

2023 Annual Producer Meeting

October 24, 2023



Welcome

2023 Annual Producer Meeting



Q&A

- Submit questions and feedback via the Q&A button
- Will respond to questions after each presentation and have time at the end
- Presentation file is available on websites



Acknowledgement



Agenda

- Packaging EPR in Canada
- Budget and Fee Overview
- Circular Materials New Brunswick
- Stewardship Ontario
- MMSM
- MMSW
- Recycle BC
- Q&A



Report to Producers

Annual Producer Meeting,
October 24, 2023





Managing Packaging EPR Momentum in Canada

Allen Langdon, CEO



About Us

- National not-for-profit organization created and governed by producers.
- Support producers in meeting obligations under extended producer responsibility (EPR) regulations across Canada.
- We are committed to building efficient and effective recycling systems that:
 - Advance innovation.
 - Increase performance.
 - Deliver improved environmental outcomes.



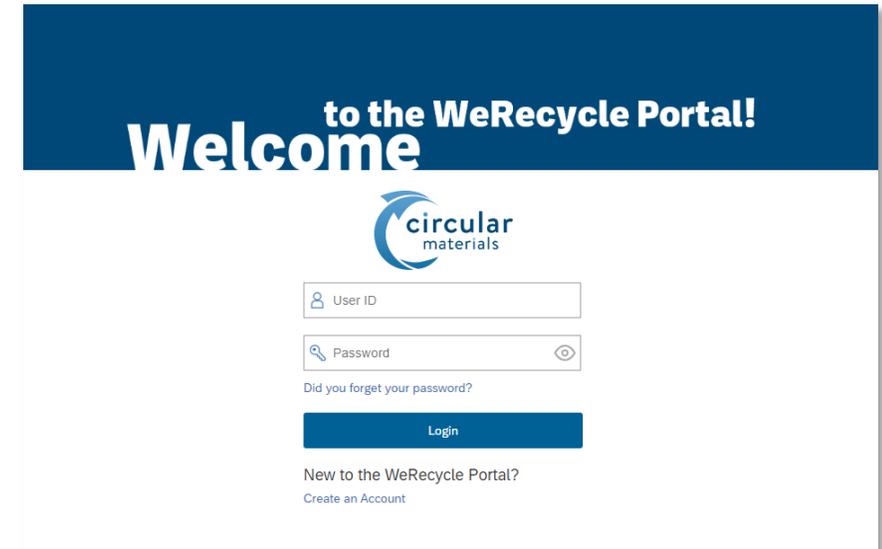
Building Effective & Efficient Supply Chains

- We are designing recycling supply chains where materials are collected, recycled and returned to producers for use as recycled content in new products and packaging.
- This enhanced, closed-loop system will ensure materials are reused again and again.



Supporting the Producer Experience

- Producers can expect to see further initiatives and enhancements that will support the producer experience going forward.
- Through our WeRecycle Portal, we enable efficient and secure reporting of supply data for multiple programs across the country.
- Dedicated customer relations team is available through various channels.
- Ongoing refinements and updates to our fee methodology will help ensure that the process of allocating program budgets remains transparent, fair and equitable.



Our Presence Across Canada

EPR for packaging and paper is rapidly gaining momentum across the country:

Implementing:

- Ontario: transition to EPR began July 1, 2023
- New Brunswick: transition to EPR begins November 1, 2023
- Alberta: 2025
- Nova Scotia: 2025

Preparing for Pending Regulations:

- Newfoundland and Labrador
- Yukon

Monitoring:

- Prince Edward Island



Ontario

- Blue Box Regulation sets out a three-year transition to full EPR that began July 1, 2023.



- Circular Materials has dual roles:
 - Administrator of the common collection system
 - Producer responsibility organization (PRO) for our producers
- We are committed to supporting producers and providing a seamless transition to EPR for Ontario residents.

Atlantic Canada

- **New Brunswick**
 - Stewardship Plan was approved in May 2023 and we are ready to begin the first phase of the province's transition on November 1
- **Nova Scotia**
 - Released its draft regulation, with EPR implementation scheduled for December 2025
- **Newfoundland and Labrador**
 - Released a draft framework for packaging EPR in June and Circular Materials provided feedback during consultations

West

- **Alberta**
 - ARMA recently passed bylaws for packaging and paper EPR, with the first phase of implementation to begin in April 2025
- **Saskatchewan**
 - New regulations came into effect in March, kickstarting the transition to full EPR beginning in 2024
- **Manitoba**
 - Advisory group to finalize province's transition plan for full EPR
- **Yukon**
 - Government consultations on EPR completed and new regulation is expected by the end of this year

Quebec

- Signed a Memorandum of Understanding (MOU) with ÉEQ in April. Focused on optimizing operations and driving innovation and investments in recycling infrastructure.
- We have advanced a number of workstreams, including collaboration on a federal budget submission and a webinar on plastic design guidelines.
- The MOU, along with strategic collaborations with our partners and industry leaders, support our efforts to advance the circular economy and our commitment to increase the long-term supply of recycled material at the least cost.



National Integration

- As the transition to EPR in Canada is occurring separately but concurrently across provinces between 2023-2025, producers are experiencing significant financial and operational considerations.
- Circular Materials, Recycle BC, MMSW and MMSM are working together to review an optimal business model for delivering EPR across Canada.
- Together, we are developing a nationally integrated approach and roadmap that identifies activities the respective organizations will collaborate on to achieve common goals and efficiencies.

National Integration

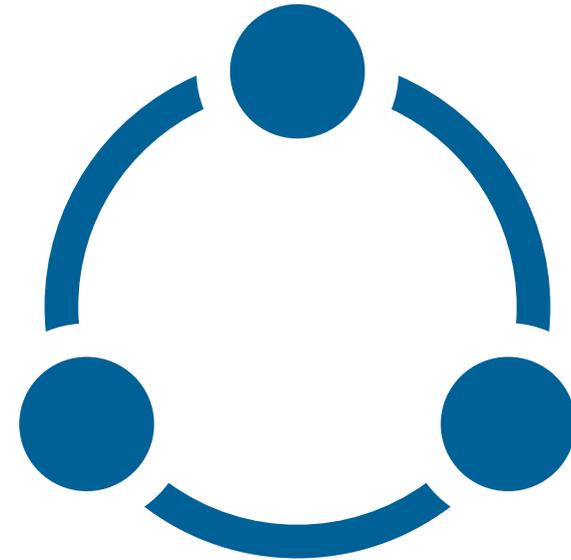
- The purpose of the work is to mitigate cost increases and achieve productivity gains that can come from national integration alongside a local/regional presence, looking at:
 - maximizing efficiency of current and future reserves,
 - improving environmental outcomes while driving economies of scale and cost savings,
 - providing producers with a unified national voice in support of existing and future regulations,
 - capitalizing on the efficiencies of a common, harmonized approach (processes and technology),
 - delivering a model that is reflective of regional needs and priorities,
 - meeting the needs of all producers, regardless of size or industry,
 - developing national standardization of both material inputs and outputs to enable efficiencies within the system,

all while appropriately managing and mitigating risks.

- Meetings have been occurring weekly and our joint efforts have significantly advanced key workstreams related to governance, organization design and risk management.

Moving Ahead Together

- We will continue to build on our foundation and are committed to supporting producers.
- We look forward to sharing more updates on our progress as we evolve toward a nationally integrated approach to support producers and improve environmental outcomes.
- Thanks to all producers for your continued input and engagement.





Budget and Fee Overview

Elena Zevakhina, CFO



Fee Rates Process

Budget

Total cost to collect, sort and market materials (offset by commodity revenue), plus all program management expenses.

Material Cost Input

The Material Cost Index (MCI) assigns each material a relative value representing its impact on the cost of recycling system activities.

Fees

The total fees to be paid by each material category once budget items have been allocated in accordance with the Four-Step Fee Methodology.

Fee Rates

The final fee rate, expressed in cents/kg, produced by dividing the total fees for each material category by the quantity of material supplied by the producers.

