

Development of Blue Box Performance Reporting and Audit Procedure



Agenda

1. [Introduction](#)
2. [Reporting requirements](#)
3. [Measuring performance](#)
4. [Audit report overview](#)
5. [Next steps](#)



1. Introduction



Purpose of today's webinar

Phase one of the consultation to develop the procedure for Blue Box **performance reporting and audit:**

1. Outline the work completed to date and timelines for the consultation going forward.
2. Explain how to continue measuring and reporting performance in 2025 and 2026 and the principles that will be applied to audit.
3. Ask key questions that we need your feedback on to enable us to draft the procedure that will be presented in phase two of the consultation.

Feedback can be submitted to consultations@rpra.ca until February 7, 2025

A quick note on Blue Box supply reporting and verification:

RPRA will not require producers to submit a verification report when submitting their annual supply data to RPRA in 2025 and 2026.

Producers must continue to report accurate and complete supply data and may continue to use existing methodologies to calculate supplied quantities during the transition (e.g., Average Bill of Materials).

RPRA will consult on the procedure for verification of supply reporting in advance of producers submitting their first verification report in 2027.

Our approach to developing the procedure

Objective

- Meet regulatory requirements by providing direction that ensures complete and accurate performance data is submitted by all regulated parties

Principles

- Harmonization with other provincial and international programs where possible
- Minimization of administrative burden
- Achievable audit requirements that align with industry operations
- Fairness – clear, standardized, enforceable direction for all registrants that ensures a level playing field and facilitates accurate collection, reporting and measurement of data
- Balance of all stakeholder needs (high level vs. prescriptive)

Our approach to developing the procedure

- RPRA aims to balance the importance of data accuracy with the complex and sometimes costly requirements for verification and audit
- Accuracy of data is important for all of us:
 - Producer: compliance with regulatory requirements; management of costs; meeting company sustainability goals
 - PRO: support for their producer clients in meeting their obligations and accuracy / fairness of fees
 - Communities: ensures that all material supplied is managed effectively
 - RPRA: effective enforcement of EPR programs; support businesses in meeting their obligations
- RPRA is committed to working with industry to develop procedures that are fair, efficient, standardized and in line with EPR programs both nationally and internationally

Work completed to date

Meetings with processors, industry associations and regulators (national and international)

Jurisdictional EPR review (Canada and international)

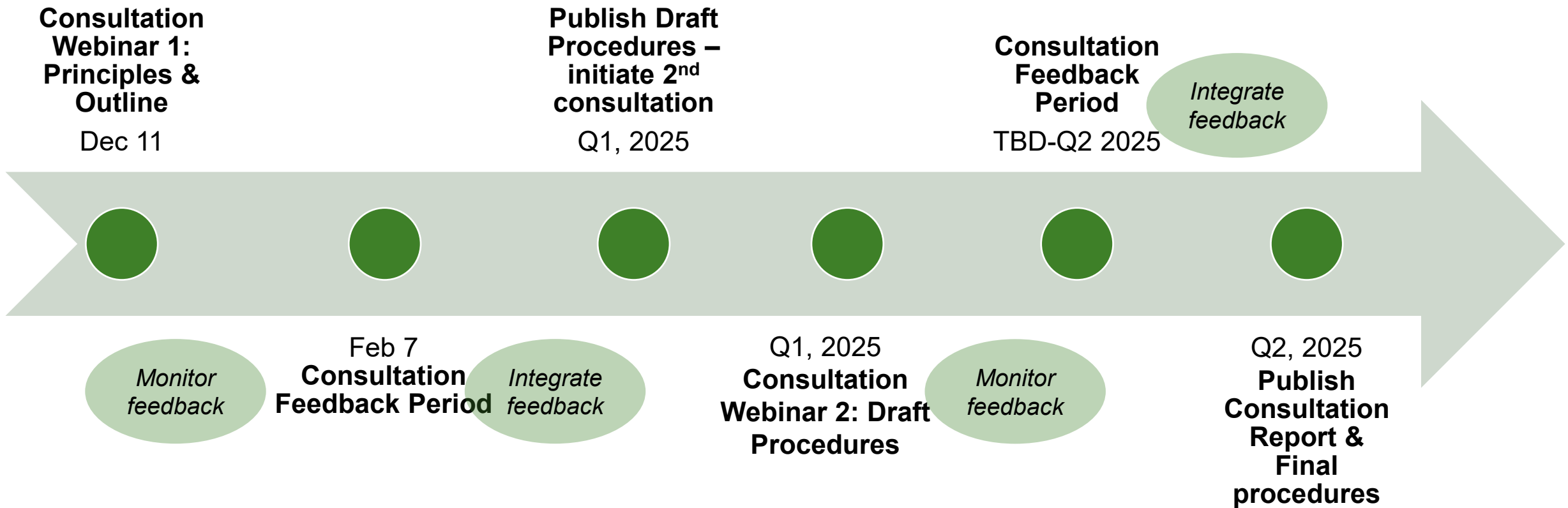
Site visits to primary and downstream processors

