STAKEHOLDER REPORT

Q1'25

FEBRUARY 2025

bcmb

BEVERAGE CONTAINER
MANAGEMENT BOARD

THIS REPORT HIGHLIGHTS THE WORK OF BCMB MANAGEMENT AND STAFF FOR THE FIRST QUARTER OF 2025 (PERIOD OF NOVEMBER 20, 2024, TO FEBRUARY 19, 2025).

ORGANIZATIONAL UPDATE

BCMB continues to operate successfully under the leadership and guidance of Interim President & CEO, Andrew Stephens, who has stepped in to ensure all projects and operations move forward seamlessly. The BCMB's Recruitment Committee is working with Mullen Leadership Recruitment to find the best suited candidate to fill the BCMB's President & CEO role.

Since November 20, 2024, the following Committees met in preparation for the February 19, 2025, Board meeting:

- **Audit Committee**: January 28, 2025
- **Depot Siting Review Committee:** December 5, 2025, and January 29, 2025
- **Governance and Compensation Committee:** January 23, 2025
- **Registrations and Recycling Committee**: January 22, 2025
- **Service Agreement Committee:** February 10, 2025

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

EPA DISCUSSIONS

HIGHLIGHTS

Since November 2024, BCMB has increased communications with Alberta's Ministry of Environment and Protected areas to maintain a leading, sustainable, and effective beverage container recycling system.

Recent Communications:

• Appointment of GoA Board Rep.

• 2025-2027 Business Plan

• Letter from Board Chair

The Beverage Container Management Board (BCMB) functions as an arm's length organization with delegated governmental authority from the Ministry of Environment and Protected Areas (EPA). This authority, established under Alberta's Environmental Protection and Enhancement Act, allows the BCMB to set and enforce requirements for recycling program stakeholders. To date, BCMB has maintained a relatively low profile. Going forward, the organization will elevate its presence which is essential for strengthening the organization's reputation and fostering deeper connections with stakeholders.

Appointment of the New Government of Alberta Board of Directors Representative

On December 10, 2024, the Minister of Environment and Protected Areas, Rebecca Shultz, wrote BCMB's Chair to appoint Kate Rich, Assistant Deputy Minister of Water and Circular Economy, as the ex officio non-voting Government of Alberta representative of the Beverage Container Management Board. Kate Rich's first official meeting in this role was at the February 19, 2025, Board meeting.

2025-2027 Business Plan

Minister Schultz wrote the BCMB Chair and Interim President & CEO thanking them for sharing the 2025-2027 Business Plan in late-December 2024. The Minister commended the BCMB on Alberta achieving one of the highest beverage container collection rates in Canada, and thanked BCMB for their support of the plastics circular economy. BCMB will continue to share their Business Plans for Ministerial review.

Read the 2025-2027 BCMB Business Plan here.

Letter From the Board Chair to the Government of Alberta

In February 2025, Loren Falkenberg, Board Chair, BCMB sent a letter to the Minister of Environment and Protected Areas outlining suggestions to support on-going communications with the Government more broadly. The purpose of growing this relationship is to maintain sustainability in the BCMB and elevate their regulatory role.

BCMB's relationship with the Government is paramount as the province works toward a common objective, maximizing beverage container collection rates and protecting Alberta's environment.

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

COMMENCEMENT OF THE HCR

BCMB Board of Directors commenced the Handling Commission Review (HCR), effective January 19, 2025. The procedure for the HCR is outlined in the Handling Commission By-law. Documentation of the Handling Commission Review will be available to the public and will be updated on the BCMB website.

To view the commencement announcement, the Board approved schedule, and to keep up to date on the Public Record throughout the process, visit the BCMB website.

SERVICE AGREEMENT REVIEW

HIGHLIGHTS

Following a thorough review by the Board of Directors, a KPMG report will be provided to stakeholders in individual meetings with KPMG and BCMB.

These meetings will be scheduled in March and April 2025.

Service Agreement Report
The Phase One report from KPMG International was provided to BCMB's Service Agreement Committee on February 10, 2025, and was reviewed by the Board at the February 19, 2025, Board meeting.

During their initial research phase, KPMG conducted stakeholder interviews to get a better understanding of operational processes for all key players in the beverage container industry. A round table was also conducted with other provincial beverage container officials to gather leading practices on Service Agreements and dispute resolution.

The report outlined recommendations for the Service Agreement for all parties, and the navigation of challenges brought forth by each stakeholder alongside the BCMB.