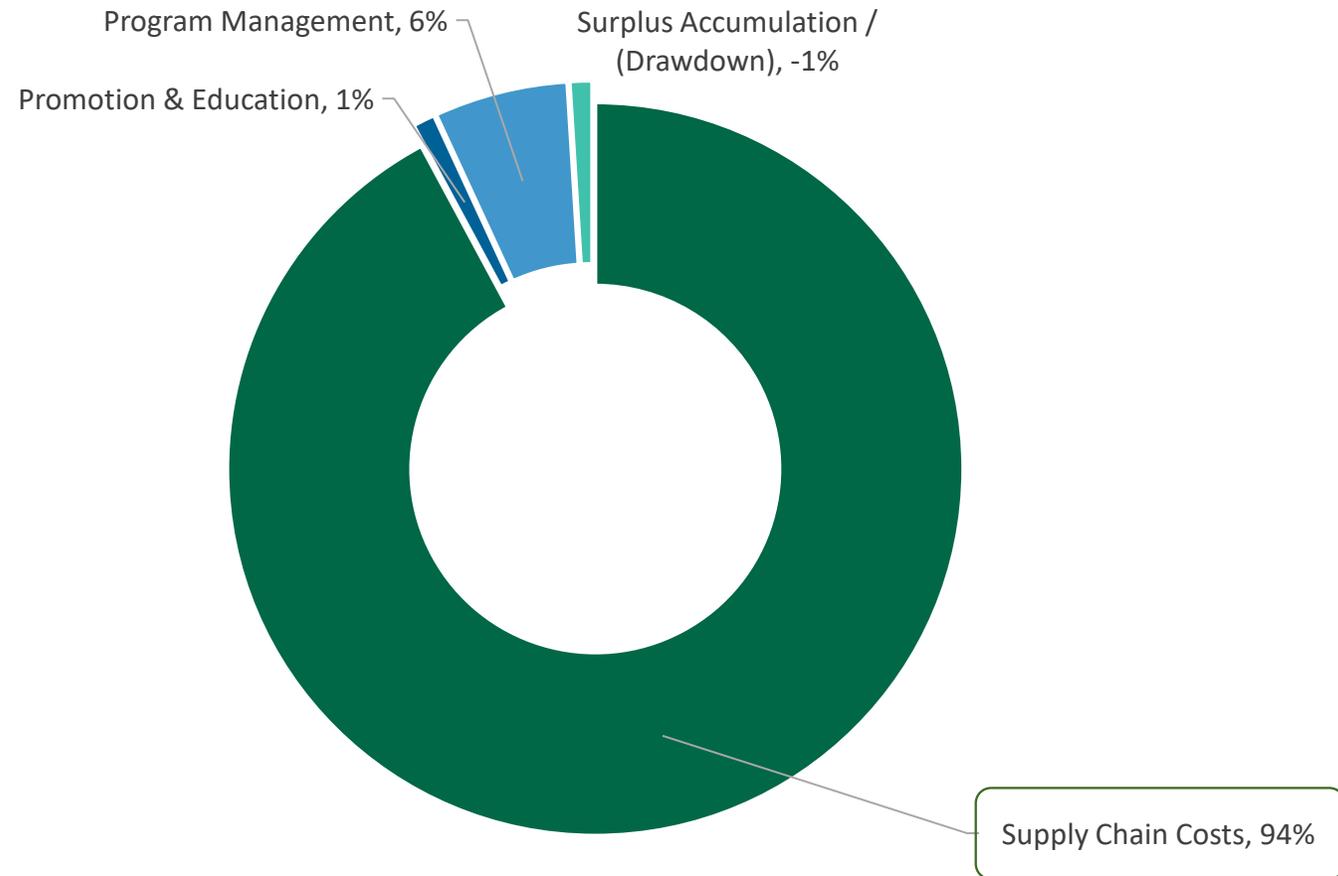


Circular Materials



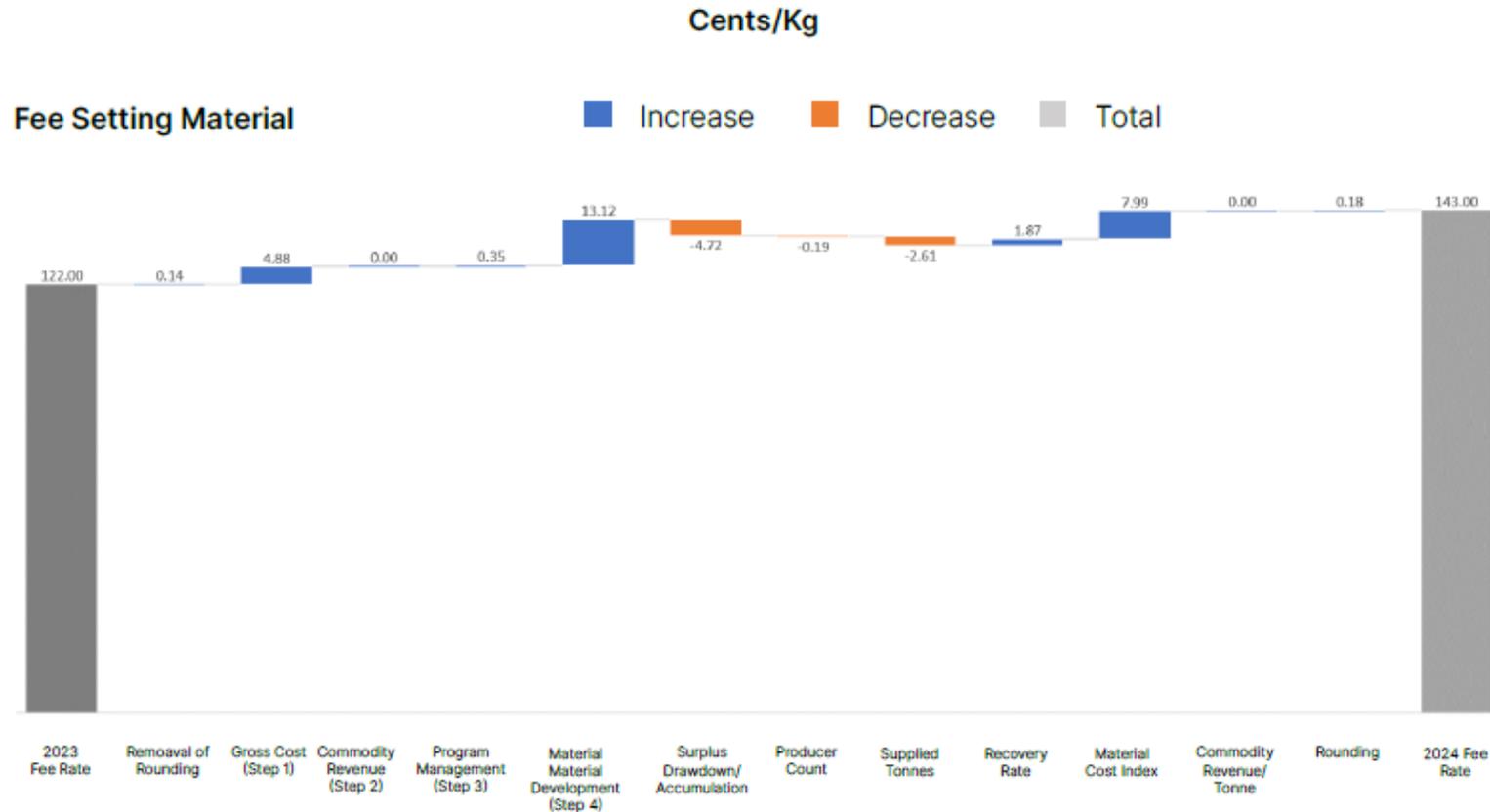
2024 Budgets

Supply chain costs comprise 94% of total program costs for Circular Materials New Brunswick, Stewardship Ontario, MMSM, MMSW and Recycle BC in aggregate



Cause of Change

- Addresses producer requests for details behind changes to fee rates
- Examples and legend in Report to Producers; available for all materials on program websites



