



Report to Producers

Annual Producer Meeting
October 24, 2024



Contents

Letter to Producers	4
Budget and Fee Overview	6
Circular Materials	10
Circular Materials in New Brunswick	12
2023 Review - 2024 Update - 2025 Budget and Fee Schedule	
Circular Materials in Alberta	18
2024 Update - 2025 Budget and Fee Schedule	
Stewardship Ontario	22
2024 Update - 2025 Budget - Estimated Budgets and Costs Through Transition	
Multi-Material Stewardship Manitoba (MMSM)	30
2023 Review - 2024 Update - 2025 Budget and Fee Schedule	
Multi-Material Stewardship Western (MMSW)	38
2023 Review - 2024 Update - 2025 Budget and Fee Schedule	
Recycle BC	47
2023 Review - 2024 Update - 2025 Budget and Fee Schedule	

2024 Annual Producer Meeting

The Annual Producer Meeting (APM) will be held on Thursday, October 24, 2024, via Zoom webcast.

The APM will review 2025 budgets and fees for Circular Materials, Stewardship Ontario, Multi-Material Stewardship Manitoba, Multi-Material Stewardship Western and Recycle BC.

Registration for the webcast can be done [online](#). After the meeting, the presentation slides, an archived replay of the webcast and other resources will be available under Information Sessions on the [Circular Materials website](#).

Local times for the APM:

- **New Brunswick:** 2:00 to 4:00 p.m. ADT
- **Ontario:** 1:00 to 3:00 p.m. EDT
- **Manitoba:** 12:00 to 2:00 p.m. CDT
- **Saskatchewan:** 11:00 a.m. to 1:00 p.m. CST
- **Alberta:** 11:00 a.m. to 1:00 p.m. MDT
- **British Columbia:** 10:00 a.m. to 12:00 p.m. PDT



Letter to Producers

Collaboration is key to drive a circular economy across Canada and add value for producers

Extended producer responsibility ([EPR](#)) for recycling packaging and paper products is rolling out in many provinces and territories across the country between 2023 and 2026. Currently, the transition to EPR is successfully underway in Ontario and New Brunswick. As of December 2024, Saskatchewan will transition from a shared responsibility payment model, where producers are responsible for 75 per cent of the costs, to a full EPR model where producers will assume financial and operational responsibility. The province of Manitoba is also preparing to move from a shared-responsibility stewardship program to full EPR and other provinces and territories, such as Alberta, Nova Scotia and the Yukon, are preparing for EPR to be rolled out in 2025.

As full EPR is implemented across Canada and ambitious recycling targets are being set by regulators and the government, collaborating across provincial and territorial borders will be more important than ever to maximize positive outcomes for producers and the environment.

Over the years, Circular Materials, Multi-Material Stewardship Manitoba (MMSM), Multi-Material Stewardship Western (MMSW) and Recycle BC have been collaborating to achieve common goals and efficiencies to support our producers and leverage the strengths, capabilities and investments built across producer responsibility organizations (PROs). Circular Materials also helps provide a consistent, harmonized approach to producer compliance services across our organizations through best-in-class systems and tools such as the [WeRecycle Portal](#) reporting platform to help producers meet EPR requirements in jurisdictions across Canada.

One example of our work together is Circular Materials, Recycle BC, Éco Entreprises Québec and other circular economy leaders collaboration on [PRFLEX](#), an initiative to optimize the recycling system for flexible plastics packaging in Canada and increase the use of recycled content in plastic packaging. In addition, in 2024, Circular Materials partnered with Recycle BC and Éco Entreprises Québec to issue a [request for expressions of interest](#) (REOI) to identify innovators with plastic packaging recycling technologies, systems and processes to reintegrate recycled plastics into manufacturing supply chains and meet ambitious provincial targets.

Looking ahead, there are unprecedented changes required to build efficient and effective recycling systems that advance innovation and deliver improved environmental impact. Our collective success in advancing the circular economy and meeting ambitious recycling targets will only be possible through collaboration with producers, governments at all

levels and partners across the supply chain to develop integrated approaches and invest in critical infrastructure across the country. By working together, we can leverage learnings and best practices and ultimately achieve improved environmental outcomes.

While there are many exciting opportunities and advances to be made, we recognize that during this unprecedented time of transition, producers are facing significant financial and operational considerations. Our organizations are committed to support producers through this change and manage impacts.

This Annual Report to Producers shares 2023 performance highlights, 2024 updates and information on 2025 budgets and material fees for each of our regional programs. Fee rates for designated materials cover the costs associated with collecting, transporting and processing materials. The annual fee-setting process is designed to ensure fairness and transparency – for more information, please see Circular Materials’ [Producer Guide](#) and [Fee Setting 101 video](#).

Together, we are working towards advancing a circular economy across Canada and maximizing value for producers. Thank you to all our producers for your ongoing collaboration to build a more sustainable and efficient approach to recycling packaging and paper that will add value to the economy, drive innovation and foster more sustainable communities across the country.



Allen Langdon
Chief Executive Officer
Circular Materials



Tamara Burns
Executive Director
Multi-Material Stewardship Western &
Recycle BC



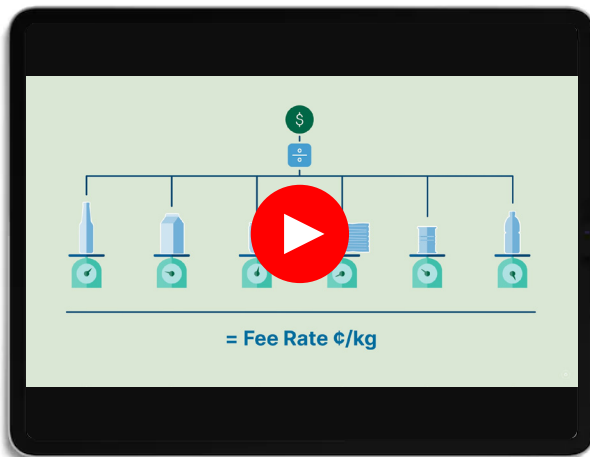
Karen Melnychuk
Executive Director
Multi-Material Stewardship Manitoba



Budget and Fee Overview

The annual fee setting process is designed to ensure fairness and transparency. Fee rates cover the costs associated with the collection, transportation and processing of designated materials. Fee rates are expressed in cents/kg and are calculated for each provincial program using approved [fee setting methodologies](#).

Fee methodologies were developed through extensive consultation with producers and continue to be refined to ensure fairness and reflect ongoing changes in the recycling industry. Fees between programs are generally not directly comparable given the differences in the regulatory requirements, scope, funding obligations, system costs, material recovery performance and material definitions.



For an overview of the fee setting process, view our [Fee Setting 101 video](#).

Budget: To determine the material fee rates to be paid by producers, the first step is to prepare the program's budget. The most significant component of all program budgets is the cost to manage the recycling system, or supply chains.

Budgets also include the costs to manage the programs and to deliver on promotion and education objectives. Supply chain costs for British Columbia, Saskatchewan and New Brunswick are determined by referencing commercial contracts with collection and post-collection service providers. In the absence of Alberta-specific information, the 2025 supply chain costs for Alberta are budgeted using out of province data as a reference. The Manitoba supply chain costs are based on submitted municipal costs once they have undergone a verification process.

Commodities Revenue & Budgets: Commodity markets are an important factor in recycling system budgets because commodity revenues offset collection and post-collection costs. When commodity revenues fall, overall program costs increase.

Commodity revenue must be estimated for each program. Some programs can develop the estimate using forecasting models which consider the commercial terms of their contracts while other programs use a historical three-year rolling average method. In addition to the total commodity revenue budget, the [Four-Step Fee Methodology](#) model requires a commodity price to be available for each material category to calculate its relative share of the program commodity revenue. In general, fee rate changes are more significant for materials with high commodity revenue per tonne.

Material Cost Input: The goal of the fee setting process is to fairly allocate a program's budget to all designated materials based on defined principles. This requires a determination of each material's impact on the cost of recycling system activities, as compared to all other materials, through a material cost index. The Material Cost Index (MCI) is calculated using the [Material Cost Differentiation \(MCD\) methodology](#).

Fee Rates: To calculate total fees for each material category, the Four-Step Fee Methodology is then used. Fee rates are calculated by dividing the total fees for each material category by the total quantity of the material supplied by all producers.

Final Fee Rates: Final fee rates are expressed in cents/kg. Invoices delivered in January apply the fee rates to each producer's reported quantity of materials. For more information on the evolution of fee methodologies, the annual fee process, material fee rates and invoice and payment details, visit the [Circular Materials' Producer Guide](#).

Budget & Fee Setting Process Summary



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**.



Final Fee Rates: The final fee rate (expressed in cents/kg) is produced by dividing the total fees for each material category by the quantity of material supplied by the producers.

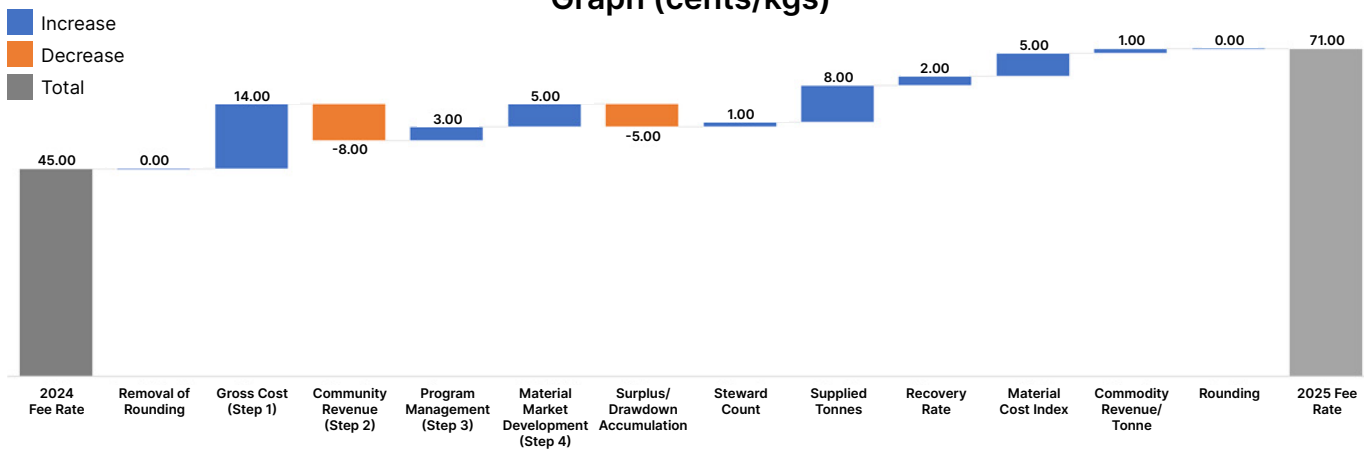
Fee Rate Cause of Change – Explanation of Methodology

In response to producer requests for more detail about annual changes to material fee rates, we have developed graphs to illustrate the factors driving fee changes from 2024 to 2025. An example fee rate cause of change graph is provided below.

The **2024 fee rate** is the first bar on the left of the graph and the **2025 fee rate** is the last bar on the right. The bars in between indicate if a rate has increased (noted in the colour blue), or decreased (noted in the colour orange), due to a particular factor and notes the change in cents/kg. Please see the Material Cause of Change Factors table below for detailed descriptions of each of these factors. Please note, not all factors apply to each program.

In each provincial program section of this report, we have included a graph for a selected material. To view graphs for all materials, please visit each provincial program’s website.

