

## SPRING 2020

### RC STANDARDS MANUAL

Distributors should know that Encorp is currently working on drafting and reviewing a Redemption Centre Licensing Standards and Best Practices Manual in collaboration with the Department of Environment and Local Government (DELG) and industry stakeholders. The manual will be a practical reference to assist all redemption centres in meeting a series of new and revised requirements set by DELG for obtaining and maintaining a Redemption Centre operating licence. The manual will present all these required standards in an easy-to-understand manner and include best practices, tips, strategies, printable checklists and other tools for redemption centre owners and managers to enhance their business and provide the public with a consistent and reliable level of service. This is one of the many important steps necessary in our efforts to modernize the Beverage Containers' Program network of redemption centres, and increase recycling rates throughout the province. Once all centres adhere to the new standards, Encorp will be able to work with individual centres to implement new technology to make recycling quicker, more convenient and more transparent for customers, including a Point-of-Sale (POS) system and customer self-serve technology (bag drop, reverse vending, etc.).



### COVID-19 PANDEMIC

In March 2020, communities across the province – and across the country – started to deal with the rapidly evolving coronavirus (COVID-19) situation which profoundly changed daily life and the operations of many businesses, schools and workplaces, including our team at Encorp.

We realize that this public health crisis has also had a profound impact on redemption centres and could continue to be felt long after citizens start returning to a more normal life after self-isolation. To help ease the financial burden of the COVID-19 pandemic, Encorp has committed itself to providing advances on handling fees to all New Brunswick redemption centres based on individual averages. These handling fees will be recuperated once things return to normal and help provide much needed financial stability for centres in the short term while we weather this crisis.

## NEW DEPOSIT-BEARING BEVERAGE CONTAINERS

Since April 1, 2020, many beverage containers which used to be excluded from the New Brunswick Beverage Containers Program (BCP) are now deposit-bearing.

- Milk shakes, milk protein shakes, drinkable yogurt, drinkable kefir, egg nog and other beverages which contain dairy. (However, real milk – look for ultra-filtered, skim, partly skimmed 1% / 2% or whole/homogenized 3.25% on the label – will continue to be excluded – no deposit charged for consumers.)
- Plant-based beverages (soy, almond, oat, cashew, rice, pea, etc.) – most of these now have a deposit. Plant-based beverages which are NOT FORTIFIED automatically have a deposit. Also look out for plant-based beverages which are FORTIFIED but have NOT A SOURCE OF PROTEIN on the label – they also have a deposit.
- Sports drinks like protein drinks and electrolyte beverages.

All beverage products which are now deposit-bearing following these changes must be registered via the Department of Environment and Local Government. A link to the registration form as well as information and tools to help distributors better understand these changes are available on the page *Important Information for Distributors* on our website, [www.encorpatl.ca](http://www.encorpatl.ca). Our tools include a searchable PDF which contains examples of beverage products and can be used to look up various products by name (using the search function in any PDF viewer/reader).

If you are unsure about a certain beverage product and it is not listed in our searchable PDF reference tool, we recommend that you please contact the New Brunswick Department of Environment and Local Government for clarification (Mark Miller – Program Coordinator – 506-453-6329 – [mark.miller@gnb.ca](mailto:mark.miller@gnb.ca)).

Note that we at Encorp strongly believe that all beverage containers should be recycled – regardless of the nutritional value of the beverage they contain. While these changes are a step in the right direction towards the inclusion of more beverage products in the program, we will continue to work with the BCP stakeholders to push towards a level playing field for all distributors.

YOU CAN NOW RETURN THESE CONTAINERS AT YOUR LOCAL REDEMPTION CENTRE FOR A REFUND

#### Deposit paid = Refundable BEVERAGES WITH DAIRY

ON THE LABEL:  
• Beverage contains dairy. Milk is listed among the ingredients.  
• BUT the beverage is NOT LABELLED as MILK.



#### FORTIFIED PLANT-BASED BEVERAGES NOT A SOURCE OF PROTEIN & UNFORTIFIED PLANT-BASED BEVERAGES

ON THE LABEL:  
• FORTIFIED plant-based beverages – ONLY IF ALSO LABELLED as "NOT A SOURCE OF PROTEIN".  
• All plant-based beverages which are NOT FORTIFIED.



Fortified Plant-Based Beverages with "Not a source of protein" on label & Unfortified Plant-Based Beverages

#### SPORT DRINKS

ON THE LABEL:  
• Protein drinks, electrolyte beverages and other similar beverages NOT LABELLED as a "MEAL REPLACEMENT" or a "FORMULATED LIQUID DIET".