Circular Materials New Brunswick

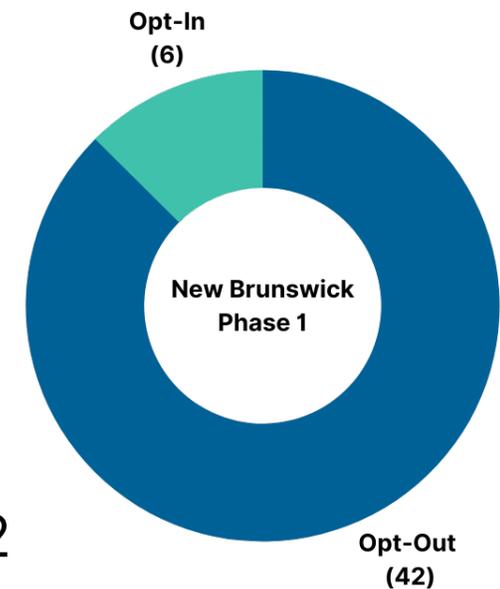
Jeff MacCallum

Managing Director of Atlantic Canada



2023 Updates

- New Brunswick Stewardship Plan for Packaging and Paper was approved by Recycle NB on May 5, 2023.
- Program implementation being rolled out in two phases:
 - Phase 1: November 1, 2023
 - Phase 2: May 1st, 2024
- Entities opting-out of Phase 1 of the program will have their start date pushed back by six months with services beginning on May 1, 2024.
- Of the 48 entities in Phase 1, six entities have opted-in, and 42 entities have opted-out of the program.
- Producer fees for two months 2023 were released and approved in May 2023 and are available on the Circular Materials website



2024 Budget

CIRCULAR MATERIALS NEW BRUNSWICK BUDGET	
	2024
Obligation Share	100%
Supply Chain Cost	\$15,949,100
Phase 1	\$10,012,000
Phase 2	\$5,937,100
Other Material Management Cost	\$637,000
Promotion & Education Cost	\$1,530,000
Program Management Cost	\$2,190,000
Program Management as % of Total Fees	10.4%
Regulatory Cost	\$660,000
Start-up Cost	\$-
Total Fee Obligation (before reserves)	\$20,966,100
Reserves	\$2,450,800
TOTAL FEE BUDGET	\$23,416,900

- 2024 budget captures costs for the full year for Phases 1 & 2
- Fee budget of \$23.4 million includes \$2.5 million to build operating reserves

2024 Fee Schedule

CIRCULAR MATERIALS NEW BRUNSWICK FEE SCHEDULE (CENTS/KG)		
Category	Material	2024 Fee Rates (cents/ kg)
PAPER	Newspapers	50.00
	Newsprint (inserts and circulars)	50.00
	Magazines and Catalogues	50.00
	Directories	50.00
	Other Printed Materials	50.00
	Purchased Posters, Calendars, Greeting Cards and Envelopes	50.00
	Paper for General Use	50.00
	Kraft Paper Carry-Out Bags	39.00
	Kraft Paper - Non-Laminated	39.00
	Corrugated Cardboard	39.00
	Boxboard and Other Paper Packaging	39.00
	Gable Top Containers	39.00
	Paper Laminates	39.00
	Aseptic Containers	39.00
RIGID PLASTIC	PET Containers, Jars and Jugs < 5 Litres	73.00
	PET Containers, Jars and Jugs >= 5 Litres	73.00
	PET Thermoform Containers < 5 Litres	73.00
	HDPE Containers, Jars and Jugs < 5 Litres	20.00
	HDPE Containers, Jars and Jugs >= 5 Litres	20.00
	Expanded Polystyrene	225.00
	Non-Expanded Polystyrene	103.00
	Other Plastic Packaging (not listed Above) < 5 Litres	65.00
	Other Plastic Packaging (not listed Above) >= 5 Litres	65.00
	PLA, PHA, PHB	65.00
FLEXIBLE PLASTIC	LDPE/HDPE Film	102.00
	LDPE/HDPE Film Carry-Out Bags	102.00
	PLA, PHA, PHB - Plastic Film	102.00
	PLA, PHA, PHB Carry-Out bags	102.00
	Plastic Laminates	102.00
METAL	Other Steel Containers and Packaging	59.00
	Steel Aerosol Containers	59.00
	Aluminum Food Containers	64.00
	Aluminum Aerosol Containers	64.00
	Other Aluminum Packaging	64.00
GLASS	Clear Glass	41.00
	Coloured Glass	41.00

- Material fee rate table is at page 9 of Report to Producers
- Rates use Material Cost Index (MCI) values as an input under Step 1 of the Four-Step Fee Methodology, which are used alongside other factors to allocate the program budget to the various material categories.



Thinking
beyond
the box

Stewardship Ontario

2023 Annual Meeting

LYLE CLARKE

Executive Director

- Transition Costs, Operating Costs and Steward Obligation all below Transition Plan projections for 2024
- Healthy reserve enables additional \$5M fee reduction for 2024
- Savings in management costs driven largely by Simplified Fees, which also eliminated need for more than 97% of stewards to submit annual material reports
- Total savings versus Transition Plan now more than \$15 million
- We will continue to focus on smooth and efficient transition, and preparing for SO organization to wind up in 2026

2024 Budget



Stewardship Ontario

- Steward obligation is 44.5% less than the previous year

STEWARDSHIP ONTARIO BUDGET (\$THOUSANDS)

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 FORECAST	2024 BUDGET	VARIANCE \$ 2024 vs 2023
Steward Obligation to Municipalities	\$126,226.4	\$149,246.5	\$169,143.2	\$149,229.1	\$82,748.5	(\$66,480.6)
Program Operations	\$7,966.6	\$7,316.4	\$8,363.1	\$6,228.8	\$6,056.2	(\$172.6)
Transition	\$1,371.8	\$898.6	\$641.7	\$1,024.8	\$776.5	(\$248.3)
Total Fee Budget	\$135,564.8	\$157,461.5	\$178,148.0	\$156,482.7	\$89,581.2	(\$66,901.5)
Less:						
Glass Market Development Fund		\$666.0				\$0.0
Plastic Market Development Fund		\$4,964.4				\$0.0
General Reserve	\$1,371.8	\$898.6	\$10,641.7	\$1,024.8	\$5,776.5	\$4,751.7
Net Fee Budget After Reserves	\$134,193.0	\$150,932.5	\$167,506.3	\$155,457.9	\$83,804.7	(\$71,653.2)

Use of Reserves Through Transition

- \$5.0 million of the reserve used to reduce steward invoices for 2024, in addition to the \$776,500 used for transition costs.

USE OF RESERVES THROUGH TRANSITION 2020-2026 (\$000 INCLUDES HST)								
	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 FORECAST	2024 BUDGET	2025 FORECAST	2026 FORECAST	TOTAL
Transition Plan								
Transition Costs	\$2,381.5	\$1,118.5	\$1,491.2	\$1,644.8	\$1,475.1	\$1,850.2	\$1,325.9	\$11,287.2
Fee Reductions						\$12,000.0		\$12,000.0
Total	\$2,381.5	\$1,118.5	\$1,491.2	\$1,644.8	\$1,475.1	\$13,850.2	\$1,325.9	\$23,287.2
Revised								
Transition Costs	\$1,371.8	\$898.6	\$641.7	\$1,024.8	\$776.5	\$742.1	\$850.8	\$6,306.3
Fee Reductions			\$10,000.0		\$5,000.0	\$8,411.1		\$23,411.1
Total	\$1,371.8	\$898.6	\$10,641.7	\$1,024.8	\$5,776.5	\$9,153.2	\$850.8	\$29,717.4

