

**Schedule B to the Program Agreement between Stewardship Ontario and the
Resource Productivity and Recovery Authority dated _____, 2018**

**Rules for Stewards with Respect to Payment of Blue Box Fees for the Period
Commencing _____**

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PART I: DEFINITIONS

1. In these Rules the following terms have the following meanings:

“Adjustment Request” is the mechanism by which Stewards may request changes to their previously Filed Annual Steward Report within two years from the associated report submission deadline pursuant to the Adjustment Policy in Appendix E and posted on the Stewardship Ontario website [\[insert link\]](#).

“Affiliate” means that one Steward shall be deemed to be affiliated with another Steward if:

- (a) one Steward is the subsidiary of the other Steward; or
- (b) both Stewards are subsidiaries of the same corporation; or
- (c) each Steward is ultimately controlled by the same corporation.

“Ancillary Packaging Elements” include but are not limited to labels attached to a package, brushes or measuring devices which form part of the packaging closure, staples, pins, and clips that are discarded by residential consumers.

“Annual Steward Report” is the annual report Filed by all Stewards and Voluntary Stewards in accordance with Part IV of these Rules, which describes the aggregate amount of Designated Blue Box Waste, expressed in kilograms or units by category, Supplied by the Steward and its Franchisees or Affiliates during the Data Year¹.

“Blue Box Program Plan” means the Blue Box Program Plan dated _____, 2018, or as may be amended from time to time, found here [\[Insert link\]](#).

“Brand” is a trademark, tradename or logo.

¹ This may differ for new stewards as their Data Year may include estimates based on data from their Obligation Year

“Brand Holder” means a person who owns or licences a Brand or who otherwise has rights to market a product under the Brand.

“Confidential Information” means sales or other data submitted by a Steward to Stewardship Ontario that is not publically available from any source.

“Consumer” means an individual acting for personal, family or household purposes and does not include a person who is acting for business purposes

“Convenience Packaging” means material used in addition to primary packaging to facilitate residential consumers’ handling or transportation of one or more products, such as boxes and bags.

“Data Year” is the year for which the Steward is reporting, which could be:

- (a) calendar year in which the Steward Supplied Designated Blue Box Waste; or
- (b) the Steward’s fiscal year in which the Steward Supplied Designated Blue Box Waste; or
- (c) for new Stewards only, an estimate of the Steward’s Supplied quantity of Designated Blue Box Waste for the calendar year or fiscal year.

“Designated Blue Box Waste” is Packaging or Paper Products that is Supplied to a Consumer.

“Excluded Paper Products” means bound hard and soft cover books, such as reference books, literary books and text books and paper products intended for human hygiene such as paper towels, toilet paper, facial tissue, wipes and sanitary products.

“Fee Methodology” is the four-step process by which Steward Fees are calculated in Appendix D.

“**Filed**” or “**File**” means submitted by a Steward to Stewardship Ontario through the WeRecycle Portal at <https://wecycle.cssalliance.ca>.

“**First Importer**” is a Person Resident in Ontario who imports Packaging or Paper Products into Ontario or is the first to take possession or control of the Packaging or Paper Products in Ontario for which a Brand Holder does not exist.

“**Franchisor**”, “**Franchisee**”, “**Franchise System**”, or “**Subfranchise**” have the meaning ascribed to these terms in the *Arthur Wishart Act (Franchise Disclosure)* or as may be amended or replaced <https://www.ontario.ca/laws/statute/00a03>. This includes Franchisors who conduct business in Ontario through their Ontario Franchise System, regardless of whether the Franchisor has a Franchisor-owned fixed place of business in Ontario.

“**Gross Revenue**” means a Steward’s total revenue derived from all goods and services Supplied in Ontario (excluding HST), without deduction.

“**IC&I Material**” means Packaging or Paper Products which are supplied to the industrial, commercial, or institutional sector and which are not subsequently Supplied to Consumers.

“**IC&I Sector**” means the industrial, commercial, or institutional sector.

“**In Good Standing**” means a Steward who is current with and has fulfilled all of its Stewardship Obligations under these Rules, with respect to:

- (a) Steward reporting;
- (b) payment of Stewardship Fees;
- (c) responding to reasonable inquiries by Stewardship Ontario; and
- (d) record keeping obligations.

“Methodology” means the process used by the Steward to determine its calculation of its Supplied quantity of Designated Blue Box Waste, including, but not limited to, data sources, percentage allocation of data reported, data collection systems, and the use of calculators, worksheets, commercial software, or mathematical formulae.

“Obligation Year” means the calendar year, or any part thereof, for which the Steward is obligated to fulfill its stewardship obligations under these Rules.

“Packaging” means:

- (a) Primary Packaging,
- (b) Convenience Packaging,
- (c) Packaging-Like Products,
- (d) Ancillary Packaging Elements,
- (e) Transport Packaging,

that is made of glass, metal, plastic and paper including, but not limited to, corrugated boxes, boxboard, laminated paper containers and cups.

Packaging excludes:

- (a) Packaging Accessories,
- (b) Storage Containers,
- (c) Packaging manufactured in whole from wood², ceramic, crystal, rubber, leather or textile.

