

Helping Businesses Comply with SK's Household Packaging and Paper Stewardship Program Regulations

Radisson Hotel Saskatoon, Saskatchewan
March 18, 2014


Multi-Material
Stewardship Western



Information for Webcast Participants

- Speaker advances slides
- Sound slider ①
- Technical assistance: click link or email support@thestreamingnetwork.com ②
- Questions/comments at 'Ask a Question' ③
- Click 'submit'

The screenshot shows a web browser window titled 'Event Console' with the URL 'event.on24.com/eventRegistration/console/EventConsoleMVC.jsp?eventid=760345&sessionid=1&key=BCCA94A0F3CF1DDEF6...'. The page header includes the 'Multi-Material Stewardship Western' logo and the event title 'Introduction to MMSW and the Waste Packaging and Paper Stewardship Plan'. The main content area is divided into several sections:

- Agenda:** A list of topics including Welcome, Consultation Process, Information for Stewards, Questions, Product Management Program, Questions, and Next Steps.
- Audio Player:** A circular progress indicator with the number ①, a '0:00' timer, and a volume slider.
- Webcast Tips:** A list of instructions: 'Move slider to enhance sound', 'Refresh browser if slides stop moving or audio stops (press CTRL+R if on PC, Command/Apple+R if on Mac)', and 'To increase size of viewing window "Click for full screen" (below)'. A circular callout ② points to the 'Click for Full Screen' link.
- Questions and Comments:** A section with a text input field and a 'SUBMIT' button. A circular callout ③ points to the input field.
- Navigation Links:** A list of links: 'Click for Technical Support', 'Click for Information Document', 'Click for MMSW Website', and 'Click for Full Screen'. A circular callout ② points to the 'Click for Technical Support' link.

Introductions

- Tamara Burns, National Supply Chain (via webinar)
- Sarah Davies, Steward Services
- Alastair Harris-Cartwright, Communications
- Catherine Abel, Stakeholder Relations

Our objective today

- Introduce Multi-Material Stewardship Western
- Assist you to understand your obligations under the SK Household Packaging and Paper Stewardship Program Regulations
- Provide an overview of the stewardship plan
- Answer your questions about how to comply with the Regulation and what you need to do if you join MMSW

Today's Agenda

- 1) MMSW – Our value proposition to SK businesses
- 2) Extended Producer Responsibility: What does it mean for SK businesses?
- 3) What does the SK Regulation require?
- 4) What is a steward? Do you qualify?
- 5) What packaging and paper is covered under MMSW's stewardship plan?
- 6) What will be expected of you under MMSW's stewardship plan?
- 7) How should businesses prepare?
- 8) What does this mean for small businesses?

Who Are We?

- MMSW is a not-for-profit organization formed to develop and implement a product management program for household waste packaging and paper in the Province of Saskatchewan on behalf of businesses



Who Are We?



**Canadian Stewardship
Services Alliance**

and our family of recycling organizations



**MULTI
MATERIAL
BC**



Multi-Material
Stewardship Western



MMSM
Multi-Material
Stewardship Manitoba



Stewardship Ontario

- MMSW is part of Canadian Stewardship Services Alliance Inc.'s. (CSSA) family of recycling organizations
- CSSA is a national, non-profit steward founded and owned organization established to harmonize packaging and printed paper stewardship programs across the country

Our value proposition to SK business

- Avoid the cost and administrative burden of submitting and operating your own stewardship plan
- Participate in economies of scale
- One-stop-shop to fulfill your packaging and paper stewardship obligations



**Canadian Stewardship
Services Alliance**

EPR: What does it mean for SK businesses?



Extended Producer Responsibility

- Extended to what?
 - Funding of End-of-Life (EOL) management of packaging and paper
- Responsible for what?
 - Providing up to 75% of net program costs to recycle stewards' material
 - Funding to municipalities that choose to participate and comply with collector and processor policies and procedures
- Whose responsibility?
 - Stewards – the businesses that provide the packaging or paper to SK residential consumers are responsible

EPR: What are the benefits for business?