Estimated Budgets and Costs Through Transition



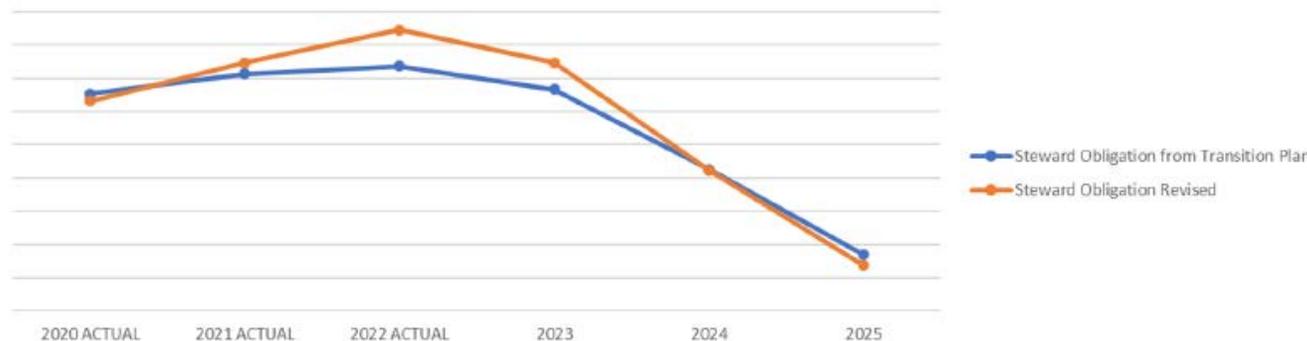
Stewardship Ontario

CONSOLIDATION/SUMMARY OF PROJECTED COSTS 2020-2026 (\$000 INCLUDES HST)

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 FORECAST	2024 BUDGET	2025 FORECAST	TOTAL
Steward Obligation from Transition Plan	\$130,738.7	\$142,632.8	\$147,358.7	\$133,197.1	\$85,169.7	\$33,832.6	\$672,929.6
Steward Obligation Revised	\$126,226.4	\$149,246.5	\$169,143.2	\$149,229.1	\$82,748.5	\$26,838.6	\$703,433.2
Difference	(\$4,512.3)	\$6,613.7	\$21,784.5	\$16,032.0	(\$2,421.2)	(\$6,994.0)	\$30,503.6
Difference for 2024-2025					(\$2,421.2)	(\$6,994.0)	(\$9,415.2)

- **Steward Obligation** projected to decline from Plan estimates for 2024-25.
- Total (2020-2025) is \$30.5 million or 4.5% higher than the initial projection.

Steward Obligation 2020-2025



Estimated Budgets and Costs Through Transition



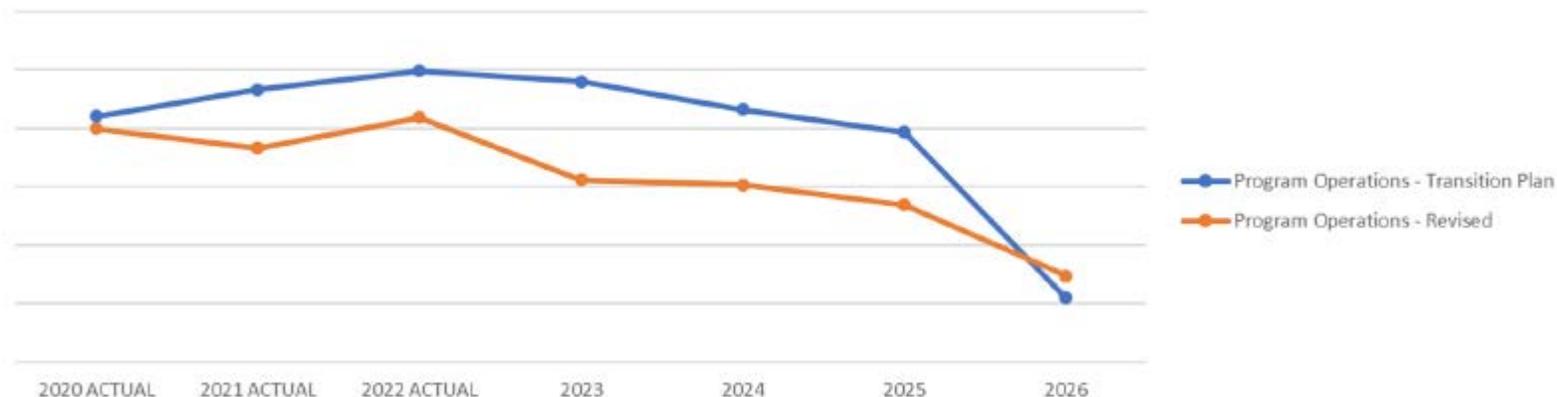
Stewardship Ontario

CONSOLIDATION/SUMMARY OF PROJECTED COSTS
2020-2026 (\$000 INCLUDES HST)

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 FORECAST	2024 BUDGET	2025 FORECAST	2026 FORECAST	TOTAL
Program Operations - Transition Plan	\$8,394.3	\$9,307.8	\$9,957.6	\$9,577.7	\$8,636.3	\$7,863.8	\$2,189.2	\$55,926.7
Program Operations - Revised	\$7,966.6	\$7,316.4	\$8,363.1	\$6,228.8	\$6,056.2	\$5,377.2	\$2,944.3	\$44,252.7
Difference	(\$427.7)	(\$1,991.4)	(\$1,594.5)	(\$3,348.9)	(\$2,580.1)	(\$2,486.6)	\$755.1	(\$11,674.0)

- **Operating Costs** are lower than initial estimates in the Plan for almost every year.
- Total savings are \$11.7 million or 20.9% less than estimated in the Plan.

Program Operations Costs 2020-2026



Estimated Budgets and Costs Through Transition



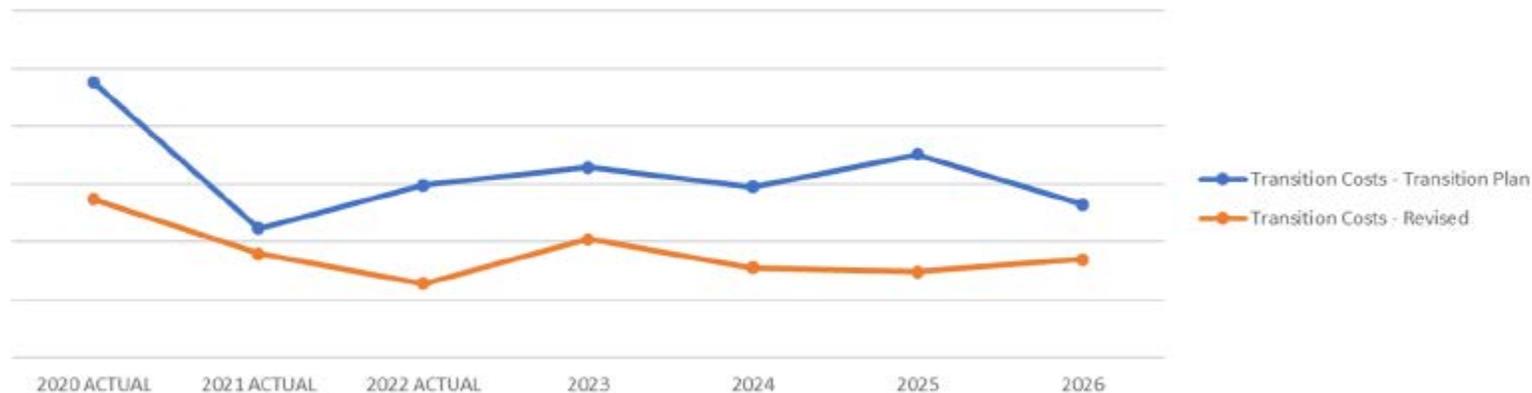
Stewardship Ontario

CONSOLIDATION/SUMMARY OF PROJECTED COSTS
2020-2026 (\$000 INCLUDES HST)

	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 FORECAST	2024 BUDGET	2025 FORECAST	2026 FORECAST	TOTAL
Transition Costs - Transition Plan	\$2,381.5	\$1,118.5	\$1,491.2	\$1,644.8	\$1,475.1	\$1,759.2	\$1,325.9	\$11,196.2
Transition Costs - Revised	\$1,371.8	\$898.6	\$641.7	\$1,024.8	\$776.5	\$742.1	\$850.8	\$6,306.3
Difference	(\$1,009.7)	(\$219.9)	(\$849.5)	(\$620.0)	(\$698.6)	(\$1,017.1)	(\$475.1)	(\$4,889.9)

- **Transition Costs** are lower in every year of transition compared with the Plan estimates, for total savings of \$4.9 million or 43.7% less than estimated.

