

CBCRA Ontario Plan

1. Introduction

In July 2021, the Ontario Government passed a new Blue Box Regulation which defines beverage containers as its own category and sets a target of 75% recovery by 2026 and 80% by 2030, which was amended in April 2022. All beverage producers are financially and operationally responsible for the collection and management of Blue Box materials supplied to consumers as of July 1, 2023. To reach these targets, beverage containers consumed both at home *and* away from home (approximately 30% of the total beverage container generation) will need to be recovered.

While residential collection programs exist to recover beverage containers consumed at home, there is need for public space recovery infrastructure and collection. Beverage producers need away from home collection because the curbside system only accounts for approximately 70% of generation. To meet this need, the Canadian Beverage Container Recycling Association (CBCRA) will establish a recovery system in Ontario similar to what was established in Manitoba in 2010. With the addition of this system, producers will be able to comply with the new regulation and targets.

The CBCRA system in Manitoba, which started with virtually no away from home bin infrastructure, is one of Manitoba's most recognized brands and has achieved the greatest recovery growth of any beverage container recovery system in North America. CBCRA intends to leverage its demonstrated knowledge and expertise in implementing an expansive away from home recovery system in Ontario, supported by a proven Promotion and Education strategy.

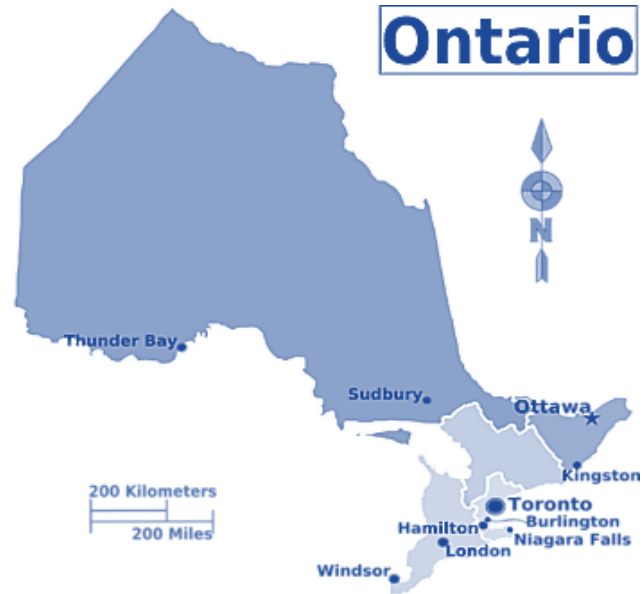
As a registered PRO (Producer Responsibility Organization) in Ontario, CBCRA is set to launch a supplemental collection system for the public space sector, which is integral to meeting recovery targets. While producers will be unable to achieve recovery targets through the Blue Box program alone, CBCRA will ensure that they not only meet their obligations by collecting beverage containers at home, but also away from home in the most cost-efficient way. This plan outlines the steps CBCRA will undertake to ensure that beverage container diversion in Ontario meets the legislated target of 75% through a cohesive and incremental strategy that focuses on the following three elements: Promotion and education (P&E), expanding recycling infrastructure in away-from-home environments, and business intelligence to compile baseline information on recycling behaviour.

2. Baseline

Materials by generation point

In 2019 Ontario generated 2,316,546 tonnes or 326kg/capita of household waste, of which 1,209,774 tons or 170kg/capita was diverted.

- 14.57 million inhabitants, concentrated in southern Ontario
 - 14.1 persons per km² (higher density than other provinces)
 - Far North exempted from recycling services
- Beverage container recovery rate: 52% (past target: 60%) in 2019



These blue box materials are distributed across the eligible sources (curbside collection from single and multi-family dwellings), regulated public spaces, supplemental public spaces such as municipal facilities and supplemental private spaces in the Institutional, Commercial and Industrial sector (IC&I) e.g. malls, stadiums and offices.

