

Consultation Draft

**Schedule B to the Program Agreement between Stewardship Ontario and the Resource Productivity and Recovery Authority**

**Rules for Stewards with Respect to Payment of Blue Box Fees for the Period Commencing DATE, 20223**

**CONTENTS**

**PART I: DEFINITIONS**

1. Definitions

**PART II: APPLICATION, DURATION, NON-COMPLIANCE, POLICIES, NOTICE, CONFIDENTIALITY**

2. Application of These Rules
3. Duration of These Rules 

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Rules Approved by RPRA Board Chair
4. Noncompliance with These Rules 

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DATE , 20223
5. Policies, Guidance and Interpretive Memoranda
6. Notice to Stewardship Ontario
7. Notice to Stewards 

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8. Publishing Company Names 

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Rules Approved by Stewardship Ontario
9. Confidentiality 

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Board Chair: DATE, 20232

**PART III: DESIGNATION OF STEWARDS**

10. Designation of Stewards
11. Stewards for Packaging
12. Stewards for Service Packaging (Point of Sale Bags and Other Containers)
13. Stewards for Printed Paper
14. Franchisor is obligated to Report for its Ontario Franchisees
15. More than One Brand Owner for the Same Designated Blue Box Waste
16. Products Containing Two or More Independent Brands
17. Voluntary Stewards
18. Voluntary Steward Fails to Comply with Obligations
19. Stewards that are Not-For-Profit Entities



## **PART IV: STEWARD REPORTING**

- 20. Simplified Fee Setting
- 21. Reporting Deadline for New Stewards
- 22. Reporting for Affiliates and/or Franchisees
- 23. Contents of Annual Steward Report
- 24. Steward Fails to File its Annual Steward Report
- 25. Steward's Duty to Ensure that the Annual Steward Report is Accurate
- 26. Errors in the Annual Steward Report
- 27. Steward-Initiated Adjustment Requests to Annual Steward Report and Adjustment Policy
- 28. Changes to the Annual Steward Report Initiated by Stewardship Ontario
- 29. Steward's Obligations

## **PART V: STEWARD EXEMPTIONS FROM REPORTING OR PAYING FEES**

- 30. Relief from Requirement to Report and Pay Fees
- 31. Steward Reporting Exemption: Gross Revenues Less than \$2 million
- 32. Steward Fee Exemption: Less than 15,000 kg Supplied
- 33. Stewardship Ontario may Require an Exempted Person to File an Annual Steward Report
- 34. No Exemptions for Voluntary Stewards

## **PART VI: STEWARD FEES**

- 35. Calculation of Stewardship Fees
- 36. Calculation of Stewardship Fees for New Stewards
- 37. Stewards who Fail to Register with Stewardship Ontario
- 38. Newspapers

## **PART VII: COMPLIANCE**

- 39. Penalties and Interest
- 40. Steward and Voluntary Steward Records Retention
- 41. Duty to Comply with Stewardship Ontario's Requests for Documentation
- 42. Duty to Provide Access to Stewardship Ontario
- 43. Duty to Cooperate with a Verification Audit

## **PART VIII: DISPUTE RESOLUTION**

- 44. Dispute Resolution Policy and Procedure



## 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~~ in a time - framelimit ~~associated report submission deadline~~ pursuant to the Policy for Steward-Initiated Adjustment Requests ([found here](#) and in Appendix E).

“**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.

“**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 Year.<sup>1</sup>

“**Blue Box Program Plan**” means the Blue Box Program Plan dated February 2003, or as may be amended from time to time, [found here](#).

“**Brand**” is a trademark.

“**Brand Owner**” is a Person Resident in Ontario who is:

- (a) the owner of the registered or unregistered trademark; or
- (b) a licensee of the registered or unregistered trademark, where “licensee” includes a person who packages goods, the packaging of which is Designated Blue Box Waste and bears a trademark, other than a packer or filler of Private Label Goods, and includes any person whose corporate name or business name registration contains the trademark.

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



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

**“Consumer”** means an individual (other than a Person in the Industrial, Commercial, or Institutional (IC&I) sector) to whom Designated Blue Box Waste is Supplied.

**“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 Printed Paper, Packaging or Service Packaging consisting of glass, metal, paper, plastic, or textile, or any combination that is Supplied to a Consumer.

Designated Blue Box Waste does not include:

- (a) Transportation Packaging,
- (b) Durable Packaging,
- (c) Packaging or Service Packaging made of wood, ceramic, crystal, rubber, borosilicate glass or leather.

**“Durable Packaging”** is Packaging that is used for long-term use, protection, transportation or storage of the product, which has a useful life of at least five years and which remains with the product throughout its useful life.

**“Filed”** or **“File”** means submitted by a Steward to Stewardship Ontario through the WeRecycle Portal.

**“First Importer”** is a Person Resident in Ontario who imports Designated Blue Box Waste into Ontario or is the first to take possession or control of Designated Blue Box Waste in Ontario for which a Brand Owner 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. 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, without deduction.

“**IC&I Material**” means Packaging and Printed Paper which is supplied to the industrial, commercial, or institutional sector and which is 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.

“**Industry Stewardship Plan**” or “**ISP**” means an RPRA-approved plan allowing one or more Stewards to manage waste that has been designated for a recycling program by the Minister.

“**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 materials that are used for the containment, protection, handling, delivery or presentation of goods Supplied to Consumers, and includes, but is not limited to, Service Packaging and all packaging components and ancillary elements integrated into the Packaging.

**“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 ([found here](#)).

**“Printed Paper”** means any material that is not Packaging, but is printed with text or graphics as a medium for communicating information, Supplied to Consumers, and includes, but is not limited to:

- (a) newspapers, including those paid through subscription, provided through free distribution and those purchased through retail channels;
- (b) daily, weekly, monthly and quarterly glossy magazines including those paid through subscription, provided through free distribution and those purchased through retail channels;
- (c) directories, including those paid through subscription, provided through free distribution and those purchased through retail channels;
- (d) lottery tickets and lottery information;
- (e) warranty information, assembly instructions, product use instructions and health information, product registration cards and promotional information that is found inside purchased products;
- (f) envelopes, statements and information inserts from banks, credit companies, utilities, service providers, etc.;
- (g) information, forms and promotional materials distributed by municipal, regional, provincial and federal governments;
- (h) promotional calendars, posters that are distributed to consumers free of charge;



Stewardship Ontario

- (i) unsolicited promotional information, coupons, handbills and flyers; and
- (j) transportation and transit schedules.

Printed Paper does not include bound reference books, bound literary books, or bound textbooks.

**“Private Label Goods”** means goods that carry the Brand of a Brand Owner and are Supplied to Consumers by such Brand Owner 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 [here](#), which may be updated from time to time.

**“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 A to these Rules.

**“Resident in Ontario”** with respect to a corporation, means a corporation 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.<sup>2</sup>

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<sup>2</sup> As referenced in the *Corporations Tax Act, Ontario* in Appendix B of these Rules.



**“Residential Waste System”** means a system of waste collection which services 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.

**“Rules”** means these Rules.

**“Service Packaging”** means packaging which may or may not bear a Brand that is Supplied at the point of sale by the retail, food-service or other service providers to facilitate the delivery of goods, and includes all bags, boxes, and other items for the containment of goods at point of sale.

**“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 17 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.

**“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.

**“Transportation Packaging”** means Packaging and Printed Paper that:

- (a) is used exclusively for packaging products during the shipment from their place of manufacture to the place of distribution in Ontario; and
- (b) is not Service Packaging.

**“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;





Stewardship Ontario

(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) 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;<sup>3</sup>
- (c) New Stewards who began Supplying Designated Blue Box Waste in the current year;
- (d) Stewards who make an Adjustment Request in the current year in accordance with the Policy for Steward-Initiated Adjustment Requests ([found here](#) and in Appendix E) for any current or prior year's Annual Steward Report; and
- (e) Steward requests for Dispute Resolution made in the current year.

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<sup>3</sup> These Rules apply to Annual Steward Reports which should have been Filed but were not Filed by a Steward for 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 applied in each of the applicable prior Years.



## 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 202~~2~~<sup>3</sup> 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 ([found here](#) and in Appendix F); or
- (e) as otherwise permitted by RPRA or the Ontario Ministry of the Environment and Climate Change Policies,

## 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



Stewardship Ontario

(b) by email to [werecycle@stewardshipontario.ca](mailto:werecycle@stewardshipontario.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 the 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 (except for Service Packaging) the Steward is the Person Resident in Ontario who:

- (a) is the Brand Owner 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 regardless of whether the activity takes place in Ontario or not; 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 Service Packaging**

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

## **Stewards for Printed Paper**

13. For Printed Paper, the Steward is the Person Resident in Ontario who:

- (a) is the publisher of the Printed Paper, whether production of the Printed Paper takes place in Ontario or not; or
- (b) if a Person described in paragraph (a) does not exist, then a Person who is the title-owner of the Printed Paper or is a licensee of those rights for Ontario, whether production of the Printed Paper takes place in Ontario or not; or
- (c) if a Person described in paragraphs (a) or (b) does not exist, then a Person who prints or causes the printing of the Printed Paper whether the printing takes place in Ontario or not; or
- (d) if a Person described in paragraphs (a), (b), or (c) does not exist, then the First Importer, unless the First Importer is a Consumer.