Transition Costs - 2020-2026



Annual Steward Meeting

**Karen Melnychuk,
Executive Director**



2022 REVIEW AND 2023 UPDATE

MMSM PERFORMANCE			
	2022	2021	YOY VARIANCE
RECYCLING PERFORMANCE			
Recovered Tonnes	64,206	66,362	-3.2%
Supplied Tonnes	89,471	92,187	-2.9%
Recovery Rate	71.8%	72.0%	-0.2%
Population Served by PPP Program	1,275,689	1,275,203	0.0%
Recovered kg per capita	50.3	52.0	-3.3%
ACCESSIBILITY PERFORMANCE			
# Households Served	549,426	550,197	-0.1%
% Households with Access to PPP Program	95%	95%	0.0%
P & E Cost per capita*	\$ 0.81	\$ 0.69	18.1%
% of residents aware and using recycling services	94%	93%	1.0%
COST PERFORMANCE			
Recovered Tonnes	64,206	66,362	-3.2%
Net Cost**	\$ 28,006,520	\$ 27,633,405	1.7%
Net Cost per Tonne	\$ 438	\$ 416	5.1%
Net Cost per Capita	\$ 22	\$ 22	1.6%

- Performance stable with previous year
- Recyclepedia helping reduce recycling contamination and confusion
- Revised Transition Plan submitted to government in June 2022
- Government establishing Advisory Committee to discuss Transition Plan; current program extended

2024 BUDGET

- Fee budget of \$23.5 million represents a 5.9% decrease from 2023
- Decrease driven by an expected increase in commodity revenues

MMSM BUDGET			
	2024	2023	YOY VARIANCE
OBLIGATION SHARE	80%	80%	
Supply Chain Costs	\$ 19,803,854	\$ 20,578,199	-3.8%
Promotion & Education	\$ 730,000	\$ 740,000	-1.4%
Program Management	\$ 2,884,141	\$ 3,575,575	-19.3%
Program Management as % of Total Fees	12.3%	14.4%	-2.0%
Total Fee Obligation (before surplus)	\$ 23,417,995	\$ 24,893,774	-5.9%
Surplus Accumulation / (Drawdown)	\$ 74,748	\$ 79,879	-6.4%
TOTAL FEE BUDGET	\$ 23,492,742	\$ 24,973,652	-5.9%

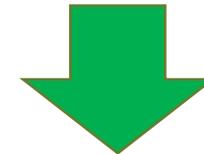
2024 FEE SCHEDULE

MMSM FEE SCHEDULE (CENTS/KG)				
Category	Material	2024 Fee Rates (cents/ kg)	2023 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint - Publishers	26.19	24.38	7.4%
	Newsprint - Other	29.33	27.93	5.0%
	Magazines and Catalogues	20.47	20.37	0.5%
	Telephone Books	21.38	22.07	-3.1%
	Other Printed Paper	25.33	26.50	-4.4%
PAPER PACKAGING	Corrugated Cardboard	19.89	22.61	-12.0%
	Boxboard	13.30	15.97	-16.7%
	Gable Top Cartons	42.32	39.46	7.2%
	Paper Laminates	33.64	30.34	10.9%
	Aseptic Containers	32.79	31.66	3.6%
PLASTICS	PET Containers and Bottles	31.52	36.86	-14.5%
	HDPE Containers and Bottles	-17.28	0.46	-3856.5%
	Plastic Film	69.48	58.92	17.9%
	Plastic Laminates	69.14	61.20	13.0%
	Polystyrene	121.63	106.52	14.2%
	Other Plastics	45.54	42.39	7.4%
STEEL	Steel Food & Beverage Cans	29.27	28.25	3.6%
	Steel Aerosols	23.61	22.93	3.0%
	Other Steel Containers	22.83	24.94	-8.5%
ALUMINUM	Aluminum Food & Beverage Cans	0.26	14.96	-98.3%
	Other Aluminum Packaging	9.38	19.13	-51.0%
GLASS	Clear Glass	20.45	16.23	26.0%
	Coloured Glass	20.30	17.41	16.6%



*Clear Glass,
Plastic Film*

**-3.1%
AVG**



*HDPE Containers and
Bottles, Aluminum Food &
Beverage Cans*

2024 FLAT FEES

- Eligible stewards have an option to submitting detailed reports
- 2024 decrease is consistent with budget decrease

TOTAL SUPPLIED (KG)	2024 FLAT FEE	2023 FLAT FEE	VARIANCE
1,000 - 2,499	\$ 900	\$ 1,000	-10% or -\$ 100
2,500 - 4,999	\$ 1,900	\$ 2,000	-5% or -\$ 100

Multi-Material Stewardship Western

Annual Producer Meeting
October 24, 2023

Tamara Burns
Executive Director, Western Canada



2022 Review

MMSW PERFORMANCE			
	2022	2021	YOY VARIANCE
RECYCLING PERFORMANCE			
Collected Tonnes	37,371	40,146	-6.9%
Supplied Tonnes	54,477	51,857	5.1%
Recovery Rate	68.6%	77.4%	-8.8%
Population Serviced by PPP Program*	926,100	923,650	0.3%
Recovered kg per Capita	40.4	43.5	-7.2%
ACCESSIBILITY PERFORMANCE			
# Households Serviced*	377,740	376,552	0.3%
% Households with Access to PPP Program*	84.0%	83.8%	0.3%
P & E Cost per Capita	\$0.05	\$0.07	-30.6%
COST PERFORMANCE			
Collected Tonnes	37,371	40,146	-6.9%
Net Cost	\$16,616,071	\$13,119,626	26.7%
Net Cost per Tonne	\$445	\$327	36.1%
Net Cost per Capita	\$18	\$14	26.3%

- Recovery rate decrease from increased supplied tonnes and fewer collected tonnes, reflecting pandemic factors
- Provincial government consultations on full EPR

2023 Update

- Updated Program Regulations were released in March 2023, initiating Saskatchewan's transition to a full EPR program beginning in 2024
- MMSW and Circular Materials worked together on public consultations for a draft Program Plan
- Final Program Plan was submitted to the Ministry of Environment by September 27, 2023.

Transition Outlook

- Forecasts for years 2024-2026 reflect the planned transition to full EPR.

	2023 BUDGET (\$000S)	2024 BUDGET (\$000S)	2025 DRAFT FORECAST BUDGET (\$000S)	2026 DRAFT FORECAST BUDGET (\$000S)	VARIANCE % 2024 VS. 2023	VARIANCE % 2025 VS. 2024	VARIANCE % 2026 VS. 2025
	(a)	(b)	(c)	(d)	(e)=(b-a)/a	(f)=(c-b)/b	(g)=(d-c)/c
Material Management Costs	\$17,994	\$22,851	\$28,807	\$31,329	27%	26%	9%
Promotion & Education	\$50	\$490	\$618	\$672	880%	26%	9%
Program Management	\$1,746	\$2,696	\$3,399	\$3,696	54%	26%	9%
Total Expenses	\$19,791	\$26,037	\$32,824	\$35,697	32%	26%	9%

2024 Budget

- 2024 budget reflects the initiation of Phase 1 of the EPR transition

MMSW BUDGET			
	2024	2023	YOY VARIANCE
OBLIGATION SHARE	Phase 1	75%	
Supply Chain Costs	\$22,851,286	\$17,994,355	27.0%
Promotion & Education	\$490,000	\$50,000	880.0%
Program Management	\$2,696,137	\$1,746,243	54.4%
Program Management as % of total fees	10.4%	8.8%	1.5%
Total Costs (before surplus)	\$26,037,423	\$19,790,597	31.6%
Surplus Accumulation / (Drawdown)	\$ -	\$ -	
TOTAL FEE BUDGET	\$26,037,423	\$19,790,597	31.6%