Example of a Fee Setting Material Cause of Change Graph (cents/kgs)



Material Fee Rates - Cause of Change Factors

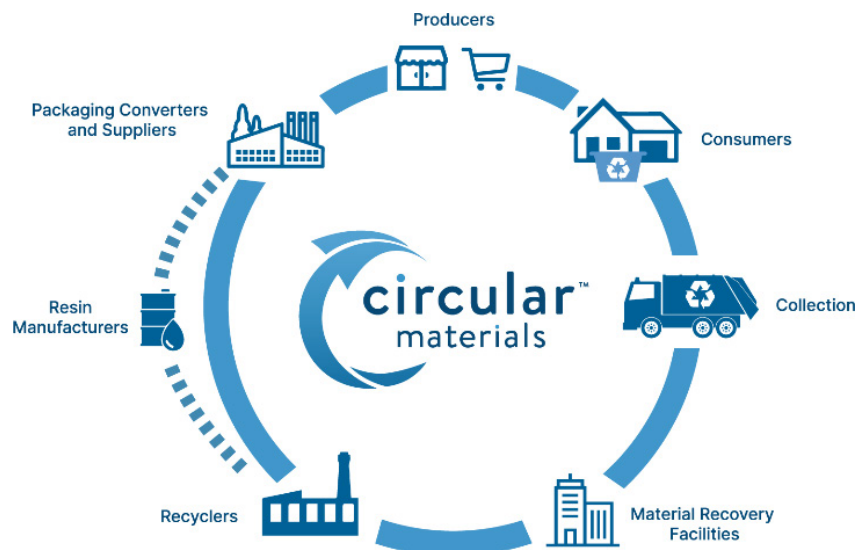
Factors	Description/Impact
2024 Fee Rate	Graphs begin with the published fee rate for the current year.
Removal of Rounding and 2024 Newspaper (MMSM only)	Change to fee rate when both the current year rounding, and current Newspaper remaining amount are removed (MMSM only).
Gross Cost (Step 1)	Changes in the program's cost to collect, manage, market and oversee these recycling system activities, maintaining the current year's relative share of supply and collected quantities. Only the gross cost value is updated.
Commodity Revenue (Step 2)	Changes in the program's revenue earned from the sale of materials to recycling end markets, maintaining the current year's relative share of managed quantities. Only the total program commodity revenue is updated.
Program Management (Step 3)	Changes to the program management budget (staff, services, systems and technology, office lease, etc.), maintaining the current year's relative share of program management cost and by updating the program management cost budget only.
Material Market Development (Step 4)	Investments needed to improve the material's recovery performance.
Surplus Drawdown/ Accumulation	Reduction in the fee rate caused by utilization of reserves to finance a portion of the program budget. Or increase in the fee rate caused by accumulation of reserves for the program.
Producer/Steward Count	Relative share of program management costs for this material based on the change to the count of producers/stewards supplying material in this category.
Supplied Tonnes	The impact on fees caused by an increase or decrease in material's relative share of supply quantities when considering both the change in this material's supply quantity and all other materials.
Recovery Rate	The impact on fees caused by an increase or decrease in material's relative share of managed/collected quantities.
Material Cost Index	Update to the Material Cost Index (MCI) value for calculating each material's relative share of supply and collected/managed quantities.
Commodity Revenue/ Tonne	Update to the material's commodity price per tonne and the resulting impact on each material's relative share of the program's total commodity revenue.
Rounding	Rounding of fee rates to zero decimal places (Recycle BC, MMSW, and two decimal places (MMSM).
Aggregation Impact Netted (Circular Materials programs only)	The impact caused by the aggregation of materials netted by the impact of rounding for Circular Materials in New Brunswick.
2025 Newspaper Remaining (MMSM only)	Allocation of the shortfall in Newspaper fee revenue to all other materials (MMSM only).
2025 Fee Rate	This is the final fee rate for the upcoming year considering all causes of change.

Circular Materials

Overview – A National Not-For-Profit Producer Responsibility Organization

Circular Materials is a national not-for-profit producer-led organization that supports producers in meeting their obligations under extended producer responsibility (EPR) regulations for packaging and paper products across Canada. Circular Materials works collaboratively with producers to provide [value-added services](#) including: a harmonized, national approach to producer compliance services, innovative recycling solutions, best-in-class systems and tools, strategic promotion and education initiatives, a dedicated customer relations team and a not-for-profit, cost-efficient service delivery model, to name just a few. As an organization created and governed by producers, collaboration with producers is key and we host ongoing Producer Working Group meetings to ensure that we are designing a recycling system that meets producer needs.

Circular Materials’ mandate is to advance the circular economy and build cost effective innovative recycling systems where materials are collected, recycled and returned to producers for use as recycled content in new products and packaging. In 2024, the organization announced it is developing the first-of-its-kind [Material Access Program](#), that will return processed material back to producers for use in new products and packaging to help meet recycled content targets and goals. This initiative exemplifies a true circular economy that keeps materials looped in the system to be used again and again.



Circular Materials

See below overview of Circular Materials' provincial programs across Canada:

- **Circular Materials in New Brunswick – Residential transition almost complete:** The remaining approximately 20 per cent of New Brunswick will transition its curbside residential recycling to EPR on November 1, 2024. Our next area of focus will be expanding services to multi-family dwellings and schools in 2025, and to public spaces in 2027. See page 12 of this report for information about our program in New Brunswick and 2025 budget and material fee schedule.
- **Circular Materials in Ontario – A successful transition ongoing:** On July 1, 2023, the transition to EPR in Ontario began under the province's [Blue Box Regulation](#). In our dual roles as the Ontario Common Collection System Administrator and a producer responsibility organization, Circular Materials is working to achieve a streamlined, modernized recycling system characterized by strategic investments, technological advancements and collaborative partnerships across the supply chain. Given Ontario is a competitive environment, information on Ontario's 2025 budget and fees is provided directly to Ontario producers through the WeRecycle Portal.
- **Circular Materials in Alberta – Preparing for EPR in 2025:** Circular Materials is collaborating with communities and stakeholders to prepare for the transition to EPR on April 1, 2025. See page 18 of this report for information about our program in Alberta and 2025 budget and material fee schedule.
- **Looking ahead, EPR in the Yukon and Nova Scotia in 2025:** Circular Materials is collaborating with stakeholders to support EPR implementation in the Yukon and Nova Scotia in 2025. We look forward to providing further information on budget and fees for the Yukon and Nova Scotia at the 2025 Annual Producer Meeting.

2023 Review

In October 2021, the Government of New Brunswick amended the Designated Materials Regulation under the Clean Environment Act to establish an EPR Program for packaging and paper in the province. In 2022, Circular Materials developed and consulted on a New Brunswick Stewardship Plan for Packaging and Paper on behalf of brand owners obligated by the Regulation under the Act.

2023 was a significant year for advancing a new approach to recycling in New Brunswick. In May 2023, Recycle NB, the agency that oversees the packaging and paper products program, approved the [Stewardship Plan](#), which kick-started Circular Materials' transition to EPR for packaging and paper products in New Brunswick – the first Atlantic province to do so.

On November 1, six months after approval of the Circular Materials' Stewardship Plan, the first phase of the plan was launched for six regions of the province. In addition to outreach and promotion and education campaigns for residents, Circular Materials worked closely with municipalities, First Nations and producer organizations to ensure a seamless transition to the new framework.

Below are some of the key milestones of the New Brunswick transition in 2023:

- **May 5:** Recycle NB approves the Circular Materials Stewardship Plan.
- **May – September:** Development of bilingual promotion and education materials for New Brunswick residents to educate, promote and share information about recycling and the transition to EPR.
- **September 1:** Communications plan submitted to Recycle NB outlining promotion and education initiatives for 2023 calendar year.
- **November 1:** Phase 1 of the transition launches.
- **November 1 – December 15:** Accepted offer to contract with Circular Materials:
 - 3 processing facilities
 - 5 municipalities
 - 1 First Nation community
- **December 15:** Communications plan submitted and approved by Recycle NB outlining promotion and education initiatives for 2024.

2024 Update

In 2024, Circular Materials remained committed to working with First Nations and all stakeholders to deliver an efficient and effective recycling system that will meet the needs of New Brunswickers and improve recovery rates.

As the producer responsibility organization in New Brunswick, Circular Materials is helping producers meet their requirements under the province's Regulation and ensuring a smooth transition to EPR in the province. This includes managing the collection, transportation and recycling of plastic and paper products on behalf of brand owners for single and multi-unit dwellings, as well as schools and public spaces.

Phase 1 of the transition to EPR in New Brunswick continued from November 2023 through to May 1, 2024, with Circular Materials rolling out the program to communities across six Regional Service Commissions (RSC): 1, 2, 9, 10, 11 and 12 ("Group 1"). On May 1, 2024, Circular Materials was pleased to [celebrate the milestone](#) of 80 per cent of the province being successfully transitioned at an event with Recycle NB and the Department of Environment and Local Government at the Capital Regional Service Commission.

In Phase 2, which is taking place between May 1, 2024, and November 1, 2024, the program is being implemented in the remaining six RSCs: 3, 4, 5, 6, 7 and 8 ("Group 2"). We are currently preparing for the remaining approximately 20 per cent of the province's residential programs to complete the transition to EPR on November 1, 2024.

One of the key highlights from 2024 includes the transitioning of 12 out of 15 First Nations communities to EPR. We are continuing our engagement efforts with the remaining communities and are working with the North Shore Mi'kmaq Tribal Council, the Wolastoqey Tribal Council among others. Each First Nations community is crucial to delivering recycling services that address the unique needs of their respective communities. Following the completion of the residential recycling transition, between 2025 and 2027, the program will be rolled out in schools and public spaces across the province with the full transition to EPR to be complete by 2027.

Circular Materials looks forward to continuing to work with all stakeholders to deliver a results driven recycling program for packaging and paper products and ensure a smooth transition for New Brunswickers. For more information about the New Brunswick program, please visit our [website](#).

2025 Circular Materials in New Brunswick Budget

The 2025 budget captures costs for the full year for single-family dwellings and the start of multi-family and school service for buildings that register to receive service over two phases: Phase 1 in May 2025 and Phase 2 in November 2025. In addition to supply chain costs, other material management costs (representing audit, consulting fees, etc.), promotion and education, program management and regulatory costs make up the 2025 fee budget of \$38.9 million which also includes \$0.9 million to build operating reserves.

Circular Materials New Brunswick Budget			
	2025	2024	YOY Variance
Obligation Share	100%	100%	
Supply Chain Cost	\$31,897,066	\$15,949,080	100%
Other Material Management Cost	\$1,318,151	\$637,000	107%
Promotion & Education Cost	\$2,155,655	\$1,530,000	41%
Program Management Cost	\$2,032,394	\$2,190,000	-7%
Program Management as % of Total Fees	5.4%	10.4%	-49%
Regulatory Cost	\$560,000	\$660,000	-15%
Total Fee Obligation (before reserves)	\$37,963,266	\$20,966,080	81%
Reserves	\$934,644	\$2,450,796	-62%
TOTAL FEE BUDGET	\$38,897,910	\$23,416,875	66%

2025 Fee Schedule for Circular Materials in New Brunswick

2025 fee rates use the Material Cost Index (MCI) values as an input under Step 1 of the Four-Step Fee Methodology, which are used alongside other factors (supplied tonnes, recovery rates and commodity prices under Steps 2-4) to allocate the program budget to the various material categories.

The average 2025 fee rate increased by 53% from 2024, which is a result of the expanded scope of management system efforts planned in 2025, as compared to 2024, given all communities will be fully transitioned to the EPR framework.