## **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 Owner for the Same Designated Blue Box Waste**

15. If there is more than one Brand Owner for the same Designated Blue Box Waste, the Brand Owner 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 Owner, 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 ([found here](#)) 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 in Ontario, the obligation for that Designated Blue Box Waste will revert to the Brand Owner 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.



Stewardship Ontario

## **PART IV: STEWARD REPORTING**

### **Simplified Fee Setting**

20. Beginning with the 2022 reporting year (2023 invoice year), Stewardship Fees for Stewards and Voluntary Stewards will be set in accordance with the Policy for Simplified Stewardship Fee Setting attached as Appendix H to these Rules. As a result, except in accordance with the Policy for Simplified Stewardship Fee Setting, the provisions in Parts IV, V and VI of these Rules will cease to apply to any Steward or Voluntary Steward that is subject to the mandatory requirements of that Policy.

### **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 ([found here](#)). 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 Year for the Annual Steward's Report;<sup>4</sup>
- (c) contact information, including email addresses and phone numbers for the Steward's Primary Contact, signing officer, billing contact, secondary contacts and environmental lead;

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<sup>4</sup> This may differ for new stewards as their Data Year may include estimates based on data from their Obligation Year.



- (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 and in accordance with the Deduction and Exclusion Policy ([found here](#));
- (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;
- (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 ([found here](#) and in Appendix F) 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 ([found here](#) and in Appendix F);
- (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 days.<sup>5</sup>

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

27. A Steward who is In Good Standing may request an adjustment in an Annual Steward Report in accordance with the Policy for Steward-Initiated Adjustment Requests ([found here](#) and in Appendix E).

## 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.<sup>6</sup> Penalties and interest will be applied in accordance with the Penalty and Interest Policy ([found here](#) and in Appendix F).

## 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.

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<sup>5</sup> 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 ~~by the time limit~~ in the Steward Initiated Adjustment Policy.

<sup>6</sup> For example, Stewards are responsible for the Fees (if any) associated with errors in the current Report (~~2022~~2023) and for up to five prior Reports (~~2021~~2022, ~~2020~~2021, ~~2019~~2020, ~~2018~~2019, and ~~2017~~2018).





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

### **Relief from Requirements to Report and Pay Fees**

30. Any Steward that intends to join an RPRA-approved ISP covering Designated Blue Box Waste Supplied by the Steward that:

(a) is In Good Standing with Stewardship Ontario; and

(b) has received approval from RPRA to join the ISP,

is no longer required to report to Stewardship Ontario for the related Designated Blue Box Waste Supplied on and after the date on which the Steward is accepted to join the ISP. The Steward must adhere to any additional criteria agreed to between Stewardship Ontario and/or RPRA and the ISP.

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

31. 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:

(a) products; and/or

(b) services

Supplied in Ontario was less than \$2 million.

### **Steward Fee Exemption: Supplied Kilograms Less Than 15,000**

32. 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**

33. Regardless of sections 31 and 32, 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

34. Voluntary Stewards are not eligible for the reporting and payment exemptions in sections 31 and 32.

## PART VI: STEWARD FEES

### Calculation of Stewardship Fees

35. Beginning with the 2022 reporting year (2023 invoice year), Steward's Stewardship Fee shall be calculated in accordance with the Policy for Simplified Stewardship Fee Setting.

### Calculation of Stewardship Fees for New Stewards

36. For a Steward that begins to Supply Designated Blue Box Waste on or after January 1, 2022<sup>3</sup>, the Steward's 2022<sup>3</sup> Stewardship Ontario Stewardship Fee will be calculated using an estimate of quantities of Designated Blue Box Waste that will be Supplied during 2022<sup>3</sup>.<sup>7</sup> 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 ([found here](#)).

### Stewards who Fail to Register with Stewardship Ontario

37. 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 ([found here](#) and in Appendix F).

### Newspapers

38. Stewards who are members of the Canadian Newspaper Association or the Ontario

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<sup>7</sup> Newly obligated Stewards are required to File and pay for two years' worth of manually entered data on the WeRecycle Portal in order to qualify for simplified fee setting. Newly obligated Stewards can adjust their estimates in accordance with the same deadlines as expressed in the Policy for Steward-Initiated Adjustment Requests.



Stewardship Ontario

Community Newspapers Association shall report and pay Stewardship Fees in accordance with the amendments to the Blue Box Program Plan dated November 4, 2005.

## **PART VII: COMPLIANCE**

### **Penalties and Interest**

39. Stewardship Ontario shall impose penalties and interest on a Steward or Voluntary Steward in accordance with the Penalty and Interest Policy ([found here](#) and in Appendix F).

### **Steward and Voluntary Steward Records Retention**

40. 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 an audit, whichever is greatest. Stewards are subject to Penalty and Interest Policy ([found here](#) and in Appendix F).

### **Duty to Comply with Stewardship Ontario's Requests for Documentation**

41. 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;



Stewardship Ontario

- (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; and
- (h) 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**

42. 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**

43. 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, either physically or electronically (i.e., remotely) 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**

44. Disputes between Stewardship Ontario and a Steward or Voluntary Steward regarding the payment of Stewardship Fees shall be addressed through the Dispute Resolution Policy ([found here](#)). 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\*

\*These provisions are modified by the Policy for Simplified Steward Fee Setting.

Material Category	20223 DBBW Reporting Categories
Printed Materials	Newsprint–CNA/OCNA Members
	Other Newsprint–Non-CNA/OCNA Members
	Magazines and Catalogues
	Directories
	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 B<sup>8</sup>** **Resident in Ontario<sup>9</sup>**

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, and
- (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**

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

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<sup>8</sup> Contents from “Corporations Tax Act, Ontario”

<sup>9</sup> 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



Stewardship Ontario

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\*

\*Except as provided for in the Policy for Simplified Stewardship Fee Setting, Stewards and Voluntary Stewards will no longer submit an Annual Steward Report.

**Table 1**

Payment Schedule <sup>10</sup>	202 <del>32</del> Due Dates
<i>Quarterly payment option</i>	
First payment due (25%)	January 31, 202 <del>32</del>
Second payment due (25%)	April 30, 202 <del>32</del>
Third payment due (25%)	July 31, 202 <del>32</del>
Fourth payment due (25%)	October 31, 202 <del>32</del>
<i>Annual payment option</i>	
Annual payment due (100%)	January 31, 202 <del>32</del>

<sup>10</sup> Stewards may choose to pay quarterly or annually





Stewardship Ontario

## **Appendix D** **The Methodology for Calculating Stewardship Ontario Fees**

\*Stewardship Fees will now be calculated in accordance with the Policy for Simplified Stewardship Fee Setting.



## Appendix E

# **POLICY FOR STEWARD-INITIATED ADJUSTMENT REQUESTS\***

### **KEY FEATURES:**

- Stewards can request adjustments to submitted reports as per the revised deadlines imposed by the Approved Blue Box Transition Plan
- Adjustment requests must include supporting documentation
- Only adjustments that meet the Policy requirements will be processed

\* As a result of Simplified Fee Setting, only new stewards to the Program may be eligible for adjustments under this policy. Existing Stewards should review the Policy for Simplified Fee Setting During the Blue Box Wind Up to determine whether they may qualify for changes to previously filed Annual Steward Reports.

### **I. Overview**

1. This policy provides guidance to Blue Box stewards as to the types of adjustments that may be allowed. This Policy has been modified by the adjustment deadlines specified in the Policy for Simplified Stewardship Fee Setting. If there is a discrepancy between this Policy and the Policy for Simplified Stewardship Fee Setting or the approved Wind Up Plan, the latter two documents prevail over this Policy.

### **II. Purpose**

2. This policy promotes fairness and consistency for all Blue Box and enables Stewardship Ontario to operate in a cost-effective manner.
3. The time limit imposed by the Approved Blue Box Transition Plan:
  - (a) helps stabilize fees as adjustments can impact the total quantities of supplied materials (i.e. steward-reported quantities) which in turn impacts fee setting for the subsequent period or year. For example, where an adjustment results in a credit, these funds must be recouped in the subsequent period or year from steward fees and will be added to the program's budget; and
  - (b) provides stewards with sufficient time to identify possible issues in their reports and submit adjustment requests. Table 1 below stipulates the relevant deadlines.

