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STAKEHOLDER REPORT

November 2024

This report highlights the work of BCMB Management and staff for the period of June 20, 2024, to November 20, 2024

A. BCMB LEADERSHIP TRANSITION

On October 29, 2024, the Beverage Container Management Board (BCMB) announced that Blaire Gaalaas will be stepping down from her role as President. She will depart the BCMB on December 3, 2024, as she transitions to an exciting new opportunity with Circular Materials. Following her departure, Blaire will continue to play an advisory role behind the scenes for the month of December to ensure a smooth leadership transition. Blaire was an integral part of the BCMB's success, and the BCMB Board and staff thank Blaire for her 14 years of service, wishing her all the best in her new endeavor.

To ensure continued system strength and stability, the Board of Directors has appointed Andrew Stephens as Interim President of the BCMB. As BCMB Board Chair from February 2015 to June 2024, Andrew brings nearly a decade of experience in beverage container recycling in the province. Andrew will start work as Interim President on December 4, 2024, and work alongside the BCMB's dedicated team and system stakeholders to uphold the organization's high standards of excellence, accessibility, and sustainability. His focus during this transition is to provide steady and consistent leadership, ensuring that the BCMB's core operations remain strong and seamless. Andrew is committed to leaving a solid foundation for the incoming President, allowing them to build on achievements and guide the BCMB confidently into the future.

The Board has already begun its search for a permanent President who shares the BCMB's values. This future leader will ensure Alberta's beverage container recycling system remains one of the strongest in the country, with a focus on meeting and adapting to technological change, public accessibility, and evolving provincial goals and global standards. The recruitment process will conclude sometime in the first quarter of 2025.

B. 2024 ANNUAL UPDATE REPORT

The Data Collection Agent (DCA) released the 2024 Annual Update Report by November 15, 2024, as required in By-law. The BCMB Board approved the new handling commissions as included in the Report and the new rates can be found within the Handling Commission By-law on the BCMB [website](#). As a result of this year's Annual Update process, there will be a 14.8% increase to the average handling commission, with these rates effective May 1, 2025, to April 30, 2026.

C. 2025-2027 BCMB BUSINESS PLAN

The BCMB has developed the 2025-2027 Business Plan which was approved by the Board at the November 20, 2024, Board meeting.

The latest BCMB Business Plan focuses on a number of key projects to increase collection and recycling rates, bolster the BCMB's regulatory reputation, and enhance collaboration with the Government of Alberta and industry partners, these projects include continuing or creating the following:

- Registrations & Recycling Committee
- Depot Siting Review
- Service Agreement Review
- Communications & Education Strategy and Execution
- Handling Commission Review
- Technology Bridge Gaps

The 2025-2027 Business Plan can be found on the BCMB website [here](#).

D. COLLECTION SYSTEM AGENT (CSA) OPERATING AGREEMENT

The BCMB and the CSA (ABCRC – Alberta Beverage Container Recycling Corporation) have worked to negotiate edits to the CSA Operating Agreement, with the Board approving the final version of the Agreement at the November 20, 2024, Board meeting.

The Agreement is available on the BCMB website [here](#).

E. MANUFACTURER AND RETAILER BY-LAW

The Board approved edits to the Manufacturer and Retailer By-law at the November 20, 2024, Board meeting, with the edits effective March 1, 2025. The By-law can be found on the BCMB website [here](#). By-law amendments focus on:

- Reflecting the changes to the alcohol container registration process;
- Introducing definitions of Recycling;
- Introducing increased reporting requirements in relation to recycling (for manufacturers, collection service providers and the collection system agent);
- Indicating the BCMB’s intention to review existing containers/container streams; and
- Outlining the process of exiting from a compliance framework.

F. STAFFING UPDATE

The BCMB has hired a new Director of Communications, Nick Ford, who started in mid-October. Nick has begun his work to assess current BCMB communications and develop a communications and education strategy moving forward. We look forward to expanding this area of the BCMB.

