

BRAND OWNER INFORMATION PACKAGE

EXTENDED PRODUCER RESPONSIBILITY
BEVERAGE CONTAINERS PROGRAM IN NEW BRUNSWICK

(EFFECTIVE APRIL 1, 2024)



NOVEMBER 2023

encorp^{re}
RECYCLE

TABLE OF CONTENTS

INTRODUCTION 3

REGULATION - DEFINITIONS & REQUIREMENTS 4

HOW THE MONEY FLOWS..... 8

DEPOSIT VALUES 10

CONTAINER RECYCLING FEES..... 11

ACCEPTED MATERIALS 13

STEPS TO COMPLIANCE 15

INTRODUCTION

Starting April 1, 2024, the New Brunswick Beverage Containers Program will shift to an extended producer responsibility (EPR) model, falling under the jurisdiction of the New Brunswick *Designated Materials Regulation (Clean Environment Act)*.

The Regulation, dating back to 2008, establishes product stewardship recycling programs for various products in the Province. In March 2023, it was amended to include beverage containers, initiating the transition from the existing system for used beverage container (UBC) collection/recycling in New Brunswick to an EPR approach.

According to the Regulation, before selling any “ready-to-drink” sealed beverages in New Brunswick, brand owners must submit a stewardship plan outlining how their UBCs will be recovered and recycled. Brand owners can appoint Encorp Atlantic/Encorp Atlantique (“Encorp”), an industry-managed agency established in 2023, to handle this responsibility on their behalf.

Encorp is a federally incorporated, not-for-profit producer responsibility organization (PRO) appointed to fulfill the Regulation’s requirements for the beverage industry. Encorp will assist beverage product brand owners (as defined by the Regulation) in meeting their obligation to establish collection and recycling programs for beverage containers under relevant provincial EPR legislation. Additionally, Encorp will regularly engage with brand owners and retailers of regulated products to promote awareness of their obligations related to the EPR Beverage Containers Program in New Brunswick.

REGULATION - DEFINITIONS & REQUIREMENTS

BRAND OWNER

The New Brunswick *Designated Materials Regulation* provides the following definition for “brand owner”:

- “(i) a manufacturer of beverage containers
- (ii) a distributor of beverage containers
- (iii) an owner or licensee of a registered or unregistered trademark under which beverage containers are sold, offered for sale or distributed, or
- (iv) if beverage containers are imported into the Province, the first person to sell the beverage containers.”

[NB Regulation 2008-54, section 2 \(b.4\)](#)

WHO SHOULD REGISTER WITH ENCORP

Brand owners must appoint an Agent to act on their behalf with respect to their obligations under the Regulation. As the producer responsibility organization (PRO) that will manage the extended producer responsibility (EPR) Beverage Containers Program, Encorp has established a methodology for determining obligated brand owners as follows*:

- a) If the beverages are manufactured in New Brunswick for sale in the Province, the manufacturer of the beverages.
- b) If a) does not apply, and the beverages are manufactured or distributed in Canada, the manufacturer or distributor who sells the beverages directly into New Brunswick for sale in the Province.
- c) If a) and b) do not apply, the first person to import** the beverages into New Brunswick for sale in the Province.

***If your company does not fit one of these categories, Encorp will not enter into a *Brand Owner Agreement* with your company. However, as the brand owner of your beverages, you must, to the best of your ability, ensure that the importer or distributor of your beverage products into New Brunswick is registered with Encorp.**

****Note that Alcool NB Liquor (ANBL) will not be considered the brand owner for alcohol beverages imported into New Brunswick from outside of Canada that have a Canadian agent, representative, or distributor, and are sold by ANBL in the Province of New Brunswick. These organizations will be considered the designated brand owners and will be required to enter into a *Brand Owner Agreement* with Encorp.**