### **III. Scope**



4. This policy applies to all adjustment requests submitted on or after January 1, 2023~~2~~, regardless of the data or reporting period/year associated with the adjustment request, initiated by stewards and voluntary stewards (“stewards”) meeting their regulatory stewardship obligations for the following program:
  - Stewardship Ontario Blue Box Program
  
5. This Policy:
  - (a) shall remain in force from the time that it is posted on the program’s website until the time it is replaced; and
  - (b) shall be automatically amended by substituting the year appearing in this policy with the subsequent year, unless or until a new policy is posted on the program’s website.

#### IV. Policy

##### Reporting and Payments Must be Up-to-Date

6. Only stewards whose reporting and payments to the program are up-to-date may make an adjustment request.

##### ~~Two-Year~~ Time Limit for Adjustment Requests

7. Stewards can request adjustments from the associated report submission deadline, regardless of the date the steward submitted its report by the deadlines specified in this Policy. Except as provided for in the Policy for Simplified Stewardship Fee Setting, no further Annual Steward Reports will be submitted and no further adjustments to prior year(s) Reports will be permitted.-

**Table 1 – PPP Reports (Annual cycle)<sup>11,423</sup>**

Report	<del>2020-2021</del> Report ( <del>2019-2020</del> Data)	<del>2021-2022</del> Report ( <del>2020-2021</del> Data)	<del>2023 Report (-</del> <del>2022 Data)</del>	<del>2024 Report (-</del> <del>2023 Data)</del>
Deadline for annual report submission	<del>July</del> <u>May 31,</u> <del>2020</del> <u>2021</u>	May 31, <del>2021</del> <u>2022</u>	<u>May 31, 2023</u>	<u>May 31, 2024</u>
Deadline for completed	July 31, <del>2022</del> <u>2021</u>	July 31, <del>2023</del> <u>2022</u>	<u>May 31, 2024</u>	<u>May 31, 2024</u>

<sup>11</sup> This Table has been adjusted according to the approved Stewardship Ontario Blue Box Transition Plan. If the deadline for an adjustment request falls on a non-business day, the deadline is extended to the next business day. Should an apparent discrepancy be observed when comparing this Policy and the approved Blue Box Transition Plan, the latter shall govern.

<sup>423</sup> Please refer to Appendix H if you are steward who is eligible for simplified fee rates fee setting.



<b>Adjustment Request</b>				
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### Stewards Who Have Exited a Program

8. A steward who has exited a program:
  - (a) may file an adjustment request within 30 days of exiting the program, following which no adjustment request may be filed; and
  - (b) will be credited or debited within 90 days, unless the adjustment request requires a review.

#### How to Make an Adjustment Request

9. All stewards who wish to make an adjustment request must:
  - (a) submit a completed and signed Adjustment Request Form ([found here](#)) and email it to [werecycle@stewardshipontario.ca](mailto:werecycle@stewardshipontario.ca); and
  - (b) provide accompanying supporting documentation.

#### Contents of Adjustment Request form and Supporting Documentation

10. Adjustment requests must include:
  - (a) clear and detailed supporting documentation and narratives to explain each of the errors; and
  - (b) an audit trail that, if followed, would confirm the legitimacy of the adjustment request.
11. If there are multiple errors in a single report, stewards must include all relevant information for all errors as only one adjustment request will be considered for each year's report.
12. See Appendix A: "Steps to Complete an Adjustment Request" for step-by-step guidance on submitting an adjustment request.

#### Credits and Debits

13. Following assessment of the steward's adjustment request:
  - (a) Net Credits:
    - (i) can be applied to the steward's current or future invoices in the corresponding program; or
    - (ii) may be paid to the steward by cheque, upon request by the steward.
  - (b) Debits are due within 30 days of the date of issue and are subject to the Penalty and Interest Policy.

#### Permitted Adjustments



14. Subject to adequate substantiation, adjustment requests that will be considered are limited to the following circumstances:

- (a) incorrect formula in Excel spreadsheet or similar “tool”;
- (b) incorrect logic in Excel spreadsheet or similar “tool”;
- (c) material classification error;
- (d) material weight input error (e.g., entered 1 instead of 10);
- (e) data entered in the wrong units (e.g., in grams instead of kilograms);
- (f) exclusion of materials in error;
- (g) inclusion of material for which another steward is obligated<sup>12</sup>
- (h) inclusion of PPP which is not obligated by the Program ( e.g. inclusion of IC&I or durable packaging) actual data to replace estimates used by newly on-boarded stewards.  
~~(e.g. inclusion of IC&I or durable packaging)  
actual data to replace estimates used by newly on-boarded stewards.~~

#### **Non-Permitted Adjustments**

15. Adjustment that will not be accepted include, but are not limited to:

##### **(a) Adjustments resulting from reporting methodology changes:**

- (i) changing from the use of estimates, calculators, or Average Bill of Materials (ABOMS) etc. to the reporting of “actuals, or *vice versa*;
- (ii) application of a new study or change in internal processes that identifies previous errors in reported quantities,<sup>14</sup>
- (iii) changing percentage allocations (e.g. for returns, for changes to ship-to and sold data, or for changes to deductions);
- (iv) methodological changes made to a Steward’s Average Bill of Material groupings (ABOM’s). This includes any reorganization of the sample products which form the ABOM itself, or the reorganization of how the ABOM’s are applied to a company’s SKU’s;
- (v) creation of ABOMs, when one was not originally used to develop the report, and *vice versa*.

##### **(b) Adjustments on adjustments:**

Requests will not be considered for changes to a report where the steward previously requested an adjustment for the same report, regardless of whether the steward is seeking the same or a different adjustment to the previously submitted report.

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<sup>12</sup> For greater clarity, this does not include material which is obligated by the Program and may have been eligible for a deduction in the year in which the Annual Steward Report was submitted. Retroactive deduction requests are not permitted by this Policy.

<sup>14</sup> Efforts to improve the accuracy of reports are appreciated and can be used for future reports, but cannot be applied retroactively.



**(c) Adjustments due to changes to your business model such as divestments, mergers/acquisitions, that involve the discontinuance of a segment of your business (e.g., ceasing a brand, or product line) or changes in the PPP that You supply (e.g. discontinuing the use of paper advertising flyers).or involve the discontinuance of a segment of your business (e.g., ceasing a brand, or product line):**

If part of your business is acquired, divested, or was discontinued in a given calendar year, the impact of those changes, if any, must be included during the next reporting cycle, but the steward will not be permitted to make an adjustment to a previously submitted report.

**~~Adjustments due to changes to your business model such as divestments, mergers or acquisitions:~~**

~~If part of your business is acquired or divested in a given calendar year, the impact of those changes, if any, must be included during the next reporting cycle, but the steward will not be permitted to make an adjustment to a previously submitted report.~~

**(e)(d) Adjustments with inadequate substantiation and supporting documentation:**

- (i) Stewards may be required to undergo a third-party review, at the steward's expense, in order to have their adjustment requests validated and processed.
- (ii) If an incomplete package is submitted or additional substantiation is required by the program(s), stewards will be notified and must provide the additional documentation within 30 days of notification. A steward's adjustment request will be closed where the steward fails to provide additional information requested by the program(s) within 30 days.

### **Processing Time**

16. Adjustments can take from weeks to months to process. The amount of time is a function of a number of factors that include complexity, the completeness of the steward's supporting documentation, and the number of adjustments in the queue.

### **Reviews**

17. A third-party review is a detailed examination of a steward's methodology and data collection and reporting processes conducted by an independent consultant.
18. Stewardship Ontario reserves the right to initiate a third-party review of an adjustment request, and may do so in its sole discretion.
19. Third-party reviews will be paid for by the affected steward. In the event that the program determines that a third-party review is warranted, a steward's refusal to participate in or pay for a third-party review will result in the steward's adjustment request being closed.



20. The scope and cost of the review will be outlined in a contract with the steward.
21. A Third-party professional services firm engaged to undertake a review will be required to ensure its independence.
22. Every effort will be made to collaborate with the steward with respect to the review process and timing.

### **CHECK THE ACCURACY OF YOUR REPORTS**

- All stewards are advised to take the following steps to identify potential errors in their reports on a timely basis:
- Carefully review Submission Detail Report (SDR) which is available on the WeRecycle Reporting Portal immediately upon submission of your steward report for accuracy.
- Review your quarterly/first annual invoice for evidence of any errors (e.g. your invoice is significantly higher or lower than expected).
- Contact Stewardship Ontario as soon as possible after identifying a potential error.

