



2024

ANNUAL REPORT

TRANSITION & FIRST YEAR OF
EXTENDED PRODUCER RESPONSIBILITY

AUGUST 2025

encorp^{re}
RECYCLE

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TERMINOLOGY

| | |
|--|--|
| ANBL | Alcool NB Liquor |
| BCP (or “Program”) | Beverage Containers Program |
| BCRNC | Beverage Container Recycling Network of Canada |
| brand owners | Beverage product manufacturers, distributors, owners/licensees of registered trademarks, retailers and any other entities required to register with Recycle NB as brand owners under the <i>Designated Materials Regulation (Clean Environment Act)</i> . These brand owners can designate Encorp as their agent/producer responsibility organization for New Brunswick’s Extended Producer Responsibility BCP in effect from April 1, 2024, onward. |
| CRF | container recycling fee |
| deposit | Refundable amount charged on top of the price of a beverage product at point-of-purchase (retail) as an incentive for consumers to return the empty container for recycling at designated return facilities, known as “redemption centres”. The <i>Designated Materials Regulation</i> requires that retailers collect a deposit from consumers at the time of sale, in the amount specified in the Beverage Containers Stewardship Plan and that the refund for an empty beverage container must equal the deposit amount originally collected. |
| deposit-bearing beverage containers | Sealed containers 5 L or less for ready-to-drink beverage products subject to a deposit in New Brunswick. Note that the official definition of “beverage” in the <i>Designated Materials Regulation</i> excludes the following beverages: <i>milk, plant-based milk product alternatives that are fortified and a source of protein, unprocessed apple cider, concentrated drinks, infant formula, meal replacements and formulated liquid diets</i> . |
| ELG (or “the Department”) | New Brunswick Department of Environment and Local Government |
| Encorp | Encorp Atlantic/Encorp Atlantique, a non-profit producer responsibility organization created in 2023 in response to amendments to the <i>Designated Materials Regulation</i> . |
| Encorp Atlantic Inc. | Corporation representing non-alcohol beverage product distributors created in 1992 in response to the <i>Beverage Containers Act</i> and dissolved in 2023. |

TERMINOLOGY

| | | |
|-------------------|-------|---|
| EPR | ..... | Extended Producer Responsibility |
| NB | ..... | New Brunswick |
| NPO | ..... | non-profit organization |
| POS | ..... | point-of-sale |
| PRO | ..... | producer responsibility organization |
| QA/QC | ..... | quality assurance/quality control |
| RC | ..... | redemption centre |
| Regulation | ..... | <i>Designated Materials Regulation</i> under the <i>Clean Environment Act</i> , the piece of legislation responsible for the EPR BCP (as of April 1, 2024) and all other EPR programs in New Brunswick. |
| RFP | ..... | Request for Proposal |
| RNB | ..... | Recycle NB |
| RSC | ..... | Regional Service Commission |
| UBC | ..... | used beverage container (whenever mentioned in this document, all UBCs are assumed to be deposit-bearing). |

EXECUTIVE SUMMARY

MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

The past year has been a pivotal one for the New Brunswick Beverage Containers Program (BCP), marking a major step forward in the evolution of a more unified, efficient, and environmentally driven system. This progress would not have been possible without the strong collaboration and support of our key partners.

I would first like to acknowledge the leadership of the Government of New Brunswick, particularly the Department of Environment and Local Government (ELG). Their vision and commitment to shifting the BCP to an Extended Producer Responsibility (EPR) model have been essential to the improvements New Brunswickers are already experiencing. As beverage containers join the province's growing list of designated materials under the *Clean Environment Act*, this shift will strive to ensure a lasting focus on environmental performance grounded in industry leadership and accountability.

This transformation has been powered by the collective efforts of many stakeholders. From redemption centre (RC) operators and service providers to beverage brand owners and retailers, the collaboration, alignment, and cooperation with this transition have been instrumental in moving the needle forward.

I also want to express my sincere appreciation to Alcool NB Liquor (ANBL) for their collaborative spirit and adaptability throughout the transition to a single-agent model for all beverage container brand owners. Their partnership was key to ensuring a smooth and successful implementation.

We are equally grateful for the continued cooperation and support of Recycle NB (RNB). Their guidance and perspective throughout our start-up and filing of our first stewardship plan has helped keep our goals aligned with broader provincial recycling and sustainability objectives.

The passion, dedication, and leadership demonstrated by Encorp Atlantic/Encorp Atlantique ("Encorp") management and staff have been key to our early success. On behalf of the board and all stakeholders, I would like to express our sincere appreciation to the Encorp team.

I am proud of what we have accomplished together and optimistic about the path ahead. Encorp is well-positioned to continue advancing beverage container recycling with integrity, transparency, accountability, and a commitment to environmental stewardship – principles we share with all our partners.

We count on the dedication and support of all stakeholders to build an even stronger and more sustainable recycling system for New Brunswickers in 2025 and beyond.

Neil Antymis

Encorp Atlantic Chairperson



EXECUTIVE SUMMARY

MESSAGE FROM THE CEO

2024 was a year of immense change and progress towards the modernization of the New Brunswick BCP with a focus on environmental performance.

On April 1, the BCP fully transitioned to EPR, a landmark achievement introducing full refunds on beverage container deposits for consumers and container recycling fees (CRFs) for industry – unfamiliar concepts when the Program began in 1992.

These systemic changes, driven by regulatory requirements and consumer demands, reflect the beverage industry's evolving approach to environmental responsibility. The past year has underscored the need for continuous improvements in managing deposit-bearing beverage containers across the province.

Encorp's key achievements included finalizing the integration of operations to manage all container types under a single producer responsibility organization (PRO) and signing a historic seven-year agreement with RCs – the facilities where consumers can return used beverage containers (UBCs) for recycling and deposit refunds. This agreement increased service fees paid by Encorp to all RCs and introduced an annual presence fee payment to support those with lower volumes. It also laid the groundwork for future technologies aimed at improving consumer convenience and set minimum operating hours to ensure better access.

Additionally, Encorp completed the rollout of its point-of-sale (POS) system in all RCs to improve the transparency of UBC redemption transactions and enable better tracking and logistics management for day-to-day operations. These milestones set the stage for continued innovation and success in the years ahead.

As we navigate through these structural changes, there is a renewed commitment to enhancing UBC recovery rates and overall environmental performance. Improving access and convenience to UBC recycling for New Brunswickers will be the cornerstone for Encorp moving forward, reflecting our guiding principles and mission.

Education is a key part of our environmental responsibilities. I'm particularly proud of the growth of our newest outreach program – *Recycling Heroes in School* – whose expansion was a priority in 2024. With the objective to onboard as many schools as possible over the coming years, our school program is part of our long-term strategy to inspire lifelong recycling habits among future generations.

I'm grateful to our dedicated stakeholders committed to building a better future for recycling, including the New Brunswick government (ELG), RNB, the beverage industry, and RC owners. Witnessing this collaborative progress has been a privilege for the Encorp team. The dedication and hard work of Encorp's staff, as well as our partners, are a testament to the power of both individual and collective contributions.

Pierre Landry

Encorp Atlantic President & CEO

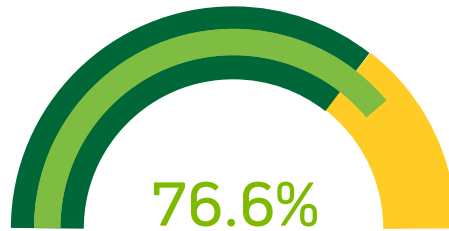


EXECUTIVE SUMMARY

2024 AT-A-GLANCE

TOTAL UBC RECOVERY RATE FOR 2024

Percentage of UBCs recovered by units
(sales vs. UBCs collected)



76.6%

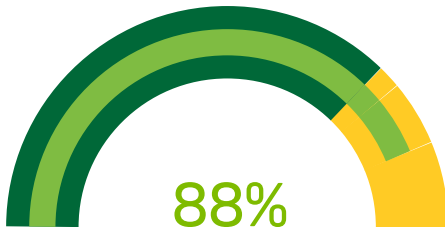
Target set in Stewardship Plan: 73%

| | Aluminum | PET (Non-Alcohol) & HDPE Translucent | PET (Alcohol) | Non-Refillable Glass | Refillable Glass | Cartons | Steel | Plastics (Other) / Pouches |
|--------------------------------|----------|--------------------------------------|---------------|----------------------|------------------|---------|-------|----------------------------|
| 2024 Recovery Rate (by Units) | 82.6% | 71.4% | 59.0% | 85.2% | 103.2% | 35.0% | 55.6% | 72.5% |
| Target Set in Stewardship Plan | 78% | 70% | 64% | 81% | 85% | 32% | 54% | 34% |

| | Packaging (Boxes) for Refillable Glass |
|-------------------------------------|--|
| 2024 Recovery Rate (by Weight - kg) | 85% |
| Target Set in Stewardship Plan | 75% |

CONSUMER AWARENESS OF BEVERAGE CONTAINERS PROGRAM

Awareness of both deposit on beverage products and ability to receive deposit refund when returning empty container for recycling at RCs.



88%

Target set in Stewardship Plan: 75%

RECYCLING HEROES IN SCHOOL PROGRAM

82 schools enrolled
935,500 UBCs returned to RCs by participating schools throughout 2024 (approx.)



UBC COLLECTION NETWORK



RCs in collection network

EXECUTIVE SUMMARY

TOTAL WEIGHT OF MATERIALS RECOVERED IN 2024

Total weight of all materials (UBCs + packaging for refillable glass beer bottles) recovered.

15,324,694 kg



INCREASED INCENTIVE FOR CONSUMERS TO RECYCLE

Since April 1, 2024, consumers get full refunds (instead of half refunds) on beverage container deposits when containers are returned for recycling at RCs across the province.



BEVERAGE INDUSTRY

253 Brand owners with Encorp as their designated agent/PRO for the EPR Program.



EXECUTIVE SUMMARY

2024 TIMELINE

JANUARY

Encorp holds an information webinar for beverage industry members on upcoming changes/EPR Program.

Encorp issues communications to beverage industry members requesting that they sign a *Brand Owner Agreement* with Encorp prior to the April 1, 2024, start date of the EPR Program.

Negotiations begin between Encorp and RC operators concerning establishing a *Redemption Centre Service Agreement*.

Encorp and brewers (Beer Canada members) finalize an agreement to manage refillable beer containers under EPR.

FEBRUARY

RNB gives final approval to Encorp's Stewardship Plan on February 2, 2024.

MARCH

Encorp holds regional strategic engagement meetings with RCs regarding the *Redemption Centre Service Agreement*.

Encorp issues communication packages to RCs with a new Sort List, updated operational and logistics information, and new consumer education materials (posters, handouts, etc.) in preparation for the April start of the new EPR Program

Encorp issues a *Retail Promotions Toolkit*, providing display information on the introduction of full refunds on deposits when returning UBCs for recycling in preparation for the April start of the new EPR Program.

START OF EPR PROGRAM

APRIL

EPR Program officially begins April 1, 2024, under the *Designated Materials Regulation 2008-54 (Clean Environment Act)*.

Encorp reduces all beverage container deposits to 10 cents (with the exception of glass containers for alcohol beverages over 500ml, which remain at 20 cents) and launches full refunds for consumers on beverage container deposits.

Encorp launches "Recycling Matters. Full Refunds Add Up" ad campaign.

Encorp introduces CRFs by container material type for beverage product brand owners and launches a *Brand Owner Portal* for them to use to report sales of deposit-bearing containers and remit deposits and CRFs.

Encorp awards *Recycling Hero Community Cleanup Grants* to 30 recipients (schools/community groups).

Encorp hosts an EPR Program Launch Celebration Event on April 22 (Earth Day).

Encorp participates in a collaborative consumer education marketing campaign focused on plastic recycling with the Beverage Container Recycling Network of Canada (BCRNC) – which launches on April 22 (Earth Day).

MAY

Encorp collaborates with MBS Radio to provide beverage container recycling at sponsored community events throughout the summer months.

EXECUTIVE SUMMARY

JUNE

First year of Encorp's *Recycling Heroes in School* program ends and prizes are awarded to the five top-performing schools.

Encorp issues a Request for Proposal (RFP) in Rogersville and surrounding area searching for new RC services.

Encorp's Annual General Meeting is held in Moncton.

Encorp initiates the first in a series of strategy planning sessions with its Board of Directors regarding the future/modernization of the BCP.

JULY

RC operators sign *Redemption Centre Service Agreements* with Encorp.

Encorp issues an RFP in Saint-Louis-de-Kent and surrounding area searching for new RC services.

Designated Materials Regulation is updated to version 2024-37 with the provision that all PROs must submit new stewardship plans by June 30, 2025 to take effect January 1, 2026.

AUGUST

Encorp signs partnership agreement regarding promotions and collaborations for its *Recycling Heroes in School* program for the 2024-2025 school year with The Gaia Project.

SEPTEMBER

Second year of Encorp's *Recycling Heroes in School* program begins.

New RC, *Centre de Recyclage COOP*, opens in Rogersville.

Encorp launches "Saturday Is Recycling Day In NB" ad campaign.

OCTOBER

Encorp publishes *Annual Report 2023: Path Forward, Towards Extended Producer Responsibility*, detailing the 2023 transition year to EPR.

New RC, *Recyclage Beaurivage Recycling*, opens in Saint-Louis-de-Kent.

Encorp issues communications to brand owners regarding new CRF rates coming into effect on April 1, 2025.

Encorp finalizes *EnSys-Connex* POS system installations in all RCs.

NOVEMBER

Encorp holds a second strategy planning session with its Board of Directors regarding the future/modernization of the BCP.

DECEMBER

Encorp submits its *2025 Communications Plan* to RNB.

GOVERNANCE

MEMBER ASSOCIATIONS

Located in Moncton, NB, Encorp is a federally incorporated, non-profit product stewardship association. The following organizations form Encorp and are its governing members.

- BEER CANADA;
- CANADIAN BEVERAGE ASSOCIATION;
- CRAFT ALCOHOL NB;
- RETAIL COUNCIL OF CANADA;
- SPIRITS CANADA; AND
- WINE GROWERS CANADA.

BOARD OF DIRECTORS

Throughout 2024, Encorp's Board of Directors included the following individuals nominated by its member associations.