Upon entering into a *Brand Owner Agreement* with Encorp, brand owners will be required to regularly report sales in New Brunswick and remit deposits and container recycling fees (CRFs) to Encorp for all their deposit-bearing beverage container brands. However, brand owners have the flexibility to delegate the reporting and remitting responsibility to other brand owners through a *Remittance Agreement*. Note that brand owners of alcohol beverages sold in New Brunswick through Alcool NB Liquor (ANBL) are not required to enter into a *Remittance Agreement* with ANBL. ANBL is committed to reporting sales and remitting deposits and CRFs for all alcohol beverages distributed through its distribution systems, including convenience and grocery agents. Encorp will be entering into an agreement directly with ANBL to facilitate this process. Craft alcohol producers will still need to report sales data to ANBL for the alcohol beverage products they manufacture and sell on their own premises in the Province of New Brunswick, and it will be their responsibility to report the sales and remit deposits and CRFs for these products directly to Encorp.

A complete list of steps brand owners must take to ensure they comply with the Regulation before the commencement of the EPR Beverage Containers Program on April 1, 2024, is available on page 15.

REGULATION - DEFINITIONS & REQUIREMENTS

RETAILER

The Regulation defines “retailer” as “*a person who sells or offers for sale in New Brunswick beverage containers to a consumer for consumption on or off its premises.*” [NB Regulation 2008-54, section 50.9](#)

Retailers will be responsible for charging consumers a deposit on all beverage containers for products that fit the Regulation's definition of “beverage.”

CONSUMER

The Regulation defines “consumer” as “*a person who uses a beverage container for the person's own purpose, and not for the purpose of resale.*” [NB Regulation 2008-54, section 50.9](#)

Consumers will get a full refund on deposits paid for beverage containers when they return them to a designated used beverage container (UBC) return facility.

RETURN FACILITY

The Regulation defines “return facility” as “*a collection facility that accepts empty beverage containers from persons who wish to return them.*” [NB Regulation 2008-54, section 50.9](#)

In New Brunswick, UBC return facilities are known as “redemption centres.” Encorp will give redemption centre operators the deposit refund and a handling fee for each container as payment for their services.

BEVERAGE CONTAINER

The Regulation defines “beverage container” as “*a sealed container, including all its component parts, that contains a beverage in a maximum quantity of five litres, and includes a box or similar container used to contain, protect, handle, deliver or present refillable glass beer bottles.*” [NB Regulation 2008-54, section 2](#)

BEVERAGE

The Regulation defines “beverage” as “*a ready-to-serve liquid that is intended for human consumption but does not include milk, plant-based milk product alternatives that are fortified and a source of protein, unprocessed apple cider, concentrated drinks, infant formula, meal replacements or formulated liquid diets.*” [NB Regulation 2008-54, section 2](#)

In New Brunswick, beverage containers for products falling within this “beverage” definition will have a deposit and carry a CRF.

REGULATION - DEFINITIONS & REQUIREMENTS

EXEMPT PRODUCTS

According to the Regulation's definition of "beverage," the following ready-to-drink beverage products are exempt from the EPR Beverage Containers Program.

- **Milk.** (The beverage is labelled as "milk." This includes cow and goat milk labelled as "fat-free/skim milk (0% M.F.), partly skimmed milk (1% or 2% M.F.), or whole/homogenized milk (3.25% M.F.) It also includes flavoured milk, like strawberry or chocolate milk.)
- **Plant-based milk product alternatives that are fortified and a source of protein.** (The beverage is labelled as "fortified." The label also does NOT have any type of warning indicating it is "not a source of protein.")
- **Unprocessed apple cider.** (The beverage's label has no mention of the beverage being pasteurized, heated, or otherwise processed).
- **Concentrated beverages.** (These beverages are not considered "ready-to-drink" because they need to be mixed or diluted before drinking. Examples include cocktail mixes, frozen juices, syrups, condensed milk, coffee cream, cereal cream, flavour enhancers, etc.)
- **Infant formula.** (The beverage is labelled as "infant formula.")
- **Meal replacements.** (The beverage is labelled as "meal replacement.")
- **Formulated liquid diets.** (The beverage is labelled as "formulated liquid diet.")