G. 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 2022 to 2024. 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 are 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 2022-2024 | | | | | |
|---|------------------------|-------------------------------|-----------------------------------|---|---|
| Year | Total Audits Conducted | Compliant Audits (% of Total) | Non-Compliant Audits (% of Total) | Total Non-Compliant with Deposit Advertising (% of Total Non-Compliant) * | Total Non-Compliant with Container Registrations (% of Total Non-Compliant) * |
| 2022 | 447 | 150 (34%) | 297 (66%) | 254 (86%) | 113 (38%) |
| 2023 | 438 | 119 (27%) | 319 (73%) | 260 (82%) | 128 (40%) |
| 2024 (to end of September) | 506 | 124 (25%) | 382 (75%) | 306 (80%) | 112 (29%) |

- 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.

Education remains integral in encouraging compliance as retailers are largely unaware of requirements, especially around deposit advertising. The BCMB registrations compliance officers have been doing an excellent job in providing the necessary information to educate and gain compliance, including at the corporate level with larger retailers/manufacturers. While the retail locations are inspected, they are typically not the ones responsible for the actual registration of a beverage. The registrations compliance officers now work to educate retailers on their responsibilities but shift the focus to the party responsible for container registration once they have obtained that information from the retailer.

The BCMB has developed signage that can be posted by retailers to display the deposits within their retail store or that can be used as a template for retailers to create their own signage. The intent of the deposit advertising program is to focus on customer awareness and the importance of advertising the deposit. The registrations team has also revised many of the communication templates used for retail inspection follow up to improve understanding, ensure they are less overwhelming and more concise,

and change the tone of the message from less formal and heavy handed to more supportive and educational.

In November 2024, the retail inspection program will again include liquor retail stores. The program excluded these retail locations while the alcohol container registration transition was completed to allow time to work through any issues and allow for clean-up of the alcohol container registration data. In advance of these audits, the BCMB has reached out to the Alberta Liquor Store Association (ALSA) to provide an information communication to be circulated to proactively educate these retailers as this has been impactful in past.

H. REFILLABLE WATER CONTAINERS

The BCMB Registrations team continues to communicate with the Canadian Bottled Water Association (CBWA) and its members to ensure their refillable water bottles are being accepted for refund at point of purchase regardless of condition of the containers (cracked, dirty, etc.).

Signage created jointly by the BCMB and the CBWA has been printed and provided to all Alberta Depots to advise the public that these refillable water bottles are to be returned to the point of purchase and not through Alberta Depots. The signage directs customers to the water bottler/distributor (manufacturer) and to the CBWA as a secondary contact with any questions or concerns regarding the return of their refillable water containers. Should the CBWA be contacted regarding containers from non-members, they will redirect the consumer to the BCMB for further assistance.

The Registrations team will continue to flesh out non-CBWA members who are selling refillable bottles in Alberta, via retail inspections and Quality Monitoring System (QMS) tickets, to have them register their companies and containers. Work continues on reporting requirements as required under the Collection Service Provider (CSP) By-law.

I. DISASTER RECOVERY PLAN – TRANSITION TO ISO STANDARDS

Management continues its work in developing a Business Continuity Management System (BCMS) with the assistance of Terra Management Inc. Draft Policy is expected to be reviewed by the Audit Committee in January 2025 and recommendation presented to the Board in February 2025.

A plan to continue this work is planned for 2025 to expand the BCMS to create resiliency for the greater beverage container industry.

J. IT UPDATES

i. SIMS: Update on Compliance/Depot Portal

The BCMB and MNP have been focused on resolving issues and shortcomings in the compliance portion of the Stakeholder Information Management System (SIMS).

The work is about 90% complete with the goal of being completed before December 1, 2024. Once completed, the BCMB will work towards moving SIMS into an operational roll with support from MNP.

ii. The Alberta Depot App

Minor bugs have been discovered in the App and in an effort to provide a quality product to our stakeholders, the BCMB has engaged the developers to investigate the bugs and provide an estimate to remedy them.