- Creates incentives for business to:
 - Reduce the amount of packaging and paper they use
 - Choose recyclable packaging
 - Make changes to packaging to increase recyclability
- Providing funding to municipalities means industry is able to provide residential consumers with sustainable ways to dispose of their packaging and paper

EPR is the law in Saskatchewan (1)

- The *SK Household Packaging and Paper Stewardship Program Regulations* approved on February 6, 2013 stipulated that:
 - Stewards of packaging and printed paper take responsibility for up to 75% of the cost of recycling their material
 - Stewards could choose to either join an agency that would develop and operate a product management program on their behalf or develop and operate a product management program of their own

EPR is the law in Saskatchewan

- The Regulation sets out a number of requirements for the stewardship plan, including:
 - Description of how MMSW will encourage convenient, effective and efficient recycling services for residents
 - Funding formula for municipalities
 - Program performance measures
 - Consumer awareness

MMSW has fulfilled regulatory obligations under the Regulation

- MMSW submitted a stewardship plan that meets the requirements for all businesses that provide packaging and paper to residential consumers
 - Food and consumer packaged goods
 - Personal care
 - Grocery, drug and mass merchandise retailers
 - Quick service restaurants
 - Newspapers, magazines and directories
 - Paper manufacturers
 - Banks, financial institutions, insurance, utilities
 - Nursery and floral
 - Electronics

MMSW Program launches soon...

JANUARY 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Overview of MMSW's Stewardship Plan



MMSW will fund up to 75% of the net costs of efficient and effective recycling systems

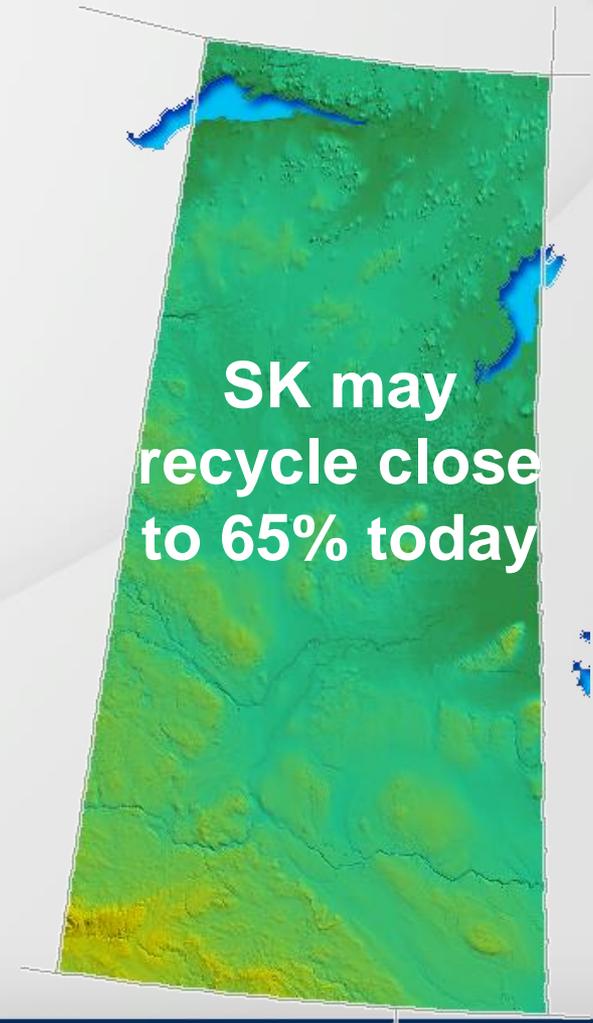


What do we know today?

- Current province-wide SK data not yet available
- MMSW's Stewardship Plan based on modeled data sourced from SK, MB and ON
- Modeled data yielded best available estimates to provide stability and predictability for first two years of program
- Municipal reporting to begin at program launch will be used to update data over time

Best estimates from data modeling

- MMSW estimates approximately 50,000 to 70,000 tonnes of non-beverage packaging and paper enters SK households annually
- Approximately 48,000 to 58,000 tonnes of that material may be recycled today



What will we do to encourage recycling in SK?

- SK municipalities that operate residential collection programs for packaging and paper can choose whether they wish to participate in MMSW's program
- If they choose to participate they will be required to comply with collector and processor policies and procedures and can receive funding from MMSW to offset up to 75% of their net program costs

What you need to know as a steward in SK



How do you know if you are a “steward”?

Can you answer “yes” to all three (3) of the following questions?



Does your organization or company have residency in SK?

Yes



Does your organization or company supply any packaging and printed paper into the SK residential market?

Yes



Is your organization or company a brand owner, first importer or franchisor?

Yes

You are a steward

Test #1: Do you have “residency” in SK?

“Residency” means:

- an organization or its parent has a **permanent establishment** in SK

Residency includes:

- Physical space (owned, rented or leased)
 - Fixed place of business, facility
 - Office (including home office), workshop, factory, warehouse
- Employees or agents who can act on the company’s behalf
 - Authority to sign, fill orders from a stock of merchandise

Test #2: Do you “supply” PPP in SK?