Circular Materials in New Brunswick



Circular Materials New Brunswick Fee Schedule (cents/kg)				
Category	Material	2025 Fee Rates (cents/kg)	2024 Fee Rates (cents/kg)	Variance %
Paper	Newspapers	80.00	50.00	60.0%
	Newsprint (inserts and circulars)	80.00	50.00	60.0%
	Magazines and Catalogues	80.00	50.00	60.0%
	Directories	80.00	50.00	60.0%
	Other Printed Materials	80.00	50.00	60.0%
	Purchased Posters, Calendars, Greeting Cards and Envelopes	80.00	50.00	60.0%
	Paper for General Use	80.00	50.00	60.0%
	Kraft Paper Carry-Out Bags	61.00	39.00	56.4%
	Kraft Paper - Non-Laminated	61.00	39.00	56.4%
	Corrugated Cardboard	61.00	39.00	56.4%
	Boxboard and Other Paper Packaging	61.00	39.00	56.4%
	Gable Top Containers	61.00	39.00	56.4%
	Paper Laminates	61.00	39.00	56.4%
	Aseptic Containers	61.00	39.00	56.4%
Rigid Plastic	PET Containers, Jars and Jugs < 5 Litres	121.00	73.00	65.8%
	PET Containers, Jars and Jugs >= 5 Litres	121.00	73.00	65.8%
	PET Thermoform Containers < 5 Litres	121.00	73.00	65.8%
	HDPE Containers, Jars and Jugs < 5 Litres	57.00	20.00	185.0%
	HDPE Containers, Jars and Jugs >= 5 Litres	57.00	20.00	185.0%
	Expanded Polystyrene	356.00	225.00	58.2%
	Non-Expanded Polystyrene	176.00	103.00	70.9%
	Other Plastic Packaging (not listed above) < 5 Litres	101.00	65.00	55.4%
	Other Plastic Packaging (not listed above) >= 5 Litres	101.00	65.00	55.4%
	PLA, PHA, PHB	101.00	65.00	55.4%

Circular Materials in New Brunswick

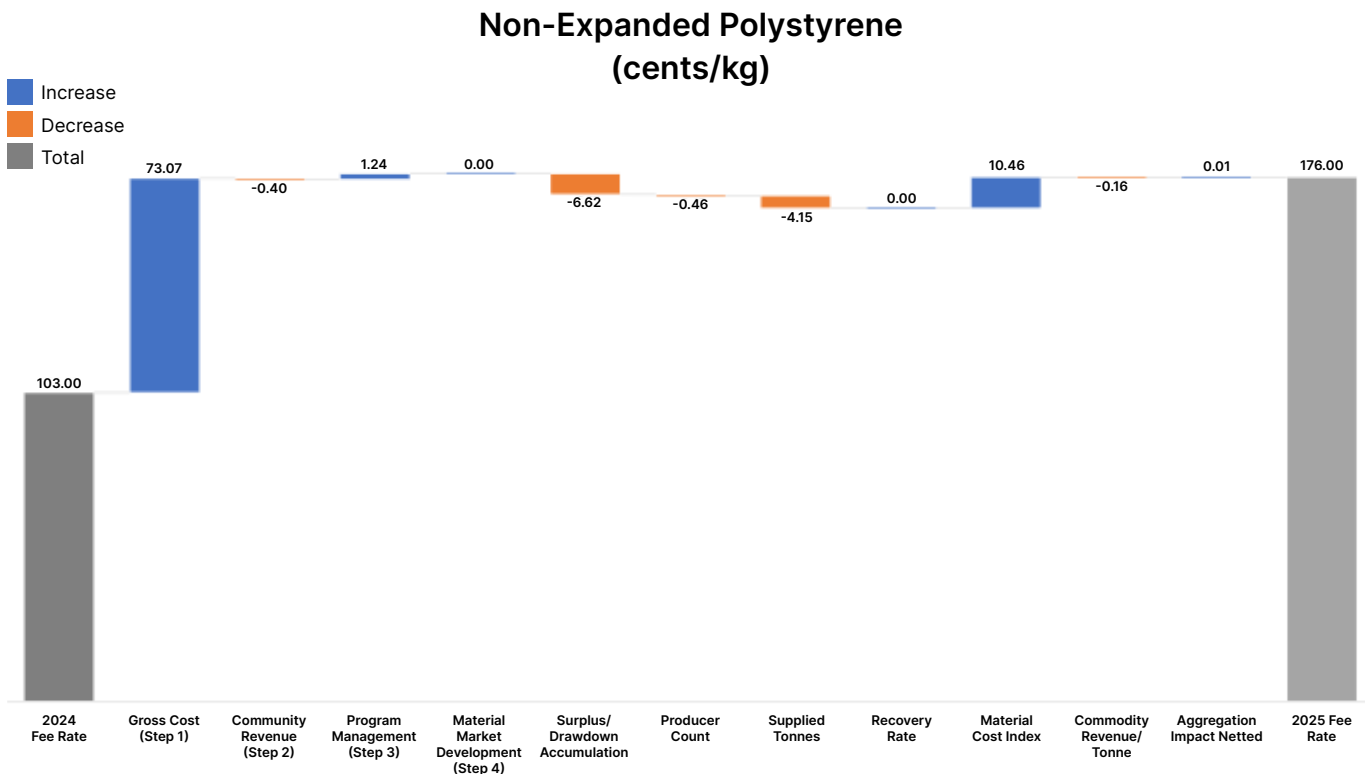


Circular Materials New Brunswick Fee Schedule (cents/kg)				
Category	Material	2025 Fee Rates (cents/kg)	2024 Fee Rates (cents/kg)	Variance %
Flexible Plastic	LDPE/HDPE Film	166.00	102.00	62.7%
	LDPE/HDPE Film Carry-Out Bags	166.00	102.00	62.7%
	PLA, PHA, PHB - Plastic Film	166.00	102.00	62.7%
	PLA, PHA, PHB Carry-Out Bags	166.00	102.00	62.7%
	Plastic Laminates	166.00	102.00	62.7%
Metal	Other Steel Containers and Packaging	78.00	59.00	32.2%
	Steel Aerosol Containers	78.00	59.00	32.2%
	Aluminum Food Containers	90.00	64.00	40.6%
	Aluminum Aerosol Containers	90.00	64.00	40.6%
	Other Aluminum Packaging	90.00	64.00	40.6%
Glass	Clear Glass	60.00	41.00	46.3%
	Coloured Glass	60.00	41.00	46.3%

Fee Rate Change Example

As detailed in the budget and fees overview section at the beginning of this report, material fee rate cause of change graphs were developed to illustrate the factors driving fee rate changes from 2024 to 2025. The cause of change graph below provides details for Non-Expanded Polystyrene. Graphs for all other materials are available on the Circular Materials' website and Producer Guide.

The 2025 fee rate (the last bar on the right of the graph) for Non-Expanded Polystyrene is 176 cents/kg and the 2024 fee rate (the first bar on the left) is 103 cents/kg which is an increase of 71% or 73 cents/kg. The impact of each factor is listed along the bottom of the graph and figures are provided in cents/kg. Notable change factors for the Non-Expanded Polystyrene 2025 fee rate include an increase for Gross Cost and MCI, and a decrease for Surplus Drawdown/Accumulation and Supplied Tonnes. Please see the Material Cause of Change Factors table on page 9 for a detailed description of each of these factors and their impact on material fee rates.



2024 Update

On October 3, 2022, the [Extended Producer Responsibility \(EPR\) Regulation](#) was approved for single-use products, packaging and paper products in Alberta. The transition to EPR in Alberta will be taking place between 2025-2026 and Circular Materials is the not-for-profit producer responsibility organization that will support producers in meeting their responsibilities for designated materials under the province's [Environmental Protection and Enhancement Act](#). We are committed to delivering a successful transition to EPR in Alberta that delivers results and improves recycling rates. We are working with registered communities to [transition their collection services](#) to EPR and support a seamless transition for Albertans. For more information about the Alberta program, visit our [website](#).

Alberta's EPR Timeline:

October 2023:

- The Alberta Recycling Management Authority ([ARMA](#)) Bylaws and policies are put in place.
- The registration process for communities opened on October 2 and closed on December 31, 2023.

2024:

- Circular Materials develops collection and management plans.
- Ongoing engagement with communities on operations facilities and promotion and education activities for Alberta residents.
- Verification Plan submitted to the Regulator, ARMA, on April 1, 2024, and subsequently acknowledged.

April 2025:

- The Phase 1 launch will begin on April 1, 2025, for registered communities with existing services as of November 30, 2022.

October 2026:

- The Phase 2 launch will begin on October 1, 2026, for registered communities that did not have existing services as of November 30, 2022.

2025 Budget

The 2025 budget for the Circular Materials in Alberta program captures the Phase 1 EPR launch that will begin on April 1, 2025, for registered communities. In addition to supply chain costs for Phase 1, other material management costs (representing audit, field staff costs, etc.), program management, promotion and education and regulatory costs make up the 2025 fee budget of \$173 million, which includes \$21.1 million to build operating reserves.

Please note, significant limitations, caveats and assumptions underlie the 2025 budget, given the program has yet to begin operations. Please register for our Annual Producer Meeting [webcast](#) on October 24, 2024, for the most up-to-date information on the key factors and assumptions shaping the 2025 Alberta budget.

Circular Materials Alberta Budget	
	2025
Obligation Share	100%
Supply Chain Cost	\$135,939,833
Phase 1	\$135,939,833
Other Material Management Cost	\$5,049,088
Promotion & Education Cost	\$2,906,301
Program Management Cost	\$6,987,841
Program Management as % of Total Fees	4.6%
Regulatory Cost	\$0
Start-up Cost	\$1,013,000
Total Fee Obligation (before reserves)	\$151,896,064
Reserves	\$21,096,676
TOTAL FEE BUDGET	\$172,992,739

2025 Fee Schedule for Circular Materials in Alberta

2025 is the first year of fee rates for the Circular Materials in Alberta program. 2025 fee rates use the Material Cost Index (MCI) values as an input under Step 1 of the Four-Step Fee Methodology, which are used alongside other factors (supplied tonnes, recovery rates and commodity prices under Steps 2-4), to allocate the program budget to the various material categories.

Circular Materials Alberta Fee Schedule (Cents/kg)		
Category	Material	2025 Fee Rates (cents/kg)
Paper	Newspapers	84.00
	Newsprint (inserts and circulars)	84.00
	Magazines and Catalogues	33.00
	Directories	33.00
	Other Printed Materials	89.00
	Purchased Posters, Calendars, Greeting Cards and Envelopes	89.00
	Paper for General Use	89.00
	Kraft Paper Carry-Out Bags	69.00
	Kraft Paper - Non-Laminated	69.00
	Corrugated Cardboard	69.00
	Boxboard and Other Paper Packaging	38.00
	Gable Top Containers	85.00
	Paper Laminates	85.00
	Aseptic Containers	85.00
Rigid Plastic	PET Containers, Jars and Jugs < 5 Litres	121.00
	PET Containers, Jars and Jugs >= 5 Litres	121.00
	PET Thermoform Containers < 5 Litres	121.00
	HDPE Containers, Jars and Jugs < 5 Litres	48.00
	HDPE Containers, Jars and Jugs >= 5 Litres	48.00
	Expanded Polystyrene	353.00
	Non-Expanded Polystyrene	146.00
	Other Plastic Packaging (not listed above) < 5 Litres	97.00
	Other Plastic Packaging (not listed above) >= 5 Litres	97.00
	PLA, PHA, PHB	97.00

Circular Materials Alberta Fee Schedule (Cents/kg)		
Category	Material	2025 Fee Rates (cents/kg)
Flexible Plastic	LDPE/HDPE Film	197.00
	LDPE/HDPE Film Carry-Out Bags	197.00
	PLA, PHA, PHB - Plastic Film	163.00
	PLA, PHA, PHB Carry-Out Bags	163.00
	Plastic Laminates	163.00
Metal	Other Steel Containers and Packaging	66.00
	Steel Aerosol Containers	56.00
	Aluminum Food Containers	72.00
	Aluminum Aerosol Containers	70.00
	Other Aluminum Packaging	70.00
Glass	Clear Glass	44.00
	Coloured Glass	44.00



Stewardship Ontario

2024 Review

Following the completion of the transition to extended producer responsibility in Ontario in 2025, Stewardship Ontario will wind up its corporate and administrative operations in 2026. Stewardship Ontario's primary objective is to complete its transition as smoothly and efficiently as possible, minimizing the impact of the legacy Blue Box Program, and enabling stewards to focus on their new responsibilities (as producers) under the Resource Recovery and Circular Economy Act.

