



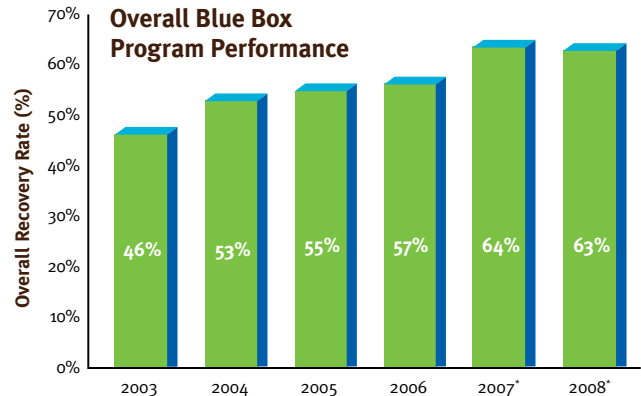
Blue Box Program
 4,983,856 Ontario households have access to recycling services*. Approximately 90% of Ontario residents report they participate in recycling opportunities, where available.
*Source; WDO Datacall, 2007

Stewardship Ontario was established under the Waste Diversion Act in 2004 to develop, implement and operate waste diversion programs in Ontario for paper and packaging wastes and municipal hazardous and special wastes. Our goal is to work with various partners to reduce waste through the 3Rs (reduce, reuse and recycle). Today Stewardship Ontario touches all those households that recycle paper and packaging through their Blue Box as well as those households that divert municipal hazardous and special waste such as used paint, solvents, fertilizers, pesticides, non-rechargeable batteries, used oil filters, oil containers, pressurized containers and antifreeze.

Creating Sustainable Communities

Ontarians value recycling and take pride in their efforts to reduce the amount of packaging and printed paper waste they send to landfill. For two consecutive years Ontario households have exceeded the provincial target by recycling more than 60% of paper and packaging materials. This achievement is both cause for celebration and it contributes to our common goal of more sustainable communities.

Industry has helped build a system that is in large part successful because it's available to nearly everyone and it's convenient to use whether we walk boxes, bags and bins to the curb for collection or take recyclables to apartment bins and drop-off depots.



Despite the proliferation of new products, some of which are in packaging formats that are difficult to recycle, last year Ontario residents stepped up and recycled at a level that exceeds the provincial target of 60% recovery for the second year in a row.

Making it Easier to “Do What You Can” for the Environment

As with the blue box, the key to a successful MHSW program is making it easier for Ontarians to do what they can to ensure MHSW is reused or recycled. Stewardship Ontario is building a growing network of collection locations for household hazardous waste and special waste including partnerships with 102 municipalities, 85 The Home Depot stores, 95 participating RONA stores, 39 Jiffy Lube and 2 PRO Oil Change automotive service centres.

Ontarians can go to dowhatyoucan.ca where they can enter their municipality, postal code or material type to find these and other locations to drop off MHSW.

But We Need to Do More

Ontarians and the provincial government want their blue boxes to work harder and they want industry to make it happen. At a recent gathering of industry and public sector representatives, Environment Minister John Gerretsen said:

“We have come a long way with the Blue Box program and we have had success, but we can and must do more. We need new targets and we have to be ambitious.”

Contributing to Ontarians' quality of life: a targeted approach

Did you know?

- 32,000 tonnes – the average amount of waste the Municipal Hazardous and Special Waste (MHSW) program aims to divert per year over the next five years – is equivalent to more than three quarters of the volume of cement required to construct the CN Tower.
- Approximately 94 million litres of paint are sold in Ontario every year. Five to 10 per cent of this paint is never used but can be recycled to make new paint.
- The amount of leftover paint and coatings available for collection is enough to fill 315 average-sized, residential swimming pools.
- Approximately 175 million non-rechargeable batteries are sold in Ontario every year.
- The amount of used single-use batteries, used oil filters and propane cylinders available for collection could provide enough steel to make 23,000 mid-sized cars or 1.8 million bicycles.
- Available oil and antifreeze containers could provide enough plastic to make 55,000 park benches.

In its review of the five-year-old Blue Box Program Plan, Waste Diversion Ontario recommended material specific diversion target increases over the next five years. Ontario is calling for a zero waste future and Toronto is aiming at a 70% waste diversion target for paper and packaging by 2010.

Our targets for municipal hazardous and special waste are equally ambitious but achievable. While municipalities have been collecting household hazardous waste for years, Stewardship Ontario's aim is to double the diversion to an average 32,000 tonnes of waste annually over the next five years.

Next year, Stewardship Ontario plans to expand its MHSW program to include a number of new materials such as pharmaceuticals, rechargeable batteries, sharps/syringes, mercury switches, thermometers and more.

Volumes, Packaging Types and Revenues Push System Costs Up

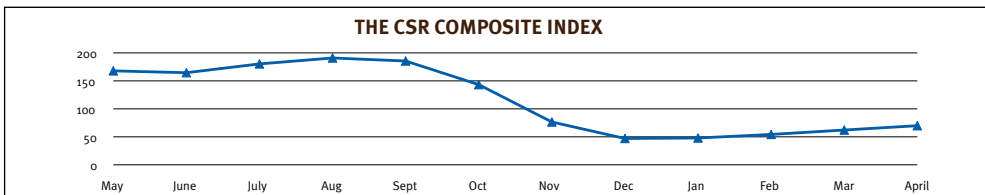
As people recycle more materials at ever increasing rates, diversion climbs and costs keep pace. Add to that the increased costs that result from harder-to-recycle packaging (especially plastics such as clear clam shells and food wrap). Municipal recycling facilities are having a difficult time keeping up with innovation in packaging.

Stewardship Ontario is working with municipalities to optimize current recycling systems by investing in necessary upgrades, in proven new technology and in programs that boost recycling. We also are developing new markets for recyclable materials. For example, in 2008 Stewardship Ontario invested \$1.75 million to assist Unical, Inc. to build a glass processing plant in Brampton that will save five GTA municipalities a total of \$10 million in blue box costs over seven years. A project to establish new processing capacity for blue box plastics is currently in the works.

Another factor in blue box cost increases stems from the downward turn in the economy. Revenues for recyclable commodities have fallen off sharply meaning net costs (after revenues have been added in) will be higher. Both municipalities and industry will share the pain of increased costs in the future.

The Price Sheet Ontario Monthly Averages from May 2008 to April 2009

(CDN\$/Metric Tonne)



Courtesy of CSR: source: The Price Sheet, April 2009
Revenues for Blue Box Recycled Commodities - Ontario Monthly Averages May 2008 to April 2009 (CDN\$/Metric Tonne)

Stewardship Funding Obligations

The retail, grocery, food and food service, beverage, personal care, durable and consumable industries and printed media fund 50% of the net cost of Ontario's residential blue box recycling system. Municipalities pay the other 50% from their tax base. The total cost of municipal recycling in Ontario in 2007 was \$157 million.

Should industry pay more? Currently the Ontario government is considering whether industry should pay 100% of the costs of municipal recycling. Such a change would require amendments to the Waste Diversion Act.

MHSW stewards already are required to pay 80% of the MHSW program's post-collection costs. Once a new consolidated MHSW plan is implemented, stewards will be responsible for 100% of the costs.



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