Neil Antymis – *Chairperson*
(Canadian Beverage Association)

Emma Breen
(Beer Canada)

Lloyd Chambers
(Craft Alcohol NB)

Jim Cormier
(Retail Council of Canada)

Jennifer Kerr
(Canadian Beverage Association)

Doug Mander
(Beer Canada)

Caroline Lavoie (January-March 2024)
(Wine Growers Canada)

Caroline Henderson (June 2024+)
(Wine Growers Canada)

Gerald MacCallum
(Canadian Beverage Association)

Marion Organ
(Canadian Beverage Association)

Lorena Patterson (February-June 2024),
(Spirits Canada)

Cal Bricker (June 2024+)
(Spirits Canada)

PROGRAM SCOPE

PRODUCER RESPONSIBILITY

Producer responsibility is a regulatory approach that holds producers accountable for managing the lifecycle of their products, including post-consumer waste.

In New Brunswick, product recycling/waste management EPR programs are governed by the *Designated Materials Regulation* (the "Regulation"), with RNB acting as an arm's-length government agency overseeing and ensuring compliance with regulatory requirements.

In 2024, the BCP completed its transition to an EPR model. The gradual transition to EPR had begun a year earlier, following March 2023 amendments to the Regulation that added beverage containers to the list of designated materials, with an April 1, 2024, start date for the new EPR Program.

Encorp, established on January 1, 2023, serves as a PRO that beverage product brand owners can appoint to manage the recycling of their beverage containers and meet other EPR regulatory obligations in New Brunswick.

The complete list of brand owners who signed *Brand Owner Agreements* with Encorp and assigned Encorp as their PRO for the EPR Program in 2024 can be found in Appendix A.

STEWARDSHIP PLAN (APRIL 1, 2024 – DECEMBER 31, 2028)

Encorp's *Stewardship Plan – New Brunswick Beverage Containers Program*, submitted to RNB for August 1, 2023, was finalized on January 30, 2024. After initial submission, the Stewardship Plan had been refined and vetted through a review process with RNB to ensure alignment with the Regulation and RNB's requirements.

The finalized/approved Stewardship Plan can be accessed on [RNB's website](#), with a link also available on [Encorp's website](#).

PRODUCTS COVERED

The Regulation mandates that all ready-to-drink beverages in sealed containers (up to a maximum of 5 L) sold in NB must have a deposit paid by consumers at the point of purchase. Containers not meeting the Regulation's definition of "beverage" are exempt from deposits. Details about which types of beverage products are deposit-bearing are available on [Encorp's website](#).

Consumers are encouraged to return all empty deposit-bearing beverage containers to designated UBC return facilities to receive their deposit refund. Containers must be in acceptable condition for reuse or recycling. Instructions/tips regarding this are also provided to consumers on [Encorp's website](#).

As detailed in its Stewardship Plan, Encorp is responsible for managing the lifecycle of all deposit-bearing beverage containers, including coordinating with UBC return facilities, refunding deposits paid by return facilities to consumers, and ensuring returned containers are processed for reuse or recycling.

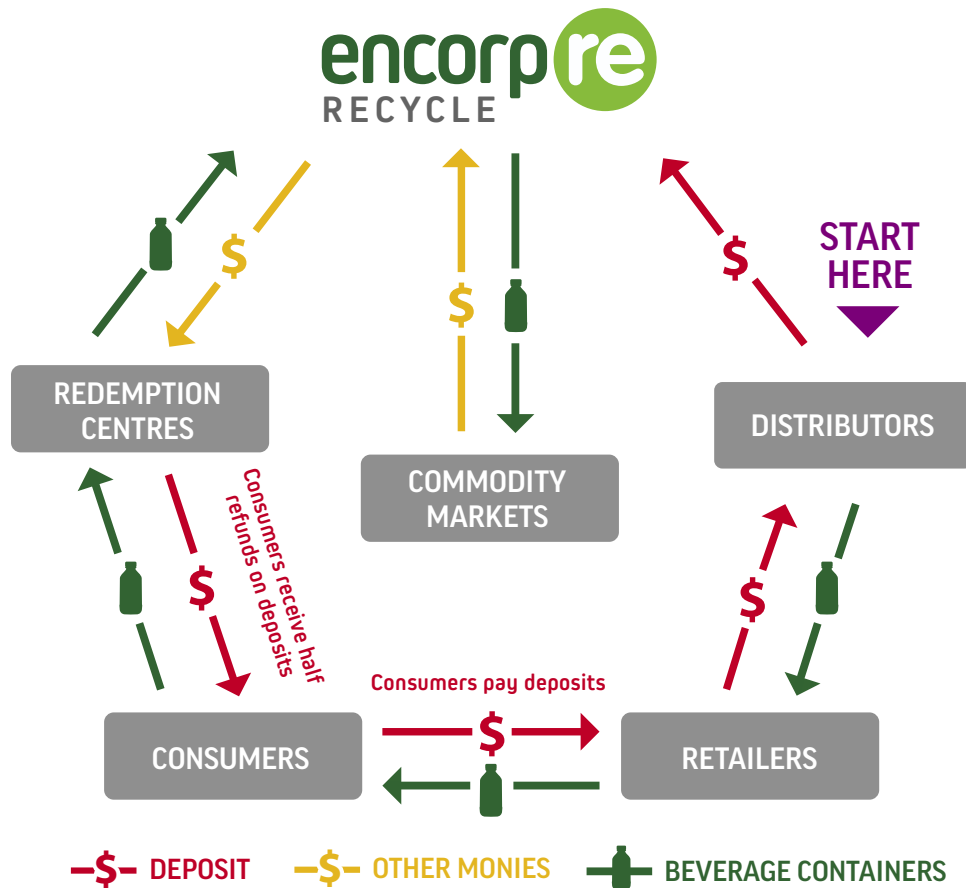
More details on how UBCs were collected and processed in 2024, including recovery data, can be found under the *UBC Collection, Transportation & Processing* section. The *Environmental Impact* section provides details on how these materials were recycled.

PROGRAM SCOPE

HOW THE MONEY FLOWS

JANUARY 1-MARCH 31, 2024
(BEFORE EPR: HALF-REFUNDS ON BEVERAGE CONTAINER DEPOSITS AND NO CRF)

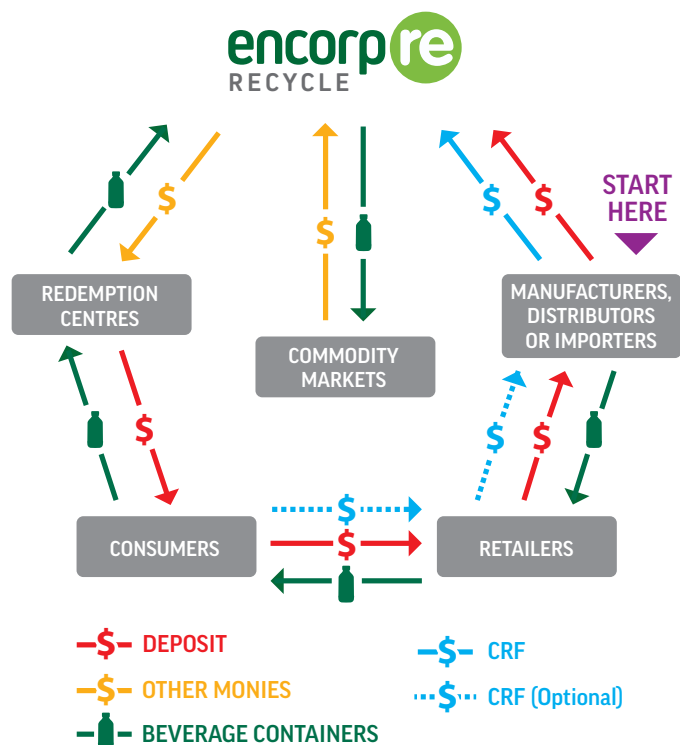
ALCOHOL AND NON-ALCOHOL BEVERAGE CONTAINER STREAMS



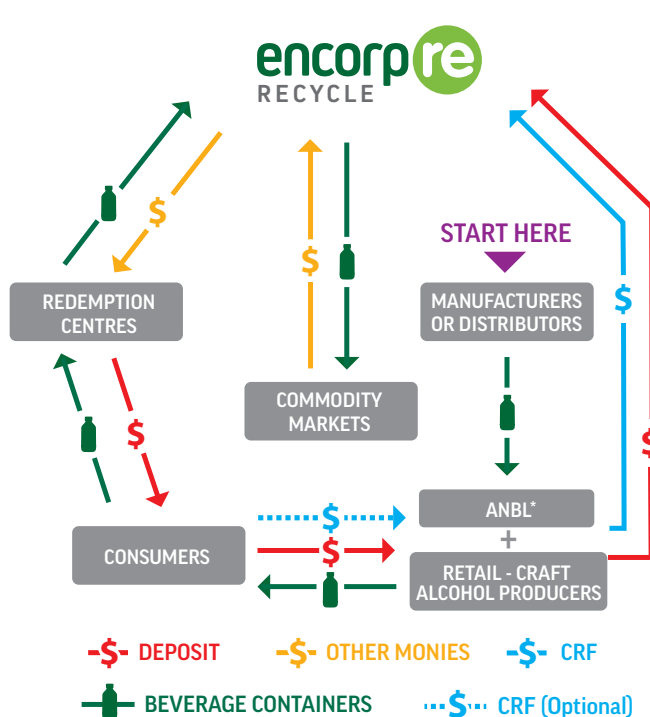
PROGRAM SCOPE

AS OF APRIL 1, 2024
(EPR PROGRAM: CRF + FULL REFUNDS ON BEVERAGE CONTAINER DEPOSITS)

NON-ALCOHOL BEVERAGE CONTAINER STREAM



ALCOHOL BEVERAGE CONTAINER STREAM



DEPOSIT AMOUNTS

Since the BCP's launch in 1992, deposits on eligible beverage containers have been displayed as a separate fee on consumer receipts. Previously, deposit values were set by ELG. Under EPR, Encorp, as the Program's PRO, now determines deposit values through its Stewardship Plan. On April 1, 2024, Encorp simplified the deposit structure inherited from ELG, setting all container types at 10 cents, except large glass containers over 500 ml for alcohol beverages (e.g., wine and spirits), which remained at 20 cents. Deposits also became fully refundable to consumers when returning empty containers for recycling at designated UBC return facilities.

| Container Type* | Deposit (In Effect Since 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 5 L and under for products that fit the Regulation's definition of "beverage".

PROGRAM SCOPE

CONTAINER RECYCLING FEE (CRF) RATES

Introduced on April 1, 2024, under EPR, CRFs cover the estimated net costs of recycling beverage containers after accounting for unredeemed deposits and revenue from materials sold. Encorp, as an NPO and the Program's designated PRO, sets CRFs annually by material types to ensure the costs of administration, collection, transportation, and recycling are covered efficiently, and each material stream pays its fair share.

CRFs are adjusted by Encorp based on financial performance/Program operational budgets taking into account UBC recovery rate forecasts, commodity markets, operating costs, capital costs, etc.

- Increases may occur if recovery rates rise (reducing unredeemed deposits), commodity prices fall, or handling and processing costs increase.
- Decreases may occur if unredeemed deposits increase or costs drop, preventing unnecessary surpluses. Surpluses for lower-performing container types may be used to promote their recovery.

| Container Type* | CRF (April 1, 2024 - March 31, 2025) |
|---|--------------------------------------|
| 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/bag-in-box) | 0 cents |
| All non-refillable glass | 11 cents |

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

Encorp charges CRFs directly to brand owners. The [Regulation](#) mandates that they be incorporated into the total sale prices of the applicable beverage products for consumers if recovering these costs at retail.

UBC COLLECTION, TRANSPORTATION & PROCESSING

UBC RETURN FACILITIES: REDEMPTION CENTRES

RCs are key service providers to Encorp, providing locations for consumers to return deposit-bearing UBCs and receive deposit refunds. Encorp pays RC operators service fees for counting, sorting, storing and preparing UBCs for shipment, and reimburses them the deposit refunds given to consumers. Electronic payments are made via *EnSys*, Encorp's proprietary information management system.

[A handy map locator on Encorp's website](#) indicates RC locations and hours of operation for consumers. A detailed list of RCs among Encorp's collection network is also available in Appendix B.

CURBSIDE RECYCLING: REGIONAL SERVICE COMMISSIONS/CIRCULAR MATERIALS

Since November 1, 2023, New Brunswick's EPR Packaging and Paper Products (PPP) Program, led by its designated PRO, Circular Materials, has been gradually rolling out in phases to support curbside recycling across the province. Although no deposit refunds are offered on UBCs placed at curbside, it is essential for Encorp to track these deposit-bearing beverage containers under EPR and to collaborate with Circular Materials to facilitate proper recovery. Discussions between the two PROs throughout 2024 focused on coming to an agreement on the management of the reporting and recovery of deposit-bearing beverage containers collected through curbside recycling.

In the past, Encorp had collaborated with Regional Service Commissions (RSCs) which had sorting capabilities for recyclables. Deposit-bearing beverage containers could subsequently be recovered and credited to the appropriate authority.

UBC COLLECTION, TRANSPORTATION & PROCESSING

LOGISTICS: COLLECTION, TRANSPORTATION & PROCESSING

Throughout 2024, Encorp used service providers to collect UBCs from RCs and transport them to facilities for further processing and shipment to end markets.

- **Non-refillable UBCs:** Hebert's Recycling in Miramichi, NB, handled the transportation, storage, processing, and quality assurance/quality control (QA/QC) of all UBC material types except glass. Glass was handled by Rayan Environmental Solutions in Moncton, NB. Before the start of the EPR Program in April, Encorp was already responsible for managing all non-refillable UBCs in the province and had five year-contracts in place with these two service providers, which continued post EPR implementation.
- **Refillable UBCs:** With the addition of refillables to its UBC recovery responsibilities as of April 1, 2024, Encorp worked with G. M. Rioux (Grand Falls, NB), O. C. Maillet Transport (Bouctouche, NB), and Armour Transportation Systems (Moncton, NB) to handle the unique transportation, storage, and processing needs of refillable glass beer bottles, which are reused by brewers. Through its *Brand Owner Agreements* with Beer Canada member brewers that use refillable containers, Encorp serves as the PRO and oversees the administration of refillable glass beer containers. The collection, transportation, and processing of these containers remain independently managed by the brewers through a coordinated effort led by Labatt Breweries of Canada, Molson Coors Canada, and Moosehead Breweries.

