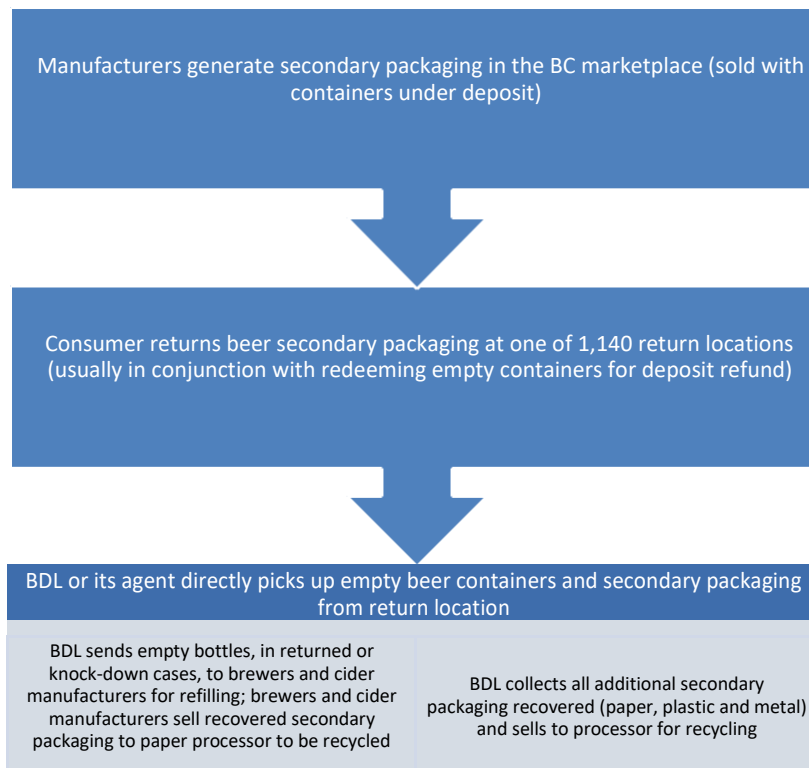
³ To be clear, the denominator in calculating BRCCC's recovery rate will include the tonnage for all relevant PPP sold in BC. The numerator in calculating BRCCC's recovery rate will only include beer secondary packaging collected through authorized locations. BRCCC understands that nearly all depots will gladly collect beer secondary packaging, as this packaging has a positive commodity value and thus means greater commodity revenue for the collector. That being said, BRCCC will be unable to track this secondary packaging collected at an unauthorized location, since BRCCC does not have an existing commercial relationship with those locations. In other words, beer secondary packaging returned to unauthorized locations is likely to be diverted from landfill, but will not count toward BRCCC's recovery rate.

⁴ This number includes 651 private retail liquor stores, 198 government liquor stores, 220 rural agency stores and 71 private bottle depots.

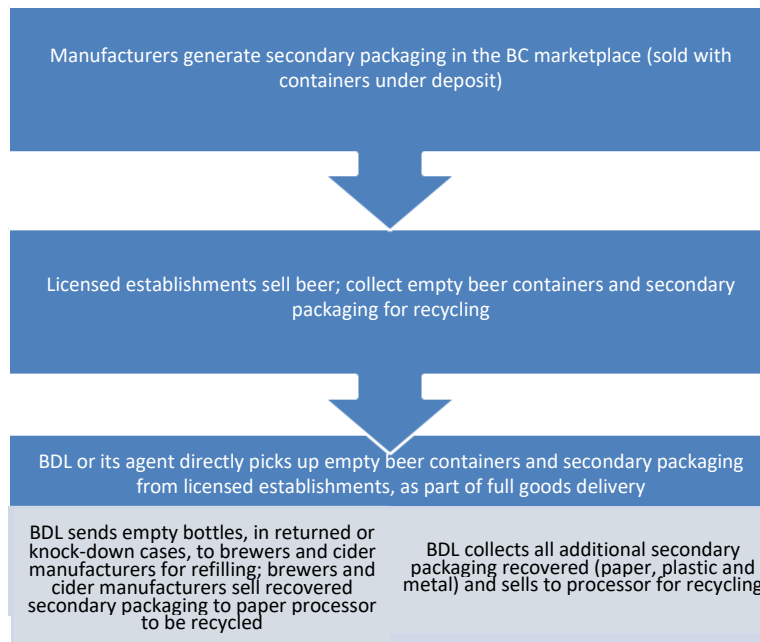
With extensive return locations available across the province, BRCCC will continue to ensure consumer accessibility is improved including rural/remote areas and current high recovery rates are maintained. BRCCC will coincide consumer accessibility targets with its Schedule 1 plan which targets adding 33 collection sites to its network tallying 1178 collection sites by 2025. BRCCC will also explore options that would improve consumers’ return experience and work with relevant stakeholders to engage in pilot projects throughout the duration of this plan. This includes seeking alternative drop off sites should the need arise. These sites may provide an opportunity to facilitate unique partnerships including but not limited to service groups, mobile collection options and legions.