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

PROJECT HIGHLIGHTS

HIGHLIGHTS

Since November 2024, BCMB Management has worked diligently on the following projects:

• AB/BC DTC Wine Sales

• Dynamics CRM Support

• Integration with GS1

• Elk Point Bottle Depot Closure and RFA

Alberta/British Columbia Direct-to-Consumer (DTC) Wine Sales

In December 2024, Alberta Gaming, Liquor, and Cannabis (AGLC) was directed by Service Alberta and Red Tape Reduction to allow a one-year memorandum of understanding (MOU) between the Alberta and BC provincial governments.

This one year will be a "Pilot Phase" between Alberta and BC to allow DTC wine coming from BC. BC wineries will self-report monthly DTC sales to AGLC, which will collect applicable fees and remit them directly to ABCRC. This Pilot Phase will be used to determine whether adjustments to reporting processes are needed. Containers from unregistered BC wineries are expected to be minimal.

On January 9, 2025, BCMB released a notice to Alberta Depot's commencing the allowance of Depots refund and process all wine containers originating from BC wineries, irrespective of their current registration status in Alberta.

You can view the notice here.

Dynamics CRM Support RFP

On January 3, 2025, Management sent out a Request for Proposal (RFP) for support on their newly finished Stakeholder Management System (SIMS), with a submission deadline of January 31, 2025.

BCMB received seventeen responses, with the successful candidate being selected based on their comprehensive proposal and demonstrated expertise in stakeholder management solutions.

Elk Point Universal Bottle Depot Closure and RFA

Effective January 24, 2025, the Elk Point Universal Bottle Depot no longer holds a valid permit to operate. More information about the depot closure can be found here.

At the February 19, 2025, Board meeting, the Board approved to lift the moratorium to allow an RFA to take place in the town of Elk Point. A Request for Application (RFA) for a depot in the town of Elk Point can be viewed here.

BCMB Integration with GS1

The BCMB has begun taking steps to integrate manufacturer registration processes with the company GS1, a multinational not-for-profit organization and inventor of the Universal Product Code (UPC). Still in its early stages, the Board of Directors has approved the launch of an integration at the February 2025

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

Board meeting, and Management has begun to initiate conversations with stakeholders to facilitate an easy transition.

The integration with GS1 could result in significant savings for the industry and will streamline the registration process for manufacturers. The integration process is intended to take a minimum of one year, with more information to come from management as the integration progresses.

The BCMB continues to explore new opportunities for innovation, including the implementation, integration, and expansion of GS1 standards to enhance efficiency and standardization across the system. In turn, this will make it easier for Alberta beverage manufacturers and registrants, ultimately fitting in line with one of the GoA's mandates, "reducing red tape".

COMMUNICATIONS UPDATE

HIGHLIGHTS

BCMB's Board of Directors were briefed on a new BCMB communications strategy. The strategy focuses on five pillars:

• Digital & Social Media Optimization

• Education & Engagement

• Stakeholder Relations

• Brand Consistency

• Streamlining Messaging

BCMB's Director of Communications, has developed and begun implementing a three-year communications strategy. The strategy focuses on five pillars, which provides core principles and focus areas to keep the strategy balanced and effective.

The five pillars are as follows:

1. **Digital and Social Media Optimization**

A strong digital and social media presence allows businesses to connect with diverse audiences, build brand awareness, and foster engagement in real-time.

2. **Education and Engagement**

Educating audiences creates informed stakeholders, while engagement fosters loyalty and trust. Organizations that enrich public discourse through regulatory expertise, publish insightful articles, or run interactive campaigns can build deeper connections and inspire active participation.

3. **Stakeholder Relations**

Building strong relationships with stakeholders—such as industry partners, for-profit companies, not-for-profit organizations, municipalities, regulatory agencies, the public, and other key groups—is essential for fostering alignment and collaboration. These relationships create a foundation for shared success by ensuring all parties are working toward a common objective, maximizing beverage container collection rates and protecting Alberta's environment.

4. **Brand Consistency**

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

A strong, consistent brand identity is the cornerstone of recognition and credibility. By maintaining a cohesive tone, color palette, unified messaging, and a strategic social media presence, BCMB can cultivate an image of reliability and trustworthiness across all stakeholder interactions.

5. **Streamlining Messaging**

Clear and focused communication is a powerful tool for eliminating confusion, saving time, and ensuring messages resonate with intended audiences. This clarity not only enhances understanding but also allows the business to achieve its objectives more efficiently and effectively

RETAIL INSPECTION PROGRAM: OVERVIEW AND UPDATE

The BCMB uses a third-party auditor (One Stop Shoppers) to conduct retail inspections at retail locations across Alberta to verify that:

1. The refundable deposit being charged on each beverage container sold is clearly displayed; and
2. All beverage containers being sold have been registered with the BCMB in accordance with the Beverage Container Recycling Regulation.