Furthermore, Encorp strives to maintain accuracy and integrity within the UBC collection system through third-party audits and QA/QC procedures. These are designed to minimize revenue losses and encourage reliable reporting. Hebert's Recycling in Miramichi, NB and Rayan Environmental Solutions in Moncton, NB, were responsible for conducting recounts of bulk bags/tubs received from RCs as part of Encorp's QA/QC program. Encorp also collaborated with Atlantic Statistical Analysis Inc. to uphold the precision of its QA/QC sampling and blind recounts model.

The complete list of contracted service providers Encorp worked with in 2024 can be found in Appendix C.

OPPORTUNITIES & INNOVATION: IMPLEMENTATION OF EPR PROGRAM ON APRIL 1, 2024

Encorp's Operations and Logistics team was busy throughout 2024 preparing for and implementing the April 1 transition to EPR. This included the shift to full refunds on beverage container deposits.

Following the introduction of full refunds on beverage container deposits, April, May, and June 2024 saw higher-than-average UBC returns at RCs, resulting in logistical challenges in collection and processing.

These high UBC redemption levels gradually declined as the year progressed, but the Program still ended the year with a UBC recovery rate of 76.6%, an improvement over the 73.4% recovery rate in 2023, indicating that the increased refund positively impacted consumer UBC recycling habits. The *UBC Recovery Data* section presents detailed data on UBC recovery in 2024.

UBC COLLECTION, TRANSPORTATION & PROCESSING

REDEMPTION CENTRE AGREEMENT

Since Encorp intended to continue working with RCs as the designated UBC return facilities for the public, the transition to EPR warranted establishing an official framework for ongoing collaboration. Following feedback and negotiations in the winter and early spring months surrounding the April transition, Encorp finalized and signed a *Redemption Centre Service Agreement* with 67 RCs in the province in July 2024. This historic Agreement with RCs marked a significant milestone in the 30+ year history of the BCP and reflected a shared commitment to improvements under the new EPR program model.

Some of the key points of this Agreement are:

- **7-year Agreement:** This long-term Agreement aims to ensure stability and continuity for RCs, the public and Encorp, allowing for better planning and investment in infrastructure and services.
- **Presence fee for RCs with volumes less than 3M units:** RCs with lower volumes receive a presence fee to help smaller/rural RCs remain operational and financially viable.
- **Right of first refusal to RCs for new locations:** Existing RCs have the opportunity to expand their services by being the first to be offered new UBC return locations should Encorp wish to expand its network of collection locations to fill any identified service gaps, promoting growth and increased accessibility for consumers.
- **Increase in service fee:** The service fee paid to RCs by Encorp per container/unit increased by 4% (from \$0.05176 to \$0.05383), making it amongst the highest fees paid to beverage container collection depots in Canada.
- **Reduced material sorts:** The Agreement includes a reduced material Sort List (available in Appendix E), which simplified the sorting process for RCs, making it easier for their staff to manage the collection, sorting, counting and shipment of UBCs for Encorp.
- **Increased hours for consumer convenience:** Minimum hours of operation for RCs are set in the Agreement, including a requirement to be open at least 6 hours to the public on Saturdays year-round for increased consumer convenience in returning UBCs.
- **POS system:** The Agreement requires RCs who have not yet installed Encorp's *EnSys-Connex* POS system to do so, as this is how Encorp is able to track all UBC redemption transactions.

Throughout the process, some RC operators retired or decided to close their business. Encorp held RFP processes in two regions with closures affecting access to recycling services (Rogersville and Saint-Louis-de-Kent), which resulted in the opening of two new RCs in the early fall.

- [*Centre de recyclage COOP \(Rogersville, NB\)*](#)
- [*Recyclage Beaurivage Recycling \(Saint-Louis-de-Kent, NB\)*](#)

Both the *Centre de recyclage COOP* and the *Recyclage Beaurivage Recycling* new RCs provide residents with access to UBC recycling, offering convenient locations and hours to serve their communities. Furthermore, the new *Centre de recyclage COOP* marked the first-ever retail RC service Agreement between Encorp and a retailer, the Rogersville Co-op, bringing UBC return/redemption services closer to where consumers shop and purchase beverages – a model which could serve as a blueprint for future modernization efforts.

One RC (*Hillsborough Recycling Depot*, Hillsborough, NB) switched ownership at the end of 2024. The new owner opened his RC (*Hillsborough Bottle Depot*) in December 2024 within an existing multi-service retail space that includes a gas station, market and hardware store. This setup allows area residents to conveniently return UBCs while running errands at this popular spot.

UBC COLLECTION, TRANSPORTATION & PROCESSING

TECHNOLOGY IMPROVEMENTS AT REDEMPTION CENTRES

Encorp's predecessor, Encorp Atlantic Inc., had long leveraged technology during its more than 30 years of existence to optimize operations, from RC collections to shipments to end markets. In 2022, *EnSys-Connex*, a purpose-built POS system for RCs, was added as the last mile of this logistics chain.

EnSys-Connex equips RCs with tools like cash registers, counting stations, and inventory/shipping management to streamline operations. It processes all UBC redemption transactions, supports the counting and sorting for walk-in and pre-count customers, and aims to improve the customer UBC return/redemption experience with smoother, transparent transactions. Use of the *EnSys-Connex* POS became mandatory for RCs under Encorp's 2024 *Redemption Centre Service Agreement*. Installation was completed in all remaining RCs that had not yet been using the POS by October 2024. *EnSys-Connex* hardware, software, updates, and support are provided at no cost to RCs.

Furthermore, Encorp knows that increasing consumer access and convenience is critical to meeting environmental performance targets. Therefore, the IT team spent time in 2024 exploring self-serve bag drop technology that could achieve these objectives and help control costs associated with improving the consumer UBC return/redemption process.

REFILLABLES ADDED TO ENCORP'S RESPONSIBILITIES UNDER EPR

The introduction of EPR meant that a single PRO would now be responsible for all UBC streams, including refillables, which had not been under Encorp's responsibility prior to April 2024. Encorp collaborated with the existing brewer-led collection system to ensure refillable beer bottles – both industry standard and proprietary – would continue to be separated from the other container streams and sent to appropriate facilities for reuse after April 1, 2024. Refer to Appendix A for more details.

UBC RECOVERY DATA*

RECOVERY PROVINCE-WIDE

| January 1, 2024 - December 31, 2024 | | Units | | | |
|---|-------------------------|--------------------|--------------------|---------------|---------------------------|
| Materials Sort List | Product Mix (Recovered) | Sales | Recovered | Recovery Rate | Target (Stewardship Plan) |
| Aluminum | 59.3% | 258,133,214 | 213,281,907 | 82.6% | 78% |
| PET (Non-Alcohol) & HDPE Translucent, Including Lids/Caps | 31.2% | 157,301,534 | 112,381,636 | 71.4% | 70% |
| PET (Alcohol), Including Lids/Caps | 0.7% | 4,319,331 | 2,547,303 | 59.0% | 64% |
| Non-Refillable Glass (Green, Clear and Brown) | 4.0% | 17,109,369 | 14,585,319 | 85.2% | 81% |
| Refillable Glass (Beer) | 1.7% | 6,000,504 | 6,192,528 | 103.2% | 85% |
| Cartons (Polycoat Containers & Wine Boxes), Including Lids/Caps | 2.2% | 22,667,348 | 7,936,560 | 35.0% | 32% |
| Steel | 0.1% | 873,275 | 485,379 | 55.6% | 54% |
| Plastics (Other)/Pouches, Including Lids/Caps | 0.7% | 3,597,578 | 2,606,601 | 72.5% | 34% |
| Total | 99.9% | 470,002,153 | 360,017,233 | 76.6% | 73% |
| January 1, 2024 - December 31, 2024 | | | | | |
| Packaging (Boxes) for Refillable Glass | 0.1% | 499,694 | 515,690 | 103.2% | 75% |
| Total | 100% | | | | |

| January 1, 2024 - December 31, 2024 | | Weight (Kilograms) | | | |
|---|-------------------------|--------------------------------|-------------------------------------|-----------------------|---------------------------|
| Materials Sort List | Product Mix (Recovered) | Approx. Weight Containers Sold | Approx. Weight Containers Recovered | Approx. Recovery Rate | Target (Stewardship Plan) |
| Aluminum | 59.3% | 3,549,174 | 2,893,766 | 81.5% | 78% |
| PET (Non-Alcohol) & HDPE Translucent, Including Lids/Caps | 31.2% | 3,725,889 | 2,592,500 | 69.6% | 70% |
| PET (Alcohol), Including Lids/Caps | 0.7% | 143,322 | 82,932 | 57.9% | 64% |
| Non-Refillable Glass (Green, Clear and Brown) | 4.0% | 9,700,849 | 8,269,737 | 85.2% | 81% |
| Refillable Glass (Beer) | 1.7% | 1,020,086 | 1,052,730 | 103.2% | 85% |
| Cartons (Polycoat Containers & Wine Boxes), Including Lids/Caps | 2.2% | 720,010 | 239,557 | 33.3% | 32% |
| Steel | 0.1% | 58,770 | 32,677 | 55.6% | 54% |
| Plastics (Other)/Pouches, Including Lids/Caps | 0.7% | 119,373 | 84,862 | 71.0% | 34% |
| Total | 99.9% | 19,037,473 | 15,248,761 | 80.1% | 77% |
| January 1, 2024 - December 31, 2024 | | | | | |
| Packaging (Boxes) for Refillable Glass | 0.1% | 89,334 | 75,934 | 85.0% | 75% |
| Total | 100% | | | | |

* Note that the data presented throughout the UBC Recovery Data section also includes estimated data for UBCs recovered from curbside recycling, based on statistical sampling.

UBC RECOVERY DATA*

RECOVERY BY REGION

January 1, 2024 - December 31, 2024

| Regional Service Commission (RSC) | RSC# | Population by Region* | Container Sales by Region*** | Containers Recovered by Region | Recovery Rates by Region | Average Recovery Per Capita | Market Share by Region |
|-----------------------------------|------|-----------------------|------------------------------|--------------------------------|--------------------------|-----------------------------|------------------------|
| Northwest | 1 | 44,990 | 27,581,912 | 24,247,769 | 87.9% | 539 | 6.7% |
| Restigouche | 2 | 25,250 | 15,479,957 | 14,719,786 | 95.1% | 583 | 4.1% |
| Chaleur | 3 | 34,495 | 21,147,767 | 15,375,686 | 72.7% | 446 | 4.3% |
| Acadian Peninsula | 4 | 46,660 | 28,605,735 | 26,485,953 | 92.6% | 568 | 7.4% |
| Greater Miramichi | 5 | 37,130 | 22,763,200 | 24,175,800 | 106.2% | 651 | 6.7% |
| Kent | 6 | 35,475 | 21,748,573 | 17,215,583 | 79.2% | 485 | 4.8% |
| Southeast | 7 | 192,605 | 118,079,888 | 83,548,453 | 70.8% | 434 | 23.2% |
| Kings** | 8 | 20,735 | 12,711,957 | 17,942,329 | 141.2% | 865 | 5.0% |
| Fundy** | 9 | 127,490 | 78,159,990 | 54,776,932 | 70.1% | 430 | 15.2% |
| Southwest | 10 | 28,445 | 17,438,708 | 16,681,499 | 95.7% | 586 | 4.6% |
| Capital | 11 | 137,980 | 84,591,069 | 47,443,741 | 56.1% | 344 | 13.2% |
| Western Valley | 12 | 35,385 | 21,693,397 | 17,403,702 | 80.2% | 492 | 4.8% |
| Total | | 766,640 | 470,002,153 | 360,017,233 | 76.6% | 470 | 100.0% |

* Population data is based on [2023 Local Government and Rural District Statistics for New Brunswick](#).




**Region 8 has only one RC; however, that RC receives large volumes of containers from Hampton (region 9), which contributes to the excessive rate of return for region 8. Encorp does not know at this time the exact volume of containers it is receiving from Hampton, but assuming it represents 40% of the RC's volume, this would rebalance the rate of return per region to 84.7% for region 8 and 79.3% for region 9.

***Container sales by region are estimated and are calculated as follow: population for a region divided by overall population multiplied by overall container sales.