“Packaging Accessories” include items associated with packaging that do not provide a packaging function (e.g., plastic cutlery, serviettes, straws, etc.).

“Packaging-Like Products” means products that are indistinguishable from packaging when discarded by residential consumers, and includes but is not limited to aluminum pie plates, aluminum foil, corrugated cardboard boxes for moving or mailing items,

² This exclusion does not include paper-based packaging.

plastic or paper-based beverage cups, kraft paper bags, re-sealable plastic bags, tissue paper, and wrapping paper.

“Paper Products” means paper made from any cellulosic fibre and includes but is not limited to paper that is either blank or contains text or other markings for copying, printing, writing and other general use, bills, booklets, brochures, calendars, catalogues, customer statements, directories, envelopes, flyers, greeting cards, wrapping paper, magazines, newspapers, receipts, and all other paper that is not packaging, except for Excluded Paper Products.

“Person” means an individual, partnership, joint venture, sole proprietorship, corporation, government, trust, trustee, executor, administrator or any other kind of legal personal representative, unincorporated organization, association, institution, or entity.

“Primary Contact” means an individual appointed by a senior officer in the Steward’s organization as the Steward’s authorized officer or agent under whose authority the Steward’s Annual Steward Report is Filed according to the Primary Contact Policy posted on the Stewardship Ontario website [\[insert link\]](#).

“Primary Packaging” means material that is used for the containment, protection, handling, delivery and presentation of a product that is provided to a Consumer at the point of sale, and includes packaging designed to group one or more products for the purposes of sale, but does not include Convenience Packaging or Transport Packaging.

“Private Label Goods” means goods that carry the Brand of a Brand Holder and are Supplied to Consumers by such Brand Holder that is a retailer in Ontario.

“Registered” means having completed the registration process by submitting all of the requested information to Stewardship Ontario either electronically or other means as required by Stewardship Ontario, including:

- (a) company name and contact information;

- (b) Primary Contact information; and
- (c) permitted Steward exemption status based on Gross Revenues and Total Weight.

“**Registered Charity**” means a charitable organization which is registered with the Canada Revenue Agency as a registered charity and listed in the attached link, which may be updated from time to time: <http://www.cra-arc.gc.ca/chrts-gvng/lstngs/menu-eng.html>.

“**Regulations**” means regulations made under the *Waste Diversion Transition Act* applicable to the Blue Box Program.

“**Reporting Deadline**” is the date by which a Steward must File its Annual Steward Report as set out in Appendix C to these Rules.

“**Resident in Ontario**” means, with respect to a Person, a Person that has a permanent establishment in Ontario in accordance with the provisions of Appendix B. In the case of Franchisors, it includes Franchisors who conduct business in Ontario through their Ontario Franchise System, regardless of whether the Franchisor has a Franchisor-owned fixed place of business in Ontario.³

“**Residential Waste System**” means a system of waste collection which services residential dwellings, including all single family and multi-family dwellings, regardless of whether the service is provided by a municipal government or by private contractors.

“**Resource Productivity and Recovery Authority (RPRA)**” is a corporation which oversees the operation of Stewardship Ontario and the Blue Box Program in accordance with the *Waste Diversion Transition Act, 2016*. RPRA is the successor to Waste Diversion Ontario.

³ As referenced in the *Corporations Tax Act, Ontario* in Appendix B of these Rules.

“Rules” means these Rules.

“Steward” means the Person who is obligated with respect to Designated Blue Box Waste in accordance with Part III of these Rules, and includes any Person who elects to become a Voluntary Steward in accordance with section ___ of these Rules and the Voluntary Steward Policy posted on the Stewardship Ontario website.

“Stewardship Fees” means the Fees calculated in accordance with these Rules.

“Storage Containers” means Primary Packaging intended as long-term storage for the product, including but not limited to CD or DVD cases, power tool cases and for storage of all or portions of the product (e.g. board game pieces, etc.).

“Supplied” means sold, leased, donated, disposed of, used, transferred the possession of or title of, or otherwise made available to a Consumer in Ontario or distributed for use by a Consumer in Ontario. Supply and Supplies have similar meanings.

“Total Weight” means the total weight of all Designated Blue Box Waste Supplied to a Consumer in the Data Year.

“Transport Packaging” means material used in addition to Primary Packaging to facilitate the handling or transportation of one or more products by persons other than Consumers and which are discarded by Consumers, such as delivery envelopes or boxes or other such packaging, but does not include shipping containers designed for transporting goods by road, ship, rail or air or any packaging used for the business to business (B2B) delivery of goods and not supplied to Consumers.

“Validation Data” means information, including:

- (a) product categorization data such as SKU or UPC;
- (b) descriptions of each product item or group;
- (c) product sizes;

- (d) packaging materials and weight;
- (e) sales volumes; and
- (f) Steward or industry-specific studies or other evidence to support a Steward's deduction from their Annual Steward Report,

that may be requested by Stewardship Ontario to:

- (a) substantiate quantities reported by Stewards in their Annual Steward Report and any deductions; or
- (b) assess a Steward's Adjustment Request.

