



Industry applauds Ontario Minister of the Environment's approval of Blue Box Program Plan

- obligations include all consumer packaging and printed paper waste in Ontario -

Toronto – December 23 - Stewardship Ontario strongly welcomes yesterday's approval of the Blue Box Program Plan by Leona Dombrowsky, Ontario Minister of the Environment. The Minister's announcement signals that, beginning on February 1, 2004, affected industry will be responsible for funding 50% of the net cost of Ontario's municipal Blue Box programs. Approval of the Plan means about \$3 million per month will flow from industry to municipalities in 2004.

"Today's announcement," says Dennis Darby, Stewardship Ontario Chair and Director of External Relations for Procter & Gamble Inc., "ensures a sustainable financial foundation for municipal recycling programs in Ontario, and launches a new era of waste diversion cooperation between our municipalities, government and industry."

Stewardship Ontario is the province's first Industry Funding Organization (IFO), created in late 2002 in response to a request from the Ontario Minister of the Environment to Waste Diversion Ontario (WDO) to submit a waste diversion program for Blue Box wastes. The resulting Blue Box Program Plan outlines how companies - or "Stewards" - that introduce packaging and printed paper into the Ontario consumer marketplace will share in the funding of 50% of the net cost of Ontario's municipal Blue Box waste diversion programs.

"The Blue Box Program Plan defines and designates as 'Stewards' the brand owners, first importers and franchisors in Ontario of products that result in consumer packaging and printed paper waste," explains Damian Bassett, CEO of Stewardship Ontario. "With yesterday's announcement from the Ontario Minister of the Environment, Stewardship Ontario will now set out to collect fees from the new 'Stewards' of the province, and distribute new industry funding to support the recycling programs of the municipalities of Ontario."

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Backgrounder:

Ontario's Blue Box & Blue Box Program Plan

Ontario's Blue Box Programs

- Blue Box programs were first established in Ontario in 1981 through a unique partnership between the industries whose products are recovered through the Blue Box, Ontario municipalities and the Ontario Ministry of Environment.
- Today, four million Ontario households (95% of all households in the province) are served by municipal Blue Box recycling programs – diverting 700,000 tonnes of newspapers, metal, glass, plastic and paper packaging from landfill sites (the equivalent of 100 tractor trailer loads of garbage, five days a week, fifty-two weeks a year).
- The Blue Box recycling model has since been copied throughout Canada, the United States, Europe and Australia, with an estimated 40 million households today being served by Blue Box programs around the world.
- In 1989, the United Nations recognized Ontario's success by awarding the first ever United Nations Environment Program (UNEP) Award jointly to the provincial government, the companies that supported the development of the program, and the Recycling Council of Ontario – on behalf of all Ontarians.
- Continued growth and even the sustainability of municipal recycling - now borne entirely by municipal tax payers – is now threatened as municipalities look to reduce services in order to reduce costs. Funding for Blue Box programs is increasingly in competition with funding for other essential municipal services.

The Waste Diversion Act

- Municipal recycling program funding issues have been addressed by governments throughout the developed world by implementing legislation which requires the producers and consumers of products – which ultimately become waste – to bear some or all of the financial responsibility for managing these wastes. On June 27, 2002, Ontario adopted this solution with the passage of *Bill 90 – The Waste Diversion Act, 2002, An Act to promote the reduction, reuse and recycling of waste.*
- The *Waste Diversion Act* created Waste Diversion Ontario (WDO) – a permanent, arms-length corporation with a Board of Directors comprised of representatives from industry associations, municipalities, the LCBO, non-profit organizations, and the Ontario Ministry of the Environment.
- The *Waste Diversion Act* requires the WDO to develop, implement and operate waste diversion programs for materials that will include Blue Box Waste, Used Tires, Used Oil Material, Household Special Waste, Electronic Waste, Organic Materials, Pharmaceuticals and Fluorescent Tubes.

Stewardship Ontario, the first IFO

- Stewardship Ontario Inc. is Ontario's first "Industry Funding Organization", or "IFO", created on November 6, 2002 in response to a request from the Ontario Minister of the Environment to Waste Diversion Ontario to submit a waste diversion program for Blue Box wastes. As per Sections 23 and 24 of the *Waste Diversion Act, 2002* the WDO directed that a "Blue Box Wastes" IFO be incorporated.
- The founding members of Stewardship Ontario are: the Food and Consumer Products Manufacturers of Canada, the Canadian Council of Grocery Distributors, Refreshments Canada, the Retail Council of Canada, the Canadian Paint and Coatings Association, the Canadian Consumer Specialty Products Association, the Liquor Control Board of Ontario, and the Canadian Newspaper Association. CSR: Corporations Supporting Recycling is the Secretariat of Stewardship Ontario.
- Upon approval of the Blue Box Program Plan, Stewardship Ontario will begin the recruitment and registration process to capture the over 5,000 obligated stewards doing business in Ontario. Stewards that are members in good standing of Stewardship Ontario, or alternately set up a WDO approved Industry Stewardship Plan (ISP), will be deemed to be in compliance with the *Waste Diversion Act*.

The Blue Box Program Plan

- Approval of the Plan means about \$3 million per month will flow from industry to municipalities in 2004. Future costs will be dependent upon the total quantities of Blue Box wastes created and recycled in Ontario. Cost containment strategies are being developed by the WDO to ensure that future cost increases are reasonable and predictable. The program is also subject to annual review by the Minister of Environment.
- The Blue Box Program Plan encompasses consumer packaging material and printed papers commonly found in the residential waste stream, including all categories of waste designated as "Blue Box Waste" in *Schedule 1 of Ontario Regulation 101/94* under the *Environmental Protection Act* managed by or on behalf of Ontario municipalities.
- The plan requires all companies that are the brand owners, distributors or first importers of these products into Ontario to pay fees, or set up an approved Industry Stewardship Plan (ISP), to support the Blue Box program.
- Small businesses (with gross revenue from sales of less than \$2 million; retailers whose cost of goods was less than \$2 million; or companies that generate less than 15 tonnes of Blue Box waste materials per year) are exempted from the plan.
- Stewardship Ontario in cooperation with the Association of Municipalities of Ontario, the Recycling Council of Ontario and the WDO conducted an extensive industry, municipal and public consultation program in the development of the Blue Box Program Plan.
- The Plan was approved by the WDO Board of Directors and submitted to the Minister of the Environment on February 28, 2003, then posted on the Environmental Bill of Rights Registry for comment. Ministry of the Environment staff have subsequently reviewed all of the comments received and briefed the government on all of the issues raised.

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