K. COLLECTION RATE DATA

The following pages contain collection rate data to August 31, 2024. The data shows a rolling 12-month collection rate of 82.4%, which is a 2.29% decrease as compared to August 31, 2023. As a rolling 12-month total, container sales as of August 2024 have increased by 4.40% and collection volumes increased by 1.58% (as compared to August 2023).

August 2024: ROLLING COLLECTION RATE SUMMARY



| Container Sales | Aug-23 | Aug-24 | Difference | Variance |
|----------------------------------|----------------------|----------------------|---------------------|-----------------|
| Aluminum Combined | 1,214,214,621 | 1,284,939,743 | 70,725,122 | 5.82% |
| Plastic Combined | 892,102,490 | 947,973,806 | 55,871,316 | 6.26% |
| Glass Combined | 145,316,538 | 144,393,934 | (922,604) | -0.63% |
| Gabletop | 86,650,258 | 86,953,666 | 303,408 | 0.35% |
| Tetra-Brik | 131,254,374 | 135,486,537 | 4,232,163 | 3.22% |
| Bag-in-a-Box | 1,952,537 | 1,855,802 | (96,735) | -4.95% |
| Drink Pouch | 18,797,955 | 10,913,950 | (7,884,005) | -41.94% |
| Bi Metal | 2,746,247 | 4,897,636 | 2,151,389 | 78.34% |
| Subtotal- Non-Refillable | 2,493,035,020 | 2,617,415,074 | 124,380,054 | 4.99% |
| Refillable Beer | 46,567,356 | 34,024,200 | (12,543,156) | -26.94% |
| Total Containers Sold | 2,539,602,376 | 2,651,439,274 | 111,836,898 | 4.40% |
| Redeemed Volumes | | | | |
| | Aug-23 | Aug-24 | Difference | Variance |
| Aluminum Combined | 1,085,510,399 | 1,099,933,735 | 14,423,336 | 1.33% |
| Plastic Combined | 727,442,225 | 751,652,608 | 24,210,383 | 3.33% |
| Glass Combined | 127,598,177 | 127,140,514 | (457,663) | -0.36% |
| Gabletop | 65,597,210 | 64,138,460 | (1,458,750) | -2.22% |
| Tetra-Brik | 94,404,480 | 97,020,869 | 2,616,389 | 2.77% |
| Bag-in-a-Box | 938,296 | 972,517 | 34,221 | 3.65% |
| Drink Pouch | 8,990,200 | 6,332,112 | (2,658,088) | -29.57% |
| Bi Metal | 2,761,195 | 3,160,404 | 399,209 | 14.46% |
| Subtotal- Non-Refillable | 2,113,242,182 | 2,150,351,219 | 37,109,037 | 1.76% |
| Refillable Beer | 36,398,064 | 33,296,016 | (3,102,048) | -8.52% |
| Total Containers Redeemed | 2,149,640,246 | 2,183,647,235 | 34,006,989 | 1.58% |
| Collection Rates | | | | |
| | Aug-23 | Aug-24 | Difference | Variance |
| Aluminum Combined | 89.4% | 85.6% | -3.80% | -4.25% |
| Plastic Combined | 81.5% | 79.3% | -2.25% | -2.76% |
| Glass Combined | 87.8% | 88.1% | 0.24% | 0.28% |
| Gabletop | 75.7% | 73.8% | -1.94% | -2.56% |
| Tetra-Brik | 71.9% | 71.6% | -0.32% | -0.44% |
| Bag-in-a-Box | 48.1% | 52.4% | 4.35% | 9.05% |
| Drink Pouch | 47.8% | 58.0% | 10.19% | 21.31% |
| Bi Metal | 100.5% | 64.5% | -36.02% | -35.82% |
| Subtotal- Non-Refillable | 84.8% | 82.2% | -2.61% | -3.08% |
| Refillable Beer | 78.2% | 97.9% | 19.70% | 25.20% |
| Total | 84.6% | 82.4% | -2.29% | -2.70% |