PRO discussions on systems, processes and challenges

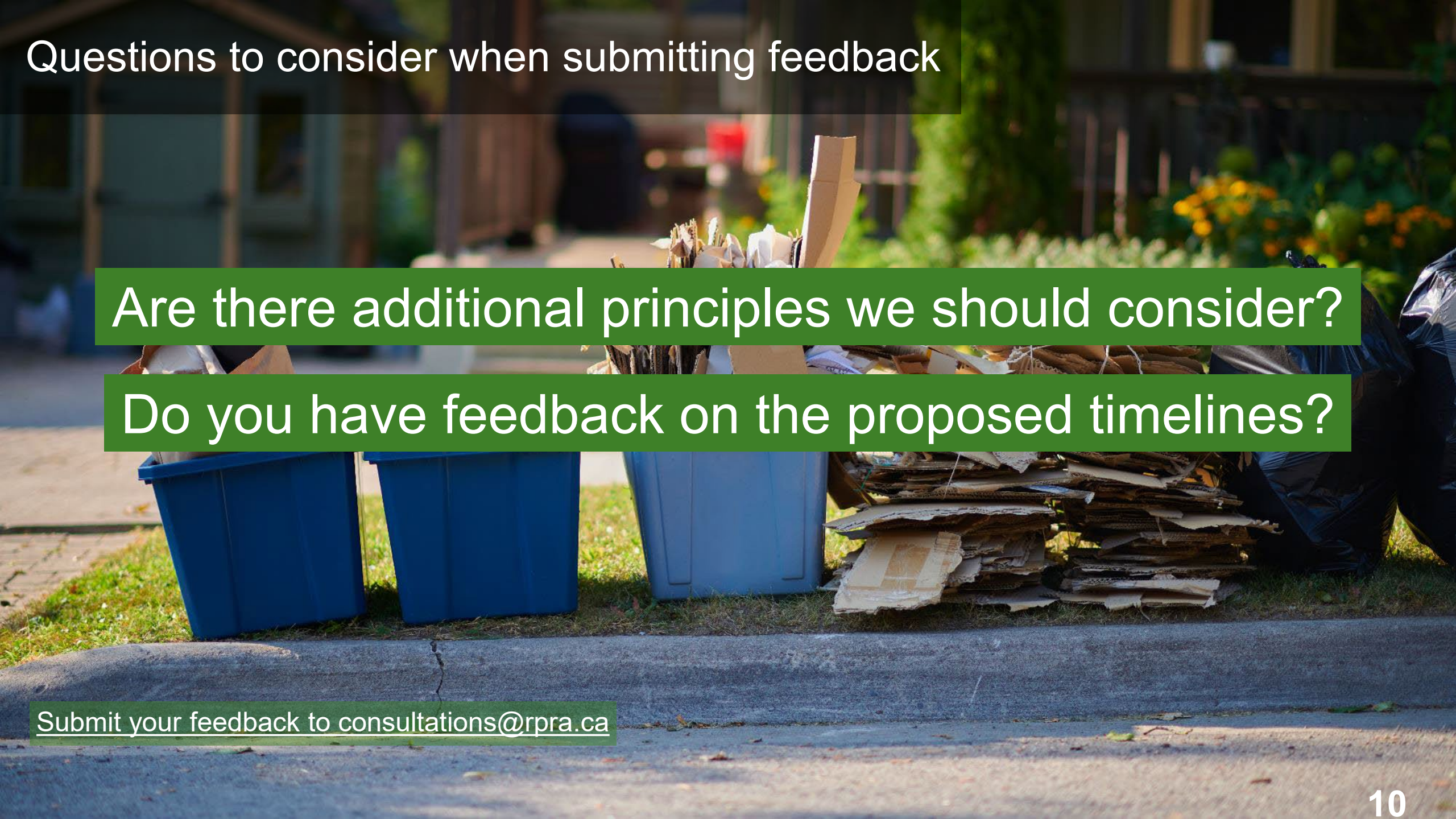
Individual material process flows mapped