ENVIRONMENTAL IMPACT

MATERIALS PROCESSING & END MARKETS

The following table summarizes each material's fate in 2024.

| Material Type | Fate (January 1, 2024 – December 31, 2024) |
|--|---|
| Aluminum | RECYCLED Aluminum cans collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated recycling facilities in line with Encorp's approved end markets for this material type. Encorp pooled its aluminum cans with other recycling affiliates across Canada. These containers were sold to a USA-based broker with connections to an aluminum smelter, where the material could be turned into sheet stock for new cans. |
| PET (Non-Alcohol) & HDPE Translucent, Including Lids/Caps   | RECYCLED PET non-alcohol and HDPE (translucent) cans collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated recycling facilities in line with Encorp's approved end markets for this material type. Encorp sold its PET non-alcohol and HDPE (translucent) containers to a recycling facility in Amherst, NS. At this facility, containers were flaked and shipped to a wash facility in upstate New York to become raw materials for manufacturers of various plastic products, including new beverage containers, automotive components, strapping material, and fibers. |
| PET (Alcohol), Including Lids/Caps  | RECYCLED PET alcohol cans collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated recycling facilities in line with Encorp's approved end markets for this material type. Encorp sold its PET alcohol containers to the same recycling facility in Amherst, NS, that processes its PET non alcohol and HDPE. This recycler required Encorp to separate PET used for alcohol beverage containers from PET used for non-alcohol beverage containers due to the different grades of plastic used (PET containers for alcohol beverages are thicker) – which is why data was kept separately by Encorp for each stream. |

ENVIRONMENTAL IMPACT

| Material Type | Fate (2024) |
|--|--|
| Non-Refillable Glass (Green, Clear and Brown) | RECYCLED <p>Encorp sold its non-refillable glass containers to the same recycler contracted as its collection, transportation and processing service provider for this material type. Non-refillable glass containers collected by Encorp were thus transported directly to an approved end market in Moncton, NB. The glass containers were granulated into a near sand-like material (cullet) at this service provider's facility in Moncton, NB. Cullet can be used to make new bottles or related products like fiberglass (home insulation) or can be mixed in aggregate materials used in road bedding or drainage material in septic-field applications.</p> |
| Refillable Glass (Beer) | REUSED & RECYCLED <p>Encorp asked RCs to segregate refillable glass containers for beer products from non-refillable glass containers so that they could be collected and sent directly by service providers for collection & transportation of refillable beer containers to various facilities in the Maritimes, Ontario and Quebec for washing, sterilization and redistribution among participating Beer Canada member brewers. Beer Canada manages an industry-standard bottle agreement which allows brewers to access the pool of industry-standard bottles (ISB) for utilization. The availability of the ISB makes utilization of a refillable container more economical, especially for smaller brewers, who can access ISB containers at reasonable costs compared to purchasing their own refillable containers. Unless chipped or broken, refillable glass beer containers in Canada are typically reused on average up to 15 times* after which they can be sent to appropriate end-markets for recycling.</p> |
| Cartons (Polycoat Containers & Wine Boxes), Including Lids/Caps | RECYCLED <p>Carton containers collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated recycling facilities in line with Encorp's approved end markets for this material type.</p> <p>Encorp sold its carton containers to a recycler in Dartmouth, NS, to be recycled into paper products, such as paper towels, tissue, and office paper.</p> |
| Steel | RECYCLED <p>Steel containers collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated recycling facilities in line with Encorp's approved end markets for this material type.</p> <p>Encorp sold its steel containers, including bi-metal containers, to a scrap metal dealer in Dartmouth, NS, for metal recovery.</p> |
| Plastics (Other) / Pouches, Including Lids/Caps | ENERGY RECOVERY <p>Plastic containers of these types collected by Encorp were sent to Miramichi, NB, where they were crushed, baled, and then shipped to designated facilities in line with Encorp's approved end markets for this material type.</p> <p>Encorp sold containers made from these types of plastics that are more difficult to recycle due to lack of end market demand to the same recycler it sells PET/HDPE containers in Amherst, NS. These containers were incinerated for waste-to-energy production.</p> <p>Volumes of containers made with these types of plastics sold in New Brunswick were low in 2024 and Encorp intends to keep exploring market opportunities to be able to recycle these plastics.</p> |
| Packaging (Boxes) for Refillable Glass | RECYCLED <p>Consumers often return refillable beer bottles in the cardboard or boxboard cases in which they are sold. RCs use these to pack and palletize empty refillable beer bottles.</p> <p>Upon being collected and transported along with the refillable beer bottles to the same facilities as the refillable beer bottles, this packaging was sent to carton and paper packing recycling facilities in Moncton, NB, Kentville, NS, Saint-Jean-sur-Richelieu, QC and Milton, ON, where they could be recycled into new corrugated boxes and boxboard boxes.</p> |

* CM Consulting "Who Pays What 2018: An Analysis of Beverage Container Collection & Costs in Canada." 2018.

ENVIRONMENTAL IMPACT

Fate of collected materials by weight (kg) for Jan. 1, 2024, to Dec. 31, 2024

| | Recycled | Stored (as of December 31, 2024) | Reused | Recovered for Energy | Total |
|---|-------------------|----------------------------------|------------------|----------------------|-------------------|
| Aluminum | 2,840,748 | 53,018 | - | - | 2,893,766 |
| PET (Non-Alcohol) & HDPE Translucent, Including Lids/Caps | 2,573,003 | 19,497 | - | - | 2,592,500 |
| Pet (Alcohol), Including Lids/Caps | 69,666 | 13,266 | - | - | 82,932 |
| Non-Refillable Glass (Green, Clear and Brown) | 8,269,737 | - | - | - | 8,269,737 |
| Refillable Glass (Beer) | - | - | 1,052,730 | - | 1,052,730 |
| Cartons (Polycoat Containers & Wine Boxes), Including Lids/Caps | 205,904 | 33,653 | - | - | 239,557 |
| Steel | 11,781 | 20,896 | - | - | 32,677 |
| Plastics (Other)/Pouches, Including Lids/Caps | - | 16,771 | - | 68,091 | 84,862 |
| Packaging (Boxes) for Refillable Glass | 75,934 | - | - | - | 75,934 |
| Total | 14,046,772 | 157,101 | 1,052,730 | 68,091 | 15,324,694 |

"Recycled" and "Reused" is defined as shipped to end markets for recycling or - in case of refillable beer bottles - collected for shipment to rewash facilities for reuse/distribution among participating brewers. "Stored" is defined as processed and ready to be shipped to end markets. Encorp did not manage materials for compost or disposal.

Fate of collected materials by percentage for Jan. 1, 2024, to Dec. 31, 2024

| | Recycled | Stored (as of December 31, 2024) | Reused | Recovered for Energy | Total |
|---|----------|----------------------------------|--------|----------------------|-------------|
| Aluminum | 98.2% | 1.8% | - | - | 100% |
| PET (Non-Alcohol) & HDPE Translucent, Including Lids/Caps | 99.2% | 0.8% | - | - | 100% |
| Pet (Alcohol), Including Lids/Caps | 84% | 16% | - | - | 100% |
| Non-Refillable Glass (Green, Clear and Brown) | 100% | - | - | - | 100% |
| Refillable Glass (Beer) | - | - | 100% | - | 100% |
| Cartons (Polycoat Containers & Wine Boxes), Including Lids/Caps | 86% | 14% | - | - | 100% |
| Steel | 36.1% | 63.9% | - | - | 100% |
| Plastics (Other)/Pouches, Including Lids/Caps | - | 19.8% | - | 80.2% | 100% |
| Packaging (Boxes) for Refillable Glass | 100% | - | - | - | 100% |

"Recycled" and "Reused" is defined as shipped to end markets for recycling or - in case of refillable beer bottles - collected for shipment to rewash facilities for reuse/distribution among participating brewers. "Stored" is defined as processed and ready to be shipped to end markets. Encorp did not manage materials for compost or disposal.

ENVIRONMENTAL IMPACT

REUSABILITY AND RECYCLABILITY OF BEVERAGE CONTAINERS

In 2024, Encorp was able to send 99.3% of all materials collected to recycling facilities, with only a very small fraction (0.7%) being sent for waste-to-energy recovery.

To support the reusability and recyclability of beverage containers, Encorp outlines specific packaging requirements for beverage product brand owners in its *Brand Owner Agreements*. Brand owners are encouraged to use only materials listed in Encorp's Sort List of accepted container material types to ensure proper handling and recovery within the Program. While some beverage containers sold in New Brunswick may be made from materials not currently on this Sort List, Encorp does its best to identify and work with these brand owners to explore solutions to improve alignment.

Additional guidance for brand owners includes:

- Hybrid containers (e.g., PET bodies with aluminum tops), which can present recyclability challenges, should be avoided whenever possible.
- Plastic sleeves on aluminum or steel cans are discouraged, but acceptable in small quantities, particularly from craft brewers.

Throughout 2024, Encorp engaged with recycling affiliates across Canada regarding strategies to improve recycling programs and increase access to recycled plastic for the beverage industry. Additionally, Encorp kept abreast of developments with Environment and Climate Change Canada's Plastic Registry and is preparing to support plastic tracking and brand owner reporting regarding plastics collected.

Furthermore, with beer being the only beverage still sold in significant volumes in refillable glass containers in NB, Encorp's agreements with Beer Canada member brewers who use refillables aim to support their continued use under the new EPR Program model. These agreements help preserve the long-standing interprovincial brewer-led system for managing refillable beer bottles and packaging – a collaborative approach shared with other Maritime provinces to maintain efficiency. In 2024, one brand owner decided to transition one of its products from one-way glass to refillable glass containers. With this addition, a total of 23 beer products were sold in containers in New Brunswick that were processed as refillables. Similar shifts to refillable formats could occur from other brand owners in the coming years.

Encorp aims to stay informed about industry initiatives that improve the reusability and recyclability of beverage containers. These may include shifts to more recyclable materials, greater use of recycled content or bioplastics, and packaging designs that support reuse or compostability. For instance, brand owners are increasingly working to reduce the use of virgin plastic in their containers. One brand owner announced in 2023 that, by early 2024, all its clear 500ml PET bottles would be made from 100% recycled PET. The same company also reported a 2.5g (11.9%) reduction in plastic used in its 500ml sparkling beverage containers in 2024.*

*The Coca-Cola Company. "Coca-Cola launches 100% PET bottles across Canada." The Coca-Cola Company Media Center New Release (October 25, 2023). Retrieved June 16, 2025, from <https://www.coca-colacompany.com/media-center/coca-cola-launches-100-rpet-bottles-across-canada>
Coke Canada Bottling Limited. "Coke Canada Social Responsibility Report 2024." 2025.

COMMUNICATIONS

Prior to December 31, 2023, Encorp had prepared a detailed Communications Plan for the first year of the new EPR BCP, and shared it with RNB to coordinate recycling education efforts. The plan, covering April to December 2024, was based on market research regarding consumer habits with UBCs and outlined goals, strategies, target audiences, tactics, timelines, and success metrics to increase public awareness and encourage participation in UBC recycling.

Due to these communication efforts, Encorp was able to exceed its Stewardship Plan goal of 75%+ measured public awareness for the Program. Surveys conducted by Narrative Research in November 2023 (just before EPR implementation) and towards the later part of 2024 (after implementation) assessed public awareness with two key questions about the BCP (awareness of deposit on beverage products and the ability to return empty deposit-bearing containers for recycling and refunds at RCs.) The results showed that public awareness increased from 75% in 2023 to 88% in 2024.



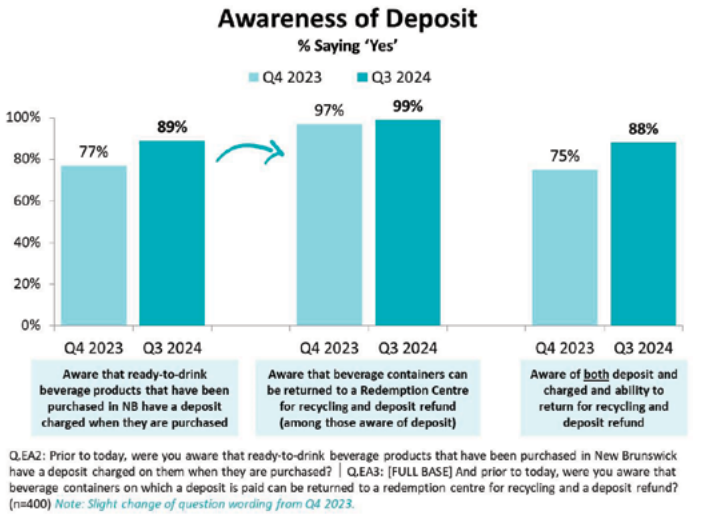
Awareness of the deposit charged and refund on ready-to-drink beverage products at time of purchase is robust in New Brunswick and increased compared with 9 months ago.

Nine in ten (89%) New Brunswickers are aware that ready-to-drink beverage products that have been purchased in the province have a deposit on them when purchased. This is up 12 percentage points since Q4 2023. While awareness is strong across the population, it does increase with age. (Table EA2)

Of those aware of the deposit charge, 99% are aware that ready-to-drink beverage containers can be returned to a redemption centre for recycling and a deposit refund. This result is similar to that evident in Q4 2023. (Table EA3)

Thus, overall, 88% are aware of both elements– the deposit when purchased and the ability to return for a refund. This is up 13 percentage points since Q4 2023.

Source: Narrative Research, Online Omnibus, Commissioned questions for Encorp Atlantic, August 2024. (Sample size: 400. Margin of error: ±4.9 percentage points, 19 times out of 20.)



EDUCATION ON BEVERAGE CONTAINER RECYCLING

WEBSITE & SOCIAL MEDIA

Since April 1, 2024, Encorp's website has featured a dedicated section at encorpatl.ca/recycle, offering detailed consumer information on the BCP. This section includes an interactive map of UBC return locations (synced with RNB's map), clarifications on which types of beverage products are deposit-bearing, and instructions for preparing empty containers for recycling. The site also provides Program performance data and details on special *Recycling Hero* programs, which schools, organizations, and community groups can join.

Throughout 2024, Encorp used its social media platforms to share educational content on UBC return locations, deposit-bearing products, proper container preparation, and the Program's positive impact. Posts featured a mix of images, animations, and videos, shared on Facebook, Instagram, LinkedIn, and YouTube.

CONSUMER-FACING MATERIALS IN UBC RETURN FACILITIES

For the EPR Program's April launch, Encorp distributed consumer education posters to all RCs, which remain key resources. One poster outlines deposit/refund amounts by material type, while others explain eligible and non-eligible products and offer container preparation tips. This information was also adapted into handouts, which are regularly restocked at RCs.

RECYCLING
MATTERS. Full Refunds Add Up.

10x10

Recycle your empty beverage containers at a redemption centre to get full refunds on deposits.

PLASTICS

CARTONS

METALS

20x20

GLASS

REFILLABLES GLASS BEER BOTTLES

GLASS OVER 500 ML (ALCOHOL ONLY)

encorp re RECYCLE

encorpatl.ca/recycle

DEPOSIT-BEARING BEVERAGE CONTAINERS

Redemption centres issue refunds for containers from ALL ready-to-drink beverage products for which you paid a deposit at purchase.

- water • fruit/vegetable juices • soda/soft drinks • milkshakes • drinkable yogurt/kefir • egg nog • iced coffee/tea • kombucha
- most plant-based milk product alternatives (see exception below) • energy drinks • protein shakes • electrolyte beverages • beer • wine
- spirits • ciders • coolers • cannabis beverages • etc.

EXCEPT THESE
(No deposit charged at purchase)

MILK (COW/GOAT) AND FLAVOURED MILK
On the label: "Full Cream Milk (2% M.F.)", "partly skimmed milk (1% or 2% M.F.)", or "whole/cream/extra rich milk (3.25% M.F.)"

PLANT-BASED MILK PRODUCT ALTERNATIVES THAT ARE FORTIFIED AND A SOURCE OF PROTEIN
On the label: "Plant-based beverage" or "Fortified". Must also not have any wording about the beverage being "Not a Source of Protein". (Most often, these are soy beverages.)