2024 is the last year that Stewardship Ontario will set fees for stewards and final invoices for the legacy Blue Box Program will be sent out in January of 2025. This means that Stewardship Ontario must account for its costs for both 2025 and 2026 during the 2024 fee setting cycle. To this end, during the current fee setting cycle, Stewardship Ontario will create a small contingency from the remaining accumulated surplus, the balance of which will be returned to stewards at the end of 2025 once our final costs are clearer.

Due to Stewardship Ontario's reduction of operating and transition costs, compared to initial projections in the Transition Plan and lower-than-expected municipal obligation costs, the steward invoices issued in January 2025 will be lower than projected in the Transition Plan.

As part of our regular annual process, Stewardship Ontario is updating its Rules and Policies for 2025. The draft 2025 Rules include date changes, minor clarifications and the deletion of sections that address allowable changes to steward reports (given the deadline for making changes has passed). In addition, changes have been introduced to support the process of winding up Stewardship Ontario as an organization. The updated Rules and Policies with changes tracked are available on the [Stewardship Ontario website](#). Questions or comments on these documents can be sent to consultation@stewardshipontario.ca by November 25, 2024.

Stewardship Ontario will continue to work hard on behalf of stewards to make the transition process as smooth and cost-effective as possible.



Stewardship Ontario

2025 Budget

The 2025 net fee budget to be paid by stewards after the use of reserves is \$29.2 million. The obligation to municipalities is lower by over \$55 million, compared to 2024, and is now less than 17% of its peak in 2022.

STEWARDSHIP ONTARIO BUDGET (\$ THOUSANDS)							
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget*	Variance 2025 vs. 2024
Steward Obligation to Municipalities	\$126,226.4	\$149,246.5	\$169,143.2	\$148,953.5	\$83,711.1	\$28,240.3	(\$55,470.8)
Program Operations	\$7,966.6	\$7,316.4	\$8,363.1	\$5,076.5	\$5,163.9	\$8,058.5	\$2,894.6
Transition	\$1,371.8	\$898.6	\$641.7	\$638.8	\$776.5	\$1,592.9	\$816.4
Total Fee Budget	\$135,564.8	\$157,461.5	\$178,148.0	\$154,668.8	\$89,651.5	\$37,891.7	(\$51,759.8)
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	\$638.8	\$5,776.5	\$8,592.9	\$2,816.4
Net Fee Budget After Reserves	\$134,193.0	\$150,932.5	\$167,506.3	\$154,030.0	\$83,875.0	\$29,298.8	(\$54,576.2)

* The 2025 Budget includes both 2025 and 2026 (January to June) expenses for fee setting purposes.



Stewardship Ontario

Use of Reserves Through Transition

As noted in the Transition Plan, Stewardship Ontario had an accumulated reserve of funds, consistent with its annual turnover, to ensure that it would have sufficient funds to meet its obligations. The Transition Plan indicated that Stewardship Ontario would use reserves to fund the cost of the transition process and the remainder to reduce steward fees in 2025. In the Transition Plan, the fee reduction for 2025 was estimated to be \$12 million.

Stewardship Ontario's intent was always to review its reserves during the budgeting process each year and, where possible, use reserves to reduce funds needed from stewards. For the 2022 invoice year, \$10 million of the reserve fund was used to reduce steward costs. In the 2024 invoice year, \$5 million of the reserve fund was used to reduce steward costs.

This use of reserves, combined with lower-than-expected costs for the steward obligation to municipalities, as well as operational and transition cost reductions by management, has resulted in a total 2025 steward cost reduction of \$9.1 million or 19.3% lower than Transition Plan projections. The estimated 2025 distribution from reserves is approximately \$7 million with an additional steward refund of approximately \$5 million planned. The table below shows the use of reserves compared to projections in the Transition Plan.

USE OF RESERVE THROUGH TRANSITION 2020-2026 (\$000 INCLUDES HST)								
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget	2026 Budget	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
Disburse Plastic Markets Restricted Fund		\$4,964.4						\$4,964.4
Fee Reductions						\$12,000.0		\$12,000.0
Plan Total	\$2,381.5	\$6,082.9	\$1,491.2	\$1,644.8	\$1,475.1	\$13,850.2	\$1,325.9	\$28,251.6
Revised Use of Reserves								
Transition Costs	\$1,371.8	\$898.6	\$641.7	\$638.8	\$776.5	\$742.1	\$850.8	\$5,920.3
Disburse Plastic Markets Restricted Fund		\$4,964.4						\$4,964.4
Operating (Surplus)/ Deficit	(\$9,269.9)	\$3,835.8	(\$969.1)	(\$8,391.7)	\$5,200.0			(\$9,621.9)
Fee Reductions			\$10,000.0		\$5,000.0	11,988.8		\$21,988.8
Revised Total	(\$7,925.1)	\$9,698.8	\$9,672.6	(\$7,725.9)	\$10,976.5	12,730.9	\$850.8	\$28,251.6
Difference	(\$10,306.6)	\$3,615.9	\$8,181.4	(\$9,397.7)	\$9,501.4	(\$1,119.3)	(\$475.1)	-



Stewardship Ontario

2025 Invoices

Invoices in January 2025 will be the final invoices producers receive from Stewardship Ontario. Simplified fees for 2025 invoices will again be determined based on each steward's share of the Stewardship Ontario budget for invoice years 2021 and 2022 (which were based on reports submitted in 2020 and 2021, respectively). Stewardship Ontario has calculated the average of the two shares and will apply it to the 2025 budget amount. Please note, the budget amount to be included in the January 2025 invoices may differ slightly from the budget amount presented here due to adjustments.

Estimated Budgets and Costs Through Transition

The Blue Box Transition Plan included annual estimates for:

- Steward obligation
- Operating costs
- Transition expenses to wind up Stewardship Ontario.



Stewardship Ontario

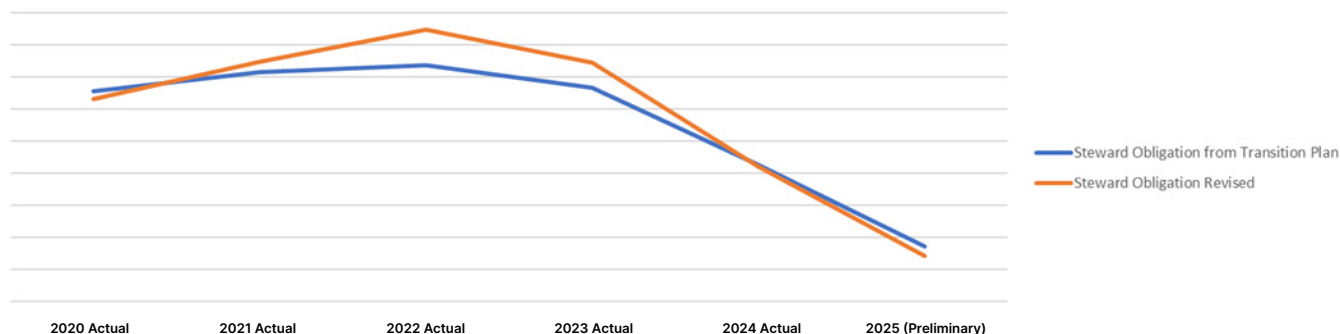
Steward Obligation

The annual Steward Obligation was higher than initially forecast in the Transition Plan for 2021-23, but is projected to decline from Transition Plan estimates in 2025. The total steward obligation amount over the course of the Transition Plan (2020-2025) is \$32.5 million or 4.8% higher than the initial projections.

CONSOLIDATION/SUMMARY OF PROJECTED COSTS – STEWARSHIP OBLIGATION 2020-2026 (\$000 INCLUDES HST)							
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget	Total
Steward Obligation from Transition Plan	\$130,783.7	\$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	\$148,953.5	\$83,711.1	\$28,240.3	\$705,521.1
Difference	(\$4,512.3)	\$6,613.7	\$21,784.5	\$15,756.4	(\$1,458.6)	(\$5,592.3)	\$32,591.5
Difference for 2023-2025				\$15,756.4	(\$1,458.6)	(\$5,592.3)	(\$8,705.5)

Note: The steward obligation is net of the in-kind amount. However, due to suppressed newsprint material prices in 2023, newspaper stewards will pay an additional cash portion of approximately \$100K as part of their total in-kind obligation for the 2025 fee year.

Steward Obligation 2020-2025



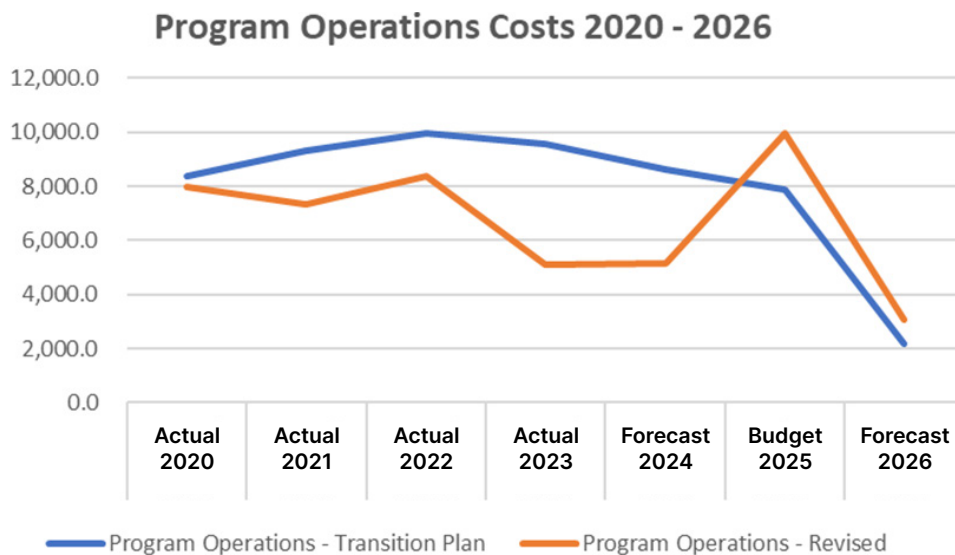


Stewardship Ontario

Operating Costs

Actual and projected costs for operating the program are lower than initial estimates in the Transition Plan for almost every year. The total savings are \$13.9 million or 25% less than estimated in the Transition Plan.