For beverage container, CBCRA estimates beverage container generation is distributed in these spaces as follows:

- Eligible sources: 70%
- Regulated public space: 9%
- Supplemental public space: 9%
- Supplemental private space: 12%

Recovery performance targets:

Material Category	Recovery Target: 2026-2029	Recovery Target: 2030-onward	De minimis tonnage
Paper	80%	85%	9
Glass	75%	85%	1
Metal	67%	75%	1
Rigid Plastic	50%	60%	2
Flexible Plastic	25%	40%	2
Non-Alcoholic Beverage Containers	75%	80%	1

CBCRA plans to place and/or install 250,000 bins over the next 5 years, broken down as follows:

	Residential	Regulated PS	Municipal PS	IC&I	Total CBCRA bins
No of bins	CM responsibility	CM responsibility as per regulation formula	57,459	192,541	250,000
Recovery rate 2030	86%	52%	70%	75%	80%

Some bins will be installed in outdoor areas at arenas, community centres, recreational facilities, and libraries, while other bins will be placed inside these buildings.

3. CBCRA Manitoba Model

An extended 11-year pilot developing and operating the away-from-home recovery program in Manitoba allowed for testing and learnings of collection, infrastructure, signage, communications, and consumer research.

Manitoba demonstrated the success of the CBCRA-model as a convenient, accessible, cost-efficient, well-performing and highly visible program. From 2010 to 2021, CBCRA increased beverage container recycling rates from 42% to 71% in Manitoba.

- In Manitoba, PET recovery increased to a consistent 79% in 2021.

A portion of CBCRA Manitoba fees pay for up to 80% of the cost of managing beverage containers in the Blue Box system. CBCRA's activities have led to an 11-year relationship working with beverage producers on the recovery of their containers and allows CBCRA to claim more experience in this area than anyone else in North America.

4. CBCRA Ontario

The key success factors for CBCRA Ontario include:

- Achieving at least 80% of beverage producers (by tonnage) participating in CBCRA – CMO program
- A consistent CBCRA-established Container Recycling Fee (CRF)
- Positive consumer image and introduction of Recycle Everywhere brand in Ontario
- A strategic, recognizable presence in IC&I sector beginning in 2023
- A recovery rate methodology in Ontario which includes all IC&I beverage containers recycled
- Efficient and cost-effective beverage container recycling plan for supplemental public spaces which maximizes the use of existing infrastructure (w/ re-branding), staged implementation of new recycling bins on an appropriate timeline to achieve 2030 targets
- Transactional agreement with CMO that maximizes the benefits to beverage producers:
 - Secured producer participation
 - Clarity of CMO and CBCRA roles and responsibilities within respective scopes

- Alignment with CMO on timing and approach to public space collection
- Operational and governance independence for CBCRA program
- Harmonization and collaboration as agreed by CBCRA and CMO
- Data and information sharing that ensures transparency and enables system optimization/continuous improvement

5. Roles and Responsibilities of CMO and CBCRA

CMO and CBCRA have clearly defined roles, which – based on the principles and key elements of cooperation of the joint MOU – have been refined and solidified under the Transactional Agreement between the two PROs. These roles are complementary and will provide a comprehensive coverage of Ontario generation points, as well as streamlined processing and material access for producers.

The roles and responsibilities of both organizations will change during the transition period between 2023 and 2026, and from 2026 onwards.

The program scope for CBCRA is based on the roles and responsibilities identified in the MOU between Circular Materials (CM) and CBCRA. As PROs, the roles of CBCRA and CM are complimentary and will provide full beverage container recovery coverage as well as streamlined processing and material access for producers.

2023

As illustrated below, CMO is responsible for management of all beverage container tonnages that were generated in eligible sources (e.g. households) and for implementing multi-material (including beverage containers) public space recycling opportunities in regulated public spaces (as defined by the regulation) in the municipalities that have begun transitioning to the new system under the regulation. This accounts for approximately 75% of beverage container totals in transitioning municipalities.

Eligible source and regulated public spaces in other (non-transitioned) municipalities will continue to be managed by Stewardship Ontario.

CBCRA is not bound by the transition schedule and will begin operating across both transitioned and non-transitioned areas starting in 2023.