UNPROCESSED APPLE CIDER
On the label: No mention of being "pasteurized" or otherwise processed.

CONCENTRATED BEVERAGES
The product is not "ready-to-drink". If the label includes "not to be mixed or diluted prior to drinking". (E.g. cocktail mixes, lemon juice, syrup, condensed milk, coffee concentrates, instant soups, flavor enhancers, etc.)

INFANT FORMULA
On the label: "Infant formula"

MEAL REPLACEMENTS & FORMULATED LIQUID DIETS
On the label: "Meal Replacement" or "Formulated Liquid Diet"

BEVERAGES IN CONTAINERS LARGER THAN 5 L
Only beverages up to a maximum of 5 L are deposit-bearing.

BEVERAGES PURCHASED OUTSIDE NEW BRUNSWICK
On the label: Information is not bilingual (English and French). Return for Refund is missing, or volume is indicated in imperial ("oz") instead of metric ("ml"/"L").

encorpatl.ca/recycle

Recycle NB encorp re RECYCLE

IF YOU CAN'T DRINK IT, THERE'S NO DEPOSIT ON IT.

Only containers from ready-to-drink beverages are eligible for a deposit refund at redemption centres.

encorpatl.ca/recycle

Recycle NB encorp re RECYCLE

HOW TO PREPARE YOUR BEVERAGE CONTAINERS

REMOVE straws and other debris.

DO NOT crush cans.

DO NOT remove labels.

ENSURE bottles are not broken.

EMPTY all liquids.

ONLY RETURN deposit-bearing beverage containers purchased in New Brunswick.

Recycle NB encorp re RECYCLE

encorpatl.ca/recycle

2024 ENCORP ANNUAL REPORT

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COMMUNICATIONS

CONSUMER INFORMATION AT RETAIL

To help retailers inform consumers about beverage container recycling, Encorp launched a “*Retail Promotions Toolkit*” in 2024, available on its website. The toolkit includes materials that retailers can request as free printed copies or download for in-house printing. These materials feature a QR code linked to Encorp’s website.

Encorp also partnered with Stingray Media Solutions to run audio ads on retail PA systems in Walmart, Superstore, Dollarama, Jean Coutu, and Familiprix stores across the province. These ads generated 1.35 million impressions between May and October 2024.



CONSUMER SUPPORT

For the EPR Program, Encorp established a toll-free 1-800 number and email (info@encorpatl.ca) for consumer inquiries about beverage container recycling. An incident report form was also added to the website. The communications team handled questions about deposit refunds, accepted containers, and *Recycling Hero* programs, while the Director of Operations managed concerns about UBC redemptions at return facilities. Some consumers reported deposit discrepancies or CRFs mistakenly added to receipts by retailers. These issues were investigated through retail audits, and corrective notices were sent to retailers when necessary.

EPR LAUNCH CELEBRATION EVENT

Encorp celebrated the April 1, 2024, launch of the EPR Program with a news conference & celebration event on Earth Day. The event highlighted the Program’s future vision and Encorp’s renewed focus on education and outreach, particularly for the next generation of recyclers. With the help of some youth *Recycling Heroes* from Rothesay High School – one of the top-performing schools in its school recycling program – Encorp spoke of some of the immediate positive impacts of EPR and planned improvements to come to media and stakeholders.



COMMUNICATIONS

AD CAMPAIGNS

"RECYCLING MATTERS. FULL REFUNDS ADD UP"

From April to December 2024, Encorp ran its "Recycling Matters. Full Refunds Add Up" campaign to promote full refunds on beverage container deposits. Ads appeared on digital and print platforms, including websites, social media, city transit, digital billboards, malls, cinemas, restaurants, retail PA systems, and local radio. Consumer-facing screens at RCs (via Encorp's *EnSys-Connex* POS system) also displayed the ads in between transactions.

The campaign achieved 4,334,921 digital impressions and 387,821 engagements, resulting in an 8.9% digital engagement rate.



"SATURDAY IS RECYCLING DAY IN NB"

In the fall of 2024, Encorp launched its "Saturday Is Recycling Day In NB" campaign, highlighting that RCs would remain open year-round for at least 6 hours on Saturdays for increased convenience, even after the busy summer season ended. Ads appeared digitally on Encorp's website near the UBC return location map, on social media, and as full-page ads in weekly and daily newspapers. Accompanying social media post content encouraged consumers to check local RC hours on Encorp's website before visiting.

The campaign achieved 193,992 digital impressions and 5,194 engagements, resulting in an 2.7% digital engagement rate.



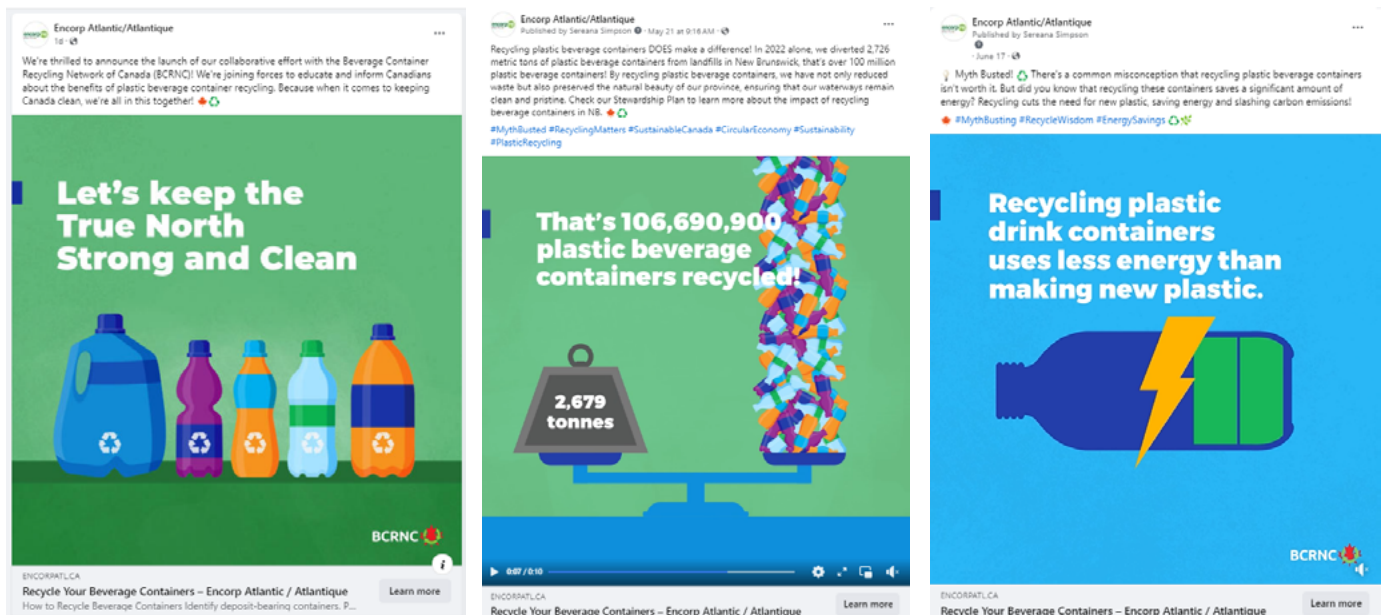
COMMUNICATIONS

PLASTIC RECYCLING MYTH BUSTING



Encorp is part of the BCRNC, which unites recycling affiliates across Canada. The network's communications committee collaborates on national marketing campaigns to address key recycling issues through public education.

From April to December 2024, the BCRNC led a national campaign to debunk myths about plastic bottle recycling. The campaign featured animated images and short videos shared on social media by participating provinces and territories. On Encorp's social media channels, the campaign garnered 1,303,992 impressions and 85,237 engagements, achieving a 6.5% digital engagement rate.



RECYCLING HERO SPECIAL PROGRAMMING

"Recycling Hero" is a public outreach and education strategy Encorp uses with the intent of improving UBC recovery rates in NB by encouraging pro-recycling and anti-littering behaviour in public spaces. Through education and special programming, *Recycling Hero* aims to:

- encourage New Brunswickers to stop littering and recycle UBCs while on the go;
- raise awareness and usage of public space recycling bins;
- promote anti-littering and pro-recycling education among children and youth through school programs and partnerships; and
- foster positivity around UBC recycling by empowering community and grassroots environmental leadership.

Throughout the spring, summer and fall of 2024, *Recycling Hero* digital ads and related social media content generated 3,146,644 impressions and 38,943 engagements, achieving an engagement rate of 1.2%.

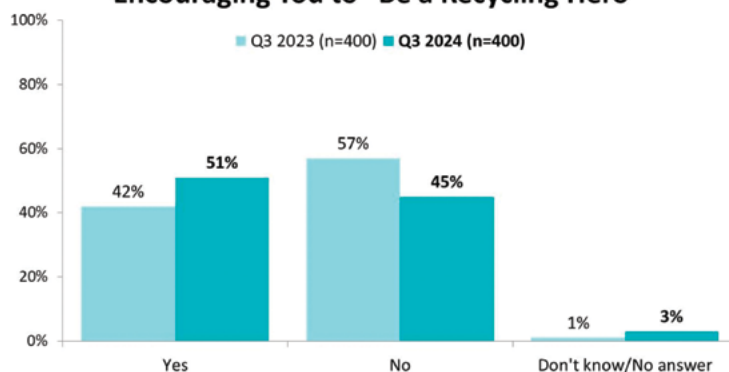


COMMUNICATIONS

Research conducted by Narrative Research shows *Recycling Hero* messaging achieved 51% awareness, a 15% increase in just over a year.

Source: Narrative Research, Online Omnibus, Commissioned questions for Encorp Atlantic, August 2024. (Sample size: 400. Margin of error: ± 4.9 percentage points, 19 times out of 20.)

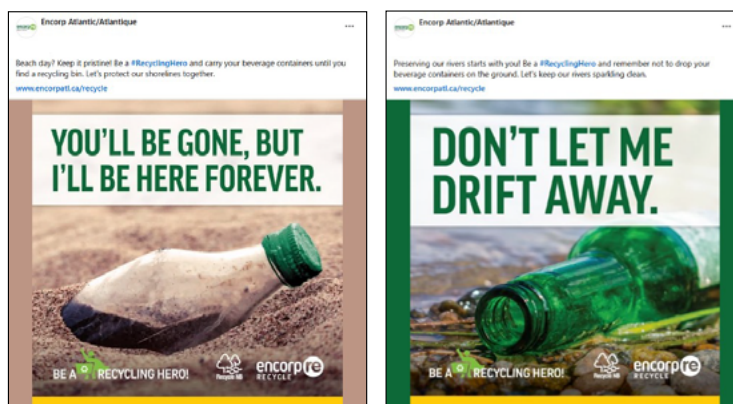
Seen or Heard Ads, Activities, or Events in the Past Year Promoting the Recycling of Beverage Containers, Encouraging You to “Be a Recycling Hero”



Q.EA1: In the past year, do you recall seeing or hearing any advertisements, activities or events that promote the recycling of beverage containers instead of discarding them as litter? These would have encouraged you to “Be a Recycling Hero.”
Note: Slight change of question wording from Q3 2023.

RECYCLING HERO ADS

Encorp ran *Recycling Hero* ads on social media during the spring and summer of 2024 to remind New Brunswickers to keep the province's beautiful outdoor spaces litter-free and recycle empty beverage containers while out and about.



RECYCLING HERO COMMUNITY CLEANUP GRANTS

Each spring, Encorp offers community cleanup grants to *Recycling Heroes*, which include schools and community groups. These grants support the organization of beach sweeps, park cleanups, and other public outdoor space cleanups. Encorp connects each grant recipient with a local RC to ensure that deposit-bearing beverage containers collected during the event are returned for recycling.

A key enhancement to the program in 2024 was the introduction of a *Community Cleanup Guide* – a practical handout offering tips on safely organizing outdoor cleanups, sorting collected litter, and preparing found beverage containers for recycling.



COMMUNICATIONS

In 2024, Encorp awarded community cleanup grants to the following recipients. All cleanup events took place during the spring, summer or early fall.

School-Led Initiatives:

- Anglophone East School District Science Team (Moncton)
- Meduxnekeag Consolidated School (Woodstock)
- Mosaïque du Nord (Balmoral)
- Grand Manan Community School (Grand Manan)
- Deer Island Community School (Fairhaven)
- Harbour View High School (Saint John)
- Princess Elizabeth School (Saint John)
- Hampton Middle School (Hampton)
- Barnhill Memorial School (Saint John)
- Sir James Dunn Academy School (St. Andrews)
- Beaverbrook School (Moncton)
- Jacquet River School (Belledune)
- École Carrefour Beausoleil (Miramichi)
- École Mathieu-Martin (Dieppe)
- École Antonine-Maillet (Dieppe)
- École Léandre-LeGresley (Grande-Anse)
- École Soleil Levant (Richibucto)
- École Carrefour de la Jeunesse (Edmundston)
- École Donat-Robichaud (Cap-Pelé)
- École Blanche-Bourgeois (Cocagne)

NPO/Community-Led Initiatives:

- Co-Action (New Bandon Gloucester Co)
- Community Living Center (St. George)
- Yoho Lake Association (Yoho)
- Minto Community Youth Center (Minto)
- Empower to Ride (Penobsquis)
- Jemseg Lions Club (Coles Island)
- Fredericton Botanic Garden Association (Fredericton)
- Municipalité de Grand-Bouctouche (Bouctouche)
- Le groupe de développement durable du Pays de Cocagne (Cocagne)
- Centre de prévention de la violence (Sainte-Anne-de-Kent)



COMMUNICATIONS

RECYCLING HEROES IN SCHOOL PROGRAM

Encorp's *Recycling Heroes in School* program partners public schools in NB with local RCs to help them collect and return deposit-bearing beverage containers for recycling. Schools receive some funding, recycling bins for classrooms, cafeterias, and hallways, educational posters, and fun *Recycling Hero* promotional items for students. At the end of each school year, top-performing schools are rewarded to encourage competition and motivate schools to collect and return as many UBCs as possible, including through community bottle drives.