No deposits and CRFs are applied to exempt products.

DEPOSIT

In New Brunswick, consumers are charged a deposit on beverage containers when they buy sealed, ready-to-drink beverages. Effective April 1, 2024, the Regulation requires that these deposits be fully refunded to consumers when they return empty containers for recycling at redemption centres.

The deposit values are determined and set by Encorp in its stewardship plan submitted to Recycle NB, as the PRO responsible for the EPR Beverage Containers Program. Detailed information about the deposit and refund system for beverage containers and the deposit values that will be in place is available on page 10.

CONTAINER RECYCLING FEE (CRF)

The CRF is a fee that covers the estimated net cost of recycling a specific beverage container type after any unredeemed deposits and commodity revenues for that container type have been applied. CRFs reflect the current economic conditions, which include fluctuations in commodity prices and beverage volumes. Effective April 1, 2024, a CRF will be applied on containers for beverage products that fit the Regulation's definition of "beverage."

The CRFs are determined and set by Encorp as the PRO responsible for the EPR Beverage Containers Program. Detailed information about the CRFs is available on page 11.

REGULATION - DEFINITIONS & REQUIREMENTS

ADDITIONAL REQUIREMENTS FOR BRAND OWNERS REGARDING SELLING BEVERAGE PRODUCTS IN NEW BRUNSWICK

RECYCLE NB

Recycle NB is the agency responsible for overseeing waste management programs for materials specified in the New Brunswick *Designated Materials Regulation*. The Regulation mandates that all brand owners of designated materials must be registered with Recycle NB for each product stewardship recycling program they engage in. If your company has previously registered with Recycle NB for another program, you must register again specifically for beverage containers. You will receive a separate registration number from Recycle NB for each program you register for on their website. www.recyclenb.com

ALCOHOL BEVERAGES

The New Brunswick Liquor Corporation (operating as ANBL – Alcool NB Liquor) is responsible for purchasing, importing, distributing, and retailing all alcohol beverages in New Brunswick. Manufacturers can open their own on-site retail location with authority from ANBL. Convenience stores, grocery stores, and New Brunswick manufacturing sites can only sell products under an agency agreement with ANBL. Refer to ANBL's website for more information. www.anbl.com