“Supplied” means:

- Paper or a product contained within a package that is sold or distributed to a SK residential consumer

Supplied how?

- *Directly* from a steward via mail, courier delivery, factory premises, door-to-door; or
- *Indirectly* from a steward through a retailer, distributor or franchisee

Test #3: Are you a brand owner, first importer or franchisor?

A steward is either:

- A brand owner
 - manufacturer of the product who sells under the brand; or
 - holds or licenses the brand trademark; or
 - owns or licenses the IP.
- A franchisor
- A first importer
 - first seller
 - distributor



Obligation defaults to retailers

- In the absence of a SK-based brand owner or franchisor, the first importer of the product or paper into SK becomes the obligated party
- The obligation ultimately defaults to the first importer.
- Brand owners that don't meet the residency requirement of a steward may opt to become voluntary stewards

Why should I become a voluntary steward?

- Demonstrates environmental responsibility for your brand packaging and paper
- It will be easier and potentially less costly to report your packaging specifications to MMSW directly than to report this information to each individual retailer that distributes your product.

What types of packaging and paper are covered by the Regulation?



Packaging

“any packaging or container that is composed of glass, metal, paper, boxboard, cardboard, paper fibre or plastic or any combination of those materials and contains a product”

SK Household Packaging and Paper
Stewardship Program Regulations

Packaging

- Five broad categories of packaging are included:
 - Paper
 - Plastic
 - Steel and other metal packaging
 - Aluminum
 - Glass
- Does **not** include various types of containers covered under other EPR regulations:
 - Beverage containers
 - Oil containers
 - Antifreeze containers
 - Diesel exhaust fluid containers
 - Some paint containers

With the noted exceptions, these categories of packaging are harmonized with other provinces

Paper Packaging



- Gable top containers
- Aseptic containers
- Paper laminates
- Corrugated cardboard
- Boxboard
- Other paper packaging



Plastic Packaging

- PET bottles and jars
- HDPE bottles, jugs and jars
- LDPE/HDPE film including carry out bags
- Polystyrene
- Plastic laminate
- Biodegradable plastic packaging
- Other plastic packaging



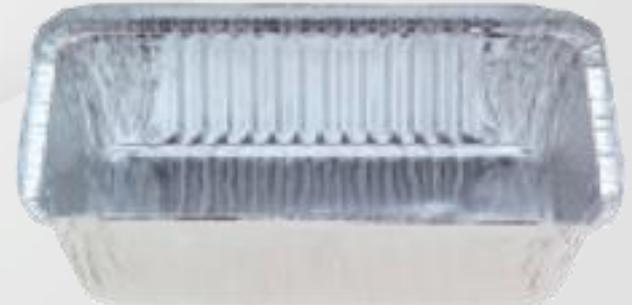
Steel & Other Metal Packaging

- Food containers
- Aerosol containers
- Other steel and bi-metal containers and packaging



Aluminum Packaging

- Food containers
- Aerosol containers
- Other aluminum packaging



Glass Packaging

- Clear glass containers such as ketchup bottles, pickle and jam jars
- Coloured glass such as olive oil bottles and cosmetic containers



Paper

“paper of any description including flyers, brochures, booklets, catalogues, telephone directories, newspapers, magazines, paper fibre and paper used for copying, writing or any other general use”

SK Household Packaging and Paper
Stewardship Program Regulations

Paper

- Paper category includes the following sub-categories:
 - Newspapers
 - Newsprint (inserts and circulars)
 - Magazines
 - Catalogues
 - Directories
 - Paper for general use
 - Purchased posters, calendars, greeting cards, blank envelopes
- Does **not** include:
 - Bound books
 - Paper products that could become unsafe or unsanitary to recycle

Newspapers

- Newspapers publications with or without glossy cover and published for quick consumption



Newsprint

- Newsprint inserts and circulars
- Park guides
- Auto publications
- Real estate supplements



Magazines

- Daily/weekly/monthly or annual bound periodicals



Catalogues and Directories

- Product catalogues
- Coupon books
- Telephone directories



Paper for general use

- White or coloured paper intended for general use for printing and is either in blank or ruled loose-leaf notebooks or notepads or envelopes



Printed paper sold as products

- Posters
- Calendars
- Greeting cards
- Blank envelopes



Other Printed Paper

- All printed paper/material that may be distributed to residences (and not included in previous printed paper categories) e.g., statements, receipts, brochures



Questions?