### **QUESTIONS AND ASSISTANCE**

**Please contact National Steward Services with any questions about the adjustment process:**

**1 (888) 980-9549 or [werecycle@stewardshipontario.ca](mailto:werecycle@stewardshipontario.ca).**



## Appendix A

### Steps to Complete an Adjustment Request

1. Verify that your request meets the criteria for permitted adjustments.
2. Ensure that your request and submission of all materials to substantiate the request, including all information requested by Circular Materials RRA, on behalf of Stewardship Ontario is made within the specified two-year timeframe.
3. Download the Adjustment Request Form [available here](#).
4. Complete the Adjustment Request Form.
  - Provide previously reported material quantities and revised material quantities.
  - Explain the errors that led to the request and provide supporting documentation (e.g., validation data such as SKU, UPC or other product categorization information, internal audit reports, weight data from suppliers, internal testing to validate weights, etc.) that provides an audit trail sufficient to allow for assessment of the adjustment request.
5. Email your completed Adjustment Request Form and supporting documentation to [wecycle@stewardshipontario.ca](mailto:wecycle@stewardshipontario.ca) with “Adjustment Request” in the subject line. Please include your steward number and name in the email.





## Appendix F

# PENALTY AND INTEREST POLICY

### KEY FEATURES:

- Penalty and/or interest charges will apply for obligated stewards who:
  - Fail to meet their registration obligations in accordance with program deadlines;
  - Fail to file their reports in accordance with program deadlines; and/or
  - Intentionally file an inaccurate report; and/or
  - Fail to pay an invoice according to program deadlines

### **I. Overview**

1. This Policy provides guidance to stewards regarding conduct that will result in the application of penalty, and/or interest charges.
2. Nothing in this Policy limits a program's ability to escalate a steward to the applicable Ministry or Authority as specified in the governing legislation.

### **II. Purpose**

3. The Penalty and Interest Policy promotes fairness and consistency for all stewards and enables stewardship programs to operate in a cost-effective manner by applying a set of consistent penalties and interest to serve as a deterrent to non-compliance.

### **III. Scope**

4. This policy applies effective January 1, 2022-2023 for all stewards and voluntary stewards ("stewards") meeting their regulatory stewardship obligations with the following programs:

Stewardship Ontario (SO) Blue Box Program

### **IV. Policy**



**5. Definitions**

- a. **“Obligation Date”** is the date that a steward begins supplying designated material in the province, after which they have 60 days to register with the Program.<sup>13</sup>
- b. **“Reporting Deadline”** is the date that packaging and paper Annual Steward Reports are due each year (May 31).
- c. **“Substantiation Request Date”** is the date on which the program provides the steward with written notice, by email, that the Penalty and Interest Policy will apply if the steward has not provided substantiation within the 30 days following such notice regarding one or more Annual Steward Reports submitted via the WeRecycle Portal.
- d. **“Payment Due Date”** is the date that payment is due for an invoice associated with a steward’s account. The Payment Due Date can be found on each invoice.

6. Penalties and interest will be applied in the scenarios outlined in the following charts.

Scenario	Step I	Step II
<b>Not Registered<sup>14</sup></b> An obligated steward who has <u>not registered</u> with the Stewardship Ontario Program and in accordance with the Onboarding Policy <sup>15</sup> , will be subject to the following:	For stewards that Register between the 61st and 180th day past the Obligation Date: <ul style="list-style-type: none"> <li>Back payment and back filing to the Obligation Date.</li> <li>Penalty of 5% of all fees owing when report(s) invoiced.</li> <li>Steward may be escalated to the regulatory authority (Stewardship Ontario Blue Box)</li> </ul>	For stewards that Register on or after the 180st day past the Obligation Date: <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing when report(s) invoiced (Stewardship Ontario Blue Box)</li> </ul>
<b>Not Filed<sup>16</sup></b> Steward has registered with the program, but has <u>not filed</u> its Report by the Reporting Deadline or has intentionally filed an	Between the 31 <sup>st</sup> and 90 <sup>th</sup> day past the Reporting Deadline (Stewardship Ontario Blue Box) Penalty of 5% of all fees owing when invoiced.	Beginning on the 61 <sup>st</sup> day past the Reporting Deadline: <ul style="list-style-type: none"> <li>Steward may be escalated to the regulatory authority (Stewardship Ontario Blue Box)</li> </ul>

<sup>13</sup> Ontario stewards are obligated from the date they were notified of the Stewardship Ontario Rules. As of 2016, Ontario stewards are deemed to have been notified at the time the Stewardship Ontario Rules were posted on Stewardship Ontario's website. Ontario stewards that were notified of the Stewardship Ontario Rules by email or mail prior to 2016 are obligated from the date of that notice.

<sup>14</sup> In Ontario, the Penalty in this scenario applies to fees that are not paid in accordance with section 34 of the *Waste Diversion Transition Act*.

<sup>15</sup> The Onboarding Policy requires new stewards to register within 60 days of their Obligation Date, and file all outstanding reports within 60 days of registration. The current report must be filed within 60 days of registration, or by May 31, whichever is later.

<sup>16</sup> In Ontario, the Penalty in this scenario applies to fees that are not paid in accordance with section 34 of the *Waste Diversion Transition Act*.



Scenario	Step I	Step II
incorrect report prior to the Reporting Deadline		Beginning on the 91 <sup>st</sup> day past the Reporting Deadline: <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing when invoiced (Stewardship Ontario Blue Box)</li> </ul>
<b>Steward does not respond to program’s requests for substantiation</b> of the steward’s report within 30 days during staff-initiated steward report review (the “Substantiation Request Date”)	Beginning on the 31 <sup>st</sup> day past the Substantiation Request Date: <ul style="list-style-type: none"> <li>Report will be considered as “not filed” and the Penalty consequences associated with that scenario will apply.</li> <li>Interest begins accruing on the steward’s invoice(s) from the Substantiation Request Date at the CIBC prime rate of interest +4% (Stewardship Ontario Blue Box) to the date adequate substantiation is received.</li> </ul>	Beginning on the 61 <sup>st</sup> day past the Substantiation Request Date: <ul style="list-style-type: none"> <li>Steward may be escalated to regulatory authority (Stewardship Ontario Blue Box)</li> </ul> Beginning on the 91 <sup>st</sup> day past the Substantiation Request Date: <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing (Stewardship Ontario Blue Box)</li> </ul>
<b>Not Paid</b> Steward has registered and has filed its report by the applicable deadline, but it has <u>not paid</u> its invoice by the Payment Due Date	Beginning on the 31 <sup>st</sup> day past the Payment Due Date: <ul style="list-style-type: none"> <li>Interest begins accruing on the steward’s invoice(s) from the Payment Due Date at the CIBC prime rate of interest +4% (Stewardship Ontario Blue Box)</li> </ul>	Beginning on the 61 <sup>st</sup> day past the Payment Due Date: <ul style="list-style-type: none"> <li>Steward may be escalated to the regulatory authority (Stewardship Ontario Blue Box)</li> </ul> Beginning on the 181 <sup>st</sup> day past the Payment Due Date: <ul style="list-style-type: none"> <li>Penalty of 10% of all fees owing when paid (Stewardship Ontario Blue Box)</li> </ul>



## Appendix G

# DEDUCTION AND EXCLUSION POLICY

### KEY FEATURES:

- This Policy provides guidance about “deductions” and “exclusions” from the Annual Steward Report

*\*As a result of the Simplified Stewardship Fee Setting Policy Stewards, as of 2022, Stewards will not be filing a 2022 Annual Steward Report. As a result, going forward, there will be no “deductions” or “exclusions” from a Steward’s report because Stewards will not be submitted Annual Steward Reports. In accordance with the Policy for Steward Initiated Adjustments, retroactive deductions are not permitted.*

*\*\*If there is a discrepancy between the Deductions and Exclusions Policy and the Policy for Simplified Stewardship Fee Setting or the approved Wind Up Plan, the latter two documents prevail over this Policy.*

## I. Overview

### 1. This Policy:

- outlines the scope of permitted deductions in Annual Steward Reports; and
- explains what materials must be excluded from Annual Steward Reports because they are not designated paper or packaging materials.

## II. Purpose

### 2. The Policy:

- promotes fairness and consistency for all stewards; and
- supports stewards in their obligation to produce Annual Steward Reports which are auditable by the Program and by provincial regulators.

## III. Scope

3. This Policy is effective January 1, 2022-2023 for all stewards meeting their regulatory stewardship obligations with Stewardship Ontario (Blue Box).

## IV. Policy

### (a) Definitions

4. “**Annual Steward Report**” is the annual report Filed by all stewards and voluntary stewards, which describes the aggregate amount of Obligated Material, expressed in kilograms or units by category, Supplied by the steward and its franchisees or affiliates during the Data Year.