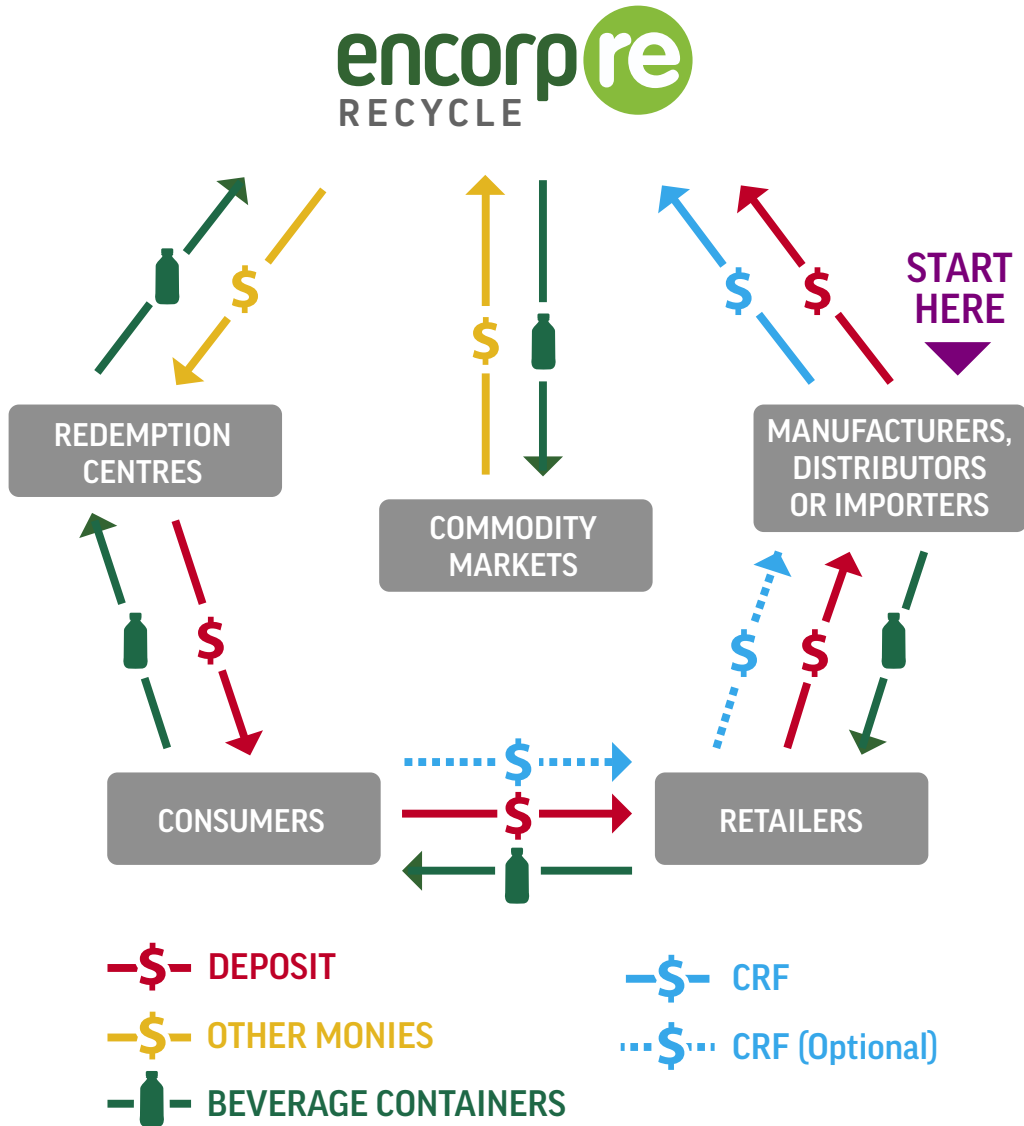
CANNABIS BEVERAGES

Cannabis NB, a New Brunswick Liquor Corporation subsidiary, is responsible for purchasing, importing, distributing, and retailing all recreational cannabis products in New Brunswick. New Brunswick cannabis producers can only sell their products to consumers at their growing and processing sites when authorized by Cannabis NB under the FarmGate Program. Refer to Cannabis NB's website for more information. cannabis-nb.com

HOW THE MONEY FLOWS

The chart below visually represents how funds and **non-alcohol beverage containers** will flow within the EPR Beverage Containers Program.

The arrows in the chart indicate the direction of payments for deposits and container recycling fees (CRFs) and the movement of non-alcohol beverage containers.