“Voluntary Steward” means a Person who elects to become a Voluntary Steward in accordance with section 17 of these Rules and the Voluntary Steward Policy posted on the Stewardship Ontario website.

“WeRecycle Portal” means the internet portal that must be used by all Stewards when submitting their Annual Steward Report in accordance with Part IV of these Rules.

PART II: APPLICATION, DURATION, NONCOMPLIANCE, POLICIES, NOTICE, CONFIDENTIALITY

Application of These Rules

2. These Rules apply to all:

- (a) Stewards who are obligated to File an Annual Steward Report in the current year;
- (b) New Stewards who began Supplying Designated Blue Box Waste in the current year;
- (c) Stewards (regardless of whether they have Registered) who were obligated but failed to Register and/or File an Annual Steward Report in a prior year;⁴

⁴ These Rules apply to all Annual Steward Reports which should have been Filed but were not Filed by a Steward for a prior Year. However, the calculation of Fees associated with any past unfiled Annual Steward Report will be calculated in accordance with the Stewardship Fee rates and the material definitions in each of the applicable prior Years.

- (d) Stewards who make an Adjustment Request in the current year in accordance with the Adjustment Policy in Appendix E and on the Stewardship Ontario website [\[insert link\]](#) for any current or prior year's Annual Steward Report;⁵ and
- (e) Steward requests for Dispute Resolution made in the current year.⁶

Duration of These Rules

3. These Rules:

- (a) remain in force from the time that they are approved by RPRA and posted on the Stewardship Ontario website until the time they are replaced on the Stewardship Ontario website with RPRA-approved Rules; and
- (b) shall be automatically amended for years subsequent to 2018 by substituting the year appearing in these Rules with the subsequent year unless or until new rules are approved by RPRA and are posted on the Stewardship Ontario website.

Noncompliance with These Rules

4. All Stewards are required to comply with these Rules. Failure to comply with these Rules may result in penalties and interest and/or compliance and enforcement actions undertaken by Stewardship Ontario and/or RPRA as provided for:

- (a) in these Rules;
- (b) in the *Waste Diversion Transition Act, 2016*;
- (c) in the Regulations,
- (d) in the Penalty and Interest Policy in Appendix F of these Rules and on the Stewardship Ontario website [\[insert link\]](#); or
- (e) as otherwise permitted by RPRA or the Ontario Ministry of the Environment and Climate Change.

⁵ The calculation of Fees associated with any Adjustment Request to a Steward's Annual Steward Report will be calculated in accordance with the Stewardship Fee rates and the material definitions in each of the applicable prior Years.

⁶ The calculation of Fees associated with any past Annual Steward Report(s) that are the subject matter of Dispute Resolution will be calculated in accordance with the Stewardship Fee rates and the material definitions in each of the applicable prior Years.

Policies, Guidance and Interpretive Memoranda

5. Stewardship Ontario may, but is not required to, publish on the Stewardship Ontario website policies, guidance, and interpretive memoranda (collectively “secondary guidance”) with respect to these Rules that must be followed by Stewards.

Notice to Stewardship Ontario

6. A Steward must inform Stewardship Ontario within 30 days of its change of address, change of Primary Contact, bankruptcy, closing, merger, acquisition, sale, or divestiture of all or part of its business and any impact on the Steward’s obligation to pay Stewardship Fees. All notices to Stewardship Ontario shall be provided:
 - (a) in writing, addressed to Stewardship Ontario, 1 St. Clair Avenue West, Suite 700, Toronto, ON, M4V 1K6, Attention: CFO; or
 - (b) by email to stewards@cssalliance.ca.

Notice to Stewards

7. All Stewards (regardless of whether the Steward has Registered with Stewardship Ontario) are deemed to have notice of the contents of these Rules and are bound by these Rules, including the reporting and payment obligations from the time that these Rules are approved by RPRA and posted on the Stewardship Ontario website.

Publishing of Company Names

8. Stewardship Ontario may, but is not required to, publish any of the following:
 - (a) the names of Stewards Filing an Annual Steward Report with Stewardship Ontario;
 - (b) a list of all Stewards In Good Standing; and
 - (c) a registry of all Brands reported in Annual Steward Reports.

Confidentiality

9. Stewardship Ontario will use reasonable diligence and care to prevent the unauthorized disclosure of a Steward's Confidential Information. Stewardship Ontario may disclose Confidential Information:
- (a) to its administrative service provider or a third party auditor, provided that the administrative service provider or the third party auditor also agrees to protect the Steward's Confidential Information;
 - (b) to RPRA as permitted by law or the Blue Box Program Plan; or
 - (c) in accordance with the Steward's consent.

PART III: DESIGNATION OF STEWARDS

Designation of Stewards

10. The following Persons are designated as Stewards for Designated Blue Box Waste. If two or more Persons are designated as a Steward pursuant to the following provisions, then the earlier provision shall prevail.

Stewards for Packaging

11. For Packaging, the Steward is the Person Resident in Ontario who:
- (a) is the Brand Holder for the Ontario market; or
 - (b) if the Person described in paragraph (a) does not exist, then a Person who manufactures, packs or fills or causes the manufacturing, packing or filling of products; or
 - (c) if a Person described in paragraphs (a) or (b) does not exist, then the First Importer, unless the First Importer is a Consumer.