CONSOLIDATION/SUMMARY OF PROJECTED COSTS 2020-2026 (\$000 INCLUDES HST)								
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget	2026 Budget	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	\$5,076.5	\$5,163.9	\$4,976.4	\$3,082.1	\$41,945.0
Difference	(\$427.7)	(\$1,991.4)	(\$1,594.5)	(\$4,501.2)	(\$3,472.4)	\$2,112.6	\$892.9	(\$13,981.7)





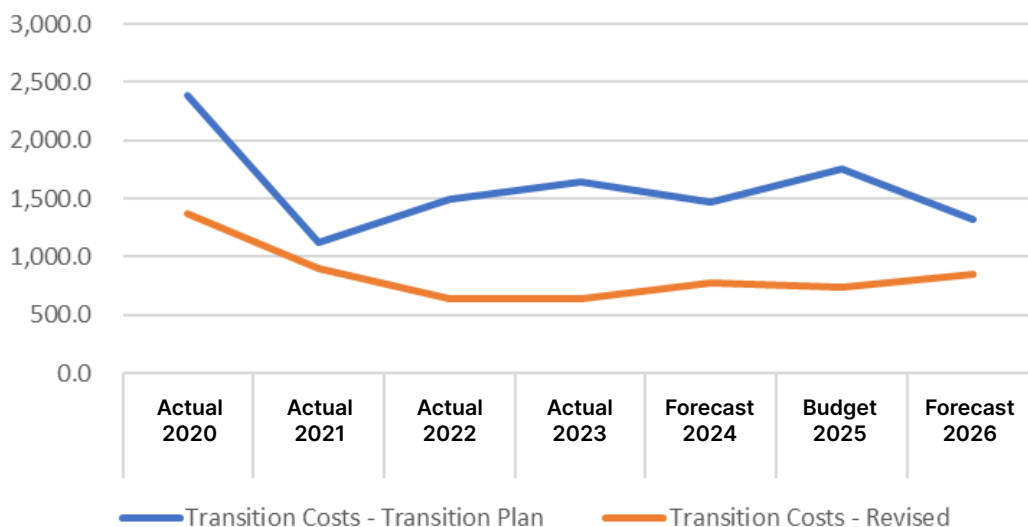
Stewardship Ontario

Transition Costs

Actual and projected transition costs are lower in every year of transition compared to the Transition Plan estimates, for a total savings of \$5.3 million or 47.1% less than estimated.

CONSOLIDATION/SUMMARY OF PROJECTED COSTS 2020-2026 (\$000 INCLUDES HST)								
	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Forecast	2025 Budget	2026 Budget	Total
Program Operations – 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
Program Operations – Revised	\$1,371.8	\$898.6	\$641.7	\$638.8	\$776.5	\$742.1	\$850.8	\$5,290.3
Difference	(\$1,009.7)	(\$219.9)	(\$849.5)	(\$1,006.0)	(\$698.6)	(\$1,017.1)	(\$475.1)	(\$5,275.9)

Transition Costs 2020 - 2026



2023 Review

Multi-Material Stewardship Manitoba (MMSM) is the not-for-profit, industry-funded organization that funds and provides support for the province's residential recycling programs for packaging and printed paper. In 2023, we continued to advance efforts towards the transition from the current shared-responsibility stewardship program to full extended producer responsibility (EPR) in Manitoba. In May 2023, MMSM received an extension of its current program plan to allow for more time to finalize the [Transition Plan](#). The government established an advisory committee, including MMSM and other key stakeholders impacted by the transition, and retained a third-party facilitator. Although we anticipated the advisory committee work to begin in 2023, it was postponed until 2024.

In 2023, our performance highlights during the year included:

- MMSM's recovery rate of 71.8% for 2023 was stable compared to 2022, with decreases to both supplied tonnes and recovered tonnes.
- 95% of Manitobans have access to a residential recycling program and 93% of residents participate in their residential recycling program.
- We have continued to improve resident awareness of recycling and our online Recyclepedia campaign has become the go-to source for recycling information in Manitoba. Annual views, user sessions and new users all increased over the previous year.
- During the year, \$19,225,265 was paid in funding to communities to collect, process and market recyclables.

For more information about our 2023 performance, see the [2023 MMSM Annual Report](#).

Multi-Material Stewardship Manitoba



MMSM PERFORMANCE			
	2023	2022	YOY VARIANCE
RECYCLING PERFORMANCE			
Recovered Tonnes	62,203	64,206	-3.1%
Supplied Tonnes	86,655	89,471	-3.1%
Recovery Rate	71.8%	71.8%	0.0%
Population Served by PPP Program	1,274,727	1,275,689	-0.1%
Recovered KG per Capita	48.8	50.3	-3.0%
ACCESSIBILITY PERFORMANCE			
# Households Served	547,311	549,426	-0.4%
% Households with Access to PPP Program*	95%	95%	-0.1%
Promotion & Education Cost per Capita*	\$0.80	\$0.81	-1.7%
% of residents aware and using recycling services	93%	94%	-1.0%
COST PERFORMANCE			
Recovered Tonnes	62,203	64,206	-3.1%
Net Cost**	\$35,512,951	\$28,096,520	26.4%
Net Cost per Tonne	\$571	\$438	30.5%
Net Cost per Capita	\$28	\$22	26.5%

*Total Municipal and MMSM promotion and education.

**Net costs include 100% of municipal costs and 100% of commodity revenues. Also included are MMSM's promotion and education, regulatory, market development and all other program management costs.

2024 Update

In 2024, the MMSM team continues to prepare for the province's move to full EPR while the Transition Plan is further reviewed. The Manitoba Environment and Climate Change Ministerial Advisory Committee, consisting of key stakeholders and subject matter experts including municipalities, industry, government agencies and environmental organizations concluded their discussions in May and the facilitator's report has been submitted to the government. MMSM will evaluate the additional feedback and submit a revised Transition Plan by the end of the year.

The team, along with strategic advisors, remained dedicated to refining essential components for a seamless transition upon provincial approval. This involved developing draft agreements that included a master service agreement and statements of work for curbside, depot, unstaffed depot and multi-family buildings. MMSM also issued a request for expressions of interest to identify parties wanting to participate in the post-collection network for residential recycling. This will help assess the province's existing and potential post-collection network capacity and infrastructure. MMSM will continue to keep stakeholders updated on developments and timelines.

2025 Budget and Fee Schedule

The 2025 total fee budget of \$23.4 million represents a 0.6% decrease (or \$0.1 million) from the 2024 budget. The increase in supply chain costs was driven by higher gross costs across all municipal groups and a decline in the City of Winnipeg’s commodity revenue, which was offset by lower program management expenses.

Program management expenses decreased from 2024 due to lower administrative/ corporate costs. There are no general reserves accumulated in the 2025 fee budget, however, there is a net cost of \$2,400 planned related to surplus distribution due to reserve rebalancing.

2025 Budget

MMSM BUDGET			
	2025	2024	YOY VARIANCE
OBLIGATION SHARE	80%	80%	
Supply Chain Costs	\$19,936,937	\$19,803,854	0.7%
Promotion & Education	\$710,000	\$730,000	-2.7%
Program Management	\$2,707,985	\$2,884,141	-6.1%
Program Management as % of Total Fees	11.6%	12.3%	-0.7%
Total Fee Obligation (before surplus)	\$23,354,922	\$23,417,995	-0.3%
Surplus Accumulation/(Drawdown)	-\$2,377	\$74,748	-103.2%
TOTAL FEE BUDGET	\$23,352,545	\$23,492,742	-0.6%

2025 Draft Fee Schedule

MMSM's 2025 fee rates were calculated using the Four-Step Fee Methodology and the Material Cost Index (MCI).

The 2025 average fee rate increased by 2.6% compared to 2024, reflecting a modest budget decrease which was offset by a decrease in the quantity of supplied tonnes.

Fee rates for Aluminum Food & Beverage Cans decreased significantly, driven by higher commodity revenue and a reduction in its MCI value. In contrast, fee rates for Other Aluminum Packaging increased compared to 2024, due to an increase in its MCI value and lower recovered tonnes, resulting in a decline in the recovery rate. The Other Printed Paper rate increase reflects an increased recovery rate due to more recovered tonnes and a reduction in supplied tonnes and an increase in its MCI value. Please see page 9 of this report for a description of these factors and their impact on material fee rates.

MMSM FEE SCHEDULE (CENTS/KG)				
Category	Material	2025 Fee Rates (cents/ kg)	2024 Fee Rates (cents/ kg)	Variance %
Printed Paper	Newsprint - Publishers	27.97	26.19	6.8%
	Newsprint - Other	31.20	29.33	6.4%
	Magazines and Catalogues	24.21	20.47	18.3%
	Telephone Books	24.52	21.38	14.7%
	Other Printed Paper	32.45	25.33	28.1%
	Corrugated Cardboard	22.93	19.89	15.3%
	Boxboard	14.16	13.30	6.5%
	Gable Top Cartons	44.44	42.32	5.0%
	Paper Laminates	34.40	33.64	2.3%
	Aseptic Containers	33.59	32.79	2.4%
Plastics	PET Containers and Bottles	30.57	31.52	-3.0%
	HDPE Containers and Bottles	-18.43	-17.28	-6.7%
	Plastic Film	74.76	69.48	7.6%
	Plastic Laminates	71.58	69.14	3.5%
	Polystyrene	118.47	121.63	-2.6%
	Other Plastics	44.73	45.54	-1.8%
Steel	Steel Food & Beverage Cans	29.12	29.27	-0.5%
	Steel Aerosols	22.70	23.61	-3.9%
	Other Steel Containers	17.24	22.83	-24.5%
Aluminum	Aluminum Food & Beverage Cans	-11.51	0.26	-4526.9%
	Other Aluminum Packaging	14.63	9.38	56.0%
Glass	Clear Glass	21.47	20.45	5.0%
	Coloured Glass	20.68	20.30	1.9%

Flat Fees for Low Volume Stewards

In 2022, MMSM introduced a flat-fee billing option for low-volume stewards. With flat fees, eligible stewards (supplying less than 5,000 kg annually), can continue filing their detailed reports and paying material fee rates or they can choose to pay the flat fee instead. The table below presents the flat fees for 2025 which remained unchanged, consistent with the stable budget.

MMSM LOW-VOLUME FLAT FEES			
TOTAL SUPPLIED (KG)	2025 FLAT FEE	2024 FLAT FEE	VARIANCE
1,000 - 2,499	\$900	\$900	0% or \$0
2,500 - 4,999	\$1,900	\$1,900	0% or \$0

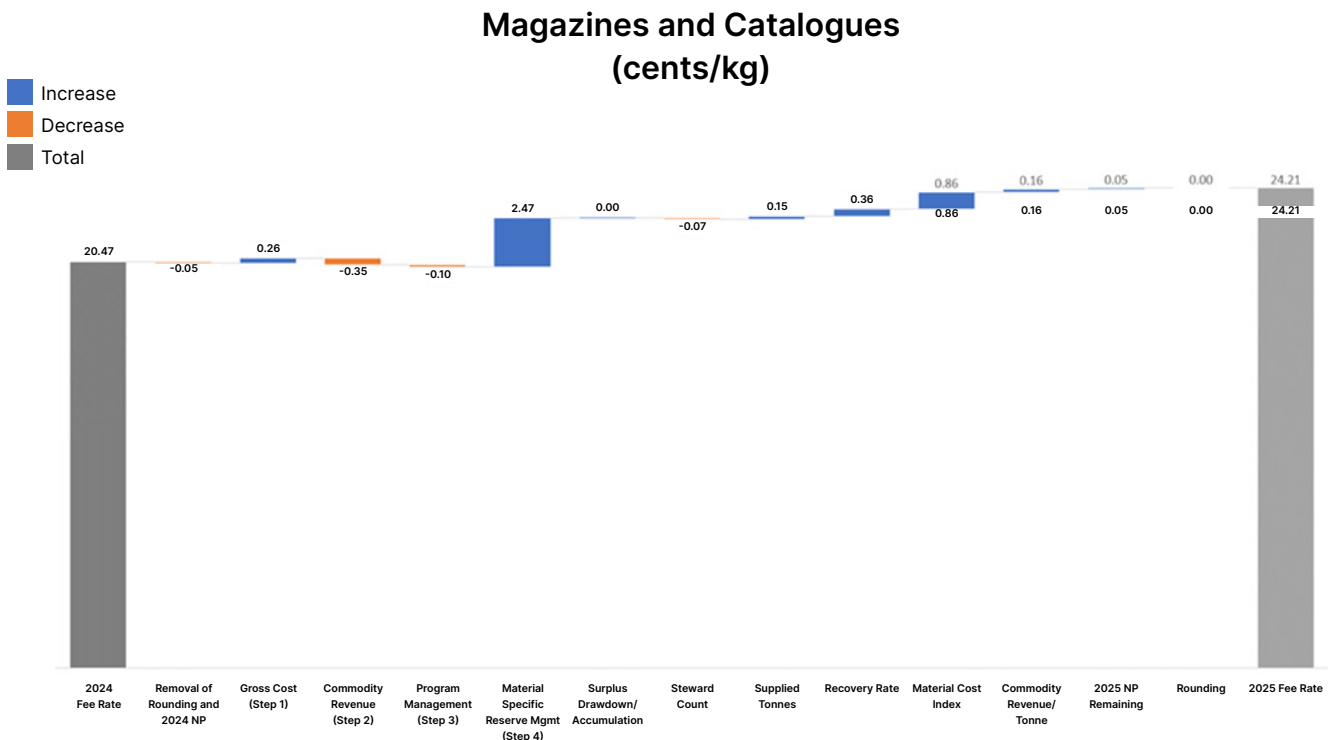
Fee Rate Change Example

As detailed in the fees and budget overview section at the beginning of this report, graphs have been developed to illustrate the factors driving fee rate changes from 2024 to 2025. The graph below provides details for Magazines and Catalogues. Graphs for all other materials are available on the MMSM website.