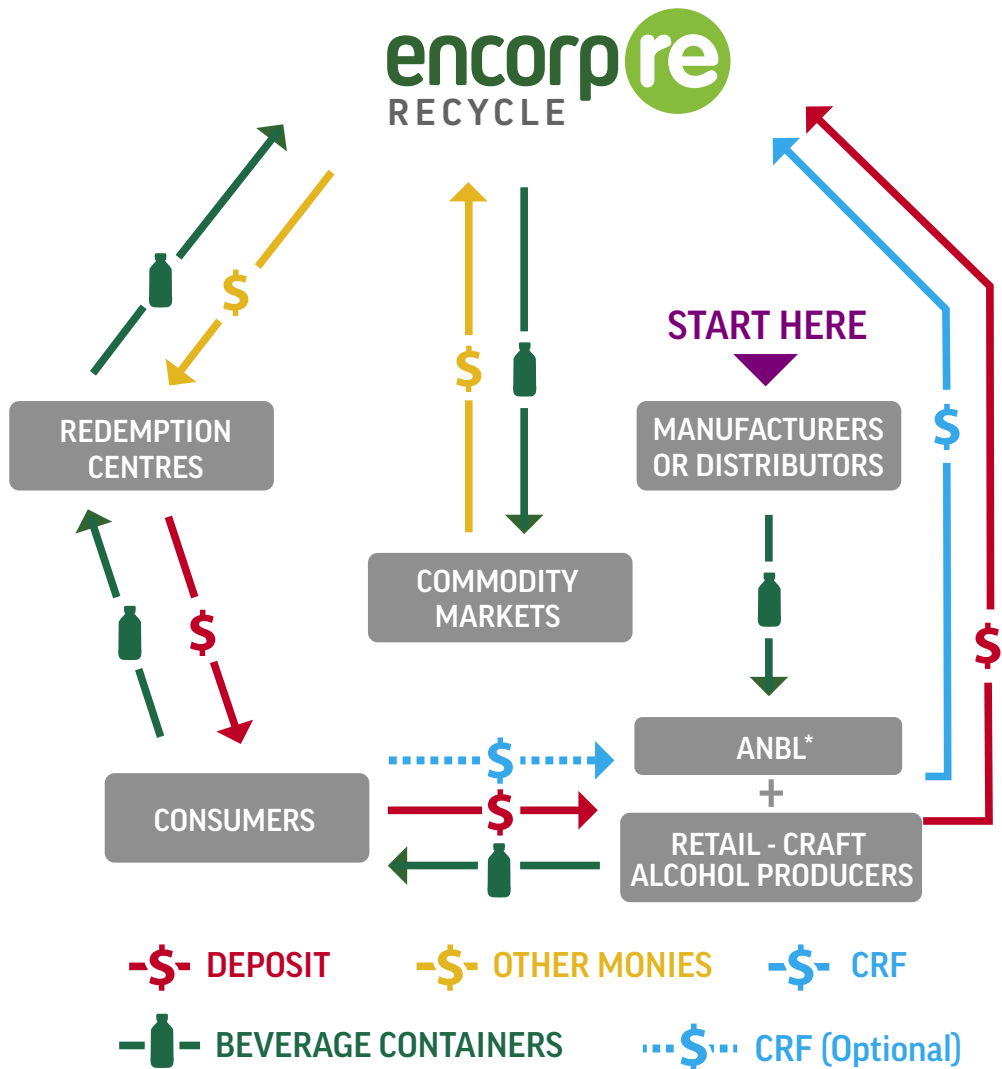


Note that while the cost of the CRF can be passed on to the consumers, the CRF cannot be presented by retailers as a separate line item that is part of the point-of-sale calculation on consumer receipts. Refer to the *Container Recycling Fees* section on page 12 for more information.

HOW THE MONEY FLOWS

The chart below visually represents how funds and **alcohol beverage containers** will flow within the EPR Beverage Containers Program.

The arrows in the chart indicate the direction of payments for deposits and container recycling fees (CRFs) and the movement of alcohol beverage containers.



*Alcohol NB Liquor (ANBL) is the sole importer of alcohol beverages into New Brunswick (unless alternative arrangements have been made between certain brand owners and ANBL).

Note that while the cost of the CRF can be passed on to the consumers, the CRF cannot be presented by retailers as a separate line item that is part of the point-of-sale calculation on consumer receipts. Refer to the *Container Recycling Fees* section on page 12 for more information.

DEPOSIT VALUES

The New Brunswick *Designated Materials Regulation* requires the deposit/refund structure for beverage containers to be as follows.

“On or after April 1, 2024, a retailer shall collect from a consumer, at the time of the sale of a beverage container, a deposit in the amount specified in the beverage containers stewardship plan, and that amount includes any applicable federal and provincial sales tax.”

NB Regulation 2008-54, section 50.961(1)

“The amount of the refund for an empty beverage container is equal to the amount of the deposit collected from a consumer for the beverage container.” NB Regulation 2008-54, section 50.961(2)

The deposit values on beverage containers will be as per the table below.

