

Stewardship Ontario Conflict of Interest Mitigation Plan

On August 15, 2019, the Minister of the Environment, Conservation and Parks directed Stewardship Ontario (SO) to develop a plan in respect of the funding program for blue box materials under the *Waste Diversion Transition Act, 2016* (the SO Program), and for SO itself, as a necessary step to transitioning to a producer responsibility model. The plan is to describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nations communities until the time they transfer responsibility for providing blue box services to producers. The new producer responsibility framework is expected to be fully implemented, and the SO Program at an end, by December 31, 2025.

Among other things, the plan is to be consistent with the principle of supporting competition and preventing conflict of interest. In connection therewith, SO was directed to take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan.

In response, SO has put in place procedures to ensure there is no real, potential or apparent conflict of interest in respect of the plan's development, contents or implementation and, without limiting the scope of these procedures, has addressed the following:

- Any real, potential or apparent conflict of interest in respect to SO's relationship with Canadian Stewardship Services' Alliance (CSSA); and
- Any necessary steps to ensure that CSSA does not receive preferential treatment over other potential market participants in respect of Blue Box resource recovery markets that may be created under the *Resource Recovery and Circular Economy Act, 2016*.

SO has taken steps to resource its operations with a qualified management team. No member of the management team will be cross-appointed to or otherwise retained by CSSA. Members of the management team will be asked to execute agreements that prohibit them from providing advisory or other services to potential market participants in respect of Blue Box resource recovery markets that may be created under the RRCEA while they are engaged by SO. The outsourcing agreement with CSSA will be amended to reflect the elimination of cross-appointed management positions between SO and any other entity, and to make clear that the provision of support services is to be at the request and direction of SO management and under procedures approved by SO management and the SO Board.

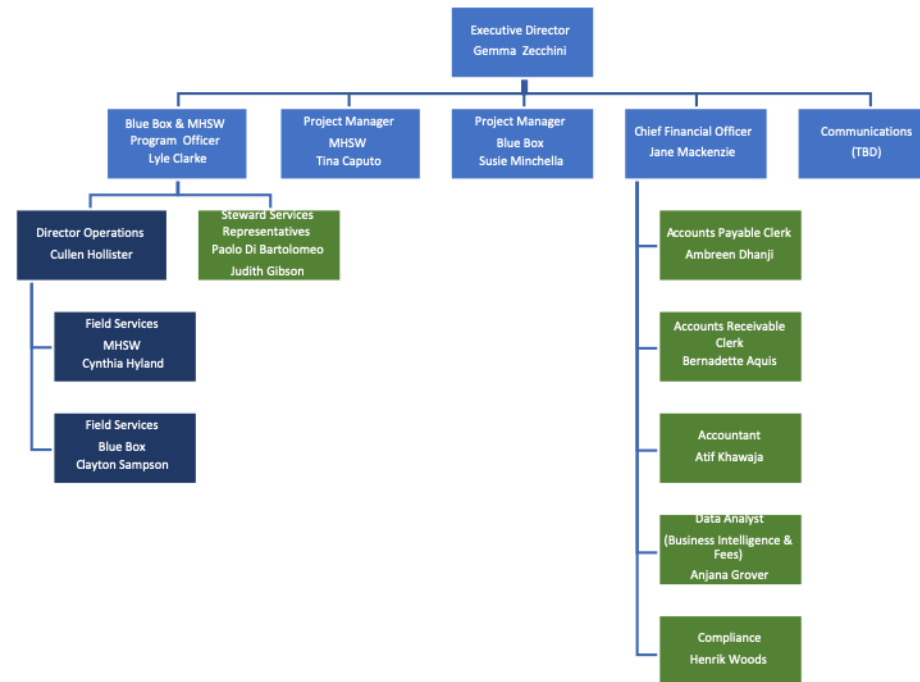
The table that follows sets out the necessary actions to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan.