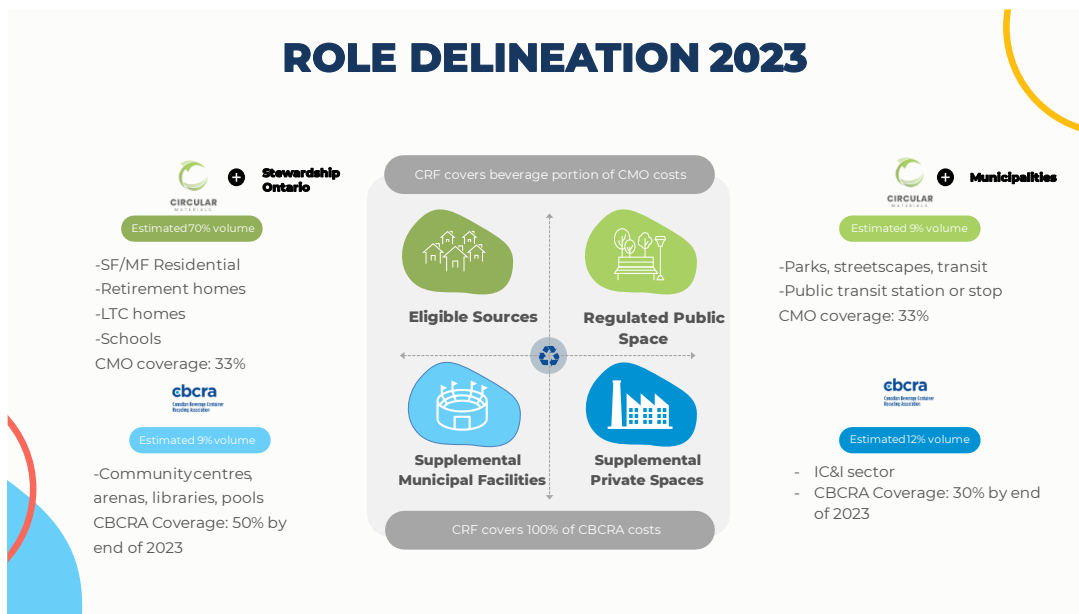
The 2023 program scope will focus on enhancing recycling opportunities in Supplemental Municipal Facilities (community centres, arenas, libraries, pools, etc.) and Supplemental Private Spaces (IC&I) sectors.

Supplemental Municipal Facilities - The program will work with municipalities to establish beverage container recovery systems in community centres, arenas, libraries, pools and other mutually agreed upon venues and spaces.

Supplemental Private Spaces - The IC&I (Industrial, Commercial, and Institutional) program will work with businesses and other potential partners to establish beverage container recovery systems at key locations (i.e. where beverages are typically consumed and discarded on the spot, including shopping malls, convenience stores, fast food outlets, and gas stations).

Public events and festivals - CBCRA will work with organizers at public events and festivals to increase collection and raise awareness of waste reduction and recycling issues. CBCRA will work with event organizers and other potential partners.