CONTAINER TYPE*	DEPOSIT EFFECTIVE APRIL 1, 2024
All container types except non-refillable glass alcohol containers over 500 ml	10 cents
Non-refillable glass alcohol containers over 500 ml	20 cents
Refillable glass (beer bottles)	10 cents

*Applies to all beverage containers up to a maximum of 5 L for products that fit the Regulation’s definition of “beverage.”

Since the deposit is charged to consumers separately from the price of beverage products and must be refunded in full to consumers when returning the empty container at designated UBC return facilities, it can and should be listed as a separate line item on consumer receipts.

Deposits can and should be listed separately on business-to-business (B2B) invoices.

Because deposits will be refunded in full to consumers, they will not be subject to New Brunswick’s Harmonized Sales Tax (HST).

CONTAINER RECYCLING FEES

A container recycling fee (CRF) mechanism will be established on container material types as needed, to cover the estimated net costs of handling, transportation, processing, and administration for used beverage containers (UBCs).

Encorp, as a not-for-profit organization, will regularly assess the expenses and income associated with each type of container to ensure that the appropriate fees are applied. The CRFs are expected to be adjusted in the following two scenarios.

- If increased UBC recovery rates result in fewer unredeemed deposits, if commodity prices drop, or if there are increased fees for handling, processing, or transportation, the CRF will be increased to cover these additional costs.
- If there are additional unredeemed deposits or reduced collection costs, the CRF will be lowered to prevent the accumulation of surpluses in the account specific to that container type. However, account surpluses of lower-performing container types will be used to promote awareness of those container types and increase their recovery rates.

The CRFs for each container type are provided in the table below.

CONTAINER TYPE*	CRF EFFECTIVE APRIL 1, 2024
Aluminum non-alcohol	1 cent
Aluminum alcohol	2 cents
PET/HDPE non-alcohol	3 cents
All other plastics (including alcohol PET/HDPE)	1 cent
All steel	8 cents
All cartons (polycoat containers + wine boxes)	0 cents
All non-refillable glass	11 cents

*Applies to all beverage containers up to a maximum of 5 L for products that fit the Regulation's definition of "beverage."

Note that Encorp reserves the right to adjust the CRFs if needed at any point in time in response to unanticipated market fluctuations. Any changes to the CRFs will be announced 90 days before they become effective.

CONTAINER RECYCLING FEES

Recovering Costs

The New Brunswick *Designated Materials Regulation* permits brand owners to recover the costs/fees related to their beverage container recycling program - meaning the CRFs charged by Encorp - at their sole discretion. However, these fees must be internalized - as stated below.

"Subject to subsection (2), on or after April 1, 2024, a brand owner or a retailer, on behalf of a brand owner, may recover from the consumer costs associated with implementing or operating a beverage containers stewardship plan or costs associated with supplying material under section 50.971." NB Regulation 2008-54, section 50.98(1)

"A brand owner or a retailer who recovers costs under subsection (1) shall integrate those costs

(a) into a total advertised sales price of a beverage container, and

(b) into the sales price of the beverage container on the receipt of sale."

NB Regulation 2008-54, section 50.98(2)

"A brand owner or a retailer is not prohibited from informing the public that the price of a beverage container includes costs recovered under subsection (1) and communicating those costs to the public." NB Regulation 2008-54, section 50.98(3)



As per the Regulation, while the presence of a CRF can be communicated to the public (for example, through means like shelf talkers or point-of-sale displays), the CRF cannot be presented by retailers as a separate line item that is part of the point-of-sale calculation (including the subtotal, HST, etc.) on consumer receipts. The only permissible "fee" retailers are allowed to display as a separate line item on consumer receipts is the fully refundable deposit on the beverage container.

Note that the requirement above for internalized fees does not extend to business-to-business (B2B) invoices.