The 2025 fee rate (the final bar on the right) for Magazines and Catalogues is 24.21 cents/kg and the 2024 rate (the first bar on the left) is 20.47 cents/kg, an increase of 18.3% or 3.74 cents/kg.

The impact for each factor, listed on the bottom of the graph, is provided in cents/kg. Please see page 9 of this report for a description of these factors and their impact on material fee rates. Notable change factors for Magazines and Catalogues include:

- **Increase:** Material Specific Reserve Management, MCI, Recovery Rate and Gross Cost
- **Decrease:** Commodity Revenue



2023 Review

Multi-Material Stewardship Western (MMSW) is a not-for-profit organization established in 2016 to help obligated producers meet their requirements under Saskatchewan's Household Packaging and Paper Stewardship Program Regulations. In 2023, in our seventh full year of operation, MMSW supported Saskatchewan recycling through agreements with more than 500 municipalities, regional waste authorities and Indigenous communities.

On March 31, 2023, the Saskatchewan Ministry of Environment released updated Household Packaging and Paper Stewardship Program Regulations that call for a transition to a full EPR program to manage waste packaging and paper in the province. MMSW is preparing to shift from the current shared responsibility model to a full EPR program. In September 2023, we developed and submitted a new Program Plan to the provincial government, and it was approved in May 2024.

In 2023, our performance highlights during the year included:

- More than 35,700 tonnes collected, resulting in a recovery rate of 64.5%.
- More than 88% of collected materials were diverted from landfills, an increase from the previous year.
- 85% of Saskatchewan households participated in the MMSW program.
- For the fourth year, MMSW fulfilled its stewardship plan requirement to report on greenhouse gas (GHG) emissions associated with its collection and recycling activities. GHG emissions associated with province-wide recycling activities totaled 9,271 tonnes of CO₂ equivalent.

For more information about our performance in 2023, please see MMSW's [2023 Annual Report](#).

MMSW PERFORMANCE			
	2023	2022	YOY VARIANCE
RECYCLING PERFORMANCE			
Collected Tonnes	35,774	37,371	-4.3%
Supplied Tonnes	55,444	54,477	1.8%
Recovery Rate	64.5%	68.6%	-4.1%
Population Served by PPP Program*	933,450	926,100	0.8%
Recovered KG per Capita	38.3	40.4	-5.0%
ACCESSIBILITY PERFORMANCE			
# Households Served*	380,886	377,740	0.8%
% Households with Access to PPP Program*	84.7%	84.0%	0.7%
Promotion & Education Cost per Capita	\$0.06	\$0.05	21.5%
COST PERFORMANCE			
Collected Tonnes	35,774	37,371	-4.3%
Net Cost	\$19,141,371	\$16,616,071	15.2%
Net Cost per Tonne	\$535	\$445	20.3%
Net Cost per Capita	\$21	\$18	14.3%

*Represents access to curbside, multi-family and/or depot services.

2024 Update

Program Plan

In May 2024, the Saskatchewan Ministry of Environment approved the [Household Packaging and Paper Stewardship Program Plan](#) submitted by MMSW on behalf of producers. This approval initiated the shift from a payment model of up to 75% funding towards full extended producer responsibility (EPR) where producers including retailers, manufacturers and restaurants will assume the operational and financial responsibility for managing the collection, consolidation, transportation, processing and marketing of recyclable waste packaging and paper products through the MMSW program.

Program Transition

The program transition from the current shared responsibility program to a full EPR system will take place in three phases between 2024 and 2027. MMSW is preparing for the first phase of the transition to full EPR on December 1, 2024, by establishing new collection and post-collection partnerships, resourcing its internal team and creating education resources for residents and collectors. MMSW and Circular Materials are supporting producers on the transition to EPR with information on the changes to their obligations and reporting. A full EPR program will improve and validate environmental outcomes in Saskatchewan, whereby material is collected, recycled and delivered to end markets to be made into new products or packaging, or replace virgin material with recycled content, extending the life of waste recyclables and keeping them out of the environment.

As part of our shift to full EPR, we are sharing an updated brand, SK Recycles, to reflect our evolved role working with partners and residents to support, promote, inform, manage and recycle household packaging and paper in Saskatchewan.



Transition Outlook

Last year, MMSW developed a forecast to provide producers with a three-year overview of the transition. This rolling future outlook has been extended to forecasts for years 2025-2027 in the table below and reflects the planned transition to full EPR.

Based on the submitted program plan, following the launch on December 1, 2024, Transition Phase 1 will begin in 2025 and will focus on approximately 62% of Saskatchewan households. Transition Phase 2 will commence on December 1, 2025, and will focus on the remaining communities with curbside and multi-family collection services. Transition Phase 3, with its focus on depots, will commence on December 1, 2026, and will complete the transition to a program funded and operated by producers. The 2024-2027 expense budgets are summarized in the table below for planning purposes.

FUTURE OUTLOOK (\$ IN 000s)							
	2024 BUDGET (\$000S)	2025 BUDGET (\$000S)	2026 DRAFT FORECAST BUDGET (\$000S)	2027 DRAFT FORECAST BUDGET (\$000S)	VARIANCE % 2025 VS. 2024	VARIANCE % 2026 VS. 2025	VARIANCE % 2027 VS. 2026
	(a)	(b)	(c)	(d)	(c)=(b-a)/a	(f)=(c-b)/b	(g)=(d-c)/c
Material Management Costs	\$22,851	\$31,708	\$37,353	\$38,426	39%	18%	3%
Promotion & Education	\$490	\$650	\$766	\$788	33%	18%	3%
Program Management	\$2,696	\$2,172	\$2,559	\$2,632	-19%	18%	3%
Total Expenses	\$26,037	\$34,258	\$40,677	\$41,846	33%	18%	3%

2025 Budget Overview

The 2025 budget reflects the initiation of Phase 1 of the EPR transition from January to November and Phase 2 of the EPR transition in December 2025, in which MMSW will assume full financial and operational control of the collection, transportation, receiving, processing and marketing of materials from transitioned communities. Fourteen eligible communities are expected to participate in Phase 1, representing approximately 62% of Saskatchewan households. 232 collectors, or 90% of Saskatchewan households, are expected to participate in transition Phase 2, starting in December 2025. The 2025 budget also reflects household growth.

Promotion and education activities will be significantly expanded to support the transition and inform Saskatchewan residents about the MMSW program. Program and operations management, both shared Western Canada resources and the in-province field team, will also expand to support the increase in activity required to support the transition to full EPR.

2024 Surplus

The budget for 2024 was developed based on an estimated Program Plan approval date of January 1, 2024, with Phase 1 planned to begin July 1, 2024. The approval date in May 2024 delayed the launch to December 1, 2024. The financial impact of the delay is a surplus projected at \$4 million for 2024. MMSW intends to utilize this projected surplus in two ways – to offset fee increases and to continue to build program reserves.

2025 Budget

The 2025 budget includes a \$2 million drawdown of the above-mentioned projected \$4 million accumulated surplus to mitigate 2025 fee increases for producers and to bring the budget close to the 2025 Draft Forecast Budget provided in last year's three-year forecast of \$32.8 million.

With respect to the program's reserve position with \$2 million added, by the end of 2025 program reserves are forecasted at approximately 29% of the 2025 operating budget.

With the above changes and the existing 75% payment model for the remainder of the province, the 2025 fee budget of \$32.5 million is a 24.9% increase from the previous year.

2025 Budget

MMSW BUDGET			
	2025	2024	YOY VARIANCE
OBLIGATION SHARE	Phase 1 & 2	75%	
Supply Chain Costs	\$31,706,190	\$22,851,286	38.8%
Promotion & Education	\$650,000	\$490,000	37.3%
Program Management	\$2,171,804	\$2,696,137	-19.4%
Program Management as % of Total Fees	6.3%	10.4%	-4.1%
Total Costs (before surplus)	\$34,527,994	\$26,037,423	32.6%
Surplus Accumulation / (Drawdown)	\$(2,000,000)	\$ -	
TOTAL FEE BUDGET	\$32,527,994	\$26,037,423	24.9%

2025 Fee Schedule

The average 2025 fee rate increase of 38% from 2024 reflects a 25% budget increase and an 8% decrease in supplied tonnes. Fee rates for HDPE Bottles, Magazines and Catalogues, Telephone Books and Corrugated Cardboard increased above the average. Rate increases for Steel Paint Cans and Polystyrene are below the average. Steel Aerosols are no longer an obligated material in the Program Plan.

MMSW FEE SCHEDULE (CENTS/KG)				
Category	Material	2025 Fee Rates (cents/ kg)	2024 Fee Rates (cents/ kg)	Variance %
Printed Paper	Newsprint	64.00	45.00	42.2%
	Magazines and Catalogues	27.00	17.00	58.8%
	Telephone Books	26.00	17.00	52.9%
	Other Printed Paper	58.00	39.00	48.7%
Paper Packaging	Corrugated Cardboard	51.00	34.00	50.0%
	Boxboard	31.00	22.00	40.9%
	Gable Top Cartons	73.00	56.00	30.4%
	Paper Laminates	68.00	52.00	30.8%
	Aseptic Containers	55.00	42.00	31.0%
Plastics	PET Bottles	86.00	63.00	36.5%
	HDPE Bottles	64.00	25.00	156.0%
	Plastic Film	115.00	84.00	36.9%
	Plastic Laminates	131.00	100.00	31.0%
	Polystyrene	253.00	200.00	26.5%
	Other Plastics	72.00	53.00	35.8%
Steel	Other Steel Packaging	49.00	37.00	32.4%
	Steel Aerosols	0.00*	31.00	-
	Steel Paint Cans	53.00	44.00	20.5%
Aluminum	Aluminum Food & Other Containers	90.00	63.00	42.9%
	Other Aluminum Packaging	91.00	65.00	40.0%
Glass	Clear Glass	30.00	23.00	30.4%
	Coloured Glass	30.00	23.00	30.4%

*Note: no longer obligated

2025 Low-Volume Fees

Low-volume fees for stewards supplying up to 5,000 kg annually will increase 25% from 2024, consistent with the fee budget increase.