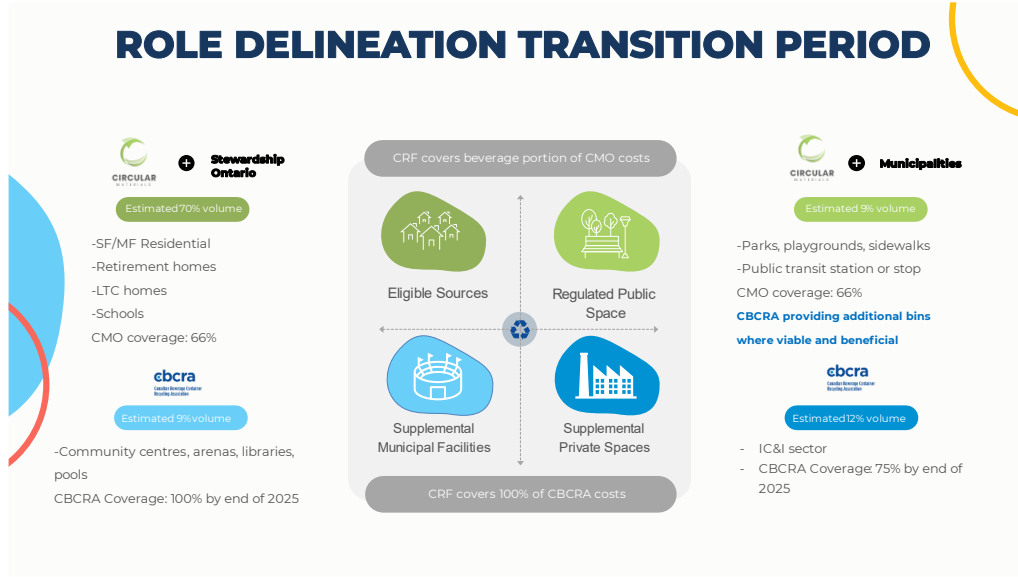
CBCRA will develop required inventory for targeted IC&I sector rollout of 13,000 IC&I bins for installation in 2023/2024. This is reflected in the operations budget, which includes funding for bin acquisition (average bin cost of \$310/bin), waste audits/studies and agreements/relationships needing to be developed with municipalities through dedicated staff resources).



Transition period

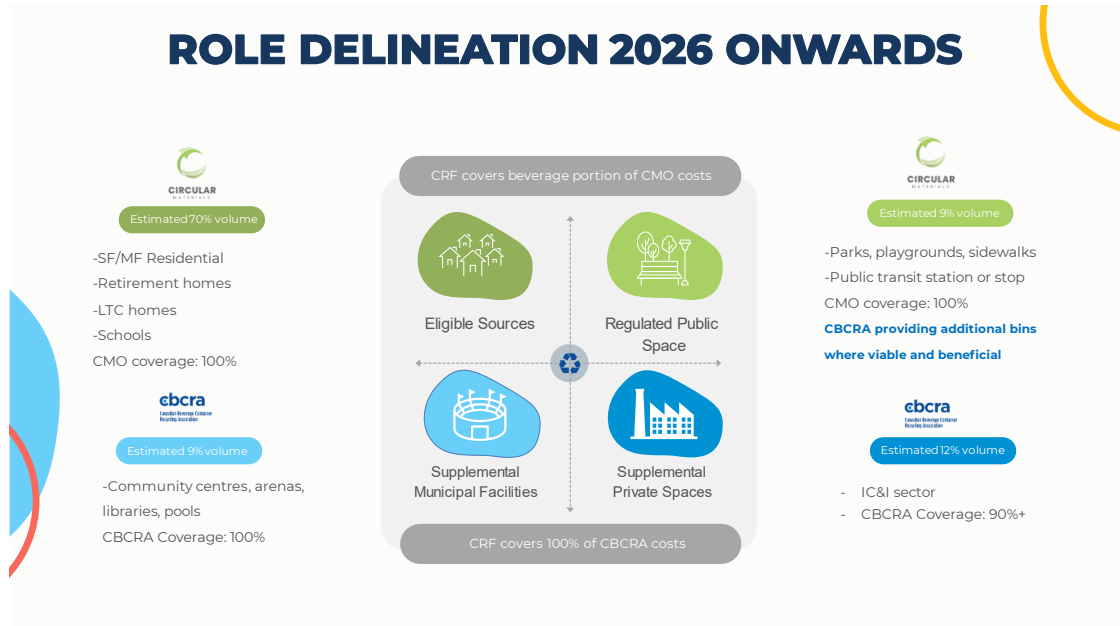
During the transition period CBCRA may start providing additional bins in public spaces (parks, streetscapes, etc.) where necessary and economical and desired or agreeable with municipalities. This will at no point duplicate CMO's bin infrastructure, but merely seek to offer supplementary beverage bin options where this can help the recovery of beverage containers.

Meanwhile, as more municipalities transition to the new system, CMO will assume more responsibility for eligible sources and regulated public spaces.