CRFs will be subject to New Brunswick's Harmonized Sales Tax (HST), regardless of whether the beverage itself is taxable or non-taxable. HST will be calculated at 15% on top of the CRF amounts.

ACCEPTED MATERIALS

Brand owners must ensure that their containers for deposit-bearing beverage products sold in New Brunswick conform to the specified list of Encorp's accepted material types.

Accepted Container Material Types	Definition & Examples
Aluminum	<p>Definition: All deposit-bearing beverage products that are packaged in aluminum containers.</p> <p>Examples: Soft drink cans, iced tea/coffee beverages in cans, energy drink cans, juice cans, beer cans, alcohol beverages like ciders and coolers packaged in cans, etc.</p>
PET 	<p>Definition: All deposit-bearing beverage products packaged in plastic containers displaying the number 1 polyethylene terephthalate (PET or PETE) resin code. PET is a very popular type of plastic used for packaging beverages and can be transparent/translucent (either clear or coloured light green, light blue, etc.) or opaque/pigmented (usually white).</p> <p>Examples: Water bottles and jugs, juice bottles and jugs, small (under 2 L) and large (2 L) soft drink bottles, kombucha, cannabis beverages, nutrition/sports drinks like protein and electrolyte drinks, alcohol beverages like spirits (vodka, rum, gin, etc.) packaged in PET bottles, etc.</p>
HDPE 	<p>Definition: All deposit-bearing beverage products packaged in plastic containers displaying the number 2 high-density polyethylene (HDPE) resin code.</p> <p>Examples: Water jugs, juice bottles and jugs, bottles for drinkable yogurt or other beverages made with dairy (such as milkshakes, milk protein shakes and iced coffee), etc.</p>
Non-Refillable Glass (Green, Clear and Brown)	<p>Definition: All deposit-bearing beverage products packaged in glass containers not intended to be reused. Glass beverage containers are always either green, clear, or brown.</p> <p>Examples: Glass is most often used to package alcohol beverages, and typical examples include beer bottles, wine bottles, spirit bottles, etc. Glass is also sometimes used to make bottles for non-alcohol beverages like soda/soft drinks, iced tea/coffee, juice, kombucha, cannabis beverages, etc.</p>
Refillable Glass	<p>Definition: All beer products packaged in refillable glass industry-standard bottles (ISB) or refillable glass proprietary bottles. These bottles always feature a twist cap and are either brown, green or clear in colour.</p>
Cartons (Polycoat Containers & Wine Boxes)	<p>Definition: All deposit-bearing beverage products packaged in polycoat containers (aseptic or gable top) plus all box (cardboard) packaging used for deposit-bearing boxed wine (wine sold in a bag inside a box).</p> <p>Examples: Juice boxes, deposit-bearing plant-based milk product alternatives like almond, rice or oat milk packaged in polycoat containers, beverages made with dairy like eggnog and drinkable kefir packaged in polycoat containers, coconut water packaged in polycoat containers, cardboard boxes used for boxed wine packaging, etc.</p>

ACCEPTED MATERIALS

Accepted Container Material Types	Definition & Examples
<p>Steel</p>	<p>Definition: All deposit-bearing beverage products packaged in steel containers.</p> <p>Examples: Certain cans as well as mini-kegs used for beer, juice cans (ex.: vegetable, tomato and pineapple juice), etc.</p>
<p>Other Plastics / Pouches</p> <div style="display: flex; flex-wrap: wrap; justify-content: space-around; text-align: center;"> <div style="margin: 10px;">  5 PP </div> <div style="margin: 10px;">  6 PS </div> <div style="margin: 10px;">  7 OTHER </div> <div style="margin: 10px;">  4 LDPE </div> </div>	<p>Definition: All deposit-bearing beverage products packaged in plastic displaying the number 5 polypropylene (PP) symbol, number 6 polystyrene (PS) resin symbol, or number 7 (OTHER) resin symbol (meaning “other plastics,” such as acrylic, nylon, polycarbonate, and polylactic acid and multilayer combinations of different plastics). This material sort/category also includes all deposit-bearing beverage products packaged in low-density polyethylene plastic pouches (resin symbol 4 - LDPE).</p> <p>Examples: Juice jugs are often made with any of these types of plastics, little snack-size juice cups are made with PS, and juice pouches as well as wine bladder/pouches used in boxed wine are usually made with LDPE.</p>