60 retail inspections are completed per month across Alberta. The results of a retail audit are sent to the retail location by the BCMB to confirm whether it is considered compliant. If non-compliance is found, the goal of the BCMB is to help retailers (and manufacturers) become compliant before escalating within the compliance frameworks by offering instruction, education, and assistance to the retail location to ensure they understand their responsibilities as a retailer/manufacturer in Alberta.

Below is a snapshot of the retail inspection results for 2023 to 2025. Though there have been high levels of initial non-compliance identified, most retailers/manufacturers exit the compliance frameworks prior to escalating to Level 2 or higher. There is no compliance fees issued to retailers; however a $400 compliance fee is issued to a manufacturer that escalates to Level 2 and 3 of the compliance frameworks.
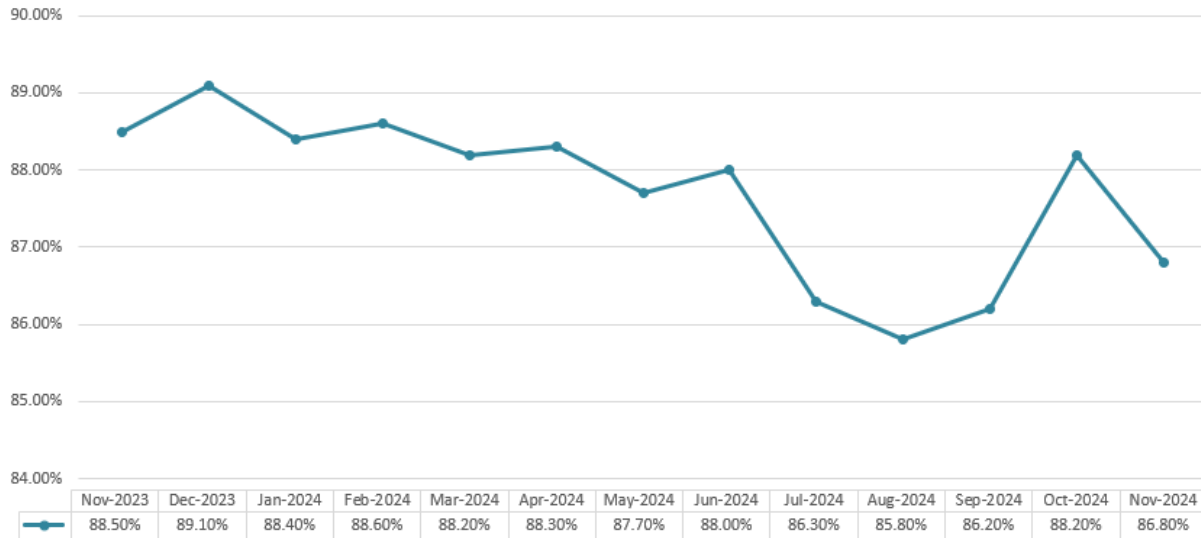
Retail Inspection Program Results 2023-2025					
Year	Total Audits Conducted	Compliant Audits (% of Total)	Non-Complaint Audits (% of Total)	Total Non-Compliant with Deposit Advertising (% of Total Non-Compliant) *	Total Non-Compliant with Container Registrations (% of Total Non-Compliant) *
2023	438	119 (27%)	319 (73%)	260 (82%)	128 (40%)
2024	679	187 (27.5%)	492 (72.5%)	393 (58%)	139 (20%)
2025 (to end of January)	56	23 (41%)	33 (59%)	29 (52%)	9 (16%)

