

Q&A - 2022 Annual Steward Meeting - October 26, 2022



General		
1.	Do any of the four provincial programs have changes in scope regarding IC&I materials?	None of the programs include reporting of Industrial, Commercial and Institutional materials.
2.	Is the report for the year 2023 postponed to 2024?	Stewards report annually for most programs to provide data from the previous year to inform the invoice for the upcoming year. In 2023 you will report on your 2022 sales, and you will see those quantities in the details of your invoice when you receive your invoice in 2024. (See section on Stewardship Ontario below for details on its program.)
3.	Will the MCI for 2023 be published and compared to the 2021 MCI rates?	Details on the Material Cost Index were published as part of the Material Cost Differentiation Methodology project. A graphic of the MCI comparison is included at the end of this document, providing the updated MCI values for each material where those updated values have incorporated the 2021 and 2022 measurement studies. These are compared with the baseline MCI used in 2021 and 2022 fee setting.
4.	Why is Non-Expanded PS grouped with EPS in SK and MB, but not BC? Why have the fee rates increased so significantly from last year and compared with the Other Plastics category?	Recycle BC has been able to take a general polystyrene category and calculate fee rates for expanded polystyrene as compared to rigid polystyrene. Recycle BC stewards already report into those two distinct polystyrene categories, and the program has all other necessary inputs to fee setting available for both categories. Although SK stewards report EPS separate from rigid, the other inputs to fee setting are not available to distinguish the fees. MB stewards only report into the general polystyrene category, so fees cannot be calculated separately until such time as changes are made to reporting categories. Future updates to reporting categories are expected. To understand how fee rates have changed year-over-year, the Cause of Change charts provide the change factors for each material's fee rate for each of the programs. Recall that fee rates can't be compared across programs because their scope of obligated materials differ as do their financial obligations – i.e., SK must fund up to 75% of the municipal program, MB up to 80% and BC is a full producer responsibility program.
5.	What is Disaggregation?	Disaggregation describes breaking up groups of materials whose fee rates were previously averaged together in the fee setting process. In the past,

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		<p>when programs relied on the inputs from the Activity-Based Costing, we did not have sufficient granularity to justify a unique fee rate for some materials. As a result, when fee rates were calculated, certain groups of materials were grouped together and their fees averaged. With improved inputs available when following the Material Cost Differentiation (MCD) methodology, more specific cost impacts can be calculated for each material in the former group.</p> <p>So, disaggregation is the retirement of the historic practice of aggregating, or averaging, of fee rates.</p>
6.	I see a negative fee for HDPE. What does this mean?	<p>A negative fee rate means a credit for that material on your invoice. Sometimes high-value materials, such as aluminum and HDPE, can have years where their commodity revenues allocated under Step 2 of the Four-Step Fee Methodology exceed the cost allocated to the material under Step 1.</p>
7.	Can you explain the variances in Recycle BC and MMSW fee rates for aluminum?	<p>The Cause of Change charts provide the change factors for each material's fee rate, but rates can't be compared across programs. The Recycle BC program is a full EPR program fully responsible for the operations and financing of the program whereas MMSW currently funds up to 75% of the municipal program costs.</p>
8.	Is multi-year data from the programs being brought to the Federal Plastics Consultations on Plastics (Labelling, Registry)?	<p>Where related initiatives require data from the programs, requests are made to the program leadership and information is provided when applicable and approved.</p>
9.	How are you reconciling the Canadian Council of Ministers of the Environment (CCME)'s "A Roadmap to Strengthen the Management of Single-Use and Disposable Plastics" that identifies three groupings of products (Rigid packaging, Film and flexible packaging, and Single-use and disposable products) with provincial programs?	<p>When each provincial Ministry makes a change to their provincial PPP Regulation, programs respond as required. In some cases this means a change to their Program Plan or other operational frameworks.</p>
10	Is there a one-page fee schedule for all programs?	<p>This Excel file maps 2023 material fee rates with program material categories for BC, SK and MB in a user-friendly format.</p>
11	How are the programs ensuring that all obligated producers are participating in the programs? What is	<p>On behalf of the programs, the market is regularly surveyed to identify obligated parties and to ensure that those obligated parties are compliant</p>