Performance report template developed with PROs (Excel)

Timeline



Questions to consider when submitting feedback

The background of the slide shows a row of blue recycling bins on a sidewalk. The bins are overflowing with cardboard boxes and other debris. To the right of the bins, there is a large stack of flattened cardboard boxes. The scene is outdoors, with a blurred background of greenery and a building.

Are there additional principles we should consider?

Do you have feedback on the proposed timelines?

Submit your feedback to consultations@rpra.ca

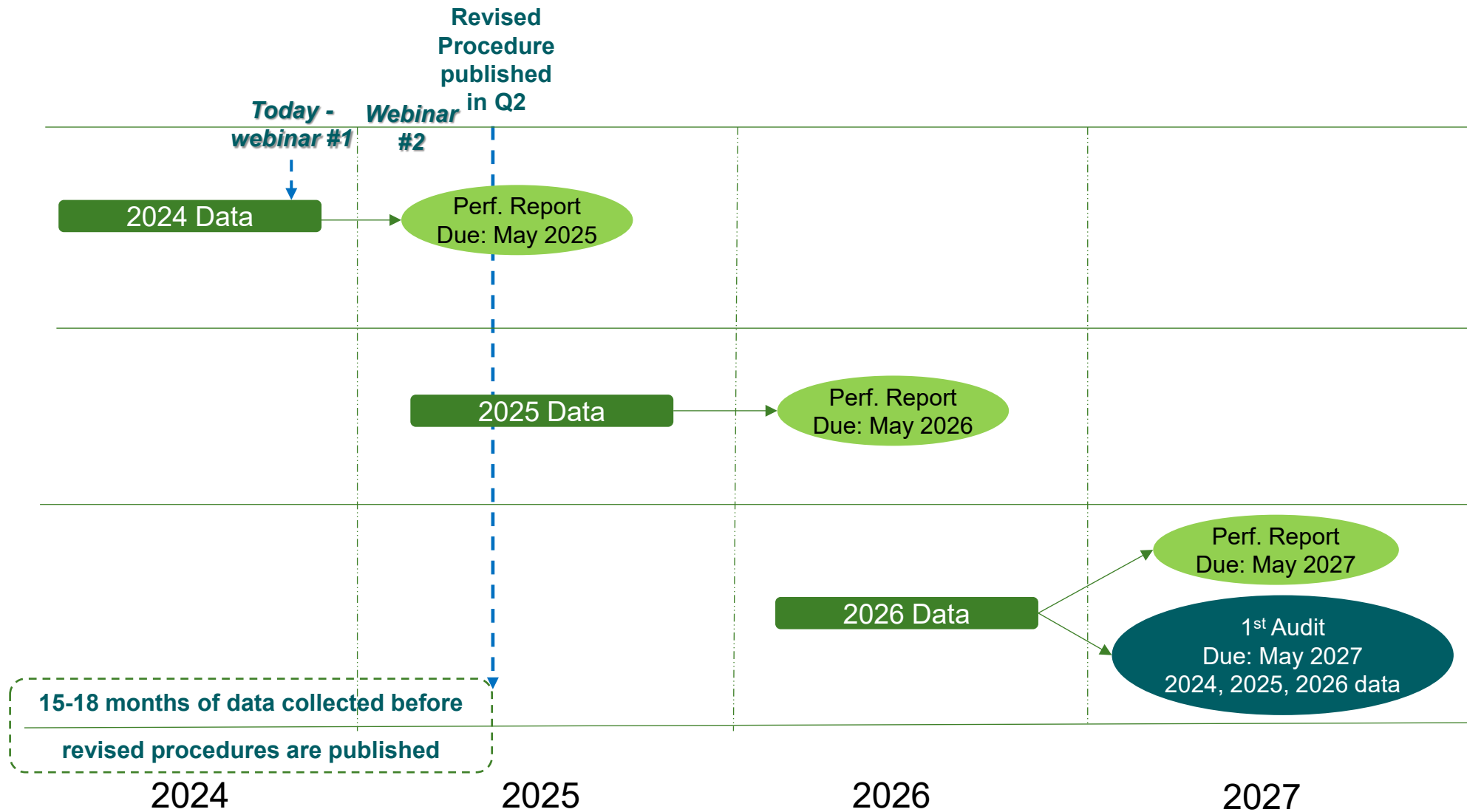
2. Reporting Requirements



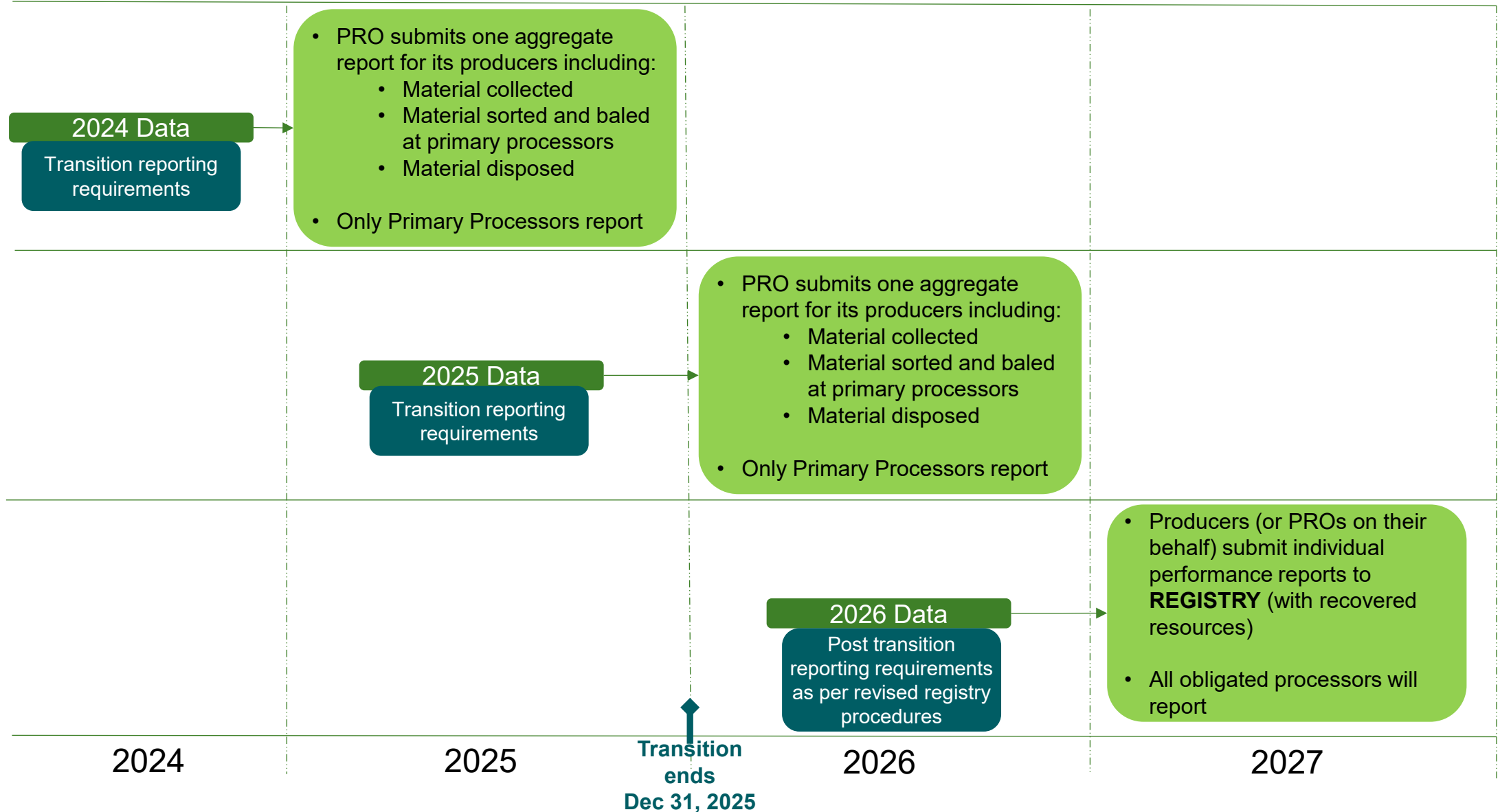
Review of Blue Box Program

2021	June	Regulation published along with high level direction of the performance Audit Procedure
	Oct	Producers submitted initial supply data report to RPRA
2022	Oct	Annual supply data reports used to calculate minimum management requirements
2023	July	Producer's collection and management obligations began
		Eligible communities transition in phases (July 1, 2023 – Dec 31, 2025)
2024	May	Primary processors submitted their first performance report