- A retail location can be found to have deficiencies relating to non-compliance with both deposit advertising and container registration compliance frameworks simultaneously. This can result in more deficiencies found than inspections completed.
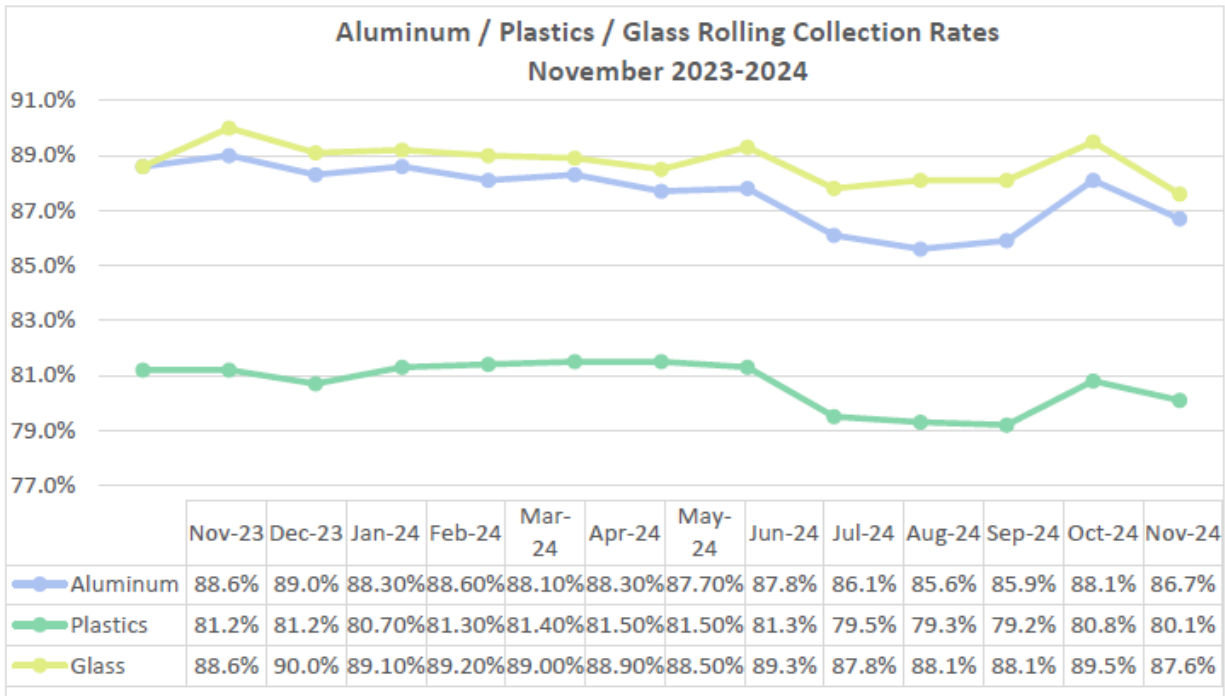
To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

COLLECTION RATE DATA

From December 1, 2023, to November 30, 2024, approximately 3 million more containers were redeemed than the previous year. The rolling twelve-month collection rate for November 2024 is 83.1% (this is 1.1% less than October 2024's collection rate of 84.2%). The chart below indicates the monthly collection rates by container type.

Rolling Collection Rate (%) November 2023-2024

	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024	Jun-2024	Jul-2024	Aug-2024	Sep-2024	Oct-2024	Nov-2024
	88.50%	89.10%	88.40%	88.60%	88.20%	88.30%	87.70%	88.00%	86.30%	85.80%	86.20%	88.20%	86.80%

Aluminum / Plastics / Glass Rolling Collection Rates November 2023-2024

	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Aluminum	88.6%	89.0%	88.30%	88.60%	88.10%	88.30%	87.70%	87.8%	86.1%	85.6%	85.9%	88.1%	86.7%
Plastics	81.2%	81.2%	80.70%	81.30%	81.40%	81.50%	81.50%	81.3%	79.5%	79.3%	79.2%	80.8%	80.1%
Glass	88.6%	90.0%	89.10%	89.20%	89.00%	88.90%	88.50%	89.3%	87.8%	88.1%	88.1%	89.5%	87.6%

To regulate and enhance a leading and sustainable beverage container system that protects Alberta's environment.

November 2024: ROLLING COLLECTION RATE SUMMARY

bcmb

Container Sales	Nov-23	Nov-24	Difference	Variance
Aluminum Combined	1,236,677,316	1,266,877,565	30,200,249	2.44%
Plastic Combined	909,875,441	939,622,186	29,746,745	3.27%
Glass Combined	146,039,777	143,515,706	(2,524,071)	-1.73%
Gabletop	87,492,018	85,955,417	(1,536,601)	-1.76%
Tetra-Brik	134,296,440	132,002,856	(2,293,584)	-1.71%
Bag-in-a-Box	1,928,601	1,882,813	(45,788)	-2.37%
Drink Pouch	17,485,014	9,647,073	(7,837,941)	-44.83%
Bi Metal	2,799,559	5,269,255	2,469,696	88.22%
Subtotal- Non-Refillable	2,536,594,166	2,584,772,871	48,178,705	1.90%
Refillable Beer	36,224,424	33,512,160	(2,712,264)	-7.49%
Total Containers Sold	**2,572,818,590**	**2,618,285,031**	**45,466,441**	**1.77%**