What's next?

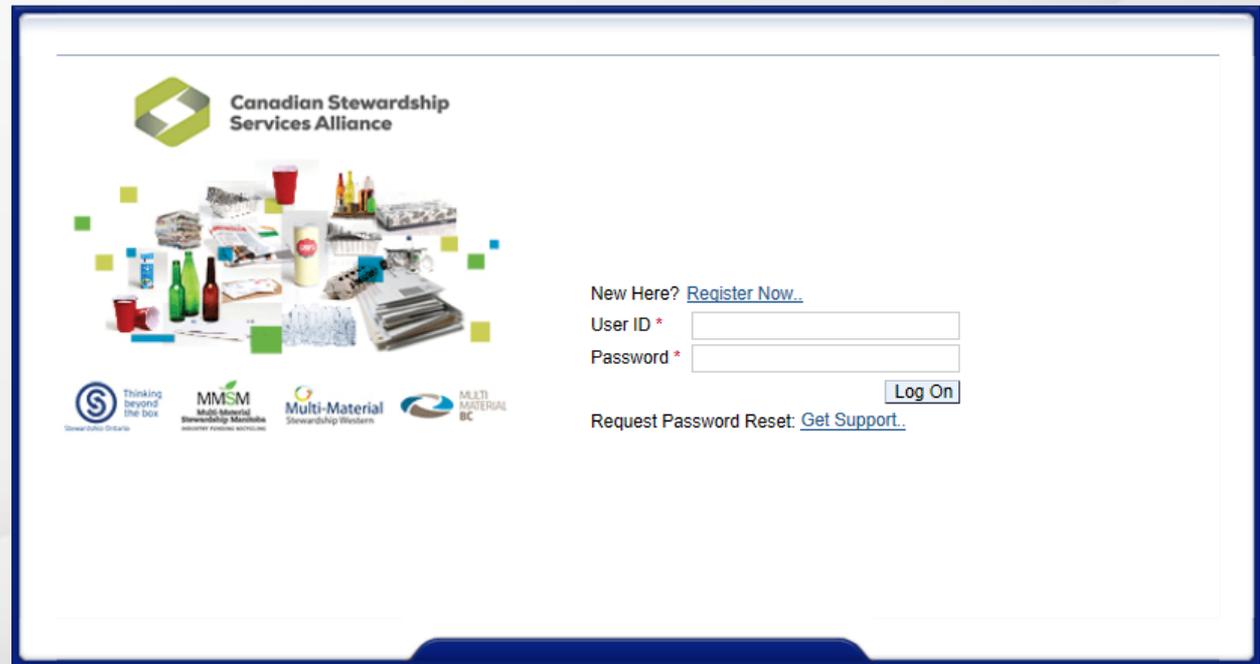
1. What will be expected of you under MMSW's stewardship plan?
2. How should businesses prepare?
3. What does it mean for small businesses?
4. Questions

What will you need to do if you are a steward of packaging and paper in SK?



Join MMSW's plan today

- Begin by registering with MMSW at <https://werecycle.cssalliance.ca/irj/portal>



The screenshot shows a web portal for the Canadian Stewardship Services Alliance. At the top left is the logo for the Canadian Stewardship Services Alliance, which consists of a green and grey geometric shape. Below the logo is a collage of various recyclable materials including plastic bottles, paper, and food waste. At the bottom left of the collage are four logos: 'Thinking Beyond the Box' (a circular logo with a stylized 'S'), 'MMSM Multi-Material Stewardship Manitoba' (a green leaf logo), 'Multi-Material Stewardship Western' (a green and blue circular logo), and 'MULTI-MATERIAL BC' (a blue circular logo). On the right side of the page, there is a registration form with the following elements: 'New Here? [Register Now..](#)', 'User ID *' followed by a text input field, 'Password *' followed by a text input field, a 'Log On' button, and 'Request Password Reset: [Get Support..](#)'.

What is expected of me?

- Businesses that want to join will be required to sign a **membership agreement** with MMSW
 - **Timing:**
 - **By June 1, 2014 (Voluntary stewards)**
 - **By June 30, 2014 (Stewards resident in SK)**
- MMSW members will be asked to **report** the quantity of packaging and paper supplied to SK residential consumers in 2013
 - **Timing: June 30, 2014**
- MMSW members will be asked to pay fees quarterly starting in January 2015

What costs will be MMSW stewards' responsibility?

- Stewards and non-resident brand owners (voluntary stewards) that choose to be members of MMSW will pay fees for:
 - MMSW administration costs
 - Up to 75% of the net municipal costs that are incurred to collect and process their packaging and paper

How do SK costs compare among provinces?