Below and on the next page are graphic depictions of the current beer secondary packaging streams from both a consumer (residential sector) and a licensee (IC&I sector) perspective.

Beer Secondary Packaging Flow: Residential Stream



Beer Secondary Packaging Flow: IC&I Stream



Beer Secondary Packaging Performance Metrics and Targets

Single-Use Plastic Reduction Plan

BRCCC recognizes that reduction and reuse are the most impactful actions within the pollution prevention hierarchy. It also acknowledges, the global focus on reducing single-use plastics in particular. Plastic ring carriers, commonly referred to as six pack rings, are the most notable plastic packaging type managed by BRCCC, which are currently recycled with pallet stretch wrap used to deliver full goods product. Although plastic packaging only accounts for less than 2% of total packaging for beer and cider products sold in BC by weight,⁵ BRCCC will undertake a concerted effort under its stewardship plan to coordinate an approach with its members to phase out plastic ring carriers. As such, BRCCC will develop a specific plan in the first year of this stewardship plan and commit to track and report progress on plastics reduction measures in its annual report. This means identifying opportunities to expand materials collected and to encourage innovative packaging solutions since there are a variety of alternatives that exist in the marketplace (e.g., rigid multi-pack handles, poly-coated paperboard, molded fiber/pulp, glue). This also means supporting its members in their process of identifying, sourcing, installing, and training on alternative packaging equipment and supplies. As the brewers have long demonstrated the value of moving up the pollution prevention model through its reuse model,

⁵ Based on generated metric tonnes reported in 2020
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BRCCC believes the introduction of a reduction target over the course of this five-year plan will serve as an exemplary model for other PPP stewardship programs looking forward.

Packaging Recovery Rate

BRCCC will target a minimum 78% recovery rate for the residential PPP under its program.

Over 95% of the PPP covered by this stewardship plan are cardboard cases sold with glass bottles and boxboard cartons sold with metal cans.

- By weight, cardboard cases sold with glass bottles represents a small volume of the PPP covered by this stewardship plan where most of this packaging is returned by consumers when they redeem the deposit on those empty refillable glass bottles (and then recycled by the brewers re-using the bottles)
- The majority of the PPP covered by this stewardship plan is boxboard cartons and cardboard can flats, a sizeable amount of which are returned by consumers when redeeming the deposit on those empty cans (at retail stores or at private bottle depots).
- Relevant PPP is also recovered through two other streams: other retail locations and private bottle depots. Under this stewardship plan, BRCCC will work with our partners to track and account for this PPP where feasible.

The concept of “Design for the Environment” (DfE) is evident in the secondary packaging used by the brand owners represented by the BRCCC. First, beer producers utilize a limited number of types of secondary packaging, each of which is easily recyclable or re-usable. Beer cases sold with bottles are designed from the start to serve multiple functions throughout their lifecycle.⁶

The beer secondary packaging recovery rate is calculated on the basis of beer secondary packaging generated/beer secondary packaging collected. The specific methodologies used to make this calculation are:

Beer Secondary Packaging Generation

The total weight of all beer secondary packaging generated by the brand owners (all import and domestic brands) is calculated by multiplying the secondary packaging weight for each stock keeping unit (SKU)⁷ sold in BC by the number of units of each SKU sold in BC in the calendar year.