5. **“Consumer”** means an individual (other than a Person in the Industrial, Commercial, or Institutional (IC&I) sector) to whom Obligated Material is Supplied, regardless of whether the Obligated Material is disposed of by the Consumer in the Residential Waste System.
6. **“Deduction Declaration Form”** – an excel or form available via WeRecycle Portal that the steward is required to complete and submit with their Annual Report for validation
7. **“Designated Material”** means paper, packaging, and service packaging which is Supplied to Consumers and is designated pursuant to the Stewardship Ontario Blue Box Program.
8. **“Excluded Material”** has the meaning provided in section [18].
9. **“Gross Weight”** means the total weight of all Obligated Material Supplied to Consumers, without deduction.
10. **“Jurisdiction”** means Ontario.
11. **“Permitted Deductions”** means the deductions that may be claimed by stewards with respect to Obligated Material in accordance with this Policy.
12. **“PPP”** means packaging and paper products Designated by the Stewardship Ontario Blue Box Program.
13. **“Program”** means the Stewardship Ontario Blue Box Program.
14. **“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.
15. **“Supplied”** means sold, leased, donated, disposed of, used, transferred the possession of or title of, or otherwise made available to a Consumer in the Jurisdiction or distributed for use by a Consumer in the Jurisdiction. Supply and Supplies have similar meanings.
16. **“Service Packaging”** means packaging which may or may not bear a Brand that is Supplied at the point of sale by the retail, food-service or other service providers to facilitate the delivery of goods, and includes all bags, boxes, and other items for the containment of goods at point of sale
17. **“Validation Data”** means data such as SKU, UPC or other product categorization information, including:
  - (a) descriptions of each product item or group;
  - (b) product sizes;
  - (c) packaging materials and weight;
  - (d) sales volumesthat may be requested by the Program to:
  - (i) substantiate quantities reported by stewards in their Annual Steward Report; or
  - (ii) assess a steward’s request for a Permitted Deduction.

**(b) Overview: “Deductions” versus “Exclusions”**



18. “Exclusions” are different from “Deductions”:

(a) “Exclusions”:

- (i) relate to material which is not Designated Material by the Program, examples of which are provided in the next section; and
- (ii) must not be reported in the Annual Steward Report.

(b) “Deductions” relate to material that is Designated Material by the Program and is Supplied to Consumers, but is managed outside of the Residential Waste System:

- (i) Designated Materials Supplied to a Consumer must be reported in their totality in the Annual Steward Report without deduction insofar as the steward is unable to provide adequate Validation Data in support of its deduction.
- (ii) Designated Materials sometimes may be disposed of outside of the Residential Waste System and therefore may be deducted from the Annual Steward Report as long as the deductions are substantiated and validated through the completion of a Deduction Declaration Form and supported by appropriate Validation Data.
- (iii) Deductions based on where the Designated Material is managed within the Residential Waste System i.e., recycling, garbage or organic stream, are not permitted.

**(c) Materials that should be Excluded from the Annual Steward Report because they are not Designated under the Programs**

19. Some PPP is not Designated by the Program because the material is never Supplied to a Consumer or is not considered to be packaging. These are known as Exclusions. Stewards do not need to include material which is “Excluded” (i.e. not Designated) in their Annual Steward Report.

20. Examples of Excluded Material include:

1. **Durable Packaging**

- a. Durable packaging refers to packaging that has a useful life of at least five years, is intended to facilitate longer term storage of the product and remains with the product throughout its useful life.
- b. Where only a portion of the packaging is considered integral to the long-term use or storage of the product, this portion may be excluded from the steward report because it is not Designated PPP.
- c. The following are examples of durable packaging that should not be included in the Annual Steward Report:
  - CD/ DVD cases;
  - power tool cases;
  - vinyl record covers; and
  - the boxboard used to contain, store and transport pieces of a board game or puzzle.

2. **Products and services Supplied to IC&I consumers for the IC&I consumers’ consumption**



- a. Where a steward supplies packaging or paper product materials to the industrial, commercial, or institutional (IC&I) sector, and the material is not disposed of in the Residential Waste System, this constitutes Excluded Material.
- b. PPP Supplied to home offices disposed of in the Residential Waste System are not considered Exclusions and cannot be deducted from the Annual Steward Report because it will be managed in the Residential Waste System, rather than in a commercial establishment's waste management system.

**3. Other items to exclude from your report**

- a. Do not report items that are not generally considered to be packaging such as accessories to the product that do not serve a packaging function. These items are not Designated Material under the Program. This would include items such as:
  - plastic cutlery,
  - straws, and
  - paper serviettes etc.
- b. Do not report packaging sold as a product (empty) to the end consumer.<sup>17</sup> This would include:
  - garbage bags,
  - organic waste bags,
  - food storage bags, and
  - food storage containers.
- c. Do not report items that constitute an integral part of the product. This would include:
  - toner cartridges, and
  - single use cameras.

**(d) Deductions Claimed by a Steward in the Annual Steward Report**

**(i) Introduction**

21. A steward must provide the following information in its Annual Steward Report:
  - (a) report on the Net Weight of Designated Material Supplied to Consumers;
  - (b) identify the Gross Weight of the Designated Material, by material type, in the completed Deduction Declaration Form identifying the methodology used to calculate and determine the deduction;
  - (c) maintain the steward's records in support of the deduction for at least five years and make these records available to the Program upon request.
22. The Program may require any steward claiming a deduction to provide additional Validation Data or submit to an audit of the deduction.

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<sup>17</sup> Retail carry-out plastic bags are considered designated items and must be reported.



23. If the deduction substantiation involves a third-party study, waste audit data, or market research; the steward must ensure that:
- (a) a copy of the study, data or research is included along with the Deduction Declaration Form,
  - (b) the study, data or research must be current, i.e., undertaken or refreshed within the three years preceding the submission year,
  - (c) information such as time frame of the study/research/ data, demographics, location, survey questions, and results are clearly stated,
  - (d) the questions asked in the research and study demonstrate the percentage of PPP managed outside the Residential Waste System versus the percentage consumed<sup>18</sup> or delivered etc.,
  - (e) any other relevant information.
24. Stewards are not permitted to retroactively claim deductions which they did not claim in a prior Annual Steward Report. The Steward Initiated Adjustment Policy prohibits retroactive methodological changes, and this includes changing the percentage of designated material for which the steward claims a deduction for past years.

**(ii) Waste Management Outside of the Residential Waste System**

25. Designated Materials that are disposed of outside the Residential Waste System may be deducted from the Annual Steward Report, as long as the deduction is supported by adequate Validation Data and a completed Deduction Declaration Form.<sup>19</sup>

**Product returns**

26. A steward may deduct Designated Material associated with products that are initially Supplied to Consumers, but are:
- (a) returned to retail;
  - (b) never re-Supplied to a Consumer, and
  - (c) disposed of outside of the Residential Waste System.
27. Stewards cannot claim a deduction for product returns where:
- a. the product is returned without its associated PPP; or
  - b. the returned product and its associated PPP are subsequently re-Supplied to a Consumer, as it will re-enter the Residential Waste System.
28. Retailers may only claim this deduction for PPP for which they are the brand owner or first importer.

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<sup>18</sup> In instances where a consumption study is applied, i.e. chip bags consumed in the car or transit, the stewards will be asked to apply a factor that also considers where the packaging is being disposed. For example, chip bags consumed in the car may or may not be disposed of in the residential setting, and therefore should not receive a 100% deduction.

<sup>19</sup> An Excel Deduction Declaration Form is available on the WeRecycle portal for stewards to provide information on the types of deductions taken. The form lists examples of acceptable supporting documentation for any deductions, including stock keeping unit (SKU)-level data or relevant third-party studies and their application to the SKU level data. Validation data must be submitted alongside the Deduction Declaration Form to support the review process and confirm the legitimacy of the underlying deduction.





29. A brand owner claiming this deduction must be able to substantiate the quantity of returns to retail.
  - (iii) **Packaging removed from consumer's home**
30. Goods delivered to Consumers may have PPP that is delivered with the product, but the associated PPP is sometimes removed from the Consumer's home by the delivery service.<sup>20</sup>
31. This PPP is Designated Material because it is Supplied to the Consumer at the time of the delivery but may be eligible for a deduction if the PPP is removed from the Consumer's home and disposed of outside of the Residential Waste System.
32. Retailers may only claim this deduction for PPP for which they are the brand owner or first importer.
33. A brand owner claiming this deduction must be able to substantiate the quantity of PPP removed from the homes of Consumers at the time of delivery.
34. The steward must have Validation Data such as auditable documentation from various retailers and their delivery network that supports the deduction of this Designated Material from its report and provide supporting information in the Deduction Declaration Form.

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<sup>20</sup> Not all Consumers will ask for the Designated Material to be removed at the time of delivery. Further, some delivery companies that do remove PPP at the time of the delivery may use the Residential Waste System for disposal. Some SKUs may have lower rates of delivery than other items (e.g. large appliances).

## Appendix H

# **POLICY FOR SIMPLIFIED STEWARD FEE SETTING DURING THE BLUE BOX WIND UP**

### **KEY FEATURES:**

- The Simplified Fee setting Model was approved in 2022 and eliminates the requirement for stewards to submit their annual sales data report in 2022 ~~and 2023~~ and 2023d-2023.
- For invoice years 2023, 2024 and 2025, the calculation of fees for steward invoices will be governed by a Simplified Fee Setting Model described in this policy.