August 2024: MONTHLY COLLECTION RATE SUMMARY



| Redeemed Volumes | Aug-23 | Aug-24 | Difference | Variance |
|---------------------------------|--------------------|--------------------|-------------------|-----------------|
| Aluminum Combined | 112,832,681 | 118,878,283 | 6,045,602 | 5.36% |
| Plastic Combined | 84,329,936 | 89,933,427 | 5,603,491 | 6.64% |
| Glass Combined | 13,642,461 | 12,932,952 | (709,509) | -5.20% |
| GableTop | 6,866,255 | 6,693,395 | (172,860) | -2.52% |
| Tetra-Brik | 11,391,861 | 13,014,952 | 1,623,091 | 14.25% |
| Bag-in-a-Box | 169,769 | 154,997 | (14,772) | -8.70% |
| Drink Pouch | 1,178,943 | 1,029,631 | (149,312) | -12.66% |
| Bi Metal | 238,802 | 1,413,227 | 1,174,425 | 491.80% |
| Subtotal- Non-Refillable | 230,650,708 | 244,050,864 | 13,400,156 | 5.81% |
| | | | | |
| Refillable Beer | 3,417,926 | 2,790,480 | (627,446) | -18.36% |
| Total Containers Sold | 234,068,634 | 246,841,344 | 12,772,710 | 5.17% |

| Redeemed Volumes | Aug-23 | Aug-24 | Difference | Variance |
|----------------------------------|--------------------|--------------------|-------------------|-----------------|
| Aluminum Combined | 109,923,692 | 109,030,721 | (892,971) | -0.79% |
| Plastic Combined | 74,925,318 | 77,005,956 | 2,080,638 | 2.47% |
| Glass Combined | 12,210,281 | 11,879,081 | (331,200) | -2.43% |
| Gable Top | 5,668,393 | 5,212,466 | (455,927) | -6.64% |
| Tetra-Brik | 7,950,867 | 7,885,391 | (65,476) | -0.57% |
| Bag-in-a-Box | 83,033 | 80,803 | (2,230) | -1.31% |
| Drink Pouch | 596,142 | 456,721 | (139,421) | -11.83% |
| Bi Metal | 238,425 | 304,900 | 66,475 | 27.84% |
| Subtotal- Non-Refillable | 211,596,151 | 211,856,039 | 259,888 | 0.12% |
| | | | | |
| Refillable Beer | 3,194,652 | 2,904,132 | (290,520) | -9.09% |
| Total Containers Redeemed | 214,790,803 | 214,760,171 | (30,632) | -0.01% |

| Collection Rates | Aug-23 | Aug-24 | Difference | Variance |
|---------------------------------|---------------|---------------|-------------------|-----------------|
| Aluminum Combined | 97.4% | 91.7% | -5.71% | -5.86% |
| Plastic Combined | 88.8% | 85.6% | -3.22% | -3.63% |
| Glass Combined | 89.5% | 91.9% | 2.35% | 2.62% |
| Gable Top | 82.6% | 77.9% | -4.68% | -5.67% |
| Tetra-Brik | 69.8% | 60.6% | -9.21% | -13.19% |
| Bag-in-a-Bag | 48.9% | 52.1% | 3.22% | 6.59% |
| Drink Pouch | 50.6% | 44.4% | -6.21% | -12.28% |
| Bi Metal | 99.8% | 21.6% | -78.27% | -78.39% |
| Subtotal- Non-Refillable | 91.7% | 86.8% | -4.93% | -5.37% |
| | | | | |
| Refillable Beer | 93.5% | 104.1% | 10.61% | 11.35% |
| Total | 91.8% | 87.0% | -4.76% | -5.19% |

This two page data summary is prepared by the BCMB for the purpose of monitoring the beverage container recycling system and reporting to the Board of the BCMB and the Government of Alberta. It is based on information provided to the BCMB by third parties which has not been independently verified. This data summary is being provided to third parties involved in the beverage container recycling system at the request of their membership organizations and is provided solely for informational purposes. It is not intended for any other use. Any use of this data summary by any third party, or any reliance or decisions made by a third party based upon this data summary are solely the responsibility of such third parties and the BCMB accepts no responsibility for any resulting loss or damage.