For example (sample only – weights not necessarily accurate):

SKU: 12-pack bottles has secondary packaging weight of:

⁶ A beer case sold as the secondary packaging for beer bottles may serve up to six functions before it is processed and recycled: 1) the receptacle in which the bottles are shipped to a retail location; 2) the receptacle in which the bottles are taken from the retail store to a private home; 3) the receptacle in which bottles are stored for return, once empty; 4) the receptacle in which the consumer transports the empty bottles to their return location; 5) the receptacle in which the empty bottles are stacked/palletized at the return location in preparation for pick-up; and 6) the receptacle in which the empty bottles are transported back to brewers for re-filling. It is necessary that bottles sent to brewers for refilling are transported in a case to avoid the risk of breakage during transportation. These cases are generally cut off and processed on the bottling line, just before the bottles enter the washer.

⁷ Each brand and each of the pack sizes in which it is offered for sale has a separate SKU.

Cardboard (case): 200 grams

Sales: 1 million units

Secondary Packaging Weight for this SKU: 200,000 kgs.

SKU: 6-pack cans has secondary packaging weight of:

Plastic (plastic ring carriers): 8 grams

Sales: 800,000 units

Secondary Packaging Weight for this SKU: 6,400 kgs.

BRCCC and/or its brand owners weigh all of the beer secondary packaging associated with all relevant SKUs in BC. Based on sales data for the calendar year and these secondary packaging weights, a total beer secondary packaging weight generated in the calendar year is calculated. To the extent possible, this beer secondary packaging generation data is broken down into retail sales (i.e., residential stream) and licensee sales (i.e., IC&I stream).⁸

To verify the accuracy of the beer secondary packaging generation calculation, BRCCC also requests brand owners to provide additional data on the beer secondary packaging they have generated associated with sales of their brands.

To the extent that the manufacturers represented by BRCCC produce any promotional materials or other PPP, this will also be accounted for and added to the total amount of PPP generated.

Beer Secondary Packaging Collection

The relevant streams through which beer secondary packaging is collected are:

- 1) Licensees (IC&I stream)
- 2) Depots (both residential and IC&I streams)
- 3) BC Liquor Stores (GLS) (mostly residential stream)
- 4) Private retail stores (LRS) (mostly residential stream)

In general, recovered beer secondary packaging can be divided into two types:

- Returned cardboard/paper beer bottle cases (“refillable bottle cases”)
 - o In most cases, these are stacked on pallets, used for transporting bottles to breweries or bottle wash stations⁹ for refilling
 - o Pallets of refillable bottle cases are collected from each of the four streams set out above (but currently no data that identifies the source stream of a pallet)

⁸ As indicated above, beer secondary packaging returned to unauthorized locations will not be part of the collection data (numerator in calculating BRCCC’s recovery rate). However, the generation number (the denominator in calculating BRCCC’s recovery rate) is based on sales data (rather than where returned), so all relevant packaging will be included in this number.

⁹ Before they can be filled with beer, all bottles (whether new or ones that are being re-used) have to be washed. Many breweries have their own bottle washer that is part of their bottling line. Some breweries, however, do not have a bottle washer. These breweries generally have a commercial arrangement with a bottle wash station – an independent business that offers bottle wash services – to perform this cleaning.

- All other beer secondary packaging (“other beer secondary packaging”)
 - o This secondary packaging consists of paper (e.g., returned boxboard cases from cans) and plastic (e.g., plastic ring carriers)
 - o This secondary packaging is collected through each of the four streams set out above
 - o Ultimately, other beer secondary packaging collected through these streams will be processed either: i) by BDL on behalf of BRCCC (and is captured in the weight of processed materials at BDL’s Port Coquitlam warehouse); ii) through a stewardship depot (and is captured in the processed weight of materials from that depot and will be captured through audits BRCCC conducts with Recycle BC); or iii) is sent directly for recycling by a collector.