2024 Fee Schedule

MMSW FEE SCHEDULE (CENTS/KG)				
Category	Material	2024 Fee Rates (cents/ kg)	2023 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	45.00	36.00	25.0%
	Magazines and Catalogues	17.00	11.00	54.5%
	Telephone Books	17.00	11.00	54.5%
	Other Printed Paper	39.00	34.00	14.7%
PAPER PACKAGING	Corrugated Cardboard	34.00	30.00	13.3%
	Boxboard	22.00	20.00	10.0%
	Gable Top Cartons	56.00	53.00	5.7%
	Paper Laminates	52.00	47.00	10.6%
	Aseptic Containers	42.00	42.00	0.0%
PLASTICS	PET Bottles	63.00	50.00	26.0%
	HDPE Bottles	25.00	-31.00	180.6%
	Plastic Film	84.00	72.00	16.7%
	Plastic Laminates	100.00	84.00	19.0%
	Polystyrene	200.00	179.00	11.7%
	Other Plastics	53.00	49.00	8.2%
STEEL	Other Steel Packaging	37.00	32.00	15.6%
	Steel Aerosols	31.00	27.00	14.8%
	Steel Paint Cans	44.00	33.00	33.3%
ALUMINUM	Aluminum Food & Other Containers	63.00	18.00	250.0%
	Other Aluminum Packaging	65.00	20.00	225.0%
GLASS	Clear Glass	23.00	21.00	9.5%
	Coloured Glass	23.00	21.00	9.5%



**+24%
AVG**



HDPE Bottles, Magazines and Catalogues, Telephone Books, Aluminum Food & Other Containers, Other Aluminum Packaging

Aseptic Containers, Gable Top Cartons, Glass

2024 Low-Volume Fees

- Increase consistent with budget increase

MMSW LOW-VOLUME FEES			
TOTAL SUPPLIED	2024	2023	YOY VARIANCE
1,000 - 2,499	\$840	\$640	\$200 or 31%
2,500 - 5,000	\$1,760	\$1,340	\$420 or 31%

ANNUAL PRODUCER MEETING

October 24, 2023

TAMARA BURNS
EXECUTIVE DIRECTOR, WESTERN CANADA



RECYCLEBCTM

2022 REVIEW

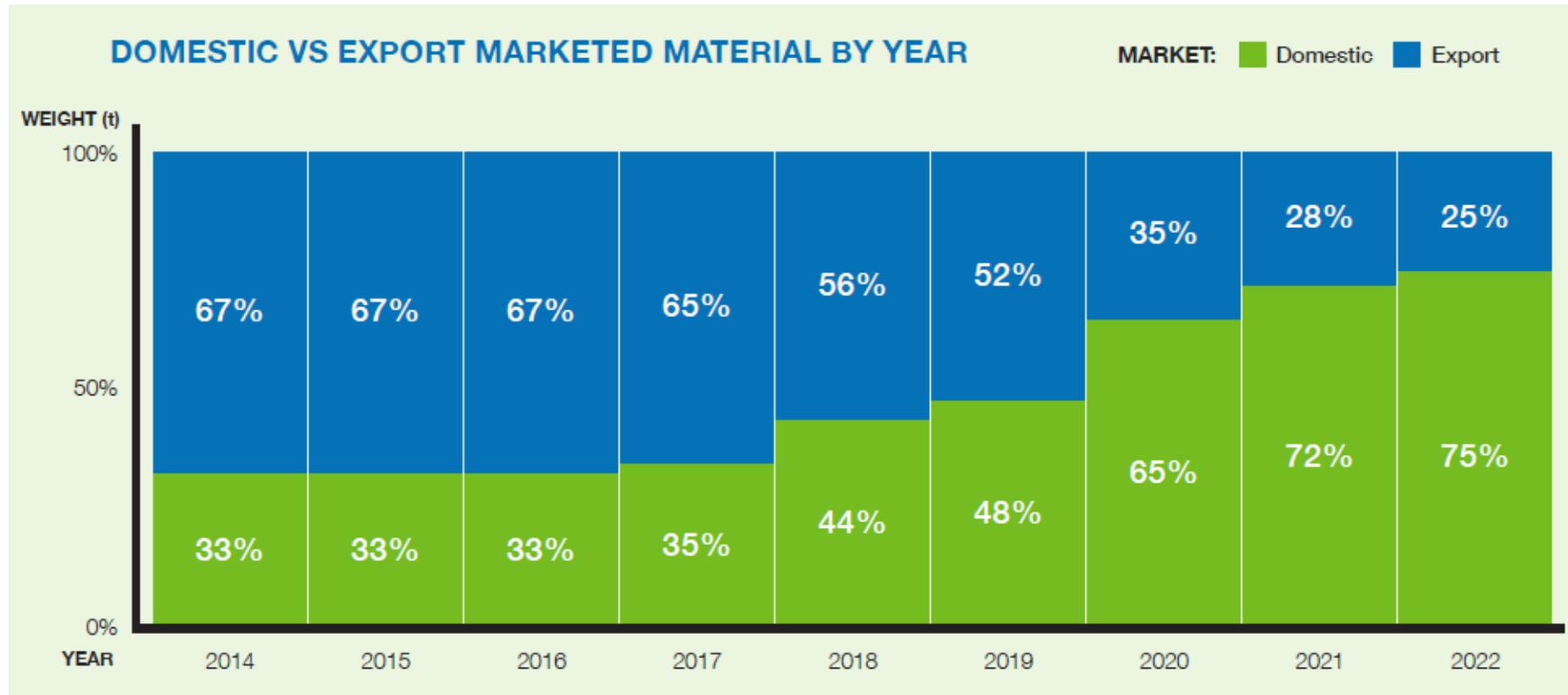
RECYCLE BC PERFORMANCE

	2022	2021	YOY VARIANCE
RECYCLING PERFORMANCE			
Gross Tonnes Collected	216,794	229,922	-5.7%
Net Tonnes Collected*	201,169	214,273	-6.1%
Supplied Tonnes	233,399	227,603	2.5%
Recovery Rate*	86.2%	94.1%	-8.0%
Program Plan Recycling Target**	78.0%	77.0%	1.0%
Population Served by PPP Program***	4,969,000	4,969,000	0.0%
Recovered kg per Capita	40.5	43.1	-6.1%
ACCESSIBILITY PERFORMANCE			
# Households Serviced*	2,027,743	2,027,709	0.0%
% Households with Access to PPP Program***	99.3%	99.3%	0.0%
P & E Cost per Capita	\$0.57	\$0.45	27.7%
% of residents aware and using recycling services	95%	96%	-1.0%
COST PERFORMANCE			
Net Tonnes Collected	201,169	214,273	-6.1%
Net Cost	\$134,055,615	\$101,997,267	31.4%
Net Cost per Tonne	\$666	\$476	40.0%
Net Cost per Capita	\$27	\$21	31.4%

- Consultations on next five-year Program Plan
- Recovery rate reflects pandemic factors for collected and supplied tonnes
- Containers of milk and milk substitutes beverage containers transferred to deposit return system

PERFORMANCE TREND

- In 2022, 75% of all material from the Recycle BC program, including 99% of recovered plastics, was sent to North American end markets, the majority staying within the Pacific Northwest substantially decreasing GHG emissions.

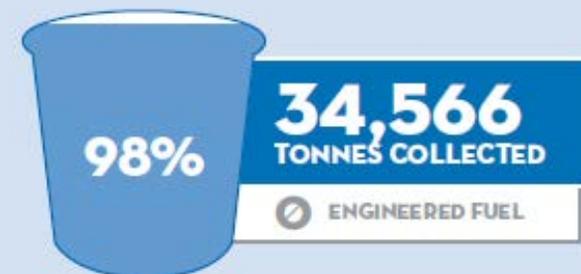


PLASTICS PROGRESS

- Recycle BC continues to lead the way on plastics performance.
- 2022's plastic recovery rate of 48% was achieved by a 60% recovery of rigid plastics and a 23% recovery rate for flexible plastics.
- Significant advances in the recycling of flexible plastics occurred for the first time, finding a recycling solution for this difficult to recycle material category and paving the way for a more streamlined collection approach.