Stewards for Paper Products

12. For Paper Products, the Steward is the Person Resident in Ontario who:
- (a) is the Brand Holder for the Ontario market; or
 - (b) if the Person described in paragraph (a) does not exist, then a Person who manufactures or causes the manufacturing of the Paper Products; or

- (c) if a Person described in paragraphs (a) or (b) does not exist, then the First Importer, unless the First Importer is a Consumer.

Stewards for Point-of-Sale Transport Packaging and Convenience Packaging

13. Any Person that Supplies Transport Packaging or Convenience Packaging in Ontario at the point-of-sale shall be the Steward for such Service Packaging.

Franchisor is Obligated to Report for its Ontario Franchisees

14. A Franchisor is obligated to report for its Ontario Franchisees with respect to all Designated Blue Box Waste which is Supplied within the Franchisor's Ontario Franchise System.

More Than One Brand Holder for the Same Designated Blue Box Waste

15. If there is more than one Brand Holder for the same Designated Blue Box Waste, the Brand Holder more directly connected to the production of the Designated Blue Box Waste shall be deemed to be the Steward.

Products Containing Two or More Independent Brands

16. If products containing two or more independent Brands are packaged to be Supplied together, the Brand Holder, First Importer or Franchisor most directly connected to the joint Packaging shall be designated as the Steward for the joint Packaging.

Voluntary Stewards

17. A Person may elect to become a Voluntary Steward in accordance with Stewardship Ontario's Voluntary Steward Policy [\[insert link\]](#) upon execution of Stewardship Ontario's Voluntary Stewardship Agreement by:

- (a) the Voluntary Steward; and
- (b) Stewardship Ontario.

Voluntary Stewards must comply with these Rules and the Voluntary Steward Policy.

Voluntary Steward Fails to Comply with Obligations

18. In accordance with these Rules and the Voluntary Steward Agreement, in the event that the Voluntary Steward defaults on its responsibility to report on or pay Stewardship Fees with respect to the Designated Blue Box Waste Supplied into Ontario, the obligation for that Designated Blue Box Waste will revert to the Brand Holder or First Importer. Voluntary Stewards must also comply with their Voluntary Steward Agreement.

Stewards that are Not-For-Profit Entities

19. Subject to Part V (Steward Exemptions From Reporting or Paying Fees), a Steward that is a not-for-profit entity, including Registered Charities, not-for-profit corporations, educational institutions, municipalities and provincial agencies, is required to File an Annual Steward Report and pay Stewardship Fees pursuant to these Rules.

PART IV: STEWARD REPORTING

Reporting Deadline for Stewards and Voluntary Stewards

20. Every Steward shall:

- (a) File an Annual Steward Report and pay Stewardship Fees in accordance with the timetable in Appendix C;
- (b) if applicable, immediately File all overdue Steward Reports for prior Obligation Years; and
- (c) if applicable, File an Annual Steward Report within 60 calendar days after such Person becomes a Steward pursuant to Part III using the WeRecycle Portal.

Reporting Deadline for New Stewards

21. A Steward who begins Supplying Designated Blue Box Waste must Register with Stewardship Ontario within 60 days and comply with the Onboarding Policy posted on the Stewardship Ontario website [[insert link](#)]. Stewards who fail to Register with

Stewardship Ontario will be subject to the compliance and enforcement actions in section 4.

Reporting for Affiliates and/or Franchisees

22. A Steward, including a Franchisor, shall report for its Ontario Affiliates and/or Franchisees under one Steward number. Any Person whose Designated Blue Box Waste is included in its Affiliates' or Franchisors' Annual Steward Report shall not File a separate Annual Steward Report. Affiliates must seek Stewardship Ontario's approval to report separately.

Contents of Annual Steward Report

23. Each Steward shall provide Stewardship Ontario with all of the information requested on the WeRecycle Portal, including but not limited to:

- (a) company name, mailing address, phone number, and sector;
- (b) Obligation Year and Data Year⁷ for the Annual Steward's Report;
- (c) contact information, including email addresses and phone numbers for the Steward's Primary Contact, billing contact, secondary contacts and environmental lead;
- (d) quantities of Designated Blue Box Waste Supplied during the Data Year according to the reporting categories set out in Appendix A;
- (e) description of Methodology and sources of data, including any changes from the Methodology used by the Steward in the prior year's Annual Steward Report;
- (f) details of any deductions from Supplied quantities of Designated Blue Box Waste, including Validation Data used to prepare, calculate and determine these deductions in the format requested by Stewardship Ontario;
- (g) any Steward initiatives, business practices, or Packaging changes that may explain any variation in quantities in Supplied Designated Blue Box Waste from the prior year's Annual Steward Report;

⁷ This may differ for new stewards as their Data Year may include estimates based on data from their Obligation Year

- (h) a list of Brands included in the Steward's Annual Steward Report, and any changes in Brands since the prior year's Annual Steward Report;
- (i) a list of all Affiliates and/or Franchisees included in the Annual Steward Report; and
- (j) the Primary Contact's declaration that the Annual Steward Report is accurate.