For refillable bottle cases, BRCCC will obtain data on the weight of beer secondary packaging that has been recycled by the major breweries in BC, bottle wash stations and BRCCC’s stewardship depots. This data will be compared to the secondary packaging weight collected derived from “return factor” calculations¹⁰ to verify the accuracy of the “return factor” calculations.

For other beer secondary packaging, the total amount to be reported will be based on the amount of secondary packaging processed from the BDL warehouse in Port Coquitlam, the amount of beer secondary packaging processed by stewardship depots and the amount of beer secondary packaging recycled by BC Liquor Stores reported to BRCCC. To calculate the amount of beer secondary packaging processed by stewardship depots, periodic audits of secondary packaging bales will be conducted, in conjunction with Recycle BC, to determine what percentage of an average secondary packaging bale is comprised of beer secondary packaging. This percentage will then be applied to the total amount of secondary packaging processed by stewardship depots to arrive at a tonnage for this stream.

BRCCC will disaggregate total packaged beer and cider sales by channel by container type to estimate the total amount of secondary beer packaging supplied into BC by sales channel (see Figure 1).

To estimate recovery rates by sales channel, the total returns of secondary packaging will be prorated by percentage beer and cider sales volume by channel. Recovery of secondary packaging directly from retail liquor stores (both government and private) as well as volumes collected through Recycle BC’s channels (i.e., curbside, multi-family, depot) will be deemed to be residential returns and added to the residential total (see Figure 2). Total tonnage for licensee and for deemed residential returns will be subtracted from the total tonnage of beer secondary packaging collected to create an adjusted aggregate recovery figure.

¹⁰ An audit of pallets routed through the BDL Port Coquitlam warehouse will be undertaken on a periodic basis in order to calculate an average amount of secondary packaging, or a “return factor,” that is recovered for each bottle recovered through these multiple streams.