MATERIAL CATEGORY	RECOVERY RATE
Paper	95%
Plastic	48%
Rigid Plastic	60%
Flexible Plastic	23%
Metal	73%
Glass	101%

IN 2022, 98% OF PLASTIC COLLECTED WAS SENT TO RECYCLING END MARKETS



2023 UPDATE

- New five-year Program Plan was submitted to the Ministry of Environment and Climate Change Strategy on April 14, 2023
 - ♻️ Provides operational roadmap for meeting producer obligations under the Recycling Regulation
- Designated single-use products and packaging-like products were added to the BC program on January 1, 2023
 - ♻️ Supported by resident education campaign and collector resources
 - ♻️ Producers reported 2021 sales of these materials in 2022
- Single collection category for Flexible Plastics introduced
 - ♻️ Collected at depots only
 - ♻️ Plastic Bags and Overwrap and Other Flexible Plastic Packaging now processed in same way to produce commodity pellet

IMPACT OF COMMODITY REVENUE

- Volatility in commodity markets can have a significant impact on the program fee budget.

2021-2024 RECYCLE BC FEE BUDGET (\$ MILLIONS)					
	2024	% VARIANCE 2024-2023	2023	2022	2021
Gross Costs	\$174.1	6%	\$164.0	\$147.3	\$144.5
Commodity Revenue	(\$8.1)	(57%)	(\$18.9)	(\$24.2)	(\$10.1)
Total Costs	\$166.0	14%	\$145.2	\$123.2	\$134.4
Surplus Drawdown/ Accumulation	(\$6.0)	-	\$0.0	(\$15.0)	\$0.0
Total Fee Budget	\$160.0	10%	\$145.2	\$108.2	\$134.4

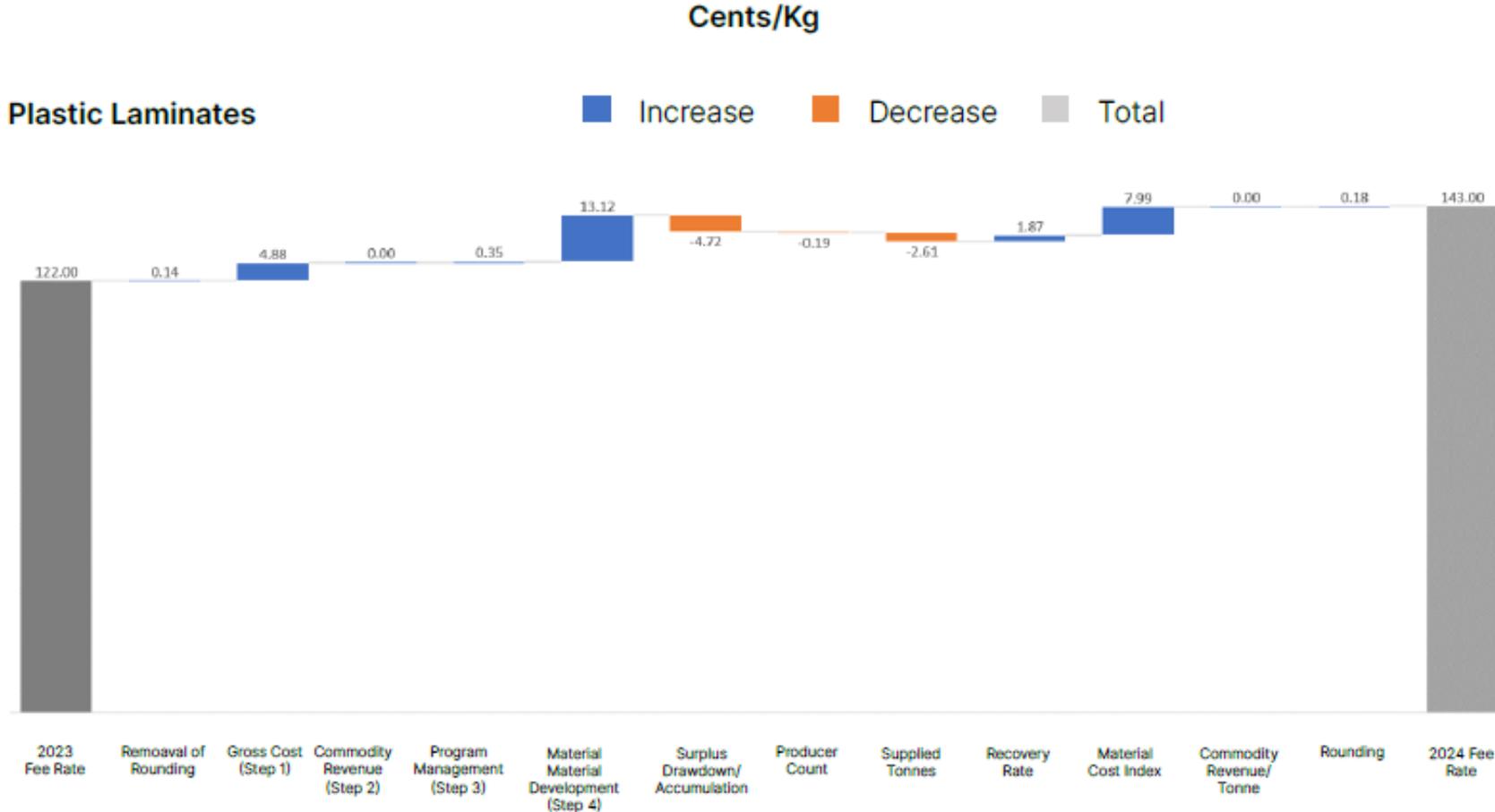
2024 BUDGET

- Increased total costs from decreased commodity revenue
- Total fees include \$6 million surplus drawdown

RECYCLE BC BUDGET			
	2024	2023	YOY VARIANCE
OBLIGATION SHARE	100%	100%	
Supply Chain Costs*	\$155,499,206	\$135,175,719	15.0%
Promotion & Education	\$2,114,000	\$2,060,000	2.6%
Program Management	\$8,373,315	\$7,935,244	5.5%
Program Management as % of total fees	5.2%	5.5%	-0.2%
Total Costs	\$165,986,521	\$145,170,963	14.3%
Surplus Accumulation / (Drawdown)	\$(6,000,000)	\$--	
TOTAL FEE BUDGET	\$159,986,521	\$145,170,963	10.2%

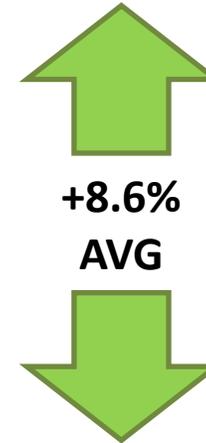
STEP 4 – MATERIAL DEVELOPMENT

- Investment funds are raised directly from applicable materials currently underperforming to target to improve their recovery rate



2024 FEE SCHEDULE

RECYCLE BC FEE SCHEDULE (CENTS/KG)				
Category	Material	2024 Fee Rates (cents/ kg)	2023 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	55.00	48.00	14.6%
	Magazines and Catalogues	25.00	19.00	31.6%
	Telephone Books	25.00	19.00	31.6%
	Other Printed Paper	61.00	58.00	5.2%
PAPER PACKAGING	Corrugated Cardboard	48.00	46.00	4.3%
	Boxboard	29.00	29.00	0.0%
	Gable Top Cartons	71.00	70.00	1.4%
	Paper Laminates	53.00	55.00	-3.6%
	Aseptic Containers	77.00	76.00	1.3%
PLASTICS	PET Bottles	98.00	90.00	8.9%
	HDPE Bottles	46.00	0.00	N/A
	Plastic Film	140.00	122.00	14.8%
	Plastic Laminates	143.00	122.00	17.2%
	Expanded Polystyrene	282.00	278.00	1.4%
	Rigid Polystyrene	106.00	117.00	-9.4%
	Other Plastics	77.00	81.00	-4.9%
STEEL	Other Steel Packaging	55.00	51.00	7.8%
	Steel Aerosols	36.00	35.00	2.9%
	Steel Paint Cans	47.00	47.00	0.0%
ALUMINUM	Aluminum Food & Other Containers	67.00	35.00	91.4%
	Other Aluminum Packaging	63.00	45.00	40.0%
GLASS	Clear Glass	42.00	41.00	2.4%
	Coloured Glass	42.00	41.00	2.4%