This program launched in the fall of 2023. Prior to the start of the EPR Program in April 2024, 48 schools were already active participants. Another 5 schools joined from April to June, bringing the total to 53 by the end of the 2023-2024 school year. Over 810,000 containers were returned for recycling that school year (September 2023-June 2024). In June 2024, Encorp rewarded the top five performing schools with eco-themed prizes to recognize them for their hard work:

1. **Académie Notre-Dame**
(partner RC: Billy's Bottle Exchange, Dalhousie)
2. **École Léandre-LeGresley** (partner RC: Recyclage Caraquet, Caraquet)
3. **Chipman Forest Avenue School** (partner RC: Sully's Bottle Depot, Chipman)
4. **Harvey High School** (partner RC: Cole's Bottle Depot, Harvey Station)
5. **Rothsay High School** (partner RC: Golden Mile Redemption Centre, Saint John)

In the fall of 2024, the *Recycling Heroes in School* program entered its second year. Most first year participants continued to be involved, and Encorp enrolled 38 new schools. By the end of 2024, 82 schools were active participants in the program. Throughout 2024, participating schools returned approximately 935,000 containers.

To help boost recruitment, Encorp also partnered with [The Gaia Project](#) to promote the program as a resource for schools that wish to reduce waste. For example, schools participating in the Gaia Project's *Trash Trackers* initiative are encouraged to contact Encorp to set up beverage container recycling if they wish to use it to reduce their overall waste. In the fall of 2024, the partnership grew to explore creating joint classroom resources/lesson plans on beverage container recycling. The first set of resources is expected to be launched in time for the 2025-2026 school year.



COMMUNICATIONS

By encouraging schools to recycle and organize community bottle drives, Encorp's school program can also help boost UBC collection, particularly in remote and rural areas. Each participating school receives a \$300 annual stipend to help cover costs like recycling supplies (gloves, bags, etc.) or transportation to the nearest RC. For example, Deer Island Community School in Fairhaven has become a key recycling hub, addressing the lack of a local RC. Led by its grade 8 students, the school runs a community drop-off program where residents donate their UBCs. Students sort, clean, and store the containers until a faculty member transports them to their partner RC in St George - *Charlotte County Can & Bottle*. The initiative serves as both a community service and a fundraiser for class trips.



Schools participating in Encorp's *Recycling Heroes in School* program (as of December 31, 2024):

| | | |
|---|---|--|
| Princess Elizabeth School, Saint John | St. Stephen Middle School, St. Stephen | Connaught Street School, Fredericton |
| École Dr. Marguerite-Michaud, Bouctouche | Quispamsis Middle School, Quispamsis | Harvey Elementary School, Harvey |
| École Mont-Carmel, Sainte-Marie-de-Kent | Vincent Massey Elementary School, Saint Andrews | McAdam Elementary School, McAdam |
| École Soleil Levant, Richibucto | Barnhill Memorial School, Saint John | Janeville Elementary School, Janeville |
| École Carrefour de l'Acadie, Dieppe | École Père-Edgar-T.-LeBlanc, Grand Barachois | Stanley Consolidated School, Stanley |
| École Champlain, Dieppe | École Blanche-Bourgeois, Cocagne | Terry Fox Elementary School, Bathurst |
| École Sainte-Bernadette, Moncton | Grand Manan Community School, Grand Manan | Bathurst High School, Bathurst |
| École Camille-Vautour, Saint-Antoine | Nashwaaksis Memorial Elementary School, Fredericton | Glen Falls School, Saint John |
| École des Pionniers, Quispamsis | Wulastukw Wolokehkitimok, Kingsclear | Central New Brunswick Academy, Upper Miramichi |
| Millidgeville North School, Saint John | Keswick Valley Memorial School, Burtts Corner | Forest Hills School, Saint John |
| École Carrefour Beausoleil, Miramichi | Bath Community School, Bath | Rothsay High School, Rothsay |
| École François-Xavier-Daigle, Allardville | Hanwell Park Academy, Hanwell | Sunbury West School, Fredericton Junction |
| École Sainte-Thérèse, Dieppe | Nackawic Elementary School, Nackawic | Bernice MacNaughton High School, Moncton |
| Fredericton High School, Fredericton | Forest Glen School, Moncton | Dorchester Consolidated School, Dorchester |
| École Claudette Bradshaw, Moncton | Nackawic High School, Nackawic | École Carrefour de la Jeunesse, Edmundston |
| Hazen White-St. Francis, Saint John | École Anna-Malenfant, Dieppe | École Cité de l'Amitié, Bathurst |
| Nashwaaksis Middle School, Fredericton | Salem Elementary School, Sackville | Saint John High School, Saint John |
| Fundy Shores School, Maces Bay | Tantramar Regional High School, Sackville | Simonds High School, Saint John |
| Northrop Frye School, Moncton | Minto Memorial High School, Minto | Harbour View High School, Saint John |
| Centennial School, Saint John | Southern Victoria High School, Perth-Andover | Harvey High School, Harvey |
| Dalhousie Regional High School, Dalhousie | Andover Elementary School, Perth-Andover | Hubbard Elementary School, Oromocto |
| Back Bay Elementary School, Back Bay | École Notre Dame, Edmundston | Parkwood Heights, Bathurst |
| River Valley Middle School, Grand Bay-Westfield | Meduxnekeag Consolidated School, Woodstock | Mosaïque du Nord, Balmoral |
| Saint Rose Elementary School, Saint John | École l'Escale des Jeunes, Caraquet | Riverview High School, Riverview |
| Deer Island Community School, Deer Island | École Léandre-LeGresley, Grande-Anse | Académie Notre-Dame, Dalhousie |
| École les Éclaireurs, Fredericton | École Marguerite Bourgeois, Caraquet | Leo Hayes High School, Fredericton |
| Bayside Middle School, Saint John | Polyvalente Louis-Mailloux, Caraquet | Maplehurst Middle School, Moncton |
| MacDonald Consolidated School, Kingston | | |

COMMUNICATIONS

RECYCLING HERO COMMUNITY EVENTS SPONSORSHIPS

As part of an events sponsorship program, Encorp is able to provide UBC collection tools and supplies to event organizers across the province who want to be *Recycling Heroes* by ensuring that beverage containers from their events are collected on-site. Organizers are then responsible for ensuring UBCs collected at their event make their way to their local RC.

In addition to responding to requests from various event organizers, Encorp has worked with MBS Radio since 2023 to facilitate on-site beverage container collection during summer events attended by community cruisers. Radio staff are loaned “Re-Bins” (large outdoor UBC collection bins), a “Re-Mobile” (UBC collection trailer), and large sandwich board signs to bring to various local events for public education in each market/region.



Events sponsored by Encorp to include on-site beverage container collection during the spring, summer and early fall of 2024 include:

- Miramichi R&R Festival
- New River Beach Sand Sculpture Competition
- Minto Future Forest Festival
- Campbellton Crankworks Adrenaline Festival
- Campobello Marathon
- Miramichi Bluegrass Festival
- Moncton Rib Fest
- Rogersville Festival Folk Racines
- Edgetts Landing Hope & Wellness Festival
- Oromocto Pioneer Days
- Sussex Atlantic Balloon Fiesta

APPENDIX A

BRAND OWNERS

In 2024, Encorp was the designated agent/PRO to 253 beverage industry brand owners for the EPR BCP. All these brand owners signed *Brand Owner Agreements* with Encorp for the EPR Program.

| | | |
|--|--|--|
| 051996 NB Ltd. (Richibucto River Wine Estates) | Big Spruce Brewing | Crow and Vine Vineyard Inc. |
| 059001 NB Ltd. (Carroll's Distillery) | Big Tide Brewing Co. | Danone Inc. |
| 13 Barrels Brewing Co. Ltd. | Black Fly Beverage Inc. | Davids Tea Inc. |
| 2 Crows Brewing Ltd. | Black Galley Distilling | Deutsch Family Wine and Spirits |
| 3027274 Nova Scotia Ltd. (Tatamagouche Brewing Co.) | Blue Roof Distillers Ltd. | Devil's Keep Distillery |
| 617825 NB Ltd. (Mama's Brew Pub) | Boxing Rock Brewing Co. Ltd. | Diageo Canada Inc. |
| 622548 NB Inc. (The Cap) | Brasserie Retro Brewing Inc. | Diamond Estates Wines & Spirits |
| 698507 NB Ltd. (King West Brewing Co.) | Brasseux d'la Côte (678859 NB Inc.) | Distillerie Fils du Roy Inc. |
| 705120 NB Ltd. (Kingston Creek Cider) | Breakthru Beverages Canada | Distribution Missum Inc. |
| 721911 NB Inc. (Microbrasserie Ateepic) | Brittmar Distributing Inc. | Dole Foods of Canada Co. |
| 726933 NB Inc. (Artisan Brewing Co.) | Broue du Païen Inc. | Dollarama L. P. |
| 734536 NB Inc. (O'Creek Brewing Co.) | Bulk Barn Foods Ltd. | Domaine Latitude 46 Estate Winery |
| 735359 NB Inc. (The Brew D'La Baie) | Burnside Brewing Co. Ltd. | Drifter Brew Co. Inc. |
| A. G. Brown & Son Ltd. | C. B. Powell Ltd. | Earth's Own Foods Inc. |
| A. Lassonde Inc. | C. L. Comeau Co. Ltd. | East Coast Collective Ltd. |
| Acadie-Broue | Campbell Company of Canada | Eau de Source Naturelle 83 PPM Inc. / 83 PPM Natural |
| Acklands-Grainger Inc. | Canada Dry Motts Inc. | Edelweiss Imports Ltd. |
| Agropur Cooperative | Canadian Iceburg Vodka Corp. | First Light Distillery Inc. |
| Amazon.com.ca ULC | Canadian Tire Corporation Ltd. | Five Continents International Ltd. |
| Amway Canada Corp. | Canopy Growth Corp. | Flying Boats Brewing Co. (Brule Brewing Co.) |
| ANBL | Capital Foodservice Ltd. | Foghorn Brewing Co. Ltd. |
| Andrew Peller Ltd. | Cask & Vine Distributors Inc. | Food by Fatou Inc. |
| Anne of Green Gables Chocolates Inc. | Casseroles Cora Inc. | Forty Creek Distillery Ltd. |
| Aphria Inc. | Cave Spring Cellars Partnership Ltd. | Four Rivers Brewing Co. Ltd. |
| APO Products Ltd. | Cavok Brewing Co. Ltd. | Franklin Imports Inc. |
| AppleManFarms Ltd. | CDC Foods Inc. | Gagetown Food & Frementation Inc. (Gagetown Distillery) |
| Aquaterra Corp. | Celtic Knot Brewing | Garrison Brewing Co. |
| Athletic Brewing Co. Canada ULC | Charton Hobbs Inc. | General Mills Canada Corp. |
| Atlantique Nord Innovation Inc. | Christopher Stewart Wine & Spirits Inc. | Georgian Bay Spirit Co. |
| Aura Whole Foods | Clearly Food & Beverage Co. ULC | Giant Tiger Stores Ltd. |
| Bacardi Canada Inc. | Coca-Cola Canada Bottling Ltd. | Globefill Inc. |
| Bagtown Brewing Co. Inc. | Coldhaus Direct Inc. | Golden Nest Canada Inc. |
| Bass Pro Shops Canada ULC | Coldstream Clear Distillery Ltd. | Golden Ventures Ltd. |
| Beam Suntory Canada | Cooperative Forestiere du Nord-Ouest Ltée. | Gordon Food Service Canada Ltd. |
| Beverage World Inc. | Corby Spirit and Wine | Grand Falls Brewing Co. Ltd. |
| Big 8 Beverages Ltd. | Costco Wholesale Canada | Granite Town Farms (2015) Ltd. |
| Big Axe Brewery Inc. | Couche-Tard Inc. (Circle K) | Graystone Brewing |
| Big Fiddle Still (701606 NB Inc.) | Covered Bridge Chips Co. Inc. | Great Canadian Water Co. Ltd. |
| Big Sky Ventures Inc. #385 | Crooked River Distillery Inc. | |
| | Cross Creek Brewing Ltd. | |