Figure 1 – Estimating beer secondary packaging supplied into BC by sales channel

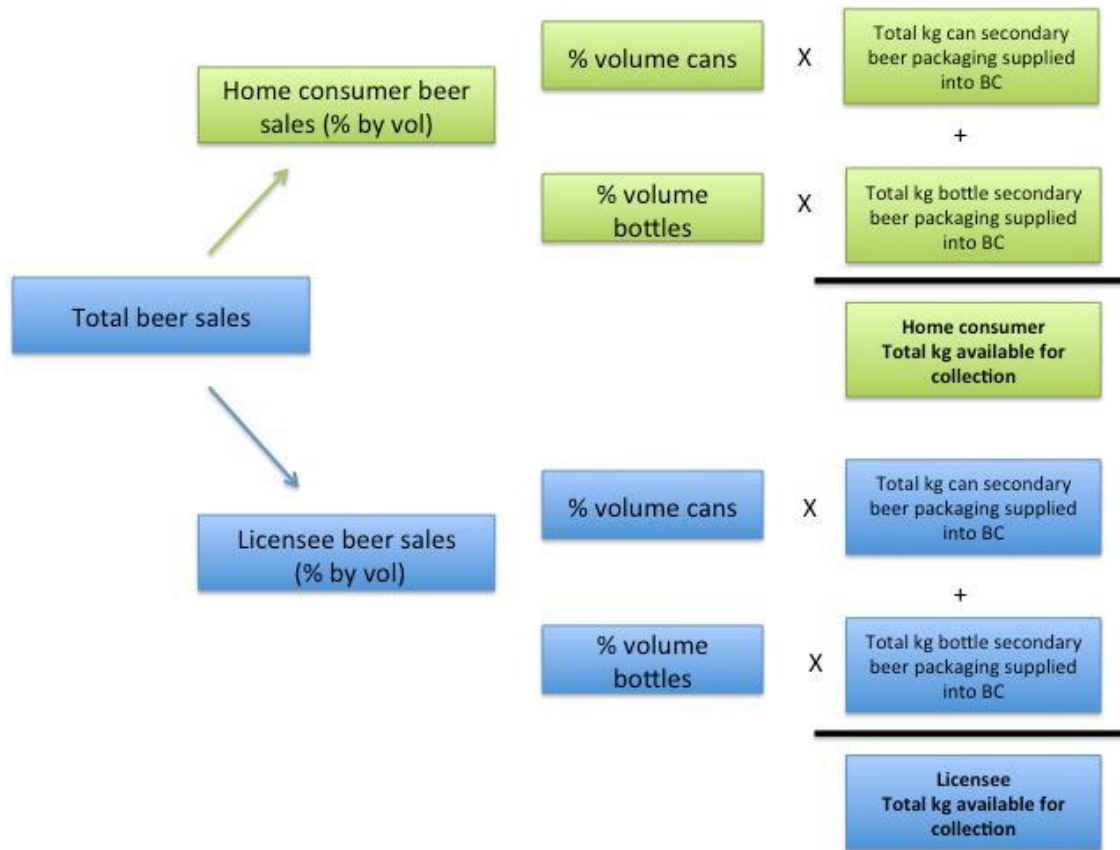


Figure 2 – Calculation of Residential Recovery Rate

$$\left(\frac{\text{Home consumer beer sales (\% by vol)} \times \text{Adjusted aggregate recovery (kg)}}{\text{Home consumer Total kg available for collection}} \right) + \text{BDL LRS recovery (kg)} = \% \text{ Residential recovery rate}$$

Through its investment in membership of the Stewardship Agencies of British Columbia (SABC) BRCCC also supports waste composition studies with an aim to monitoring the level program materials being collected by municipal partners.

7. CONSUMER AWARENESS

In December 2019, BRCCC undertook a consumer survey that included questions on consumer awareness and consumer behavior regarding the return of beer secondary packaging. 1,200 BC residents completed the survey. Based on survey responses, consumer awareness of the ability to return beer secondary packaging is approximately 61%, while consumer participation in the program is over 68%.¹¹ This was a significant increase from 42% consumer awareness that was indicated in the 2016 stewardship plan. For this reason, **BRCCC has set the performance target of 80% for consumer awareness of beer related secondary packaging return by 2025.**

BRCCC will continue to make consumers even more aware of the beer secondary packaging that they can return and how this beer secondary packaging is handled. With greater consumer education and awareness, BRCCC believes that even higher levels of diversion can be achieved. For this reason, BRCCC commits to undertake **two net new public awareness and education campaign initiatives over the period of this stewardship plan (2022-2026).**

The first campaign will remind consumers to return their refillable bottles and beverage alcohol cans in the cases in which they purchased them, rather than emphasizing any particular return location. The campaign will include more extensive signage at authorized return locations and targeted social media messaging. The second campaign will promote the Canadian beer industry's sustainability efforts to phase out plastic ring carriers through BRCCC's website and social media channels with content specific to British Columbia.

BRCCC is a member of the Stewardship Agencies of British Columbia (SABC) and in this capacity, and in partnership with the Recycling Council of British Columbia's (RCBC), participates in various consumer information vehicles, such as the Recycling Hotline, the RCBC website and the Recyclepedia tool. In addition to its revamped website, BRCCC will direct consumers to the "BC Recycles" portal as a one-stop location for information on recycling in BC. BRCCC will regularly update program details with RCBC to ensure these consumer education tools are up-to-date for its program. BRCCC also actively participates and sponsors stewardship and recycling related events, such as the annual conferences of RCBC and Coast Waste Management Association (CWMA). BRCCC also plans to provide more educational resources for local communities and to coordinate efforts with community clean-up events. New promotional items with BRCCC's logo and website will continue to be distributed at these events. BRCCC will also seek opportunities with other cooperative stewardship programs in consumer education efforts to help increase overall awareness of BC product stewardship.

BRCCC will conduct another follow-up survey in the fourth year of this stewardship plan to gauge the level of consumer awareness of the stewardship program and the success of its two consumer awareness campaigns.

To the extent possible, BRCCC will include more information on consumer education strategies and program support for reduced environmental impacts and the pollution prevention hierarchy in its

¹¹ 61% of respondents indicated they were aware they could return beer secondary packaging when returning their empty beer and cider containers. However, 68% of respondents indicated they already return their beer secondary packaging when returning their empty beer and cider containers.

annual report. BRCCC will also continue to produce a combined annual report to the Ministry on program performance, recognizing that there needs to be separate reporting of performance measures for the Schedule 1 and Schedule 5 programs.