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	<p>done to identify free riders? How can the producer community support these initiatives?</p>	<p>with their reporting and regulatory obligations. Companies that may be expected to be on steward lists may not be the obligated party in that jurisdiction. Information about suspected free riders can be sent to the National Steward Services team. Anonymous submissions of suspected unregistered stewards can be made on program websites for Manitoba, Saskatchewan and British Columbia.</p>
<p>12</p>	<p>Is there a discount for FSC supported paper and envelopes or kraft paper? Is there any benefit fee-wise to use more sustainable materials?</p>	<p>The Four-Step Fee Methodology does not have a specific guiding principle related to Forest Stewardship Council supported products; however consideration is given in fee setting and cost impact determination to those materials whose impacts on cost are lower and whose commodities have value on the recycling end markets.</p>
<p>13</p>	<p>Are any non-resident vendors registered and remitting, or do all imports remain the responsibility of the first importers?</p>	<p>Depending on the jurisdiction, non-resident producers who are not obligated under the provincial regulation can choose to join a program as a voluntary steward. These organizations are listed as such on the steward lists. Matters related to the obligated party can be complex, so we encourage you to contact National Steward Services about any specific questions.</p>
<p>Stewardship Ontario</p>		
<p>14</p>	<p>How do I know if our company is qualified for simplified fees in Ontario?</p>	<p>The steward requirements for simplified fees include:</p> <ul style="list-style-type: none"> • Steward is in good standing • Steward filed accurate and complete reports for both the 2020 and 2021 reporting years – referred to as the baseline years; or • Steward filed an accurate and complete report for one of the baseline years and was exempt from reporting in the other baseline year • Any steward-initiated adjustments and qualifying events to the baseline years were filed by the deadline.
<p>15</p>	<p>Do we need to submit 2021 supply data to RRPA or is it covered by SO's simplified fees?</p>	<p>Simplified fee setting avoids stewards reporting data to Stewardship Ontario. Reporting requirements for RRPA and a Producer Responsibility Organization under the new Blue Box Regulation are available from RRPA.</p>
<p>16</p>	<p>Do you have training in French in Ontario?</p>	<p>We currently do not have training available in French in Ontario. If you need French support, please send an email to National Steward Services and we will work with you to determine how best to provide support.</p>

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<p>17 For SO 2023 invoices, if we're qualified under simplified method, would our fees equal (2021 invoice + 2022 invoice)/2?</p>	<p>Simplified fees for 2023 invoices will be determined based on each steward's share of the Stewardship Ontario budget for the two most recent years (Invoice years 2021 and 2022, which were based on reports submitted in 2020 and 2021, respectively). Stewardship Ontario will calculate the average of the two shares and apply it to the 2023 fee budget amount.</p>
<p>18 Does the simplified fee method only apply to Ontario?</p>	<p>Yes, the simplified fee methodology applies only to Ontario and was implemented to ease the administrative burden on stewards during the transition to the new regulatory framework for the Blue Box. All other programs require reporting of supplied material quantities, as they have a regulatory obligation to calculate recovery rates, and the calculation of recovery rates in BC, SK and MB rely upon the supply quantities, so they must be current.</p>
<p>19 If a manufacturing facility is situated in Ontario and the products are sold in Ontario as well as distributed nationally, which sales number should be used for reporting the data in Ontario?</p>	<p>Reporting of materials quantities for Ontario is only required by stewards that don't qualify for simplified fees. For stewards that need to report, quantities should reflect materials supplied to the residential market in the province, not produced quantities.</p>
<p>20 How many PROs are in Ontario?</p>	<p>Information about Producer Responsibility Organizations under the new Blue Box Regulation is available from RPRA.</p>
<p>21 Will Ontario invoices sent out in 2023 include packaging-like products? Or is that further down the road?</p>	<p>Invoices for almost all Ontario stewards for 2023 until the end of the program in 2025 will be calculated using the simplified fees method. Information about reporting materials under the new regulatory framework is available from RPRA.</p>
<p>22 With the acquisition of CSSA/RRA by CM, how do we go about receiving/paying SO invoices?</p>	<p>Invoices will be issued in January as usual. Stewardship Ontario has a variety of policies in place to ensure its information remains confidential and is used exclusively to service Stewardship Ontario's requirements. Data confidentiality, including compliance with Stewardship Ontario policies, is reflected in Stewardship Ontario's services agreement with Circular Materials (formerly Resource Recovery Alliance).</p>
<p>23 For 2023, do we have to pay fees to SO and to RPRA and a PRO?</p>	<p>During the Blue Box regulatory transition, stewards will have multiple obligations while Stewardship Ontario is winding up. There will continue to be a Stewardship Ontario financial obligation to municipalities through 2025 to municipalities that have not yet transitioned to the new regime</p>