Steward Fails to File its Annual Steward Report

24. If a Steward fails to File its Annual Steward Report by the deadline or otherwise in accordance with Part IV, Stewardship Ontario will apply the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#) and may take the action specified in section 4.

Steward's Duty to Ensure that the Annual Steward Report is Accurate

25. Stewards must ensure that their Annual Steward Reports are accurate. Stewards shall not misrepresent any information provided to Stewardship Ontario in the Annual Steward Report. A Steward who misrepresents the data in their Annual Steward Report, upon notice from Stewardship Ontario will be:

- (a) deemed not to have complied with its reporting obligation, and subject to the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#);
- (b) escalated to Stewardship Ontario's compliance team and/or RPRA.

Errors in the Annual Steward Report

26. Any Steward who discovers an error in its Annual Steward Report shall notify Stewardship Ontario of the error within 30 days⁸

Steward-Initiated Adjustment Requests to Annual Steward Report and Adjustment Policy

⁸ This is only a requirement to *notify* - not to submit an adjustment request. Stewards still have two years to submit an adjustment request as outlined in the Steward Initiated Adjustment Policy.

27. A Steward who is In Good Standing may request an adjustment in an Annual Steward Report in accordance with the Adjustment Policy in Appendix E and on the Stewardship Ontario website [\[insert link\]](#).

Changes to the Annual Steward Report Initiated by Stewardship Ontario

28. Stewardship Ontario may require changes to a Filed Annual Steward Report following an audit or review by Stewardship Ontario. For changes initiated by Stewardship Ontario as a result of an audit or review, Stewards are required to report and pay for all Designated Blue Box Waste Supplied to Consumers from the time the Steward begins Supplying the Designated Blue Box Waste for a maximum of five years prior to the current calendar year.⁹ Penalties and interest will be applied in accordance with the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#).

Stewards' Obligations

29. Subject to Part V (Steward Exemptions), Stewards are obligated to File and/or pay Fees for all Obligation Years starting from the date they were notified of Stewardship Ontario's Rules. This obligation applies regardless of whether the Steward has sufficient records to substantiate the Supplied quantities of Designated Blue Box Waste during prior years. Where necessary, Stewardship Ontario will rely on the Steward's most recent sales data or other available data to set the prior years' Stewardship Fees.

PART V: STEWARD EXEMPTIONS FROM REGISTERING, REPORTING OR PAYING FEES

Steward Reporting Exemption: Gross Revenues Less Than \$2 Million

30. A Steward is exempt from Filing an Annual Steward Report and paying fees to Stewardship Ontario if, during the Data Year, the Steward's, its Affiliates', and/or its Franchisees' combined Gross Revenues from all:

⁹ For example, Stewards are responsible for the Fees (if any) associated with errors in the current Report (2018) and for up to five prior Reports (2017, 2016, 2015, 2014, and 2013).

- (a) products; and/or
- (b) services

Supplied in Ontario was less than \$2 million.

Steward Fee Exemption: Supplied Kilograms Less Than 15,000

31. Other than a Steward with Gross Revenues of less than \$2 million, a Steward shall File an Annual Steward Report but shall be exempt from paying Stewardship Fees otherwise due and payable to Stewardship Ontario if, during the Data Year, the Steward, its Affiliates and Franchisees in the combined aggregate Supplied less than 15,000 kg of Designated Blue Box Waste in Ontario.

Stewardship Ontario May Require an Exempted Person to File an Annual Steward Report

32. Regardless of sections 29 and 30, Stewardship Ontario may require a Steward to File an Annual Steward Report by sending a written notice by registered mail or email to the Steward.

No Exemptions for Voluntary Stewards

33. Voluntary Stewards are not eligible for the reporting and payment exemptions in sections 29, and 30.

PART VI: STEWARD FEES

Calculation of Stewardship Fees

34. A Steward's Stewardship Fee shall be calculated in accordance with:

- (a) the Fee Methodology in Appendix D; and
- (b) the material fee rates as posted on the Stewardship Ontario website.

Calculation of Stewardship Fees for New Stewards

35. For a Steward that begins to Supply Designated Blue Box Waste on or after _____, the Steward's 201_ Stewardship Ontario Stewardship Fee will be

calculated using an estimate of quantities of Designated Blue Box Waste that will be Supplied during 201_. The Annual Steward Report containing the estimate of quantities is due to Stewardship Ontario within 60 days of the date on which the Steward begins to Supply Designated Blue Box Waste in Ontario. Additional information can be found in the Onboarding Policy posted on the Stewardship Ontario website [\[insert link\]](#).

Stewards who Fail to Register with Stewardship Ontario

36. Any Steward who fails to Register with Stewardship Ontario within 60 days of beginning to Supply Designated Blue Box Waste in Ontario is required to pay the penalties, and interest in accordance with the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#).

Newspapers

37. Stewards who are members of the Canadian Newspaper Association or the Ontario Community Newspapers Association, or any successor organization, shall report and pay Stewardship Fees in accordance with section [4.6] of the Blue Box Program Plan.