APPENDIX A

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| Greentone Enterprises Inc. (Tidal Health Solutions) | Moonshine Creek Distillery Inc. | Steam Whistle Brewing Inc. |
| Grimross Brewing Corp. | Moosehead Breweries Ltd. | Sunset Heights Meadery |
| Groupe Colabor Inc. | Morinda Canada Co. | Sussex Ale Works Inc. |
| Half Cut Brewing Co. Ltd. | Murphy Investments Ltd. | Sussex Craft Distillery |
| Hampton Brewing Co. | MXM Beverages Ltd. (Nude Beverages) | Sysco Atlantic |
| Happy Craft Brewing | Natural Assembly Ltd. | TFB & Associates Ltd. |
| Happy Knight Wines | Nestle Canada Inc. | Thai Indochine Trading Inc. |
| Haskap Highland Orchards Ltd. | New Maritime Beer Co. | The John Allen Brewing Co. Ltd. (The Propeller Brewing Co.) |
| High Park Holdings Ltd. | Nikol Poulin Inc. (NPI Group) | The Minute Maid Company Canada Inc. |
| Hilary's Salesmaster Inc. | Nine Locks Brewing | The Pepsi Bottling Group (Canada), ULC |
| Holy Whale Brewing Corp. | Northampton Brewing Co. Ltd. | The TDL Group Corp. |
| Hop To It Brewing Inc. | Novum Boreas Microbrasserie Inc. | Thomas, Large & Singer Inc. |
| I C Shore Halifax Distilling Co. | O. G. Ales Inc. | Three Dog Distilling Co. Ltd. |
| ID Foods Corp. | Oak Bay Investments Ltd. (Tuddenham Farms Ltd.) | Three Sons Brewing Inc. |
| Ideal Protein Co. Inc. | Ocean Spray International Inc. | Tide & Boar Brewing Inc. |
| Imperial Dade Canada Inc. | Ole Foggy Distillery Ltd. | Timber Ship Brewing |
| Innovative Beverages Inc. | Peak Processing Solutions | Tire Shack Brewing (702476 NB Ltd.) |
| Johnny Jacks Brewery | Pelee Island Winery & Vineyards Inc. | Tobique River Trading Co. |
| Jost Vineyards Ltd. | Petar Vasilev | Trailway Brewing Co. Inc. |
| Karic Sales Ltd. | Pharmasave Drugs (National) Ltd. | Tree of Life Canada |
| Korea Food Trading Ltd. | PMA Canada | Triton Water Canada Holdings Inc. |
| Kraft Heinz Canada ULC | Premier Brands Ltd. | Tropicana Beverages Canada ULC |
| Labatt Brewing Co. Ltd. | Premium Near Beer Ltd. (Partake Brewing) | Twin Harbour Brewing |
| Lactalis Canada Inc. | Pump House Brewery Ltd. | Underground Brews Ltd. |
| Le Groupe Jean Coutu (PJC) Inc. | Puresource Corp. | UNFI Canada |
| Les Brasseurs du Petit-Sault Inc. | Quails' Gate Vineyards Estate Winery Ltd. | Union Brewing |
| Les Eaux Naya | Red Apple Stores ULC | Verger Belliveau Orchard Ltd. |
| Les Entreprises Cote Inc. | Red Bank Whiskey | Victoria Distillers Inc. |
| Loblaw Inc. | Red Rover Brewing Co. Ltd. | Vinerie DesFruits Winery |
| Luckett Farms Ltd. | Remedy Drinks Canada Inc. | Vins Arterra Canada Inc. |
| Magnetic Hill Winery | Rona Inc. | Walmart Canada Corp. |
| Magnotta Winery Corp. | Rose Life Science Inc. | Ward Foods Ltd. |
| Maison des Futailles (Station 22) | Rviita Inc. | Wasted Day Brewing Inc. |
| Marchands des Ameriques Inc. | Saint Andrews Brewing Co. Inc. | Waterside Farms Cottage Winery |
| Martin Brower of Canada Co. | Saputo Produits Laitiers Canada s.e.n.c | Wellness Natural Inc. |
| Matchstick Beer Factory (Gridiron Brewing) | Sazerac Distillers of Canada Inc. | West Coast Wine Partners LLC |
| Matt & Steve Tasty Beverage Co. | Scoop & Save Ltd. | Winegarden Estates Ltd. |
| Maybee Brewing Co. Inc. | Select Wine Merchants Ltd. | Wm. Bolthouse Farms Inc. |
| McClelland Premium Imports | Shoppers Drug Mart | Work Water Inc. (Mav Synergetic) |
| McConnell-Gordon Estates Ltd. | Sleemans Breweries Ltd. | Wrought Iron Brewing Co. (Good Robot Brewing Co.) |
| McKesson Canada Corp. | Snowfox Vodka | Yip Cider Inc. |
| Mead Johnson Nutrition (Canada) Co. | Sobeys Capital Inc. | York Country Cider Corp. |
| Metro Richelieu Inc. | Southern Glazer's Wine and Spirits of Canada, LLC | Young and Young Trading Co. Ltd. |
| Michael ROSSY Ltee | Springbrook Cranberry Inc. | Young Living Canada ULC |
| Microbrasserie Houblon-Pêcheur | Star Marketing East Ltd. | ZOA Energy Canada Corp. |
| Molson Canada 2005 (Molson Coors) | | |

APPENDIX A

BRAND OWNERS WITH DEPOSIT-BEARING BEVERAGE PRODUCTS PACKAGED IN REFILLABLE GLASS CONTAINERS

Encorp's *Brand Owner Agreements* with the following brand owners (6 in total) to act as their designated agent/PRO for the EPR BCP include details related to treating their industry standard bottles (ISBs) or proprietary bottles as refillables. The collection, transportation and processing of all refillable beer bottles in NB is managed under Encorp by these Beer Canada member brewers through a collaborative effort led by Labatt Brewing Company, Molson Coors and Moosehead Breweries.



INDUSTRY STANDARD BOTTLE (ISB)

GARRISON BREWING CO.

- Irish Red
- Tall Ship

LABATT BREWING CO.

- Budweiser
- Bud Light
- Keiths
- Labatt Blue
- Michelob Ultra
- Oland Schooner

MOLSON COORS

- Coors Light
- Coors Original
- Molson Canadian
- Miller Lite
- Molson Ultra
- Rickard's Red
- Rickard's Taster Pack

MOOSEHEAD BREWERIES

- Alpine Lager
- James Ready
- Moosehead Lite
- Moosehead Premium Dry

PROPELLER BREWING CO.

- Propeller IPA



PROPRIETARY BOTTLE (GREEN)

MOOSEHEAD BREWERIES

- Moosehead Lager



PROPRIETARY BOTTLE (CLEAR)

SLEEMAN BREWERIES

- Sleeman Clear

MOLSON COORS

- Miller Genuine Draft

APPENDIX B

REDEMPTION CENTRES

| CENTRE # | NAME | ADDRESS | CITY/TOWN/VILLAGE |
|----------|---|-----------------------------|---------------------|
| BC01-04 | Dépot Recyclage | 276 Industriel St. | Tracadie |
| BC01-10 | Centre de Remboursement Inkerman | 1207 Route 113 | Inkerman |
| BC01-11 | Recyclage Peninsule Ltée. | 717 Des Acadiens Blvd. | Bertrand |
| BC01-12 | Centre de remboursement Shippagan les Iles Inc. | 4008 Route 113 | Savoy-Landing |
| BC01-13 | Recyclage Caraquet | 34 Industriel Blvd. | Caraquet |
| BC02-01 | Vail's Bottle Exchange | 522 Main St. | Woodstock |
| BC02-02 | Gilbert M. Rioux Et Fils Ltd. | 53 Beaulieu St. | Grand-Sault |
| BC02-04 | Comm. Ind. Employment Vocational Assoc. (CIEVA) | 113 Moffat St. Ind. Park | Woodstock |
| BC02-06 | Mapleview Redemption Centre | 184 Route 385 | Weaver |
| BC02-07 | Crain's Bottle Depot | 332 Main St. | Bath |
| BC02-08 | P & S Redemption Center | 36 Gulch Rd. | Perth-Andover |
| BC03-04 | Cole's Redemption Center | 2770 Route 3 | Harvey York |
| BC03-16 | Charlotte County Can & Bottle Ltd. | 48 Progress Dr. | St. Stephen |
| BC03-19 | Municipal Solid Waste | 9 Curling Club Rd. | Grand Manan |
| BC03-25 | Charlotte County Can & Bottle Ltd. | 109 Main St. | St. George |
| BC04-02 | Cocagne Variety Ltd. | 4702 Route 134 | Cocagne |
| BC04-07 | Aldéi Savoie Bottle Exchange | 7 Corporation St. | Bouctouche |
| BC04-11 | St. Antoine Bottle Exchange | 4590 Principale St. | St. Antoine |
| BC04-12 | K & R Bottle Exchange Ltd. | 109 Main St. | Rexton |
| BC04-13 | Elsipogtog Redemption Centre | 5-35 Big Cove Rd. | Elsipogtog |
| BC04-14 | Beaurivage Recycling | 10148 Route 134 | Saint-Louis-de-Kent |
| BC05-03 | Norrad's Bottle Exchange | 40 Albert St. | Sussex |
| BC06-09 | Denton's Bottle Exchange | 1 Logue Rd. | Minto |
| BC06-26 | Northside Redemption Centre | 213 MacFarlane St. | Fredericton |
| BC06-27 | Southside Redemption Centre | 70 Timothy Ave. | Hanwell |
| BC06-28 | Tri-R Redemption Centre | 16 Lewis St. | Oromocto |
| BC06-30 | Crain's Bottle Depot | 78 Rideout Rd. | Lower Brighton |
| BC06-31 | Brooks Redemption Center | 496 Campbell Settlement Rd. | Nackawic |
| BC06-33 | Best Metals | 320 Wilsey Rd. | Fredericton |
| BC06-34 | Sully's Bottle Depot | 264 Bridge St. | Chipman |
| BC06-35 | Lakeland Industries | 2270 Route 4 | Saint Croix |
| BC07-13 | Fundy Redemption Centre | 18 Egbert St. | Saint John |
| BC07-21 | Pub's Bottle Exchange | 346 Rothesay Ave. | Saint John |

APPENDIX B

| | | | |
|---------|---|--------------------------|--------------------------|
| BC07-25 | Valley Redemption Centre | 1 Market St. | Quispamsis |
| BC07-26 | Airport General Store | 4105 Loch Lomond Rd. | Saint John |
| BC07-28 | Grand Bay Redemption Centre | 301 Highland Rd. | Grand Bay - Westfield |
| BC07-29 | Golden Mile Redemption Centre | 35 Linton Rd. | Saint John |
| BC08-01 | Maurice Thibodeau Redemption Centre | 13790 Route 144 | Rivière-Verte |
| BC08-02 | J & L Warehousing Inc. | 500 De l'Acadie Blvd. | Edmundston |
| BC08-03 | Atelier Des Copains Co-Op Ltée. | 1710 Route 205 East | St Francois-De-Madawaska |
| BC09-01 | Atlantic Bottle Exchange and Salvage Centre | 560 Evangeline Dr. | Bathurst |
| BC09-05 | Recyclage Chaleur | 571 De l'Industrie St. | Petit Rocher |
| BC09-07 | Miramichi City Surplus | 5653 Route 108 Hwy | Derby Junction |
| BC09-12 | AIM Recycling Bathurst | 2080 Industrial Dr. | Bathurst |
| BC09-13 | Recyclage Beresford Recycling (2022) Ltée. | 709 Usine St. | Beresford |
| BC10-01 | Hebert's Bottle Exchange & Scrap Metal Ltd. | 293 Wellington St. | Miramichi |
| BC10-12 | Porter's Bottle Exchange | 5 Nelson Hollow Dr. | Doaktown |
| BC10-19 | Pai-Can Recyclers | 41 South Cains River Rd. | Blackville |
| BC10-21 | Dépaneur Fairisle | 1071 Route 445 | Fairisle |
| BC10-23 | TD Recycling 2018 | 451 Eel River Rd. | Baie Ste. Anne |
| BC10-24 | Miramichi City Bottle Depot | 303 King George Hwy | Miramichi |
| BC10-25 | Centre de recyclage COOP | 28 Boucher St. | Rogersville |
| BC11-13 | Billy's Bottle Exchange | 524 Darlington Dr. | Dalhousie |
| BC11-15 | Centre de Remboursement SAMJ Inc. | 6416 Route 17 | Saint-Quentin |
| BC11-17 | Billy's Bottle Exchange | 15C Boom Ln. | Atholville |
| BC12-06 | Wheaton's All-In-One | 13 Industrial Dr. | Sackville |
| BC12-08 | Gorber's Bottle Exchange Ltd. | 216 High St. | Moncton |
| BC12-22 | Riverview Bottle Exchange Inc. | 605 Pine Glen Rd. | Riverview |
| BC12-24 | Horsman Bottle Exchange Inc. | 3493 NB-106 | Salisbury West |
| BC12-25 | Memramcook Redemption Centre | 280 Old Shediak Rd. | Memramcook |
| BC12-26 | Valley Glass Recycling Ltd. | 665 Babin St. | Dieppe |
| BC12-30 | Valley Redemption Centre Inc. | 79 Toombs St. | Moncton |
| BC12-31 | Valley Redemption Centre Inc. | 323 Collishaw St. | Moncton |
| BC12-32 | Shediak Redeem Centre & Supplies Ltd. | 610 Main St. | Shediak |
| BC12-34 | Acadia Bottle Exchange | 2565 Acadie Rd. | Cap-Pelé |
| BC12-37 | East Main Market | 77 E. Main St. | Port Elgin |
| BC12-38 | Hillsborough Bottle Depot | 2995 Main St. | Hillsborough |

APPENDIX C

CONTRACTED SERVICE PROVIDERS

**COLLECTION, TRANSPORTATION, PROCESSING & QUALITY CONTROL
(NON-GLASS MATERIALS)**

Hebert's Recycling, Miramichi, NB

**COLLECTION, TRANSPORTATION, PROCESSING & QUALITY CONTROL
(NON-REFILLABLE GLASS MATERIALS)**

Rayan Environmental Solutions, Moncton, NB

**COLLECTION, TRANSPORTATION & PROCESSING
(REFILLABLE GLASS MATERIALS & PACKAGING)**

G.M. Rioux*, Grand Falls, NB

O.C. Maillet Transport, Bouctouche, NB

Armour Transportation Systems, Moncton, NB

**Contacted services ended on August 31, 2024, with Armour Transportation Systems taking on G.M. Rioux collection routes as of September 1, 2024.*

QA/QC & STATISTICAL MONITORING

Hebert's Recycling, Miramichi, NB

Rayan Environmental Solutions, Moncton, NB

Atlantic Statistical Analysis, Dieppe, NB

FINANCES & AUDITS

KPMG, Moncton, NB

MARKET RESEARCH

Narrative Research, Halifax, NS (Branch in NB led by Craig Wight, Managing Director)

APPENDIX D

END MARKETS

ALUMINUM

Shupan, Kalamazoo, MI

PET (NON-ALCOHOL) / HDPE TRANSLUCENT + PET (ALCOHOL)

Evergeen, Amherst, NS

NON-REFILLABLE GLASS (GREEN, CLEAR & BROWN)

Rayan Environmental Solutions, Moncton, NB

REFILLABLE GLASS (BEER)

Industry-standard bottles (ISBs) are sent for cleaning and reuse to:

- The Moosehead brewery in Saint John, NB
- The Oland brewery in Halifax, NS
- The Molson Coors Canada brewery in Toronto, ON
- The Molson brewery in Montreal, QC

Proprietary Sleeman refillable clear glass bottles are sent to Sleeman's brewery in Guelph, ON.

Proprietary Molson Coors refillable clear glass bottles are sent to Molson Coors Canada's brewery in Toronto, ON.

Proprietary Moosehead green refillable bottles are sent to Moosehead's brewery in Saint John, NB.

Broken glass resulting from or related to the transportation and processing of refillable glass containers is sent to Rayan Environmental Solutions, Moncton, NB or out-of-province glass recycling facilities.

CARTONS (POLYCOAT CONTAINERS & WINE BOXES)

Scotia Recycling, Dartmouth, NS

STEEL

Scotia Recycling, Dartmouth, NS

PLASTICS (OTHER) / POUCHES

Evergeen, Amherst, NS

PACKAGING (BOXES) FOR REFILLABLE GLASS

Scotia Recycling Ltd., Kentville, NS

D R Recycling, Moncton, NB

2M Resources, Saint-Jean-sur-Richelieu, QC

Baleforce, Milton, ON

APPENDIX E

MATERIALS SORT LIST

On April 1, 2024, Encorp introduced a revised materials Sort List at RCs, simplifying the sorting process for deposit-bearing beverage containers (alcohol, non-alcohol, and refillable) into 13 categories (10 sorts/bulk bags and tubs, as some container categories share the same sorting bulk bag or tub). By comparison, Encorp's previous Sort List had 19 categories (14 sorts/bulk bags and tubs) A key improvement was combining similar non-alcohol and alcohol material, a change welcomed by RC operators and staff.