Redeemed Volumes	Nov-23	Nov-24	Difference	Variance
Aluminum Combined	1,095,089,389	1,098,026,286	2,936,897	0.27%
Plastic Combined	738,452,405	752,420,089	13,967,684	1.89%
Glass Combined	128,665,739	125,748,621	(2,917,118)	-2.27%
Gabletop	66,658,731	62,239,289	(4,419,442)	-6.63%
Tetra-Brik	95,994,744	96,204,801	210,057	0.22%
Bag-in-a-Box	956,571	957,166	595	0.06%
Drink Pouch	8,588,748	5,698,289	(2,890,459)	-33.65%
Bi Metal	2,745,833	3,297,385	551,552	20.09%
Subtotal- Non-Refillable	2,137,152,160	2,144,591,926	7,439,766	0.35%
Refillable Beer	36,081,996	32,149,056	(3,932,940)	-10.90%
Total Containers Redeemed	**2,173,234,156**	**2,176,740,982**	**3,506,826**	**0.16%**

Collection Rates	Nov-23	Nov-24	Difference
Aluminum Combined	88.6%	86.7%	-1.88%
Plastic Combined	81.2%	80.1%	-1.08%
Glass Combined	88.1%	87.6%	-0.48%
Gabletop	76.2%	72.4%	-3.78%
Tetra-Brik	71.5%	72.9%	1.40%
Bag-in-a-Box	49.6%	50.8%	1.24%
Drink Pouch	49.1%	59.1%	9.95%
Bi Metal	98.1%	62.6%	-35.50%
Subtotal- Non-Refillable	84.3%	83.0%	-1.28%
Refillable Beer	99.6%	95.9%	-3.67%
Total	**84.5%**	**83.1%**	**-1.33%**

bⱯmb

Container Sales	Nov-23	Nov-24	Difference	Variance
Aluminum Combined	95,893,001	90,880,482	(5,012,519)	-5.23%
Plastic Combined	71,688,650	60,667,090	(11,021,560)	-15.37%
Glass Combined	12,514,844	12,269,914	(244,930)	-1.96%
GableTop	7,759,879	6,453,303	(1,306,576)	-16.84%
Tetra-Brik	12,237,184	7,976,718	(4,260,466)	-34.82%
Bag-in-a-Box	161,338	155,382	(5,956)	-3.69%
Drink Pouch	1,396,111	689,024	(707,087)	-50.65%
Bi Metal	314,507	410,272	95,765	30.45%
Subtotal- Non-Refillable	201,965,514	179,502,185	(22,463,329)	-11.12%
Refillable Beer	2,682,132	2,653,860	(28,272)	-1.05%
Total Containers Sold	**204,647,646**	**182,156,045**	**(22,491,601)**	**-12.35%**

Redeemed Volumes	Nov-23	Nov-24	Difference	Variance
Aluminum Combined	94,606,444	72,213,789	(22,392,655)	-23.35%
Plastic Combined	65,242,724	49,988,565	(15,254,159)	-21.28%
Glass Combined	11,100,798	8,188,479	(2,912,319)	-23.27%
Gable Top	5,915,225	4,014,477	(1,900,748)	-24.49%
Tetra-Brik	8,839,360	6,575,855	(2,263,505)	-18.50%
Bag-in-a-Box	86,503	61,927	(24,576)	-15.23%
Drink Pouch	723,371	368,352	(355,019)	-25.43%
Bi Metal	245,029	238,617	(6,412)	-2.04%
Subtotal- Non-Refillable	186,759,454	141,650,061	(45,109,393)	-24.15%
Refillable Beer	3,057,240	2,385,708	(671,532)	-21.97%
Total Containers Redeemed	**189,816,694**	**144,035,769**	**(45,780,925)**	**-24.12%**

Collection Rates	Nov-23	Nov-24	Difference
Aluminum Combined	98.7%	98.7%	0.06%
Plastic Combined	91.0%	92.2%	1.22%
Glass Combined	88.7%	89.2%	0.53%
Gable Top	76.2%	65.0%	-11.21%
Tetra-Brik	72.2%	69.6%	-2.59%
Bag-in-a-Bag	53.6%	51.8%	-1.84%
Drink Pouch	51.8%	38.4%	-13.43%
Bi Metal	77.9%	60.1%	-17.77%
Subtotal- Non-Refillable	92.5%	78.9%	-13.56%
Refillable Beer	99.6%	109.5%	9.88%
Total	**92.8%**	**79.1%**	**-13.68%**