PART VII: COMPLIANCE

Penalties and Interest

38. Stewardship Ontario shall impose penalties and interest on a Steward or Voluntary Steward in accordance with the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#).

Steward and Voluntary Steward Records Retention

39. All Stewards and Voluntary Stewards shall retain all of the records to substantiate and verify the accuracy of the information submitted in their Annual Steward Report for a period of not less than five years from the date of submission. Any Steward who fails to produce documentation to substantiate its Annual Steward Report Filed

during the five year retention period must pay Stewardship Fees on the total amount of Designated Blue Box Waste:

- (a) substantiated by the Steward's available documentation; or
- (b) based on an estimate calculated with reference to a prior or subsequent year's Steward Report; or
- (c) as determined by a third-party auditor,

whichever is greatest. Stewards are subject to the Penalty and Interest Policy in Appendix F and on the Stewardship Ontario website [\[insert link\]](#).

Duty to Comply with Stewardship Ontario's Requests for Documentation

40. Upon written request from Stewardship Ontario, Stewards and Voluntary Stewards shall within 30 days of receiving such a request from Stewardship Ontario, provide documentation in support of their Annual Steward Report, including, but not limited to:

- (a) data used by Stewards or Voluntary Stewards in the preparation of any Annual Steward Report;
- (b) relevant information regarding Affiliates and/or Franchisees included in the Annual Steward Report;
- (c) calculation Methodology;
- (d) quantities of Designated Blue Box Waste Supplied;
- (e) Gross Revenue;
- (f) product and packaging data such as packaging samples or packaging data provided by vendors;
- (g) audit reports;
- (h) details regarding any deductions taken from the Steward's Supplied quantity of Designated Blue Box Waste; and
- (i) a list of Brands included in the Annual Steward Report and any changes in Brands from those Brands reported in the prior Annual Steward Report.

Duty to Provide Access to Stewardship Ontario

41. A Steward or Voluntary Steward shall grant access during business hours to Stewardship Ontario or its authorized representative to inspect and review the Steward's records maintained under Part VIII for up to five years after the Filing deadline for the Annual Steward Report.

Duty to Cooperate with a Verification Audit

42. At the request of Stewardship Ontario, a Steward must:

- (a) provide confirmation from a senior officer confirming that the data contained in the Annual Steward Report is accurate and complete; and
- (b) cooperate in an audit or review of the Steward's records, including:
 - (i) providing Stewardship Ontario with all requested documentation, data, records and reports within 30 days of such request; and
 - (ii) providing access to the Steward's business premises by Stewardship Ontario, its administrative service provider, or an independent third-party within 30 days of such request.

PART VIII: DISPUTE RESOLUTION

Dispute Resolution Policy and Procedure

43. Disputes between Stewardship Ontario and a Steward or Voluntary Steward regarding the payment of Stewardship Fees shall be addressed through the Dispute Resolution Policy posted on the Stewardship Ontario website [[attach link](#)]. A Steward must be In Good Standing with all of its obligations to Stewardship Ontario other than the matter which is the subject of the dispute resolution.

Appendix A
Designated Blue Box Waste Reporting Categories

| Material Category | 2018 DBBW Reporting Categories |
|---------------------------------|--|
| Paper Products | Newsprint–CNA/OCNA Members |
| | Other Newsprint–Non-CNA/OCNA Members |
| | Magazines and Catalogues |
| | Directories |
| | Paper for General Use |
| | Purchased Posters, Calendars, Greeting Cards and Envelopes |
| | Other Printed Materials |
| Paper Packaging | Gable Top Containers |
| | Aseptic Containers |
| | Paper Laminates |
| | Corrugated Cardboard |
| | Boxboard and Other Paper Packaging |
| Plastic Packaging | PET Bottles < 5 Litres |
| | PET Bottles ≥ 5 Litres |
| | HDPE Bottles and Jugs < 5 Litres |
| | HDPE Bottles and Jugs ≥ 5 Litres |
| | LDPE/HDPE Film |
| | LDPE/HDPE Film Carry-Out Bags |
| | LDPE/HDPE Film Carry-Out Bag Units* |
| | Expanded Polystyrene |
| | Non-Expanded Polystyrene |
| | Natural and Synthetic Textiles |
| | Other Plastic Packaging < 5 Litres |
| | Other Plastic Packaging ≥ 5 Litres |
| | Plastic Laminates |
| | PLA, PHA, PHB |
| Steel and Other Metal Packaging | Steel Aerosol Containers |
| | Steel Paint Cans |
| | Other Steel and Metal Containers and Packaging |
| Aluminum Packaging | Aluminum Food and Beverage Containers |
| | Aluminum Aerosol Containers |
| | Other Aluminum Packaging |
| Glass Packaging | Clear Glass |
| | Coloured Glass |

* Report LDPE/HDPE Film Carry-Out Bags Units in the number of units Supplied

Appendix B¹⁰
Resident in Ontario¹¹

Resident in Ontario, with respect to a corporation, means a corporation that has a permanent establishment in Ontario, where:

- (a) “permanent establishment” includes branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies and other fixed places of business,
- (b) the following rules apply:

Contracting Employees or Inventory Sufficient

Where a corporation carries on business through an employee or agent who has general authority to contract for the corporation or who has a stock of merchandise owned by the corporation from which the employee or agent regularly fills orders which the employee or agent receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation.