MMSW LOW-VOLUME FEES			
TOTAL SUPPLIED (KG)	2025 FLAT FEE	2024 FLAT FEE	VARIANCE
1,000 - 2,499	\$1,050	\$840	\$210 or 25%
2,500 - 4,999	\$2,200	\$1,760	\$440 or 25%

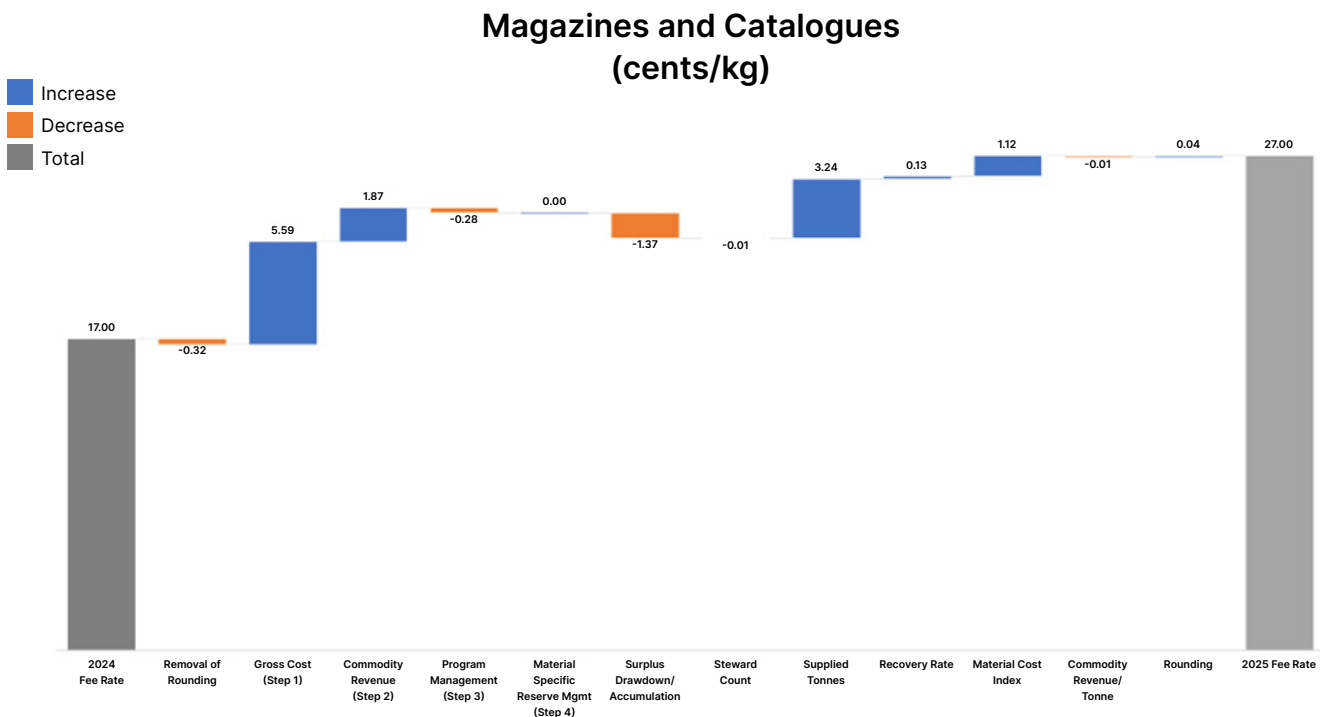
Fee Rate Change Example

As detailed in the overview section at the beginning of this report, graphs have been developed to illustrate the factors driving fee rate changes from 2024 to 2025. The graph below provides details for Magazines and Catalogues. Graphs for all other materials are available on the MMSW website.

The 2025 fee rate (the final bar on right) for Magazines and Catalogues is 27 cents/kg and the 2024 rate (first bar on left) is 17 cents/kg, an increase of 59% or 10 cents/kg.

The impact for each factor, listed along the bottom of the graph, is provided in cents/kg. Please see page 9 of this report for a description of these factors and their impact on material fee rates. Notable change factors for Magazines and Catalogues include:

- **Increase:** Gross Cost, Supplied Tonnes and Commodity Revenue
- **Decrease:** Surplus Drawdown

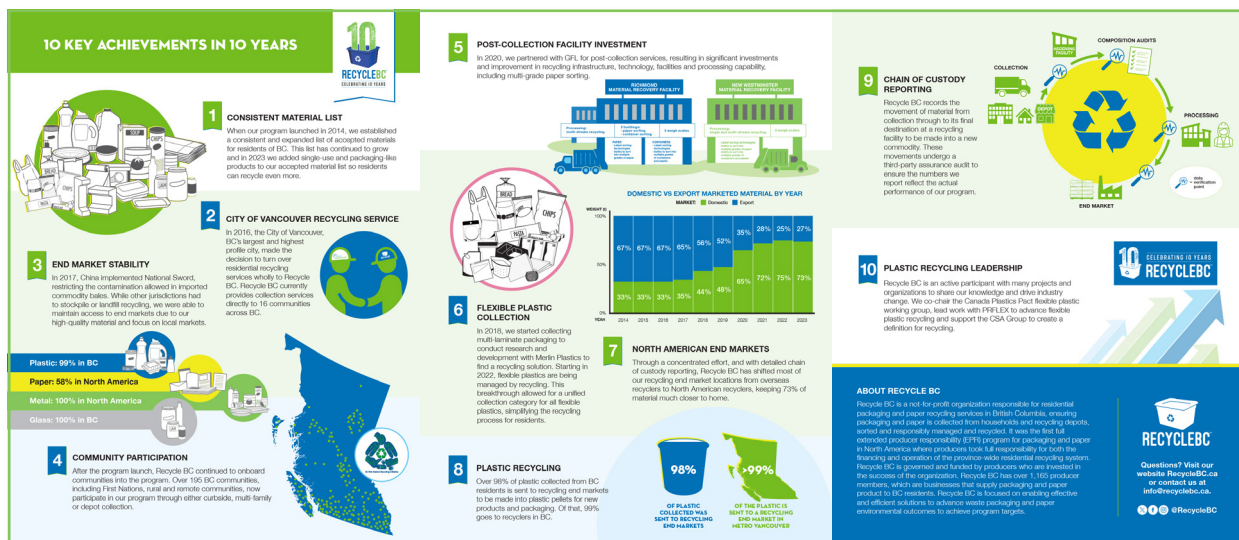


Recycle BC

2023 Review – Celebrating 10 Years of Impact

2023 marked our tenth year of operations of the Recycle BC program - the first full extended producer responsibility (EPR) program for residential packaging and paper recycling in North America. We are proud to celebrate our collaborative [program impact over 10 years](#), funded by over \$1 billion of producer contributions, and including nearly two million tonnes of residential recycling collected, over 98% of plastic collected being managed by recycling and over 99% of BC residents with access to curbside, multi-family and/or depot services across 196 communities.

In May 2024, Recycle BC launched its revamped [website](#) and brought together its collection, post-collection and other partners for a [10-year anniversary conference](#) to provide facility and end market tours, discuss program developments and educate partners about our collective impact. The event provided an opportunity to share learnings, connect with colleagues and celebrate successes.



10 KEY ACHIEVEMENTS IN 10 YEARS

1 CONSISTENT MATERIAL LIST
When our program launched in 2014, we established a consistent and expanded list of accepted materials for residents of BC. This list has continued to grow and in 2023 we added single-use and packaging like products to our accepted material list so residents can recycle even more.

2 CITY OF VANCOUVER RECYCLING SERVICE
In 2016, the City of Vancouver (BC's largest and highest profile city) made the decision to turn over residential recycling services wholly to Recycle BC. Recycle BC currently provides collection services directly to 16 communities across BC.

3 END MARKET STABILITY
In 2017, China implemented National Sword, restricting the contamination allowed in imported commodity bases. While other jurisdictions had to stockpile or landfill recycling, we were able to maintain access to end markets due to our high-quality material and focus on local markets.

4 COMMUNITY PARTICIPATION
After the program launch, Recycle BC continued to onboard communities into the program. Over 196 BC communities, including First Nations, rural and remote communities, now participate in our program through either curbside, multi-family or depot collection.

5 POST-COLLECTION FACILITY INVESTMENT
In 2020, we partnered with CPL for post-collection services, resulting in significant investments and improvement in recycling infrastructure, technology, facilities and processing capability, including multi-grade paper sorting.

6 FLEXIBLE PLASTIC COLLECTION
In 2016, we started collecting multi-laminate packaging to conduct research and development with Martin Plastics to find a recycling solution. Starting in 2022, flexible plastics are being managed by recycling. This breakthrough allowed for a unified collection category for all flexible plastics, simplifying the recycling process for residents.

7 NORTH AMERICAN END MARKETS
Through a concerted effort, and with detailed chain of custody reporting, Recycle BC has shifted most of our recycling end market locations from overseas recyclers to North American recyclers, keeping 73% of material much closer to home.

8 PLASTIC RECYCLING
Over 98% of plastic collected from BC residents is sent to recycling and markets to be made into plastic pellets for new products and packaging. Of that, 99% goes to recyclers in BC.

9 CHAIN OF CUSTODY REPORTING
Recycle BC records the movement of material from collection through to its final destination at a recycling facility to be made into a new commodity. These movements undergo a third-party assurance audit to ensure the numbers we report reflect the actual performance of our program.

10 PLASTIC RECYCLING LEADERSHIP
Recycle BC is an active participant with many projects and organizations to share our knowledge and drive industry change. We co-chair the Canada Plastics Pact flexible plastic working group, lead work with PEFFLEX to advance flexible plastic recycling and support the USA Group to create a solution for recycling.

DOMESTIC VS EXPORT MARKETED MATERIAL BY YEAR

Year	Domestic Market (%)	Export Market (%)
2014	33%	67%
2015	33%	67%
2016	33%	67%
2017	35%	65%
2018	44%	56%
2019	48%	52%
2020	85%	15%
2021	72%	28%
2022	75%	25%
2023	73%	27%

ABOUT RECYCLE BC
Recycle BC is a not-for-profit organization responsible for residential packaging and paper recycling services in British Columbia, ensuring packaging and paper is collected from households and recycling depots, sorted and responsibly managed and recycled. It was the first full extended producer responsibility (EPR) program for packaging and paper in North America where producers took full responsibility for both the financing and operation of the province-wide residential recycling system. Recycle BC is governed and funded by producers who are invested in the success of the organization. Recycle BC has over 1,100 producer members, which are businesses that supply packaging and paper products to BC residents. Recycle BC is focused on creating effective and efficient solutions to advance waste packaging and paper environmental outcomes to achieve program targets.

Questions? Visit our website [RecycleBC.ca](#) or contact us at info@recyclebc.ca

RECYCLEBC
@RecycleBC

To view Recycle BC's 10 Key Achievements in 10 Years, [click here](#).

2023 Performance Highlights

In 2023, some of our performance highlights during the year included:

- Recycle BC successfully collected and managed over 200,000 tonnes of residential packaging and paper, resulting in a recovery rate of 79.6%. Over 209,651 tonnes, or 94.3%, were managed by recycling.
- Recycle BC sent the highest percentage of material to recycling end markets than ever before in the program's history. Most of this material (73%) was sent to North American end markets, which substantially decreased the program's greenhouse gas emissions and contributed to a local circular economy. For plastics specifically, 98% of plastic collected was sent to recycling end markets and 99% of that was sent to recycling end markets in B.C.

For more information about our performance in 2023, please see Recycle BC's [2023 Annual Report](#).