	October	PROs submitted their first performance report
2025	Dec 31	Transition period ends. All communities on the Transition Schedule will have fully transitioned. End of stewards' obligations to Stewardship Ontario under the WDTA.

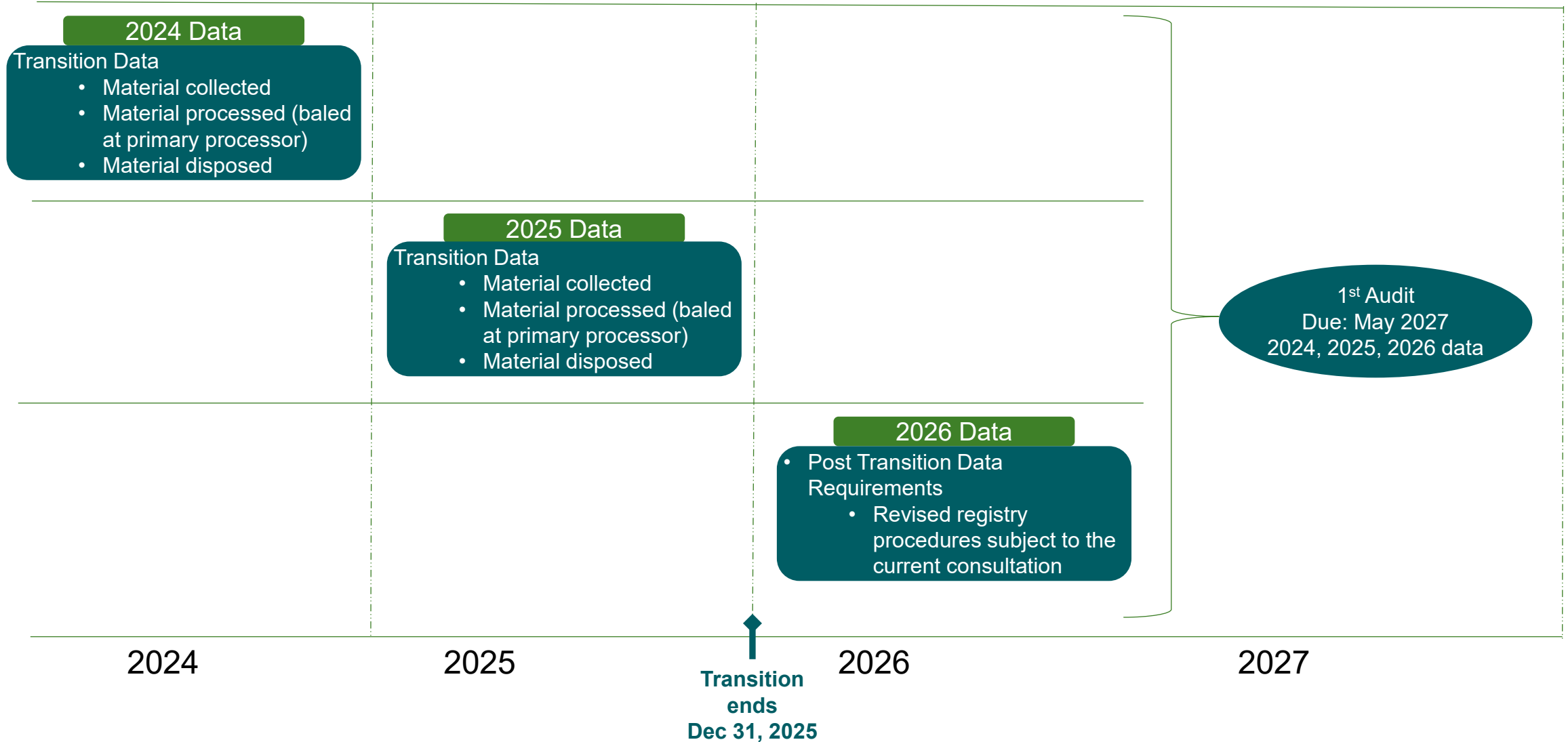
Reporting Timelines



Performance Reporting Requirements



Performance Audit Requirements



Questions to consider when submitting feedback

Questions or comments about
the reporting approach and
timelines

Submit your feedback to consultations@rpra.ca

Performance Reporting Requirements Post-Transition (1/2)