### **I. Overview**

1. This Policy provides guidance to Blue Box Stewards about a simplified fee setting model (the “**Simplified Fee Setting Model**”) applicable to Stewards’ Stewardship Fee invoices issued by Stewardship Ontario beginning with the 2023 invoice year.<sup>21</sup> The Simplified Fee Setting Model eliminates the requirement pursuant to Rules for Stewards Part IV, V, VI to submit their annual sales data report beginning in 2022 for the sales data period 2021.

### **II. Purpose**

2. The Simplified Fee Setting Methodology reduces the administrative burden associated with annual Steward reporting during the wind up of the Stewardship Ontario Blue Box Program.

### **III. Scope**

3. This Policy applies to all Printed Paper and Packaging Stewards who have filed accurate and complete Annual Steward Reports with Stewardship Ontario for their 2020 reporting year (2019 data) and 2021 reporting year (2020 data). Stewards are not permitted to “opt out” of the Simplified Fee Setting Model.
4. This Policy shall remain in force from the time that it is posted on Stewardship Ontario’s website until the time it is replaced or updated with a new version.

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<sup>21</sup> Capitalized terms have the same meaning as in the Stewardship Ontario Rules, where applicable.



#### IV. Policy

##### (a) This Policy Eliminates Annual Steward Reporting

5. But for this Policy, a Steward’s Stewardship Fee invoice would have been calculated using the following data:

Invoice Year	Reporting Year	Data Year
2023	2022	2021
2024	2023	2022
2025	2024	2023

6. Unless otherwise required by this Policy, Stewards will not submit an Annual Steward Report to Stewardship Ontario in 2022 or thereafter.
7. Instead, in accordance with this Policy, each Steward’s 2020 and 2021 reports (2019 and 2020 data) will provide the basis for that Steward’s Stewardship Fee invoices in 2023, 2024 and 2025, using the Simplified Fee Setting Model described in this Policy.

##### (b) Stewards Must Have Filed Complete and Accurate 2020 and 2021 Annual Steward Reports

8. The Steward must have reported all obligated Printed Paper and Packaging Supplied to residential Consumers in accordance with Stewardship Ontario’s Rules for their Annual Steward Reports filed in 2020 (2019 Data) and 2021 (2020 Data).
9. Stewards that under-reported<sup>22</sup> for the 2020 and/or 2021 reporting year(s) may be subject to changes to the Steward’s previously submitted Annual Steward Report in accordance with the Rules and/or the Steward’s Allocation calculated in accordance with Step 3, below, which may impact:
  - the Steward’s invoices for the 2021 and 2022 invoice years in that the fees payable by the Steward for the applicable year(s) may be changed; and/or
  - the Steward’s fees for subsequent years calculated in accordance with this Policy may need to be recalibrated based on corrections to the 2021 and/or 2022 Annual Steward Report(s) and/or changes to the Steward’s Allocation resulting from under-reporting in 2021 and/or 2022.

<sup>22</sup> In this section, “under-reporting” occurs when a Steward for any reason whatsoever did not report all PPP Supplied to Ontario Consumers in the manner required by the Rules for the applicable year(s). Where the Steward has under-reported against its obligation in the Rules for any reason, Stewardship Ontario may adjust that Steward’s Allocation at any time prior to windup of the Stewardship Ontario Blue Box Program using the formulae in this Policy.



**(c) Steward-Initiated Adjustments to the 2020 and/or 2021 Annual Steward Report(s)**

- 10. But for this Policy, Stewards had two years from the Annual Steward Report submission deadline to request an adjustment to a previously filed Report in accordance with the Policy for Steward-Initiated Adjustment Requests.
- 11. In order to implement the Simplified Fee Setting Model, Steward-initiated adjustments for the 2020 and 2021 Annual Steward Reports must be submitted to the Program by no later than July 31, 2022, with supporting documentation, in accordance with the 2022 Policy for Steward Initiated Adjustment Requests updated in 2022 found [here](#).

**(d) The Simplified Fee Setting Model**

- 12. The Simplified Fee Setting Model will calculate Stewards’ annual Stewardship Fee invoices in the following manner:<sup>23</sup>

**(i) Step One: Determine Steward’s Fees for 2021 and 2022 Invoice Years**

- 13. Stewardship Ontario will extract each Steward’s invoiced Stewardship Fees for invoice years 2021 (Amount A) and 2022 (Amount B).<sup>24</sup>

**(ii) Step Two: Determine the Steward’s Fees as Percentage of Stewardship Ontario’s Total Budget**

- 14. For each of 2021 and 2022, Stewardship Ontario will apply the following formulae to determine the Steward’s Stewardship Fees as a percentage of Stewardship Ontario’s total budget:<sup>25</sup>

(a) For 2021:

$$\frac{\text{Amount A (Steward's invoiced fees for 2021)}}{\text{Amount C (Stewardship Ontario's Total Budget for 2021)}} = \text{Steward's 2021 Percentage Share (Amount E)}$$

(b) For 2022:

$$\frac{\text{Amount B (Steward's invoiced fees for 2022)}}{\text{Amount D (Stewardship Ontario's Total Budget for 2022)}} = \text{Steward's 2022 Percentage Share (Amount F)}$$

<sup>23</sup> Please note that these formulae are simplified versions of the analysis that will be performed for fee setting using the Simplified Fee Setting Model. Nothing in the Policy removes Stewardship Ontario’s right to exercise its discretion regarding fee setting in appropriate circumstances in the operation of the Program during windup.

<sup>24</sup> Amount A and Amount B may be modified by any Program-approved Steward-initiated adjustment or Program ~~correction\_~~ submitted correction submitted ~~mitted~~ by the deadline of July 31, 2022.

<sup>25</sup> Broadly speaking, Stewardship Ontario’s total budget for 2020 and 2021 consisted of the following components: (i) total aggregate quantum payable to municipalities as calculated by RPRA in preparing its Annual Steward Obligation calculation; RPRA overhead amounts; and (iii) Stewardship Ontario overhead amounts.



**(ii) Step Three: Determine Each Steward's Allocation**

15. Stewardship Ontario will determine each Steward's Allocation (Amount G) by applying the following formula to obtain an average of the Steward's 2021 and 2022 Percentage Shares:

$$\frac{\text{Amount E (Steward's 2021 Percentage Share)} + \text{Amount F (Steward's 2022 Percentage Share)}}{2}$$

**(iii) Step Four: Apply the Steward's Allocation to Stewardship Ontario's Total Budget for 2023, 2024 and 2025**

16. In order to determine each Steward's fee for invoice years 2023, 2024, and 2025, each Steward's Allocation (Amount G) calculated in Step Three will be applied to Stewardship Ontario's total budget<sup>26</sup> for 2023, 2024, and 2025, by applying the following formula:

$$\text{Stewards Allocation (Amount G)} \times \text{Stewardship Ontario's Total Budget for [invoice year]} = \text{Stewards 2023 Invoice}$$

17. For example, if a Steward's Allocation was .24 percent and Stewardship Ontario's 2023 budget is \$167.5 million, the Steward's 2023 invoice will be (.0024 x \$167.5 million = \$402,000).

**(e) Circumstances Where the Simplified Fee Setting Model Will Not Apply**

18. The Simplified Fee Setting Model will not apply or may be modified as described in the following circumstances, some of which are mandatory and some of which are optional:

**(i) Newspapers that are Subject to the CNA/OCNA<sup>27</sup> Amendment to the Original Stewardship Ontario Program Plan (Mandatory)**

19. In 2005, the Ontario Government approved an amendment to the Stewardship Ontario Blue Box Program Plan relating to newspapers (the "CNA/OCNA Amendment").<sup>28</sup>
20. As a result of the CNA/OCNA Amendment, newspaper Stewards pay some, but not all, of their Stewardship Fees by supplying "in-kind" advertising to Stewards, through the in-kind advertising program operated by RPRA.<sup>29</sup>

<sup>26</sup> Broadly speaking, Stewardship Ontario's total budget for 2023, 2024 and 2025 consists of the following components: (i) total aggregate quantum payable to municipalities as calculated by RPRA in preparing its Annual Steward Obligation calculation; (ii) RPRA overhead amounts; and (iii) Stewardship Ontario overhead amounts. In the event that the Allocation (calculated annually) attributable to newspaper stewards decreases, the total budget attributable to non-newspaper stewards will increase.

<sup>27</sup> CNA/OCNA members are now referred to as members of News Media Canada.