Commission Agent not Sufficient

The fact that a corporation has business dealings through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment.

Subsidiary of Parent not Sufficient

The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.

Licensed Insurance Company Sufficient

An insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered or licensed to do business.

Purchasing Office not Sufficient

The fact that a corporation maintains an office solely for the purchase of merchandise shall not of itself be deemed to mean that the corporation has a permanent establishment in that office.

Ownership of Land Sufficient

Where a corporation, otherwise having a permanent establishment in Canada, owns land in a province or territory of Canada, such land is a permanent establishment.

Production Packing and other Activities Sufficient

¹⁰ Contents from “*Corporations Tax Act, Ontario*”

¹¹ The language in this appendix is from the *Corporations Tax Act* and should be applied to determine residency in Ontario rather than residency in Canada in order to help determine a Person’s status as a steward

The fact that a non-resident corporation in a year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada, whether or not the corporation exported that thing without selling it prior to exportation, shall of itself, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the taxation year.

Machinery or Equipment Sufficient

The use of substantial machinery or equipment in a particular place at any time in a year of a corporation constitutes a permanent establishment of such corporation in that place for such a year.

Principal Place of Business Sufficient

Where a corporation has no fixed place of business, it has a permanent establishment in the principal place in which the corporation's business is conducted.

Charter or By Laws designating Head or Registered Office Sufficient

Where a corporation does not otherwise have a permanent establishment in Canada, it has a permanent establishment in the place designated in its charter or by-laws as being its head office or registered office.

Appendix C
Reporting and Payment Schedule

Table 1

| Reporting Schedule ¹² | 2018 Due Date |
|----------------------------------|---------------|
| Steward's Report filing deadline | May 31, 2018 |

Table 2

| Payment Schedule ¹³ | 2018 Due Dates |
|--|------------------|
| <i>Quarterly payment option¹⁴</i> | |
| First payment due (25%) | January 31, 2018 |
| Second payment due (25%) | April 30, 2018 |
| Third payment due (25%) | July 31, 2018 |
| Fourth payment due (25%) | October 31, 2018 |
| <i>Annual payment option¹⁵</i> | |
| Annual payment due (100%) | January 31, 2018 |

¹² 2018 Reports are based on 2017 data except for new stewards whose data may be based on estimates

¹³ 2017 Reports inform 2018 invoices

¹⁴ Stewards may elect on the WeRecycle Portal to pay quarterly or annually

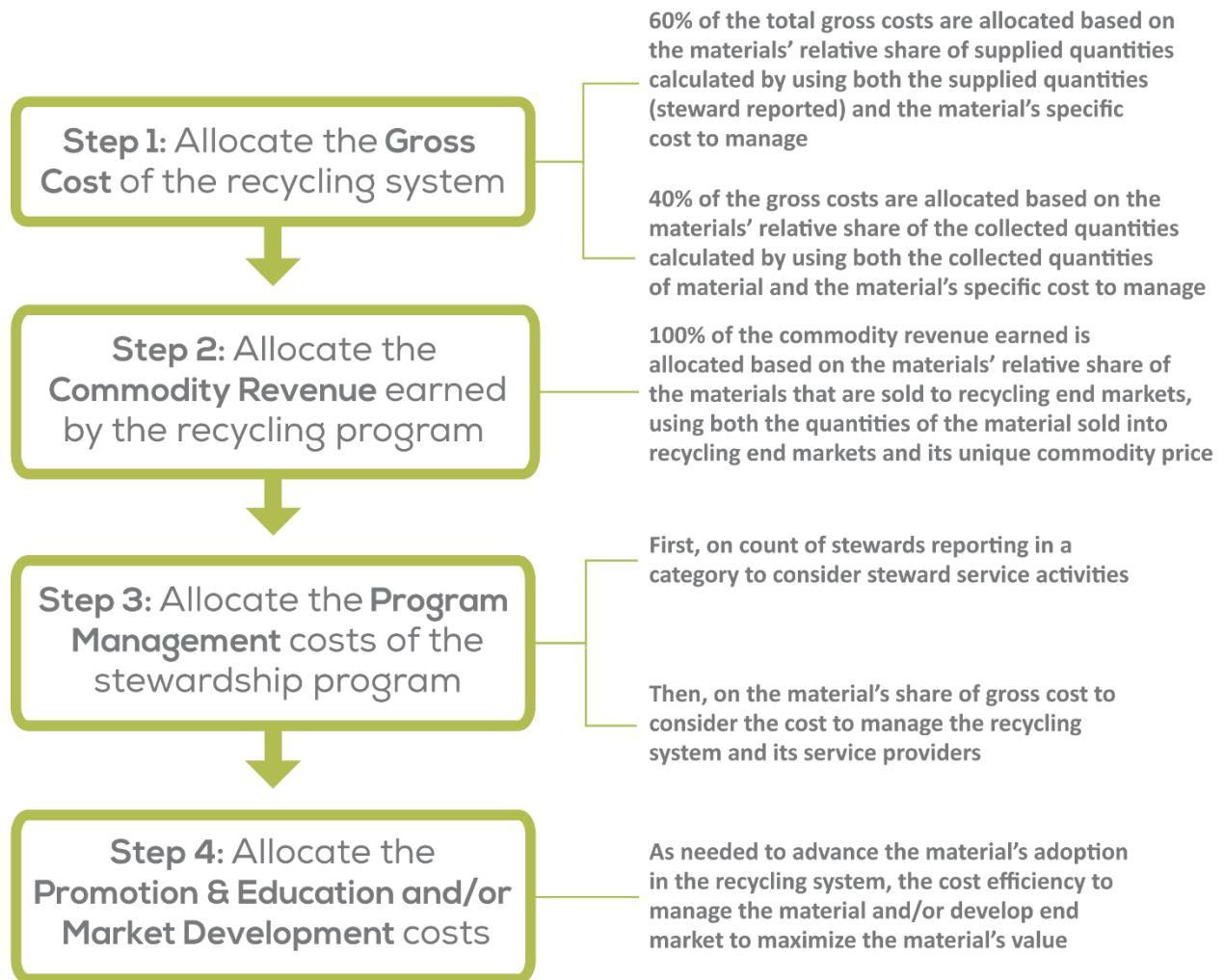
¹⁵ Stewards may elect on the WeRecycle Portal to pay quarterly or annually