2026 onwards

Once the transition period completes in 2026, CMO will manage all eligible sources and regulated public spaces as Stewardship Ontario and municipalities have passed their responsibilities on to CMO whose responsibilities expand under the new regulatory framework. CBCRA will have increased its presence and operations in supplemental municipal spaces and supplemental private spaces to an extent that allows beverage producers to meet the recovery targets by 2030.



The following describes the operations of CBCRA by sources/space in more detail.

i. Curbside/Household

CBCRA has partnered with CMO to account for beverage containers collected at eligible sources such as households, retirement homes, care-homes, and schools.

ii. Regulated Public Space

CBCRA has partnered with CMO to account for beverage containers collected in regulated public spaces such as transit stops, streetscapes and parks.

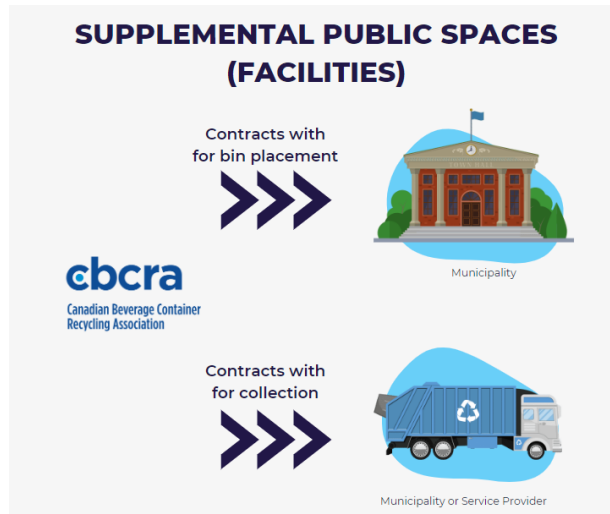
Starting during the transition period (by transitioned municipality), CBCRA may install additional beverage-only bins to recover additional beverage containers should it see the need for additional public space bins. CBCRA will bear the entirety of the cost of the bins themselves, any required signage, placement costs and collection costs. It will partner with CMO for collection services wherever feasible and possible and otherwise arrange for its own collection contracts for these additional bins.



iii. Supplemental Public Space

CBCRA will partner with waste audit experts and other experts such as CIF for public space or public facility waste audits to establish cost, number of bins required and beverage quantities being generated. These cost studies will be completed with a similar timeline to costs being established for eligible sources and supplemental private spaces (Q4 2022)

Once costs are established, CBCRA will contract with municipalities to place bins in supplemental public spaces, such as municipal facilities, except in cases where existing bins meet CBCRA's needs. It will also contract with municipalities to arrange for collection, reporting and direction of materials to preferred processing facilities. These arrangements will include incentive payments to municipalities for beverage containers or tons collected, which will be negotiated with each municipality independently.



CBCRA will not necessarily follow the transition schedule for these agreements although for reasons of coordination with CMO will engage with all municipalities in each transition phase.. The following municipalities have been identified as key targets and initial meetings have taken place with these:

- Toronto
- London
- Ottawa
- Dysart and others
- Sault Ste Marie
- Sarnia
- Guelph
- Kawartha Lakes

As a next step, outreach will begin to additional municipalities during Q3 and Q4 of 2022.

CBCRA will have agreements in place with 50% of municipalities by the end of 2023 and 100% of volumes in this space by the end of 2025 (apart from communities not covered by the regulation or opting not to participate in the program (Far North, First Nations communities, etc.). CBCRA expects to roll out approximately 25,000 bins annually in municipal spaces in 2023 and years following.

iv. IC&I

Beverage containers collected and recycled through the IC&I sector are an integral part of CBCRA's supplemental collection system in Ontario. CBCRA has proven experience in recovering beverage containers from the IC&I sector and driving recovery of valuable PET and aluminum. To make IC&I recovered tonnes eligible to be counted towards recovery targets, there are certain requirements in the regulation that must be met:

- CBCRA must report its supplemental collection system to RPRA
- Processors that process Blue Box material for the supplemental collection system must register and report to RPRA