Jurisdiction	Industry Obligation	2014 Steward Obligation
Ontario	Up to 50% of municipal net costs	\$104 million
Quebec	100% of municipal net costs	\$137.3 million
Manitoba	Up to 80% of municipal net costs	\$11 million
Saskatchewan	Up to 75% of municipal net costs	\$15.5 to \$16 million (preliminary estimates)
British Columbia	100% of MMBC's net system costs	\$84.4 million

When will I know the costs to my business?

- A fee schedule based on the following calculation will be available in Q4 (October) of 2014

Cost of up to 75% municipal net costs



Packaging and paper quantities supplied by MMSW members in 2013

Same fee setting methodology as other programs?

- The fee-setting methodology will be consistent with other packaging and paper programs
 - Will fairly allocate costs across different material categories
 - Will use actual steward reported tonnes as the denominator for fees
 - Will aggregate materials consistently where ever current data supports it
 - Will allocate program management costs in the same manner

Why must I report my material for 2013?

- In order to arrive at an accurate fee schedule, MMSW will need to know how many tonnes of the various categories of packaging and paper businesses supplied to SK residents
- 2013 is the latest completed calendar year
- This information is critically important to support accurate and equitable fee calculations

Why must I sign a membership agreement?

- Like in BC, the SK Regulation allows stewards to submit and implement their own plan or join a collective such as MMSW
- Signing a membership agreement with MMSW signals a steward's commitment to exclusively participate in MMSW's plan
- MMSW needs to ensure that we can count on your business in order to begin paying participating municipalities in Q1 of 2015

MMSW Membership Agreements will be available in early April

What will the Membership Agreement specify?

- MMSW's obligation to perform its duties as your stewardship organization and fulfill your compliance obligations under *The Household Packaging and Paper Stewardship Program Regulations*
- Standard commercial terms such as fees and payment obligations
- Reporting obligations of both parties
- Terms and conditions for contract termination

What can my business do to prepare? (1)

1. Ensure your legal and/or regulatory affairs department is aware of your compliance obligations.
 - Register with MMSW as soon as possible
 - Sign and submit an MMSW Membership Agreement by June 1st (Voluntary Stewards) or June 30th (SK-resident stewards)
2. Let your finance department know that you will need to budget for SK stewardship fees in 2015
 - A fee schedule will be provided in Q4 2014

What can my business do to prepare? (2)

3. Begin the process of readying your organization to gather data for packaging and paper supplied to SK residents in 2013

- Consult new online Steward Reporting Guidebook to help identify your packaging and paper that meets definitions: <http://guidebook.cssalliance.ca/>
- Determine quantity supplied to SK residential consumers
- Calculate the weight of the individual materials (kgs)

What does this mean for small businesses?



What does this mean for small businesses?

- No standard for determining the definition of a small business
- Legislation does not exempt any class of steward
- However, MMSW wants to minimize the administrative burden on small businesses and low volume stewards
- We have developed a draft small business policy and shared it with associations that represent small businesses
- Expect it to be finalized by early April

Proposed Reporting Exemptions

Businesses that become MMSW members and that meet any of the following criteria would be exempt from reporting:

1. Less than \$750,000 in revenues; OR
 2. Less than 1 tonne of packaging and paper produced; OR
 3. Business operates as a single point of retail
- Must register with MMSW and pay \$150 annual administration fee for membership in good standing
 - Reporting exemption does not apply to businesses that are supplied by or operated as part of a franchise, a chain or under a banner.

Proposed Low Volume Steward Flat Fees (1)

- Stewards that supply between 1 and 5 tonnes of packaging and paper into the residential waste stream would register with MMSW and pay flat fees
- The flat fees will cover estimated costs of managing the packaging and paper generated by low volume stewards and relieves the administrative burden of providing detailed tonnage reporting

Proposed Low Volume Steward Flat Fees (2)

Proposing two categories of flat fees for low volume stewards:

1. A fee of \$350/year for stewards that produce between 1.0 and 2.5 tonnes of packaging and paper; and
 2. A fee of \$750/year for stewards that produce between 2.5 and 5 tonnes of packaging and paper
- Low volume steward can choose to either pay the flat fee or submit a detailed report and pay stewardship fees
 - Online small business assessment tool will be available to help minimize burden

Contact Us

Email: stewards@mmsk.ca

Telephone: 1-888-980-9549

www.mmsk.ca

Questions?