SORT LIST

| | MATERIAL TYPE | SORT/SKU |
|----------|--|----------|
| METALS | ALUMINUM | 9 |
| | STEEL | 8 |
| PLASTICS | PET / HDPE TRANSLUCENT (NON-ALCOHOL)  | 3 |
| | PET (ALCOHOL)  | 10 |
| | ALL OTHER PLASTICS / POUCHES  | 11 |
| GLASS | GREEN GLASS | + 12 |
| | GREEN GLASS (ALCOHOL > 500 ml) | 22 |
| | CLEAR GLASS | + 13 |
| | CLEAR GLASS (ALCOHOL > 500 ml) | 20 |
| | BROWN GLASS | + 14 |
| | BROWN GLASS (ALCOHOL > 500 ml) | 18 |
| | REFILLABLE GLASS (BEER) | 27 |
| CARTONS | CARTONS | 28 |

+ SHARE SAME BULK BAG/TUB

APRIL 2024

encorpre
RECYCLE

APPENDIX F

AUDITED FINANCIAL STATEMENTS

Financial Statements of

ENCORP ATLANTIC / ENCORP ATLANTIQUE

And Independent Auditor's Report thereon

Year ended December 31, 2024



KPMG LLP

774 Main Street, Suite 600, PO Box 827
Moncton, NB E1C 8N6
Canada
Telephone 506 856 4400
Fax 506 856 4499

INDEPENDENT AUDITOR'S REPORT

To the Members of Encorp Atlantic / Encorp Atlantique

Opinion

We have audited the financial statements of Encorp Atlantic / Encorp Atlantique (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations, its changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report document.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report document as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Moncton, Canada

May 26, 2025

ENCORP ATLANTIC / ENCORP ATLANTIQUE

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December 31, 2024

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ENCORP ATLANTIC / ENCORP ATLANTIQUE

Statement of Financial Position

December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|---------------|---------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 7,636,738 | \$ 7,105,067 |
| Restricted cash and cash equivalents (note 2) | 240,853 | 449,568 |
| Accounts receivable (note 3) | 6,059,900 | 4,866,828 |
| Inventories | 199,354 | 82,143 |
| Prepaid expenses | 145,361 | 79,250 |
| | 14,282,206 | 12,582,856 |
| Capital assets (note 4) | 814,788 | 1,016,476 |
| | \$ 15,096,994 | \$ 13,599,332 |

Liabilities and Net Assets

| | | |
|--|---------------|---------------|
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 729,477 | \$ 1,105,119 |
| Security deposits (note 5) | 205,853 | 414,568 |
| Deferred revenue | 9,048,651 | 6,821,783 |
| | 9,983,981 | 8,341,470 |
| Net assets | 5,113,013 | 5,257,862 |
| Commitments and contingencies (note 7) | | |
| | \$ 15,096,994 | \$ 13,599,332 |

See accompanying notes to financial statements.

On behalf of the Board:



 B3C9907EDFBD470... Director



 B23B0353ADB4494... , Director

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|------------------|------------------|
| Revenue: | | |
| Deposits on containers | \$ 46,479,507 | \$ 31,750,100 |
| Container recycling fees | 6,710,580 | — |
| Deposits refunded | (33,921,463) | (13,297,556) |
| | 19,268,624 | 18,452,544 |
| Sale of recyclable materials | 8,302,755 | 4,973,835 |
| Other income (note 6) | 1,568,094 | 1,966,622 |
| | 29,139,473 | 25,393,001 |
| Operating expenses: | | |
| Service fees | 19,043,142 | 12,905,197 |
| Transportation and processing | 5,562,865 | 3,830,306 |
| Field expenses | 104,585 | 46,051 |
| | 24,710,592 | 16,781,554 |
| Other expenses: | | |
| Administrative | 2,950,279 | 2,072,909 |
| Amortization | 355,058 | 143,001 |
| Business development | 637,093 | 612,675 |
| Recycle NB | 631,300 | 525,000 |
| | 29,284,322 | 20,135,139 |
| Excess (deficiency) of revenue over expenses | \$ (144,849) | \$ 5,257,862 |

See accompanying notes to financial statements.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

| | Investment in capital assets | Unrestricted | 2024 | 2023 |
|---|---------------------------------|--------------|--------------|--------------|
| Balance, beginning of year | \$ 1,016,476 | \$ 4,241,386 | \$ 5,257,862 | \$ – |
| Excess (deficiency) of revenue over expenses | (355,058) | 210,209 | (144,849) | 5,257,862 |
| Purchase of capital assets | 153,868 | (153,868) | – | – |
| Loss on disposal of capital assets | (498) | 498 | – | – |
| Balance, end of year | \$ 814,788 | \$ 4,298,225 | \$ 5,113,013 | \$ 5,257,862 |

See accompanying notes to financial statements.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

| | 2024 | 2023 |
|---|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Excess (deficiency) of revenue over expenses | \$ (144,849) | \$ 5,257,862 |
| Item not affecting cash: | | |
| Amortization | 355,058 | 143,001 |
| Loss on disposal of capital assets | 498 | — |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (1,193,072) | (4,866,828) |
| Inventories | (117,211) | (81,197) |
| Prepaid expenses | (66,111) | (11,930) |
| Accounts payable and accrued liabilities | (375,642) | 1,434,075 |
| Security deposits | (208,715) | (500) |
| Deferred revenue | 2,226,868 | 3,594,996 |
| | 476,824 | 5,469,479 |
| Investing activities: | | |
| Restricted cash and cash equivalents | 208,715 | (249,568) |
| Purchase of capital assets | (153,868) | (768,809) |
| Business acquisition and settlement | — | 2,653,965 |
| | 54,847 | 1,635,588 |
| Increase in cash and cash equivalents | 531,671 | 7,105,067 |
| Cash and cash equivalents, beginning of year | 7,105,067 | — |
| Cash and cash equivalents, end of year | \$ 7,636,738 | \$ 7,105,067 |

See accompanying notes to financial statements.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

Encorp Atlantic / Encorp Atlantique (the “Organization”) was incorporated as a not-for-profit under the laws of the Canada Not-for-Profit Act on January 1, 2023 and commenced operations on April 1, 2023. The Organization is exempt from income taxes provided certain requirements of the Income Tax Act are met and carries on its operations without monetary gain to its members. The Organization acted as the agent for participating beverage distributors within the Province of New Brunswick and fulfilled certain of their obligations under the New Brunswick Beverage Containers Act. On April 1, 2024, the Organization started operating under the Designated Materials Regulation under the Clean Environment Act as the producer responsibility organization responsible for managing all designated used beverage containers on behalf of brand owners (formerly "beverage distributors"). Recycle New Brunswick approved the Organization's Stewardship Plan in effect as of April 1, 2024.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). The Organization's significant accounting policies are as follows:

(a) Cash and cash equivalents:

Cash and cash equivalents consist of cash and term deposits which are highly liquid, net of cheques issued and outstanding at the reporting date.

(b) Inventories:

Materials inventories consist of processed beverage containers materials, which are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business, less the estimated cost to make the sale. Cost is defined as average cost.

(c) Capital assets:

Capital assets are stated at cost less accumulated amortization. Amortization is assigned when the asset is available for use. Amortization is provided using the following methods and annual rates:

| Asset | Basis | Rate |
|---------------------------------|-------------------|------|
| Bulk containers | Declining balance | 50% |
| Office equipment | Declining balance | 20% |
| Field equipment | Declining balance | 20% |
| Computer equipment and software | Declining balance | 60% |
| Leasehold improvements | Straight line | 20% |
| Vehicles | Declining balance | 30% |

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(c) Capital assets (continued):

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Organization. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(d) Deferred revenue:

Deferred revenue consists of deposits and container recycling fees on containers yet to be returned for redemption and recycling. Deposits and container recycling fees are categorized as deferred revenue for a period of sixty days.

(e) Financial instruments:

The Organization's financial instruments consists of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accounts payables and accrued liabilities and security deposits.

Financial instruments are recorded at fair value on initial recognition. Subsequent to initial recognition financial instruments are measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying amount of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Revenue recognition:

Deposits and container recycling fees on all non-refillable deposit bearing containers are received from registered brand owners (formerly "beverage distributors") on each container sold in the province of New Brunswick. The Organization records revenue on an accrual basis as services are provided in relation to its obligations under the Stewardship Plan. (formerly under the "New Brunswick Beverage Container Act").

The Organization earns management service income from providing management services for the Prince Edward Island and Nova Scotia beverage container programs. Additionally, the Organization manages the refillable beer containers and revenue is recognized in accordance with the terms of these brand owner agreements when services are provided.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

1. Significant accounting policies (continued):

(f) Revenue recognition (continued):

Revenues from the sale of materials are recognized when the materials are shipped and the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable.

(g) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in earnings.

(h) Cloud computing arrangements:

All expenditures relating to its cloud computing arrangements are treated as a supply of services. During the year, \$21,659 (2023 - \$16,889) has been expensed in relation to cloud computing arrangements.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of depreciable assets and the period for which containers are returned for refund. Actual results could differ from those estimates.

2. Restricted cash and cash equivalents:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Restricted cash and cash equivalents consist of (notes 5 and 7): | | |
| Cash | \$ 5,853 | \$ 214,568 |
| Term deposits | 235,000 | 235,000 |
| | \$ 240,853 | \$ 449,568 |

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

3. Accounts receivable:

| | 2024 | 2023 |
|---------------------------------------|---------------------|---------------------|
| Deposits and container recycling fees | \$ 4,831,177 | \$ 3,598,551 |
| Trade accounts | 811,890 | 438,859 |
| Harmonized sales taxes recoverable | 329,261 | 828,485 |
| Other | 87,572 | 933 |
| | \$ 6,059,900 | \$ 4,866,828 |

4. Capital assets:

| | | | 2024 | 2023 |
|---------------------------------|---------------------|--------------------------|-------------------|---------------------|
| | Cost | Accumulated amortization | Net book value | Net book value |
| Bulk containers | \$ 177,645 | \$ 105,477 | \$ 72,168 | \$ 144,337 |
| Office equipment | 56,056 | 11,870 | 44,186 | 37,230 |
| Field equipment | 668,557 | 197,297 | 471,260 | 575,876 |
| Computer equipment and software | 255,724 | 142,125 | 113,599 | 198,551 |
| Leasehold improvements | 87,049 | 4,465 | 82,584 | 16,210 |
| Vehicles | 49,885 | 18,894 | 30,991 | 44,272 |
| | \$ 1,294,916 | \$ 480,128 | \$ 814,788 | \$ 1,016,476 |

5. Security deposits:

Distributor:

When former distributors appointed the Organization as their agent, they were required to deposit a predetermined amount with the Organization as security for their performance of all the terms and conditions of the distributor agreement. Upon termination of the agreement and providing that the distributor has met all terms and conditions of the agreement, the security deposit is refundable to the distributor without interest. The security deposits are included in restricted cash and cash equivalents.

Supplier:

As part of the transport and service agreements, the service provider is required to deposit an amount of \$200,000 with the Organization as security for their performance of the terms and conditions of the agreements. Upon termination of the agreements and providing the terms and conditions of the agreements have been met, the deposit is refundable with interest earned.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

5. Security deposits (continued):

The deposit is held in a term deposit and is included in restricted cash and cash equivalents.

| | 2024 | 2023 |
|-------------|-------------------|-------------------|
| Distributor | \$ 5,853 | \$ 214,568 |
| Supplier | 200,000 | 200,000 |
| | \$ 205,853 | \$ 414,568 |

6. Other income:

| | 2024 | 2023 |
|---------------------------------|---------------------|---------------------|
| Government transitional funding | \$ — | \$ 1,759,374 |
| Management services | 1,086,589 | 101,622 |
| Interest | 379,892 | 146,121 |
| Loss on exchange | 47,520 | (40,564) |
| Other | 54,093 | 69 |
| | \$ 1,568,094 | \$ 1,966,622 |

7. Commitments and contingencies:

The Organization rents premises under an operating lease that expires July 31, 2028. The lease is comprised of a minimum base rent portion (net lease) and an additional rent portion based on allocating a proportionate share of operating expenses.

Annual repayment are as follows:

| | Base rent | Additional estimated rent | Total |
|------|-----------|------------------------------|-----------|
| 2025 | \$ 36,521 | \$ 29,493 | \$ 66,014 |
| 2026 | 37,212 | 30,922 | 68,134 |
| 2027 | 37,904 | 31,540 | 69,444 |
| 2028 | 22,466 | 18,723 | 41,189 |

The Organization has placed cash in a \$ 35,000 term deposit to secure a credit facility for corporate credit cards with its existing financial institution. This amount is included in the restricted cash and cash equivalents.

ENCORP ATLANTIC / ENCORP ATLANTIQUE

Notes to Financial Statements

Year ended December 31, 2024

8. Financial risks:

(a) Foreign currency risk:

The Organization is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Organization sells materials denominated in U.S. dollars. The Organization does not currently enter forward contracts to mitigate this risk.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its obligations resulting in financial loss. The Organization is exposed to credit risk on its cash and cash equivalents, and accounts receivable. The Organization maintains its cash and cash equivalents with a major, reputable financial institution. Accounts receivable consist of amounts outstanding from distributors and material markets. The Organization mitigates the risk by monitoring the aging of the receivable of the counterparties.

(c) Liquidity risk:

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities as of December 31, 2024. The Organization monitors cash balances and cash flow requirements from operations to mitigate this risk.

(d) Market risk:

Market risk arises when changes in an underlying market rate, such as commodity prices, may adversely impact future cash flow. The Organization's sales of materials are derived from the sale of processed beverage containers, which are subject to fluctuations in market prices for aluminum and polyethylene terephthalate (PET).

9. Comparative amount:

Certain 2023 comparative amount have been reclassified to conform with the financial statement presentation adopted for the current year.