Therefore, CBCRA will require that IC&I service providers report to CBCRA and to RPRA for the supplemental collection system. CBCRA will not send beverage containers to facilities that are not registered with RPRA and therefore count towards the recovery targets under the regulation. CBCRA will pay an administration fee for their reporting and record keeping activity. These service providers are required to report this information to RPRA – the payment is therefore an incentive to provide CBCRA with this information. In addition, the service providers benefit from getting more valuable and cleaner material from their ICI customers since CBCRA funds the collection bins, waste audits and IC&I P&E – the waste haulers/processors receive the financial benefit from materials recovered but CBCRA gets the beverage credits for beverage producers. Information provided by service providers will be verified and correlated by conducting regular independent waste analyses.

CBCRA's approach to implementing an efficient and cost-effective recovery solution for beverage producers consists of three phases.

Phase 1: CBCRA to undertake studies to further understand roles and responsibilities of IC&I actors, material quantities, material flows and collection costs in the sector, including what a CBCRA stand-alone collection system would entail. The studies will consist of two targets. The first target, focused on IC&I service providers will determine prices from haulers and processors broken down by volume. This will be supplemented by a second target, consisting of a series of case studies at select IC&I locations that represent a specific type of group with similar waste generation (malls, manufacturing facilities, office spaces) as well as locations that would have a unique waste profile (like an airport or a stadium) but would be applicable to similar type spaces elsewhere. These studies will be completed by fall 2022, in line with when costs for the eligible sources will be known.

Phase 2: CBCRA will pay service providers a fee for accounting/reporting claim of beverage containers, starting in 2023. This will allow beverage containers recovered in IC&I settings to be counted towards producer targets. As noted above, CBCRA would only pay a fee for containers going to verified RPRA facilities and CBCRA will ask that a maximum of beverage container tonnages be directed to CMO contracted facilities where possible. To seamlessly document and verify the flow of these materials, CBCRA Ontario will use its proprietary Material Tracking System currently being used successfully in Manitoba.

In addition, CBCRA will begin providing free bin infrastructure and waste audits to each ICI facility that agrees to report beverage containers to CBCRA/RPRA in the prescribed fashion. As a result, CBCRA will contract with both the IC&I facility (manager) itself and with the service provider.

Phase 3: CBCRA will obtain material access through payments for material value in addition to the reporting claim, i.e. it will establish contractual agreements with IC&I service providers that transfer ownership of material to CBCRA, so it can direct these tonnes to CMO facilities where possible and back to beverage producers in any case. While this may also involve contracting for collection with IC&I service providers, material access contracts will also be pursued where these make financial sense to producers, i.e. where the cost is less than what producers can purchase rPET on the open market. This phase will therefore involve contracting with both service providers and IC&I facilities in some cases (material ownership and reporting) and with only IC&I facilities (via waste service providers for collection) in some cases. Phase 3 will begin to be implemented in 2024.



In all spaces, bins would be ordered on demand and for timing purposes may be able to be drawn from current inventory.

b. Contract management

As per the transactional agreement with CMO, which is responsible for recovery from eligible sources and regulated public spaces, CBCRA will contract with:

- Municipalities to place additional bins in regulated public spaces, where appropriate
- Service providers in municipalities to collect from additional bins in regulated public spaces, where appropriate (via Administrator)
- Municipalities to place bins in supplemental public spaces (facilities)
- Municipalities to collect from bins in supplemental public spaces (facilities)
- Municipalities to direct material to CMO facilities (from both kinds of supplemental public spaces)
- IC&I locations to place bins in supplemental private spaces
 - o With IC&I service providers for information (phase 1)
 - o With IC&I service providers for material access and/or collection (phase 2)

CONTRACTING RESPONSIBILITIES

CIRCULAR MATERIALS

- CMO contracts with Administrator for collection from **eligible sources** (households)
- CMO contract with municipalities on **bin placement and collection from regulated public spaces** (a administrator)
 - CMO contracts with processors (MRFs) for **all tonnages**
- CBCRA contracts with CMO to **meet beverage industry needs**

cbcra
Canadian Beverage Container
Recycling Association

- CBCRA contracts with municipalities to **direct material to CMO facilities**
- CBCRA contracts with municipalities **to place bins in municipal facilities**
- Option to place additional bins in **public spaces (streets, parks, etc.) at own cost** (collection contracting to be shared with CMO where feasible)
 - CBCRA contracts with **IC&I locations for bin placements**
- CBCRA contracts with IC&I service providers for **information access (stage 1) and material access (stage 2)**