<sup>28</sup> See the CNA/OCNA Amendment in the following link: <https://stewardshipontario.ca/wp-content/uploads/2013/03/Amendment-re-CNA-OCNA-In-kind-Contribution-Nov-4-2005.pdf>

<sup>29</sup> <https://rpra.ca/programs/blue-box/inkind-advertising/>



Given this unique history and circumstances, newspaper Stewards must continue to file an Annual Steward Report. This data will be used by Stewardship Ontario and RPRA to set newspaper Stewards' share of total Program fees and determine in-kind advertising obligations.<sup>30</sup>

21. The fees for CNA/OCNA stewards will be determined as follows:
  - Program Management Fee will be calculated by multiplying the reported kilograms of "Newsprint – CNA/OCNA" by 0.0071.
  - Steward Obligation will be calculated by multiplying the reported kilograms of "Newsprint – CAN/OCNA" by 0.0750
  - Fees for Non-Newsprint Material Categories: Fees related to non-newsprint material categories will be determined based on the simplified fee setting model as outlined in section IV. (d) above.<sup>10</sup>
- (ii) Divestiture of a Business Subsidiary or Product Line (Optional)**
22. After filing its 2021 Report, a Steward may have sold part of its business associated with one or more of its Brand(s) (a "**Divestiture**"), with the result that it no longer Supplies the Packaging or Printed Paper associated with the Brand(s).
23. This provision:
  - (a) applies only to a Divestiture, and not to a Steward whose Supply of Printed Paper and Packaging has decreased for any other reason; and
  - (b) does not apply retroactively in relation to invoices issued by the Program in 2022 or earlier.
24. In order for a Divestiture to qualify for a reduction in the Steward's Allocation for subsequent invoice year(s), the following conditions must be satisfied in order to be a "**Qualifying Divestiture**":
  - (a) a Divestiture of a Brand results in a net reduction by at least 5 percent or \$1,000 (whichever is greater) of the Stewardship Fees that would otherwise be payable by the Steward under this Policy; and
  - (b) The Steward that acquired the Brand must be willing and able to accept the reporting obligation for the Brand that was divested, with the result that there will be a corresponding increase in the Allocation of the acquiring Steward.
25. In the case of a Qualifying Divestiture, the Steward has the option, but not the obligation, to apply to the Program to have its Allocation recalculated and applied for the purposes of calculating its Stewardship Fees in subsequent year(s).

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<sup>30</sup> Newspaper stewards who report non-OCNA/CNA material categories such as magazines, LDPE/HDPE Film will use the simplified fee model to account for their obligation associated with non-newsprint materials.



26. The deadline for making a request described in this section is July 31 of a calendar year, in order to be considered for the invoice issued in relation to the subsequent year. Changes cannot be made retroactively to prior year invoices. No changes will be permitted for partial calendar years.
  
27. In order to apply for a recalculation of the Steward's Allocation, the Steward must:
  - (a) at the time of notification, pay a non-refundable administrative fee to Stewardship Ontario in the amount of \$500.00, failing which the Steward's request will not be considered; and
  - (b) complete the following steps:
    - (a) Step One: Notification**

By July 31, a Steward that wants to apply to the Program for a modified Allocation for a subsequent Program invoice must:

      - a. notify the Program at [WeRecycle@stewardshipontario.ca](mailto:WeRecycle@stewardshipontario.ca), with the subject line: "Request for Modified Allocation due to Brand Divestiture"; and
      - b. provide an explanation about the Divestiture that addresses the following issues:
        1. Describe the Divestiture in sufficient detail for the Program to validate that it was a Brand Divestiture;
        2. Identify the date on which the Divestiture took effect;
        3. Identify corporate entity (including corporate name and corporate contact person) that assumed responsibility for the affected brand(s);<sup>31</sup>
        4. The Steward's rationale (with supporting data) for its belief that the Divestiture meets with qualifying financial terms (reduction in Stewardship Fees of at least 5 percent or \$1,000 whichever is greater).

**(b) Step Two: Preliminary Assessment by the Program**

Based on the information provided by the divesting Steward in Step One, the Program will:

- a. undertake a preliminary assessment to determine, subject to receiving complete data in Step Three, whether the Steward may qualify under this provision to modify its Allocation;
- b. confirm with the Steward that acquired the Brand that its Allocation will be increased in a manner that corresponds with the

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<sup>31</sup> The acquiring company will now become responsible for reporting for the brand(s) to the Program.



reduction in the divesting Steward's Allocation; and

- b. notify the divesting Steward of its provisional decision, which will be subject to receiving additional data from the Steward.

**(c) Step Three: Steward Report Completion**

If the Steward provisionally qualifies for a modified Allocation due to a Divestiture:

- a. The divesting Steward must provide a report, in the form requested by the Program, regarding the Brand(s)' Paper and Packaging for which it is no longer the obligated Steward because of the Divestiture.
- b. The divesting Steward will not be permitted to change other aspects of its prior Annual Reports (e.g., where a reduction in Supplied Printed Paper and Packaging has arisen for any reason not directly connected to the Divestiture of the affected Brand(s)).
- c. The Program will review the divesting Steward's report and make a final determination about whether the divesting Steward satisfies the conditions of this section.

**(d) Step Four: Recalculation of the Divesting and Acquiring Stewards' Allocation Amounts**

- a. With reference to the divesting Steward's 2020 and 2021 Reports and any additional data requested by the Program, the Program will remove the amount of Printed Paper and Packaging associated with the divested brand(s) and recalculate the Steward's Allocation (the "**Recalculated Allocation Amount**").
- b. The Program will advise the divesting Steward of its Recalculated Allocation Amount.
- c. The Program will advise the acquiring Steward of its Recalculated Allocation Amount.
- d. The divesting and acquiring Stewards' Recalculated Allocation Amounts will apply to the calculation of all subsequent Stewardship Fees invoiced to the Steward, unless the Steward later qualifies for another exception in accordance with this Policy.

**(iii) Discontinuance of a Product Line (Optional)**

28. After filing its 2021 Report, a Steward may have discontinued one or more SKUs<sup>32</sup> (a "**Discontinuance**"), with the result that it no longer Supplies the Packaging or Printed Paper associated with the SKUs.

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<sup>32</sup> Stock Keeping Units.





29. This provision:
  - (a) applies only to a Discontinuance, and not to a Steward whose Supply of Printed Paper and Packaging has decreased for any other reason;
  - (b) does not apply retroactively in relation to invoices issued by the Program in 2022 or earlier.
  
30. In order for a Discontinuance to qualify for a reduction in the Steward's Allocation for subsequent invoice year(s), the following condition must be satisfied:
  - (a) the Discontinuance of a Brand results in a net reduction by at least 5 percent or \$1,000 (whichever is greater) of the Stewardship Fees that would otherwise be payable by the Steward under this Policy a "**Qualifying Discontinuance**").
  
31. In the case of a Qualifying Discontinuance, the Steward has the option, but not the obligation, to apply to the Program to have its Allocation (in Step Three) recalculated and applied for the purposes of calculating its Stewardship Fees in subsequent year(s).
  
32. The deadline for making a request described in this section is July 31 of a calendar year, in order to be considered for the invoice issued in relation to the subsequent year. Changes cannot be made retroactively to prior year invoices. No changes will be permitted for partial calendar years.
  
33. In order to apply for a recalculation of the Steward's Allocation, the Steward must:
  - (a) at the time of notification, pay a non-refundable administrative fee to Stewardship Ontario in the amount of \$500.00, failing which the Steward's request will not be considered; and
  - (b) complete the following steps:
    - (a) Step One: Notification**

By July 31, a Steward that wants to apply to the Program for a modified Allocation for the next-issued Program invoice must:

      - a. notify the Program at [WeRecycle@stewardshipontario.ca](mailto:WeRecycle@stewardshipontario.ca), with the subject line: "Request for Modified Allocation due to a Discontinuance"; and
      - b. provide an explanation about the Discontinuance that addresses the following issues:
        1. Describe the Discontinuance in sufficient detail for the Program to validate that it was a Discontinuance;
        2. Identify the date on which the Discontinuance took effect;
        3. The Steward's rationale (with supporting data) for its belief that the Discontinuance meets with qualifying financial terms (reduction in



Stewardship Fees of at least 5 percent or \$1,000 whichever is greater).

**(b) Step Two: Preliminary Assessment by the Program**

Based on the information provided by the Steward in Step One, the Program will:

- a. undertake a preliminary assessment to determine, subject to receiving complete data in Step Three, whether the Steward may qualify under this provision to modify its Allocation; and
- b. notify the Steward of its provisional decision, which will be subject to receiving additional data from the Steward.

**(c) Step Three: Steward Report Completion**

If the Steward provisionally qualifies for a modified Allocation due to a Discontinuance:

- a. The Steward must provide a report, in the form requested by the Program, regarding the Brand(s)' Paper and Packaging for which it is no longer the obligated Steward because of the Discontinuance.
- b. The Steward will not be permitted to change other aspects of its prior reports where a reduction in Supplied Printed Paper and Packaging has arisen for any reason not directly connected with the Discontinuance of the affected Brand(s).
- c. The Program will review the report and make a final determination about whether the Steward satisfies the conditions of this section.