STEPS TO COMPLIANCE

Follow these steps **ONLY** if you meet the definition of “*Who Should Register With Encorp*” provided on page 4

1 Complete and sign the Encorp Brand Owner Agreement

A *Brand Owner Agreement* and a *Brand Owner Contact Information Form* are available on Encorp’s website at encorpatl.ca/epr. Please complete the requested information and send both signed PDF documents to Encorp at epr-rep@encorpatl.ca before January 31, 2024. Encorp will return the executed copy of the *Brand Owner Agreement* for your records, enter all your company information into its database, and assign you an Encorp brand owner number for reporting purposes.

2 Register your beverage containers

Register each of your containers/brands for the sealed, ready-to-drink deposit-bearing beverage products that you sell in New Brunswick. You can do this by filling out Encorp’s *Beverage Product Registry Template* which can be downloaded via Encorp’s website at encorpatl.ca/epr. Submit the completed file to Encorp at epr-rep@encorpatl.ca at the same time as your *Brand Owner Agreement* - before January 31, 2024.

Once your beverage containers have been reviewed, you will receive a confirmation letter indicating that your containers have been approved.

Brand owners will be contacted by Encorp and asked to update their list of products by filling out the *Beverage Product Registry Template* on an annual basis. You will thus not be required to register new products individually between these yearly updates.

3 Report your sales and remit deposits and CRFs to Encorp

You must report the sales and remit the deposits and container recycling fees (CRFs) for the deposit-bearing beverage containers you sell in New Brunswick to Encorp*. A few weeks before April 1, 2024, Encorp will contact you, offering username and login details and training on accessing and using an online reporting system (*Brand Owner Portal*) for the EPR Beverage Containers Program.**

- You must report all sales of ready-to-drink deposit-bearing beverage products sold and shipped into the Province of New Brunswick, detailing the container types and quantities. Based on this information, our reporting system will automatically calculate the deposits and CRFs that you must remit.
- Reports submitted to Encorp must only include products sold in New Brunswick, for consumption in the Province.
- All sales of deposit-bearing beverage products registered with Encorp must be reported monthly. A zero report needs to be filed in case of no beverage container sales recorded in a reporting period. (Note that depending on annual volumes, some brand owners may be given less frequent reporting schedules from Encorp – i.e., quarterly, semi-annually or yearly. Encorp will evaluate your sales volume annually and advise if you qualify for a different reporting schedule.)
- Reports are due within 10 days of the end of each calendar month for the previous calendar month’s reporting period. Payments to Encorp must be made within 30 days of the end of each reporting period. Encorp accepts payments via electronic funds transfer (EFT) or cheque.

***Brand owners seeking to delegate the responsibility of reporting sales and remitting deposits and CRFs to Encorp through another brand owner, need to provide Encorp with a completed *Remittance Agreement*. You must contact Encorp at epr-rep@encorpatl.ca to obtain this document. The *Remittance Agreement* must be signed by both parties and submitted to Encorp for approval alongside the completed *Brand Owner Agreement*. Encorp will then review the submitted *Remittance Agreement*. If Encorp finds the arrangement acceptable, Encorp will also sign the agreement and return the executed document to both parties.**

****If your company is reporting sales to Encorp under the current Beverage Containers Program, please continue to do so using the same *Beverage Container Deposit Remittance Forms* available on our website for deposits owed up to and including March 31, 2024. Encorp’s new online reporting system (*Brand Owner Portal*) must only be used to report deposits and CRFs collected on or after April 1, 2024.**