8. MANAGEMENT OF PROGRAM COSTS

Similar to its product stewardship activities with respect to beer and cider containers, BDL operates the program on a day-to-day basis, while BRCCC, a not-for-profit society established by the brewing sector to administer the financial and logistical requirements of stewardship, provides governance with respect to the program funding. The BRCCC represents the majority of the volume of beer and cider sold in the province of BC, with directors from brand owners (both large and small brewers), BDL and Beer Canada.

Producers Paying the Cost

BC brewers pay the full costs of managing of all packaging sold in BC whether generated in the residential or ICI sectors. This means costs associated with managing and collecting BRCCC packaging are paid directly and internalized by the brewers. Consumers are not subject to additional handling or eco fees at the point of sale. BRCCC will continue to work with brewers and material management partners to coordinate the collection and processing of packaging and containers in the most cost efficient and environmentally responsible practices. BRCCC's annual budgets, including secondary packaging fees charged to brewers and its operational reserve management strategy, are reviewed and approved annually by the BRCCC Board of Directors.

BRCCC has recognized that the current pay-in methodology does not recognize nor reward producers that have transitioned their packaging to more readily recyclable materials. BRCCC will also explore cost recovery options to help create an important incentive for producer members to make secondary packaging choices that are in preference to the order of the pollution prevention hierarchy. This aligns with the core principles of extended producer responsibility to account for costs associated throughout a product's life cycle.

Partnerships with other Stewardship Agencies

BRCCC currently has agreements in place with both the LDB and Recycle BC which account for residential secondary packaging collected through BC Liquor Stores and Recycle BC's collection channels (curbside collection or their contracted depot sites) respectively. BRCCC's agreement with the LDB is currently in place until 2023. BRCCC compensates the LDB annually for the sorting and handling services of secondary packaging returned to BC Liquor Stores by customers.

BRCCC's agreement with Recycle BC was recently renewed in 2020 and is based on an annual tonnage allotment at a flat per tonnage rate for beer and cider PPP managed by Recycle BC. In 2019, BRCCC began sourcing beer and cider secondary packaging from additional select depots that are not committed to any other PPP stewardship agency.

9. MANAGEMENT OF ENVIRONMENTAL IMPACTS

Compliance with Pollution Prevention Hierarchy

Brand owners make decisions about what type of secondary packaging they wish to use for the sale of their products. The BRCCC product stewardship plan then facilitates environmentally-friendly life-cycle management of that packaging by providing a cost-effective method to collect and recycle circular economy.

Brewers utilize two types of secondary packaging: paper and plastic. Each of these material types has a viable commodity market. These markets help to ensure that beer secondary packaging will be diverted from landfill and finally disposed of in compliance with the pollution prevention hierarchy. BRCCC targets to direct 100% of collected materials to re-use or recycling commodity markets and to track the end fate of these materials.

BRCCC's product stewardship plan places an emphasis on re-use and recycling. As previously noted, cardboard cases returned with empty refillable glass bottles for re-use are recovered and then recycled. All other packaging is managed through recycling. Where possible, BRCCC quantifies the pollution prevention benefits associated with its product stewardship plan as part of its annual reporting process, including estimates of greenhouse gas emission reductions, reduced energy requirements and reduced pollutants. Additionally, with renewed focus on exploring alternatives to plastic ring carriers, BRCCC will report on any additional environmental benefits as it pertains to the pollution prevention hierarchy as brewers phase out single-use plastic packaging.

Through existing and renewed commercial agreements, BRCCC works with its collection partners to ensure that beer secondary packaging that is collected is handled properly in accordance with the pollution prevention hierarchy. BRCCC ensures that 100% of collected beer secondary packaging is directed to recycling commodity markets where the end fate of these materials can be verified.

BRCCC expects that this level of compliance with the pollution prevention hierarchy will continue under this stewardship plan. To the extent possible, BRCCC will strive to continuously improve its pollution prevention hierarchy performance. BRCCC will confirm the proper handling and management of beer secondary packaging in its annual stewardship report to the Ministry.