**(d) Step Four: Recalculation of the Steward's Allocation Amount**

- a. With reference to the Steward's 2020 and 2021 Reports and any additional data requested by the Program, the Program will remove the amount of Printed Paper and Packaging associated with the Discontinued Brand(s) and recalculate the Steward's Allocation (the "**Recalculated Allocation Amount**").
- b. The Program will advise the Steward of its Recalculated Allocation Amount.
- c. The Recalculated Allocation Amount will apply to the calculation of all subsequent Stewardship Fees invoiced to the Steward, unless the Steward later qualifies for another exception in accordance with this Policy.

**(iv) Stewards that Enter the Ontario Market, Leave the Ontario Market, or have not Filed their Complete and Accurate 2020 and 2021 Reports for any Reason (Mandatory)**

34. This provision applies to any Steward that:



- (a) began to Supply PPP to the Ontario Market at any time, but was not registered with Stewardship Ontario by January 1, 2022 (“**New and/or Previously Unregistered Steward**”);
- (b) has not Filed Annual Steward Reports for 2020 and/or 2021 or has filed incomplete Reports for those years (“**Registered Steward with Incomplete 2020 or 2021 Report(s)**”); or
- (c) entirely stopped supplying all PPP to the Ontario Market at any time after the Program issued its invoice for 2023 (“**Steward Has Entirely Left the Ontario Market**”).

35. **New and/or Previously Unregistered Stewards:**

For any New and/or previously Unregistered Steward,<sup>33</sup> the Steward will be on-boarded to the Program in accordance with the Program’s Onboarding Policy found [here](#), including, if applicable, the need to file past reports and pay fees for all prior years in which the Steward was obligated in accordance with the Rules.

36. **Registered Steward with Incomplete 2020 or 2021 Report(s):**

For any Registered Steward with Incomplete 2020 or 2021 Report(s) (other than Stewards that qualified for a Steward Exemption in Part V of the Rules), the Steward must accurately complete its 2020 or 2021 Report(s) by July 31, 2022,<sup>34</sup> failing which, if applicable, the Steward’s Allocation and resulting Stewardship Fee invoice for 2023 and all subsequent years will be based on a proxy Allocation equal to:

- (a) the most recently completed Annual Steward Report and
- (b) the Steward’s percentage share of Stewardship Ontario’s corresponding budget for the most recently completed Annual Steward Report, plus 50 percent (the “**Proxy Allocation Amount**”).

37. **Steward Has Entirely Left the Ontario Market:**

For any Registered Steward that entirely stopped supplying any PPP to the Ontario market at any time after the Program issued its invoice for 2023, the Steward must notify Stewardship Ontario at [WeRecycle@stewardshipontario.ca](mailto:WeRecycle@stewardshipontario.ca) and, provided that the Steward is no longer obligated for any PPP in Ontario, the Steward will be off-boarded from the Program in the same manner that existed

prior to the implementation of this Policy and the Simplified Fee Setting Method. A Steward who is off-boarded under this section will be obligated from the date they begin to Supply PPP to the date they no longer Supply PPP.<sup>35</sup>

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<sup>33</sup> This provision does not apply to Stewards that previously qualified for a Steward Exemption from Registering, Reporting or Paying Fees under Part V of the Rules.

<sup>34</sup> Late reports and late fees are subject to the Penalty and Interest Policy.

<sup>35</sup> Management of Voluntary Stewards is outlined in the Voluntary Steward Agreements and Voluntary Steward Policy



Stewardship Ontario

## QUESTIONS AND ASSISTANCE

Please Contact National Steward Services with any questions about this Policy  
at 1 (888) 980-9549 or [WeRecycle@stewardshipontario.ca](mailto:WeRecycle@stewardshipontario.ca)

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## Appendix I

# DISPUTE RESOLUTION POLICY

### KEY FEATURES:

- The policy creates a framework to work collaboratively to resolve disputes and where necessary, a fair mechanism to achieve final and binding resolutions.
- Stewards may initiate dispute resolution in accordance with this policy.
- Requests for dispute resolution must be submitted in writing.

## I. Overview

1. This policy provides guidance to stewards regarding dispute resolution policy and procedures.
2. Nothing in this policy limits a program's ability to escalate a steward to the applicable Ministry or Authority in accordance with the governing legislation.

## II. Purpose

3. The stewardship programs and stewards share a common goal to promote fairness for all stewards and to enable the stewardship programs to operate in a cost-effective manner.
4. Despite this, disagreements may arise from time to time. It is important to have a fair process to address disputes in a timely manner, minimizing the impact to the programs' and the stewards' organizational operations.
5. In circumstances where an issue cannot be resolved informally, this policy sets out the way issues will be addressed in a manner that balances:
  - administrative efficiency;
  - fairness;
  - cost to one or more of the stewardship programs and the steward; and finality

## III. Scope

6. This policy applies for all stewards and voluntary stewards ("stewards") meeting their regulatory stewardship obligations in Stewardship Ontario Blue Box Program supported by [Circular Materials](#) with respect to the steward's payment of fees ("dispute").<sup>36</sup>

<sup>36</sup> Please note that nothing in this policy limits a program's ability to escalate a steward to the applicable Ministry or Authority in accordance with the governing legislation



#### IV. Policy

7. If a dispute arises between a steward and a stewardship program the steward may initiate Dispute Resolution by way of the following steps.<sup>37</sup>

##### Step 1: Notice of Concern

8. If an issue arises, which the steward has been unable to resolve with the staff member with whom they have been working most closely, the steward must within 30 days raise the matter with the stewardship program(s) in writing by sending an email:

- (a) to the email address [disputes@circularmaterials.ca](mailto:disputes@circularmaterials.ca);
- (b) with the subject line: "Dispute Resolution Request" and the steward's name and steward number;
- (c) summarizing the nature of the dispute, the impacted stewardship program(s), the key facts, and attaching any relevant documentation.

##### Step 2: Informal Discussion

9. Within 30 days of receipt of written notice, [Circular Materials](#) staff will contact the steward on behalf of the stewardship program(s) to:

- (a) clarify the nature of the concerns;
- (b) request any further documentation in support of the concerns; and
- (c) arrange for and facilitate a meeting in person or by telephone to attempt to address and resolve the concerns with the steward and with stewardship program representatives.

##### Step 3: Management Discussion

10. If the dispute remains unresolved following the Informal Discussion, the steward must, within 30 days of the completion of the Informal Discussion:

- (a) send an email to [Circular Materials](#) at [disputes@circularmaterials.ca](mailto:disputes@circularmaterials.ca) with the subject line "Dispute Resolution Management Meeting Request" and the steward's name and steward number;
- (b) summarize the concerns which remain outstanding following the Informal Discussion;

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<sup>37</sup> A steward's dispute resolution request may be closed by the Program(s) if the steward fails to respond to the Program(s) within 30 days



(c) provide all documentation in support of the concerns and such other information or documentation requested by [Circular Materials](#) on behalf of the stewardship program(s).

11. Within 30 days of receipt of written notice, [Circular Materials](#) will arrange for and facilitate a meeting between senior representatives of the steward and the stewardship program(s) to discuss and attempt to resolve the concerns.

#### **Step 4: Arbitration**

12. If the steward's concerns remain unresolved following the Management Discussion, and the steward wishes to pursue the matter, the steward must within 30 days of the completion of the Management Discussion:

(a) send an email to [disputes@circularmaterials.ca](mailto:disputes@circularmaterials.ca) with the subject line "Arbitration Request" and the steward's name and steward number;

(b) summarize the concerns which remain outstanding following the Management Discussion; and

(c) provide all documentation in support of the concerns and such other information or documentation requested by the stewardship program(s).

13. For Arbitration:

(a) within 30 days of receipt of the steward's request for arbitration, the steward and the stewardship program(s) shall jointly agree upon an arbitrator; <sup>38</sup>

(b) an arbitration lasting no more than four hours shall be scheduled to take place on a mutually convenient date;

(c) the steward and the stewardship program(s) shall divide the time equally to present their position to the arbitrator;

(d) the steward and the stewardship program(s) shall each be entitled to:

(i) make submissions to the arbitrator; and

(ii) submit documentary and other evidence to the arbitrator.

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<sup>38</sup> If the stewardship program(s) and the steward cannot jointly agree on an arbitrator, each of the stewardship program(s) and the steward shall jointly submit two names of potential arbitrators, and the identity of the arbitrator shall be chosen randomly from the four possible names.



- (e) The decision of the arbitrator shall be final and binding. The steward and the stewardship program(s) have no right of appeal or review. In particular, the court has no jurisdiction to hear an appeal or a judicial review from the arbitrator's decision.
  
- (f) Each party shall bear its own costs of the arbitration, regardless of the outcome. The arbitrator's fees shall be split equally between the parties, regardless of the outcome. The arbitrator shall have no jurisdiction to award costs in favour of one party or the other party.