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Canadian Beverage Container
Recycling Association

c. Material management

CBCRA will either directly manage collection or ensure material access from the three areas it operates in, namely additional bins in regulated public spaces, supplemental public spaces, and supplemental private spaces. How CBCRA arranges for the collection of these materials will depend on the cost studies being undertaken in 2022.

It will direct these materials to CMO infrastructure wherever possible and economically feasible. In any case, all materials will be directed to RPRA-registered facilities so that they can be counted towards recovery targets and to ensure compliance requirements are met under the regulation.

6. Beverage Container Recycling P&E and Awareness Campaign

a. Goals

A major element of CBCRA’s strategy will be the rollout of an extensive awareness campaign aimed at encouraging consumers to think of beverage container recycling comprehensively, not just in the context of recycling at home. The intended effect of the campaign is to increase recycling behaviour outside of the home while reinforcing it inside the home. The campaign will also create awareness of away-from-home recycling options in order to attain a recovery target of 75% by 2026 and 80% by 2030.

b. Target Audiences

The primary target audience includes all consumers of beverage containers, who are responsible for the initial disposition of empty containers.

The secondary audience includes retail business owners, municipalities, and event managers, and other stakeholders in the recycling industry.

c. Audience Demographic Overview

Consideration of demographic information is an important element in developing the messaging and identifying the vehicles chosen to deliver the message. As part of the strategic planning process for the campaign launch in early 2023, audience research will be conducted to develop key demographic insights. Generally speaking, Ontario has a young, diverse, dense urban profile with a higher incidence of apartment/condo living, and a stronger skew towards outdoor and digital media.

d. Communication Activities

Communication strategies will focus on building awareness of the options for, and the importance of, recycling in away-from-home environments. CBCRA intends to use the following communications tactics to effectively promote the away-from-home recycling program: research, paid advertising (digital, print, radio, billboards, public transport, etc.), event partnerships, celebrity endorsements, school programs, and earned media relations.

Leading up to the launch of the P&E and awareness campaigns, the following initiatives will also be executed:

1. **July 2022** Press Release announcing CBCRA's partnership with advertising agency of record
2. **August 2022** CBCRA Program Launch Press Release and Backgrounder
3. **September 2022** CBCRA ON website launch
4. **October 2022** P&E strategic plan finalized
5. **Q1 2023** P&E campaign press release
6. **Q1/Q2 2023** P&E campaign launch

d. Communication Goals

Communication strategies will focus on building awareness of the options for, and the importance of, recycling in away-from-home environments. The strategy will also seek to instill good recycling behaviour as an automatic response when a consumer is finished with a beverage.

Communication activities must serve at least one or both of the following communication objectives:

- Affect consumer behaviour so that recycling is the natural choice for disposing of beverage containers, whether at home or away from home.
- Build a network of partners, including, but not limited to retail management, special events organizers, property management groups, and educational institutions.

e. Communication Tactics

The following communication tactics will include, but not be limited to, the following:

Research: As a province, Ontario is no stranger to recycling. After all, the world's first curbside recycling program began in Kitchener, Ontario in 1981 and Ontario's Blue Box program has since become a model that many other countries have followed. With a diverse population, Ontarians likely view and participate in beverage container recycling in a variety of different ways both in the home and out of the home. These are likely driven by, for example, geography (urban to rural communities), demographics

(younger to older, different housing and workplace types), and attitudes (correlated to views on sustainability).

Being a long-standing recycling jurisdiction, we may believe we are doing everything we're supposed to be doing already even though we're not. However, with significantly increased recovery rate goals set out for the province, increased stringency around contamination and recyclability of some container types, there is a lot of work to be done to re-frame beverage container recycling and get Ontarians to do a lot more, including out of the home where up to 30% of beverage containers are used.