Magazines and Catalogues, Telephone Books, Other Aluminum Packaging, Aluminum Food & Other Containers, and HDPE Bottles

Rigid Polystyrene, Other Plastics, and Paper Laminates

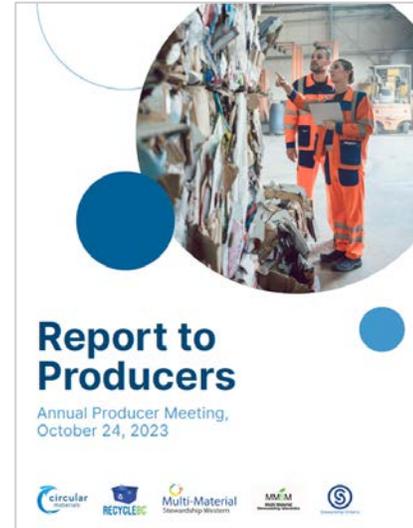
2024 LOW-VOLUME AND FLAT FEES

- Increases are consistent with budget increase

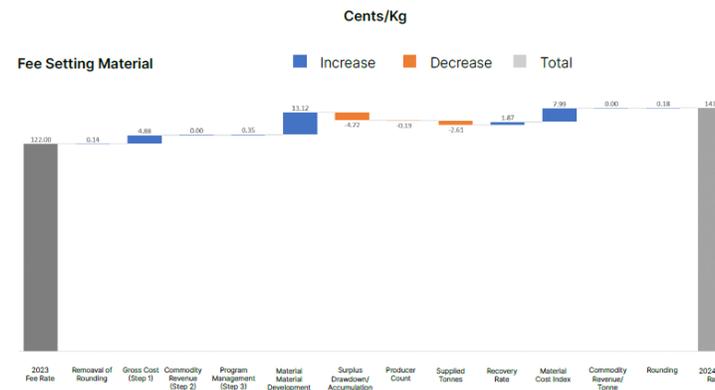
RECYCLE BC LOW-VOLUME AND FLAT FEES			
TOTAL SUPPLIED (KG)	2024	2023	YOY VARIANCE
1,000 - 2,499	\$1,200	\$1,100	\$100 or 9%
2,500 - 5,000	\$2,800	\$2,500	\$300 or 12%
5,000 - 10,000	\$6,600	\$6,000	\$600 or 10%
10,000 - 15,000	\$11,200	\$10,200	\$1,000 or 10%

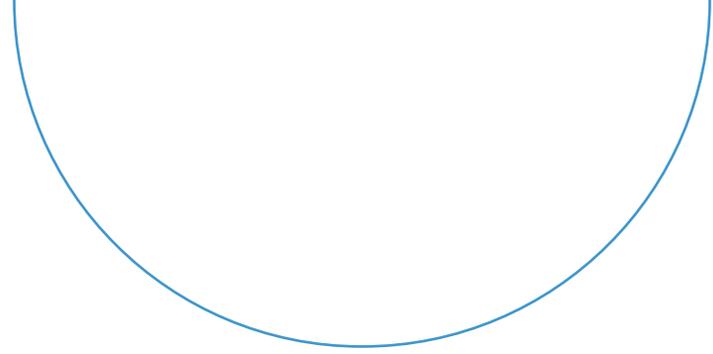
Producer Resources

- Report to Producers
- Cause of Change files
- Presentation file
- Fee Rate Excel file
- Webcast replay



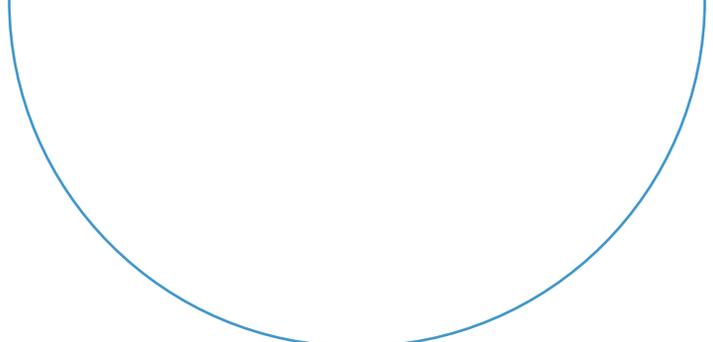
2024 WeRecycle Material List - Subcategory		Recycle BC	Cents / Kg	MMSW	Cents / Kg	MMSM
Printed Papers	Newspaper (NAOCHA Members)	Newspapers	55.00	Newspapers	45.00	Newspapers - Publishers
	Other Newspaper (Non-NAOCHA Members)	Newspapers	55.00	Newspapers	45.00	Newspapers - Publishers
	Newspaper - Publishers	Newspapers	55.00	Newspapers	45.00	Newspapers - Publishers
	Newspaper (prints and inserts)	Newspaper (prints and inserts)	55.00	Newspaper (prints and inserts)	45.00	Newspapers
	Magazines	Magazines	25.00	Magazines	17.00	Magazines and Catalogues
	Catalogues	Catalogues	25.00	Catalogues	17.00	Magazines and Catalogues
	Directories	Directories	25.00	Directories	17.00	Directories
	Paper for General Use	Paper for General Use	61.00	Paper for General Use	33.00	
	Printed Circuit Boards, Circuit Cards and Envelopes	Printed Circuit Boards, Circuit Cards and Envelopes	61.00	Printed Circuit Boards, Circuit Cards and Envelopes	33.00	
	Other Printed Materials	Other Printed Materials	61.00	Other Printed Materials	33.00	
Paper Packaging	Carton Top Containers - Beverage - MB and MB Substitutes	Carton Top Containers - Beverage - MB and MB Substitutes	71.00	Carton Top Containers - Beverage - MB and MB Substitutes	58.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Wine and Spirits	Carton Top Containers - Beverage - Wine and Spirits	71.00	Carton Top Containers - Beverage - Wine and Spirits	58.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Non-Beverage	Carton Top Containers - Beverage - Non-Beverage	71.00	Carton Top Containers - Beverage - Non-Beverage	58.00	Carton top containers - beverage
	Carton Top Containers - Beverage - MB and MB Substitutes	Carton Top Containers - Beverage - MB and MB Substitutes	77.00	Carton Top Containers - Beverage - MB and MB Substitutes	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Wine and Spirits	Carton Top Containers - Beverage - Wine and Spirits	77.00	Carton Top Containers - Beverage - Wine and Spirits	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Non-Beverage	Carton Top Containers - Beverage - Non-Beverage	77.00	Carton Top Containers - Beverage - Non-Beverage	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - MB and MB Substitutes	Carton Top Containers - Beverage - MB and MB Substitutes	77.00	Carton Top Containers - Beverage - MB and MB Substitutes	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Wine and Spirits	Carton Top Containers - Beverage - Wine and Spirits	77.00	Carton Top Containers - Beverage - Wine and Spirits	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - Non-Beverage	Carton Top Containers - Beverage - Non-Beverage	77.00	Carton Top Containers - Beverage - Non-Beverage	67.00	Carton top containers - beverage
	Carton Top Containers - Beverage - MB and MB Substitutes	Carton Top Containers - Beverage - MB and MB Substitutes	77.00	Carton Top Containers - Beverage - MB and MB Substitutes	67.00	Carton top containers - beverage
PET Bottles and Jars (5 Lines - Beverage - MB and MB Sub)	PET Bottles and Jars (5 Lines - Beverage - MB and MB Sub)	30.00	PET Bottles and Jars (5 Lines - Beverage - MB and MB Sub)	63.00	PET bottles (5 Lines - Beverage	





Q&A





Thank You