Topic	Action (Taken or Proposed)	Additional Information
<p>SO Board</p>	<p>John Coyne resigned from the Board of Directors of SO effective immediately prior to the September 26th Q3 board meeting, which eliminates any cross-appointment between the SO and CSSA Board members</p>	<p>SO Board:</p> <ul style="list-style-type: none"> ○ Robyn Collver, Canadian Tire (Chair) ○ Gulnara Gabidullina, Procter & Gamble (Vice-Chair) ○ Debbie Baxter, Independent Director ○ Diane Brisebois, Retail Council of Canada ○ Tim Faveri, Maple Leaf Foods ○ Joseph Longo, Longo Fruit Markets ○ Sylvain Mayrand, Lassonde ○ Ron Soreanu, Coca Cola. <p>There are currently two SO Board vacancies which the board intends to fill at its upcoming Q4 meeting on December 17th. Candidates have been identified; neither is or will also be on the Board of CSSA.</p> <p>CSSA Board:</p> <ul style="list-style-type: none"> ○ John Coyne, Unilever Canada (Chair) ○ Bob Chant, Independent Director, Consultant to Loblaw Companies ○ Gordon Meyer, Independent Director (retired: no current retainer with Procter & Gamble, previous employer)

<p>Executives</p>	<p>Appointed a qualified Executive Director who reports directly to the Board supported by at least four direct reports. No member of this management team will be cross-appointed to or otherwise retained by CSSA, during the time they work for SO.</p> <p>Proposed elimination of cross appointment of officers between CSSA & SO.</p>	<p>Gemma Zecchini has been retained as Executive Director supported by a small management team which is independent of CSSA; namely a Program Officer, CFO and two Project Managers. Ms. Zecchini’s responsibilities include the development of the required plan for approval by the Board.</p> <p>The above roles are all contract positions and time commitments for each role will vary depending on the work required.</p> <p>Gemma Zecchini has resigned as CSSA Secretary. Ms. Zecchini is currently completing a client assignment for CSSA which will be fully wrapped up no later than October 30th. The assignment does not include advisory or other services to potential market participants in respect of Blue Box resource recovery markets that may be created under the RRCEA. Ms. Zecchini does not, and has never had, access to any of CSSA’s information systems, data or servers other than an email address.</p> <p>David Pearce will resign as SO Operations Officer effective October 31. This role will be performed by Lyle Clarke.</p> <p>Kathleen Kennedy has resigned her role as SO CFO and has been replaced by Jane Mackenzie.</p>
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<p>Employees</p>	<p>SO staff will be a combination of permanent staff employed by SO and permanent staff who are technically employed by CSSA but will be under the management of SO and physically segregated from CSSA staff.</p>	<p>SO day to day operations activities will be performed by existing SO permanent staff reporting directly to the independent Program Operations Officer:</p> <ul style="list-style-type: none"> ○ Cullen Hollister, Director Operations ○ Clayton Sampson, Field Services Manager ○ Cynthia Hyland, Field Services Coordinator <p>The following categories of staff will be segregated from CSSA to perform work for SO and will be managed by an independent contract CFO. These staff will not perform any duties for CSSA.</p> <ul style="list-style-type: none"> ○ Accounts payable ○ Accounts receivable ○ Accountant ○ Data Analyst ○ Compliance
<p>Other</p>	<p>Physical Segregation</p> <p>IT Systems Segregation</p> <p>Conflict of Interest Policy & Code of Conduct</p>	<p>SO Executive and staff as set out on the organization chart will be physically segregated in separate quarters on the 8th floor of 1 St. Clair West. Only those persons will have card key access to those quarters.</p> <p>The SAP system will be segregated by company code and access will be restricted to the SO team.</p> <p>The SO team will be governed by the same conflict of interest policy as directors and will adhere to the SO Code of Conduct.</p>

Stewardship Ontario Wind Up Team Effective November 1, 2019



Management Contact Information

Gemma Zecchini	Executive Director	gzecchini@stewardshipontario.ca
Lyle Clarke	Blue Box & MHSW Program Officer	lclarke@stewardshipontario.ca
Tina Caputo	Project Manager, MHSW	tcaputo@stewardshipontario.ca
Susie Minchella	Project Manager, Blue Box	sminchella@stewardshipontario.ca
Jane Mackenzie	Chief Financial Officer	jmackenzie@stewardshipontario.ca