CBCRA research will provide insight into what the consumer is thinking and why they do what they do. An integral component of the communications plan involves research into what consumers think about the bins, the program, and the messaging. This will ensure that all the steps taken to implement the plan are effective and in line with what the consumer wants.

Paid advertising: An aggressive campaign reaching Ontarians will aid in creating the consumer knowledge of the program is very limited, and therefore requires a period of time to develop in the minds of consumers. Recycling at home is a mainstream behaviour now thanks to the residential blue box, but the availability of recycling options away from home is new and thus unfamiliar.

Event partnerships at public festivals, concerts, and sporting events will place the recycling bin front and centre while consumers are participating at the event. The first year of the program saw many events with the tag line: *Brought to you by Recycle Everywhere. Remember to place your containers in the beverage bin while you're here at the festival/event/rodeo.*

School programs are integral to any and all recycling initiatives. A school program to promote collection and encourage schools to challenge others for collection targets will carry through to the family unit and have lasting impact.

Business development of CBCRA will require sales materials to be developed for a business audience. This is about the logistics and costs that a company, retailer or government department will have to consider in implementing the program at their facilities or locations.

Media relations involve not only providing reporters with content but also educating the reporter on the organization's function and operation, and all the details of the program. The media is just as new to this as the consumer and also requires educational materials. A guidebook to the program for media will be developed electronically for easy updates and quick distribution.

The Executive Director will be the official spokesperson on behalf of the organization.

7. Preliminary Budget

2022 - 2025 CBCRA ON Forecast

numbers in '000	2022	2023	2024	2025	2026
Container Recycling Fees	\$0	\$63,000	\$84,000	\$84,000	\$84,000
SO/CMO/RPRA Payments	\$450	18,000	23,000	23,000	23,000
Public Space Collection Costs	\$0	3,900	7,800	11,700	12,000
Awareness Campaign P&E/Events	\$837	\$11,667	\$15,000	\$15,000	\$15,000
Bins	\$210	\$13,167	\$21,000	\$21,000	\$25,000
Program delivery + Admin	\$555	\$3,480	\$3,480	\$3,480	\$3,480
Total Expenses	\$2,053	\$50,213	\$70,280	\$74,180	\$78,480
Annual Surplus/ (Deficit)	\$2,053	\$12,787	\$13,720	\$9,820	\$5,520

Note 1 Obtained from 2022 - 2025 Budget - 15-12-21 v2 file, last updated on May 27, 2022

Note 2 Bins category comprises of: Municipal Public Spaces Program, waste audit, Gov't Buildings Program, RE101 Schools & Post secondary

a. Staffing plan

CBCRA's Ontario-focused staff's priorities will be:

- Producer outreach
- Municipal outreach
- ICI sector service provider outreach and RFP for ICI sector beverage recovery evaluation
- Cost/operations planning for 2023 – 2025 (based on studies)
 - Establishing baseline of recovery in Ontario
- P&E launch and implementation
 - Including events

CBCRA plans to hire 20 staff by Q2 of 2023. This is in addition to the Executive Director and Director, Marketing & Communications roles which also serve Manitoba.

The key hires initially will be:

- CBCRA Ontario Program Director
- Operations Coordinator
- Outreach Coordinator (Q4 2022)
- Communications Manager (Q1/2 2023)

In addition, there will be:

- 6 operations staff (Logistics Coordinator)
- 3 communications staff (Communications Coordinator)
- 6 outreach staff (Outreach Coordinator)
- 1 Admin (Administrative & Accounting Coordinator)

b. Work plan

See appendix.

8. Next steps - Timeline



May

31 – Provide Plan



June/July

- Producer Webinar and outreach
- Participant Agreement
- Ratify Transactional Agreement



September

30 – CMO costs established



October

- IC&I and Public Spaces Costs established
- CRF value established



November

- Finalize Comms Plan



Q2 2023

- CBCRA launch

Appendix

CBCRA Ontario Plan