Appendix D The Methodology for Calculating Stewardship Ontario Fees

Fee Methodology

Overview of the Four Step Fee Setting Methodology

The methodology has four key steps – each of which requires inputs to complete the step.



The Four Step Methodology is founded on three guiding principles:

1. All obligated materials should bear a fair share of the costs to manage the PPP program, irrespective of whether a material is collected because all obligated stewards who put obligated materials into the marketplace should contribute to the recycling system.

2. The material management costs allocated to each material should reflect the material's cost to collect and manage it in the recycling system because a material's unique characteristics can drive costs in distinctive ways.

3. The commodity revenue should be attributed only to the materials that earn revenue because materials that are marketed have value and should benefit from earned revenue.

STEP 1: Allocate the Gross Cost of the system

To complete Step 1, two separate calculations are performed:

Calculation 1: 60% of the gross cost is allocated to all supplied materials

The first calculation allocates 60% of the gross cost (i.e. the cost to collect, consolidate, transfer, process and market the PPP) to all materials supplied by stewards. In this step, each material category will assume a share of the gross cost of the recycling system whether or not the material is collected and, in doing so, satisfies the first guiding principle which requires that all materials contribute to the maintenance and availability of the recycling system.

Calculation 2: 40% of the gross cost is allocated to those materials collected/managed in the system

The second calculation allocates 40% of the gross cost to those materials collected/managed in the system.

To determine each material's relative share of supplied or collected/managed cost, both calculations rely upon a critical input to complete the calculation - 'the material's specific cost to manage'. It is this input that allows the methodology to satisfy Guiding Principle #2 where Stewardship Ontario seeks to ensure that those specific characteristics of the materials supplied are considered when allocating the cost of the recycling system. Materials whose characteristics make them more difficult and costly to collect and process are assigned a higher material specific cost to manage input.

STEP 2: Allocate the Commodity Revenue

In Step 2, the commodity revenue earned by the system is allocated to those materials that were valuable to recycling end markets. Materials not targeted for collection or those that are targeted for collection but do not generate revenue for Stewardship Ontario do not receive a share of the commodity revenue.

For the materials that are marketed, the Step 2 calculation ensures that they receive their fair share of revenue by calculating each material's relative share based both on the quantity of material marketed as well as on the material's unique commodity price.

STEP 3: Allocate the Program Management Costs

Program Management costs are allocated on a basis that seeks to fairly attribute the cost to manage and administer the Plan by referencing metrics that represent these costs. First, the program

management costs are allocated to material categories based on the relative count of stewards supplying material to a material category to represent the cost to support steward related activities such as registration, reporting and invoicing. Secondly, those material category costs are then allocated to each material within the category based on the material's relative share of the supply chain costs to represent the cost to manage the supply chain activities for that category.

STEP 4: Assign Promotion & Education and/or Market Development Costs

Step 4 is an important and powerful step in the fee methodology as it allows for the application of budget dollars to advance a material's adoption in the recycling system to improve its reusability and recyclability. In Step 1 Calculation 2, materials with low recovery rates would have been allocated little of the 40% of the gross cost given that allocation is based on each material's relative share to collect/manage the materials and these are the materials not yet targeted for collection. This indicates that these materials require investment to advance any number of objectives, i.e.:

- increase their reusability and recyclability;
- invest in handling techniques that prevent the materials from reducing the recyclability of other materials or that reduce the waste generated at end of life;
- improve the cost efficiency of collecting and managing the material; and
- invest in research and development and/or promotion and education to support the above noted initiatives.

Appendix E
Adjustment Policy

(Will be copied into Rules)

Appendix F
Penalty and Interest Policy
(will be copied into Rules)