RECYCLE BC PERFORMANCE			
	2023	2022	YOY VARIANCE
RECYCLING PERFORMANCE			
Gross Tonnes Collected	211,498	216,794	-2.4%
Net Tonnes Collected*	201,033	201,169	-0.1%
Supplied Tonnes	252,507	233,399	8.2%
Recovery Rate	79.6%	86.2%	-6.6%
Program Plan Recycling Target**	See note**	78.0%	1.0%
Total Population Served by PPP Program***	4,974,000	4,969,000	0.1%
Recovered KG per Capita	40.4	40.5	-0.1%
ACCESSIBILITY PERFORMANCE			
Total Households Served	2,030,000	2,028,000	0.1%
Per cent of Households with Access to Depots	99.4%	99.3%	0.1%
Promotion & Education Cost per Capita	\$0.58	\$0.57	1.4%
% of residents aware and using recycling services	95%	95%	0%
COST PERFORMANCE			
Net Tonnes Collected	201,033	201,169	-0.1%
Net Cost	\$143,982,670	\$134,055,615	7.4%
Net Cost per Tonne	\$716	\$666	7.5%
Net Cost per Capita	\$29	\$27	7.3%

* Net tonnes collected and recovery rate reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs for reporting in their annual reports.

** Awaiting approval of draft new Program Plan.

*** Represents access to curbside, multi-family and/or depot services.

2024 Updates

Program Plan

Recycle BC's Program Plan requires it to conduct collector cost studies from time to time to determine the incentive rates to be paid to collectors. These studies inform a major program expense driver, namely, the incentive rates paid to collection service providers for the efficient and robust collection of packaging and paper. Recycle BC carried out a required cost study between March and September 2024 and the outcomes are reflected in the 2025 budget.

Recycle BC is in discussions with the BC Ministry of Environment and Climate Change Strategy (MOECCS) on its proposed new Program Plan. In mid-August 2024, Recycle BC received feedback from MOECCS staff on the draft Program Plan submitted in April 2023. The Program Plan will contain updated targets and requirements and will be shared with producers once approved.

As of January 1, 2024, an amendment to B.C.'s Recycling Regulation shifted the responsibility of packaging and paper products related to liquor and cannabis from the BC Liquor Distribution Branch (LDB) to LDB Import Agents and Cannabis Licensed Producers. These organizations now have an obligation to report and pay fees on packaging and paper supplied in the B.C. marketplace.

Strategic Initiatives

Recycle BC is investing in innovations to boost performance in the recycling of flexible plastics, in order to significantly increase recovery of this material by 2027 from 20% in 2023. In 2024, Recycle BC implemented additional collection opportunities for flexible plastics in the province, including: multi-family segregated collection in select communities in 2024, and as an option in all contracts from 2025 onwards; a pilot for a school collection program; and increased communications and collection events. In addition, Recycle BC spearheaded BiblioFlex, a project to benchmark the composition of flexible plastics currently in the marketplace and help recyclers and producers increase the ability of this material to be captured and recycled.

Recycle BC is committed to ensuring that materials sent to end markets are responsibly managed. To that end, Recycle BC management continued its end market due diligence

Recycle BC

visits to plants in North America and overseas during 2024. In April, Recycle BC travelled to India to visit two existing and seven potential paper end markets. Findings include that as a new generation of mill owners take over operations, they are investing in technologies and procedures to ensure they responsibly recycle the paper they receive. These mill owners are seeking to minimize waste of their own and create closed loop systems that ensure wastewater isn't put back into open waterways and residue is handled responsibly.

2025 Budget Overview

The 2025 budget reflects the outcome of the 2024 collector cost study. The resulting increased incentive rates for curbside, multi-family and depot collectors are a major program expense driver and go into effect on January 1, 2025. Recycle BC was able to avoid some cost increases from the previous cost study in 2019, through to the end of 2024 due, in part, to a lack of annual increase triggers in most service contracts. However, the consumer price increase (CPI) increased at a compounded annual growth rate (CAGR) of 15% over this time and therefore, as expected, the 2024 collector cost study demonstrated a significant increase in collector costs.

2024 Surplus

Recycle BC's budgets are developed based on forecasts and assumptions about reverse supply chain elements that can be challenging to predict. For example, the amount of tonnes available for collection and revenue for the commodities recovered can vary significantly year over year.

Recycle BC is currently projecting that for 2024, a lower volume of tonnes managed, combined with slightly higher commodity revenue and interest income, will result in a \$10 million surplus over the budgeted costs. As discussed further below, Recycle BC intends to utilize this projected surplus to offset fee increases for 2025.

2025 Budget

Recycle BC's 2025 budget includes planned supply chain costs of \$177.9 million, a 14.4% increase from 2024. Including other costs, \$188.9 million of costs is planned for the 2025 budget, a \$22.9 million (13.8%) increase from 2024. As noted in the above budget overview section, the increased expense is primarily due to the incentive rate changes for collection service providers.



Recycle BC

The promotion and education budget in 2025 is slightly higher by \$0.1 million as compared to 2024. Program engagement in 2025 will continue to support the enhancement of resident communications needed to increase the program’s recovery rate, as a primary focus, and to introduce activities that support Program Plan commitments and targets for material management and program awareness. Program management expenses have increased by \$0.5 million in 2025 as compared to 2024. This includes the annual administrative services fee with Circular Materials, which is subject to annual CPI increases.

To mitigate the \$22.9 million cost increase, the Recycle BC Board of Directors has authorized a \$12 million drawdown of accumulated surplus. Following this drawdown, the total approved fee budget is \$176.9 million, representing a \$17 million (10.6%) increase from the 2024 total fee budget of \$160 million.

Reserve Policy

Recycle BC maintains a reserve fund on behalf of producers to ensure that sufficient funds are available for unexpected costs. Taking into account the approved \$12 million drawdown, reserves of approximately four months of the 2025 operating budget remain in a restricted fund for future contingencies. This drawdown is consistent with Recycle BC’s past practice of allocating surplus, if any (including excess commodity revenue), to reduce fees where possible while maintaining prudent reserves. For example, in the 2024 fee budget, a \$6 million drawdown was taken. From 2022 to 2025, a total of \$33 million of surplus has been returned to producers while maintaining an appropriate reserve position.

RECYCLE BC BUDGET			
	2025	2024	YOY VARIANCE
OBLIGATION SHARE	100%	100%	
Supply Chain Costs	\$177,910,825	\$155,499,206	14.4%
Promotion & Education	\$2,220,000	\$2,114,000	5.0%
Program Management	\$8,829,188	\$8,373,315	4.2%
Program Management as % of Total Fees	5.0%	5.2%	-0.2%
Total Costs	\$188,960,013	\$165,986,521	13.8%
Surplus Accumulation/(Drawdown)	\$(12,000,000)	\$(6,000,000)	100.0%
TOTAL FEE BUDGET	\$176,960,013	\$159,986,521	10.6%

Recycle BC

Budget Future Outlook

Last year, MMSW developed a three-year budget forecast to provide producers a view on transition expenses. This forward-looking estimate was well received, and producers requested that Recycle BC also provide a rolling view for budget planning.

Recycle BC forecasts for the years 2025 to 2027 expense budgets are shown in the table below. With a view to meeting material recovery performance targets, outlined in Recycle BC’s draft new Program Plan, a significant increase in collected tonnes will need to occur by 2027. As post-collection is a price-per-tonne element, the greater the tonnes, the greater the program expense to manage. Additionally, as Recycle BC has almost completed its accessibility expansion, it will require increased promotion and education efforts to drive resident awareness and to get materials, particularly rigid plastics and metal, out of the waste stream and into the blue box to achieve targets.

The forecast below reflects the budget increases that will be needed across the board to accommodate these expenses in several categories.

FUTURE OUTLOOK (\$ IN MILLIONS)							
	2024 BUDGET	2025 BUDGET	2026 DRAFT FORECAST BUDGET	2027 DRAFT FORECAST BUDGET	VARIANCE % 2025 VS. 2024	VARIANCE % 2026 VS. 2025	VARIANCE % 2027 VS. 2026
	(a)	(b)	(c)	(d)	(e)=(b-a)/a	(f)=(c-b)/b	(g)=(d-c)/c
Material Management	\$155.5	\$177.9	\$192.5	\$206.8	14%	8%	7%
Promotion & Education	\$2.1	\$2.2	\$2.4	\$2.6	5%	8%	7%
Program Management	\$8.4	\$8.8	\$9.1	\$9.3	5%	3%	3%
Total Expenses	\$166.0	\$188.9	\$204.0	\$218.7	14%	8%	7%

2025 Fee Schedule

Average 2025 fee rates increased by 12.7% with increased supplied tonnes partially offsetting the total fee budget increase. Generally, material fee rate changes are most significant for those categories with the highest commodity revenue per tonne.

This is because these materials receive a larger share of commodity revenue in Step 2 of the fee-setting process compared to their relative share of gross cost allocation in Step 1. Fee rate changes for materials notably above the average increase include Newsprint, Other Printed Paper, Paper Laminates and Rigid Polystyrene. Categories with below average rate changes include Aluminum Food and Other Containers and HDPE Bottles.

RECYCLE BC FEE SCHEDULE (CENTS/KG)				
Category	Material	2025 Fee Rates (cents/ kg)	2024 Fee Rates (cents/ kg)	Variance %
Printed Paper	Newsprint	72.00	55.00	30.9%
	Magazines and Catalogues	29.00	25.00	16.0%
	Telephone Books	29.00	25.00	16.0%
	Other Printed Paper	75.00	61.00	23.0%
Paper Packaging	Corrugated Cardboard	56.00	48.00	16.7%
	Boxboard	33.00	29.00	13.8%
	Gable Top Cartons	72.00	71.00	1.4%
	Paper Laminates	65.00	53.00	22.6%
	Aseptic Containers	87.00	77.00	13.0%
Plastics	PET Bottles	102.00	98.00	4.1%
	HDPE Bottles	42.00	46.00	-8.7%
	Plastic Film	153.00	140.00	9.3%
	Plastic Laminates	153.00	143.00	7.0%
	Expanded Polystyrene	324.00	282.00	14.9%
	Rigid Polystyrene	131.00	106.00	23.6%
	Other Plastics	90.00	77.00	16.9%
Steel	Other Steel Packaging	65.00	55.00	18.2%
	Steel Aerosols	44.00	36.00	22.2%
	Steel Paint Cans	66.00	47.00	40.4%

RECYCLE BC FEE SCHEDULE (CENTS/KG)				
Category	Material	2025 Fee Rates (cents/ kg)	2024 Fee Rates (cents/ kg)	Variance %
Aluminum	Aluminum Food & Other Containers	61.00	67.00	-9.0%
	Other Aluminum Packaging	70.00	63.00	11.1%
Glass	Clear Glass	50.00	42.00	19.0%
	Coloured Glass	51.00	42.00	21.4%

2025 Flat Fees for Low Volume Stewards

Low volume and flat fee rates for stewards supplying between 1,000 and 15,000 kg annually increased by 8% to 11% from 2024, consistent with the budget increase.

RECYCLE BC LOW-VOLUME AND FLAT FEES			
TOTAL SUPPLIED (KG)	2025	2024	YOY VARIANCE
1,000 - 2,499	\$1,300	\$1,200	\$100 or 8%
2,500 - 4,999	\$3,100	\$2,800	\$300 or 11%
5,000 - 10,000	\$7,300	\$6,600	\$700 or 11%
10,000 - 15,000	\$12,400	\$11,200	\$1,200 or 11%

Recycle BC

Fee Rate Change Example

As detailed in the overview section at the beginning of this report, graphs have been developed to illustrate the factors driving fee rate changes from 2024 to 2025. The graph below provides details for Newsprint. Graphs for all other materials are available on the Recycle BC website.

The 2025 fee rate for Newsprint is 72 cents/kg, while the 2024 rate was 55 cents/kg. The impact for each factor listed along the bottom of the graph is provided in cents/kg. Please see page 9 of this report for a description of these factors and their impact on material fee rates. Notable change factors for Newsprint include:

- **Increase:** Gross Cost and Recovery Rate
- **Decrease:** Surplus Drawdown and Material Cost Index