10. DISPUTE RESOLUTION

Disputes between BRCCC and its Service Provider

The relationship between BRCCC and its service provider (currently BDL) is a commercial relationship that is governed through a service agreement. This service agreement sets out dispute resolution procedures and all disputes will be handled according to those provisions.

Complaints from Depots/Return Locations

If the issue involves a return location under contract, BRCCC will investigate the issue and try to resolve the issue with the return location. If a return location is found to be in violation of its contractual commitments or legal obligations, BRCCC will take appropriate measures to ensure compliance (including potential dispute resolution procedures outlined in written contracts).

Disputes between BRCCC and brewers/manufacturers that use the BRCCC system

Producer compliance issues are anticipated to be minimal under BRCCC's product stewardship plan because BRCCC's beer secondary packaging is so closely linked to BRCCC's container recovery system. BRCCC's container recovery system is subject to the listing and product approval process related to beer sales in the province which is regulated under the *Liquor Distribution Act*. As a result of this listing and approval process, most brand owners designate BRCCC as their product steward for containers prior to selling their products in BC. BRCCC anticipates that, as a result of the cost-effective nature and administrative efficiency of BRCCC's product stewardship plan, many of these brand owners will choose to designate BRCCC as their product steward for beer secondary packaging as well providing the producer membership a seamless one stop system. Ongoing compliance is monitored through tracking within our accounts receivable and our brand registry systems.

In the event that BRCCC does encounter a problem with producer compliance, for the purposes of initiating an action with the Ministry, non-compliance is defined as a lack of responsiveness from a brand owner after more than two written notices on producers' responsibilities have been sent from BRCCC.

In the event that BRCCC does not receive a signed agency appointment agreement from the brand owner within the prescribed timeframe, BRCCC may utilize the following notifications to underscore the importance of compliance with the *Recycling Regulation*:

- 1st contact (60 days prior): Letter is sent to brand owner obligated under the *Recycling Regulation*, informing them of their responsibilities
- 2nd contact (if no response received within 30 days): A second letter is sent to the brand owner for lack of reply from the previous correspondence. In this letter, BRCCC will point out that the brand owner is liable if their company contravenes the Act.
- 3rd contact (if no response received 30 days after 2nd contact): A final letter with a deadline for submitting membership documents is sent by BRCCC. At this stage, BRCCC will consider each brand owner on a case-by-case basis to decide whether to proceed to the final stage.
- 4th contact (if no response received by deadline stipulated in 3rd contact): A request for non-compliance actions will be sent to the Ministry, with a copy to the brand owner.

11. PERFORMANCE MONITORING & REPORTING COMMITMENTS

Beer secondary packaging recovery rates will be the core performance target for BRCCC's stewardship plan. As the plan's environmental benefits all flow from beer secondary packaging that is recovered, this recovery rate is strongly indicative of the program's performance. As consumer awareness will be a main driver of the recovery rate, BRCCC will also set targets for this performance measure.

Measures	2022	2023	2024	2025	2026
Recovery/Collection Targets	76%	76%	77%	77%	78%
Plastic Reduction Target	<ul style="list-style-type: none"> Report progress of plastics reduction over the 5-year period 				
Accessibility Targets	1,163 locations	1,169 locations	1,174 locations	1,178 locations	1,178 locations
Consumer Awareness Targets**	75%	75%	75%	80%	80%
	2 net new consumer promotion/education initiatives				
Pollution Prevention Hierarchy/Product Life Cycle Targets	<ul style="list-style-type: none"> Target to direct 100% of collected PPP to recycling commodity markets. Report in accordance with the PPH Track end fate of materials in annual stewardship audit 				

*** As committed to in the stewardship plan, BRCCC undertook a consumer awareness survey in 2019 and will again by end of 2021. The consumer awareness target indicated for 2022 and 2023 is the consumer awareness target for the 2021 survey. BRCCC will undertake another consumer awareness survey in 2025 to measure against the increased awareness target. It is expected that consumer awareness will increase from the previous survey, as a result of consumer awareness and education initiatives undertaken by BRCCC.*