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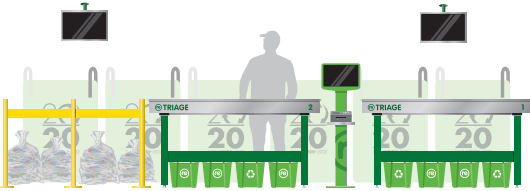
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## ▶ POINT-OF-SALE SYSTEM FOR REDEMPTION CENTRES

Encorp has been working on the development of a Point-of-Sale System (EnSys-Connex) for redemption centres. A prototype POS was presented to redemption centre owners in April 2019 and received very positive feedback. Encorp has since moved the project to an in-house production and the newly revised POS is planned to be rolled out in redemption centres in 2021. Our goals with this new technology include:

- improving transparency, consistency, counting efficiency, and inventory management in RCs;
- improving the customer experience at RCs;
- expediting and improving the collection process for RCs and Encorp; and
- reducing fraud at the consumer and RC level.



## ▶ TAXABLE VS. NON-TAXABLE

Under the provincially legislated “half-back” system in New Brunswick, a tax-inclusive deposit of 10¢ is imposed on containers for non-alcoholic beverages but only half this amount, or 5¢, is given back to a consumer on the return of the container.

Only the refundable 5¢ portion of the deposit is excluded from the tax base while the other 5¢ that is not refunded to the consumer is subject to tax on the same basis as the beverage.

You can access the Canada Revenue Agency’s Info Sheet on taxable and zero-rated beverages via our website to learn more about which product is taxable and which is zero rated. Go to [www.encorpatl.ca](http://www.encorpatl.ca) and visit the *Important Information for Distributors* page under the *Distributors* menu. Click on the link to the CRA site, *Beverages GST/HST Info Sheet*.

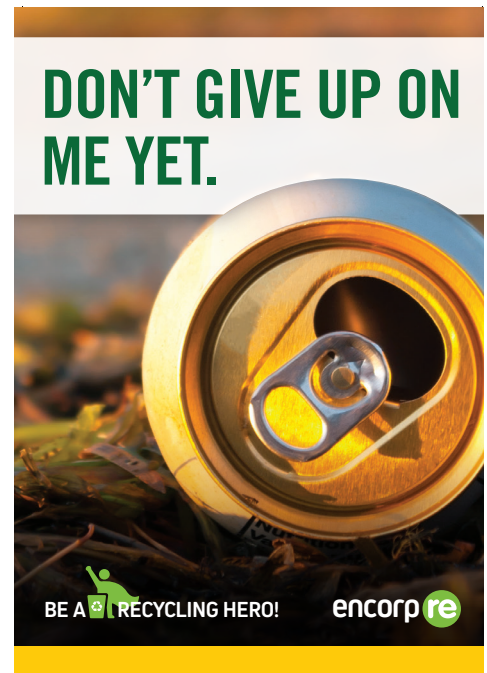
To avoid the complexity of all retailers having to determine the amount of tax for the non-refundable portion of the deposit to calculate their input tax credits and remittances, special rules apply having the effect of requiring only the first supplier in the distribution chain who imposes the deposit to account for and remit tax on the taxable non-refundable portion of the deposit.

We encourage each distributor to seek professional advice when in doubt of the taxability or non-taxability of the beverage/container.

## ▶ ANTI-LITTER CAMPAIGN

The climate crisis and recent COVID-19 pandemic haven impacted our collective psyche for the past few months – and people all over the world are rethinking their way of life and how they have been treating the environment. The time is right for industry to show true environmental and societal leadership by encouraging proactive actions by one and all.

Encorp will thus soon launch an advertising campaign to help increase recycling rates throughout the province and reduce litter. The campaign will get New Brunswickers to stop and think twice before littering with used beverage containers and to start recycling containers more at home and while out-and-about. The campaign’s powerful slogan – “Be a Recycling Hero” - empowers consumers to take responsibility for their actions and gives them an outlet for making a positive impact in the face of today’s environmental crisis by associating the simple act of not littering by recycling – which is so easy and simple – to that of heroism. The goals of the campaign are to increase brand awareness for Encorp as an environmental leader and to show that industry is doing its part by recycling its containers – New Brunswick consumers must also do their part by returning their containers to redemption centres and using recycling bins in public spaces.



Watch for ads to appear on buses, bus shelters, electronic billboards, in weeklies and on websites and social media.

## ▶ REGISTER YOUR BEVERAGE PRODUCTS

Beverage distributors are responsible for registering all beverage products they sell in New Brunswick with the New Brunswick Department of Environment and Local Government (DELG). A convenient link to the *Beverage Container Registration Form* is supplied on our website at [www.encorpatl.ca](http://www.encorpatl.ca). You will find it on the *Important Information for Distributors* page under the *Distributors* menu.

In most cases, it is preferred that the distributor closest to retail in the province be the organization along the supply chain to assume the responsibilities of a distributor under the Beverage Containers Act and General Regulation which include registering as a distributor, registering beverage containers, and remitting deposits to Encorp Atlantic for all non-alcoholic beverage products. If the preferred closest to retail arrangement cannot be accommodated, verification with DELG is required to ensure that another party along the supply chain is fulfilling the distributor requirements. In these cases, confirmation in writing must be kept between both parties on who has taken responsibility as the distributor with respect to registering the beverage containers and remitting the deposits.