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		(and for which Producers are not incurring costs). Steward financial obligations to Stewardship Ontario will decline as more communities transition to the new regulation, under which each producer is individually responsible for meeting obligations and can choose to sign with a PRO to do this. More information is available from RPRA .
24	When will SO invoice producers for the simplified fees?	Stewardship Ontario invoices for 2023 will come out in January. You can estimate your invoice using the example on page 28 of the Report to Stewards .
25	Who help stewards with selection of a PRO?	Stewardship Ontario has no role in the new regulatory framework. Information about PROs is available from RPRA .
26	How do I contact Stewardship Ontario?	Stewards can contact us by email or phone: werecycle@stewardshipontario.ca or 1-888-288-3360
MMSM		
27	Who can I contact for assistance with MMSM questions?	Please contact National Steward Services: 1-888-980-9549 (toll-free) or stewards@circularmaterials.ca
28	How can I determine eligibility to report as an MMSM voluntary steward? We are under 1000kg so apparently can't be a voluntary steward?	Voluntary stewards are non-resident brand owners who supply PPP into a regulated jurisdiction and who elect to take responsibility for reporting and payment of stewardship fees for their designated PPP materials. These organizations have to meet certain conditions to become a voluntary steward, including supplying at least the de minimis tonnage threshold for each program. To satisfy above conditions for the MMSM program, voluntary stewards must supply at least 1,000kg of PPP. Please contact National Steward Services: 1-888-980-9549 (toll-free) or stewards@circularmaterials.ca for further assistance.
29	Could you please clarify the expected dates of full EPR transition for MMSM and MMSW?	For MMSM, the Transition Plan is currently with the Minister, and we anticipate receiving approval before the end of the year. We will work with communities throughout 2023 and anticipate the first transitions to occur January 1, 2024, and be completed in 2026. For MMSW, the legislation is expected to go to Cabinet in December. We expect a regulation to be published in the spring, and then we will develop a Program Plan in order to move to implementation. It is difficult to predict a transition schedule at this time.

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MMSW	
30 What is the earliest stewards could expect the fee rates to increase due to full EPR?	The 2023 fees are set, so the earliest that there would be a budget and fee impact for a full EPR program for Saskatchewan would be 2024.
31 Will the new EPR regs in Sask and Manitoba have the same tonnage and revenue exemption requirements as the new EPR in Alberta and NB?	For Saskatchewan, the Ministry has held their consultation process. We do not yet know the final outcome. We anticipate the new Regulation to be published early spring 2023. For Manitoba, the minimum requirements as proposed in the draft transition plan are 1 tonne or \$1 million in revenue. The proposal and draft plan are subject to government approval.
32 Given the spike in commodity revenue in 2021, can you provide more context why the net cost in SK increased, whereas the other programs saw a decrease in their net cost?	The programs are very different, and it is therefore difficult to compare budgets and fees. For example, in BC the commodity revenue is real time, earned directly by the program. In Saskatchewan, MMSW does not operate the program and does not have responsibility for marketing materials and receiving the revenue. Also, MMSW's 2023 budget reflects the program's regulatory obligation to increase collector payments to reflect Saskatchewan costs.
Recycle BC	
33 If approved, would the new draft Program Plan obligate online sales into the province for business not resident in BC?	The Recycle BC Program Plan documents how we will meet the obligations in the Regulation on behalf of our producer members. The obligations for producers are set in the Regulation. We are consulting on the draft Program Plan to ensure producer members are comfortable with the way in which Recycle BC is discharging their provincial obligations.
34 When new items become obligated, such as Single-Use Plastics and Packaging-Like Products, how are fees attributed to those items?	Producers report by material type not by item, so there is not a segregated report for single-use or packaging-like items. Producers supplying single-use and packaging-like report the quantity of material supply into the appropriate material reporting category. The Four-Step Fee Methodology is then used to calculate the fees attributable to each material category.
35 The fees for Aluminum in BC have a lot more variation than in other provinces. Can you clarify why there is such a large swing?	Recycle BC Cause of Change charts for 2023 fee rates explain each of the factors impacting the fee rates year over year.

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<p>36 The BC 5-year budget review indicates an expected revenue of \$24.2M in the 2022 Program Year compared to \$10.1M in the 2021 Program Year. How does this align with the data years?</p>	<p>The budget for 2021 projected \$10.1 million based on the best information available when the program budgets were calculated. In fact, 2021 had the best commodity markets in decades and brought in a large amount of commodity revenue versus budget. That supported the \$15 million drawdown of the surplus and allowed 2021 to show tremendous cost reduction in the Recycle BC program.</p> <p>A reminder that each program’s budget process differs. MMSM and Stewardship Ontario are transfer payment programs, based on reviewed submissions from municipal partners, so the budget is a known cost. In BC, the budget is a projected cost because it’s a real-time full EPR program that requires estimates.</p>
<p>Circular Materials</p>	
<p>37 With the recent changes, how would you characterize the relationship between the programs and Circular Materials?</p>	<p>Circular Materials is a service provider to Recycle BC, MMSW, MMSM and Stewardship Ontario, providing various administrative and technical services. There have been no changes of services to these programs following Circular Materials’ acquisition of RRA.</p>
<p>38 If we are not working with CM on reporting and invoicing in Ontario, how do we report supply for SK, MB, and BC and pay the corresponding invoices?</p>	<p>Circular Materials is now the service provider for Recycle BC, MMSW, MMSM and Stewardship Ontario and will continue to operate the WeRecycle Portal. These programs continue to use the systems that you are familiar with for reporting and invoicing.</p>

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MCI Comparison