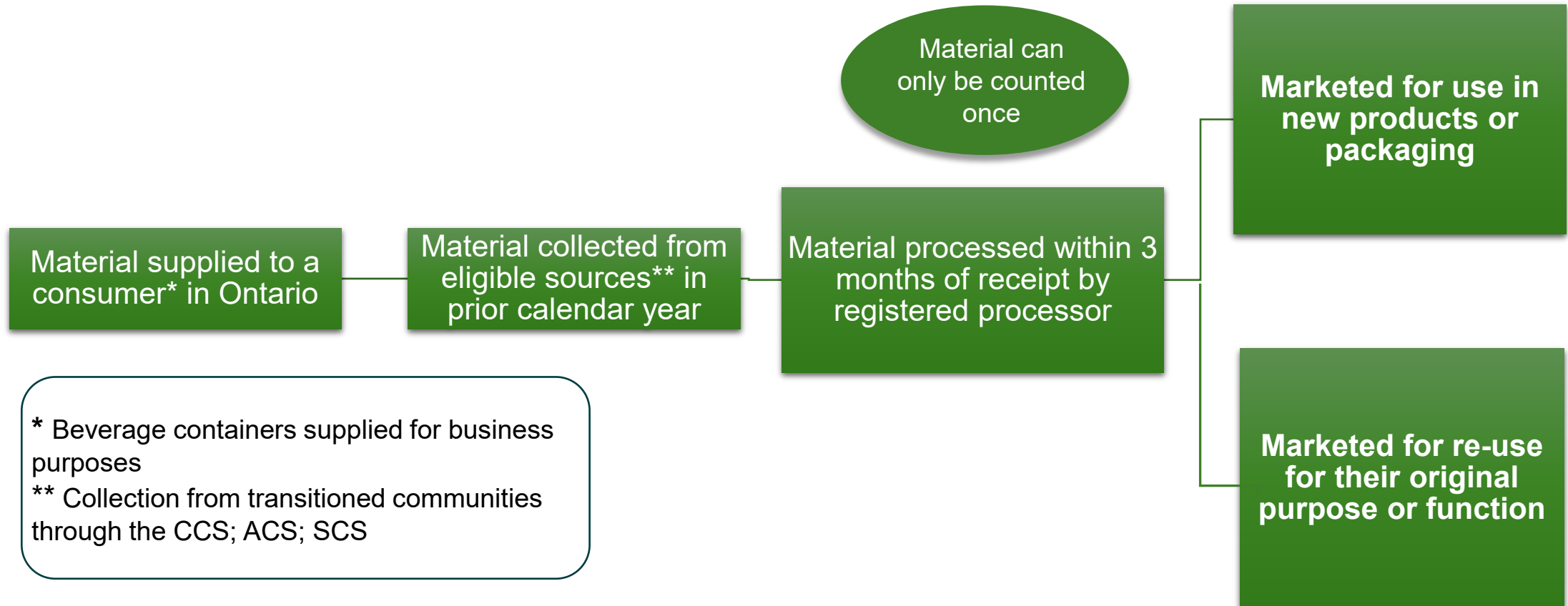
Key elements of reporting requirements (as per [Section 52](#)):

- A description of collection services established on behalf of each producer for Common Collection System (CCS), Supplemental Collection System (SCS), and/or Alternative Collection System (ACS)
- Weight of Blue Box material collected
- Blue Box receptacles provided in public spaces for each eligible community
- A description of management services including a list of every contracted processor and its RPRA registration number

Performance Reporting Requirements Post-Transition (2/2)

- Weight of recovered resources producers can count towards their management requirement in each material category
 - marketed for re-use for their original purpose or function
 - marketed for use in new products or packaging
- Weight of materials that were:
 - used in a product that is land cover, unless the land cover is
 - aggregate and the recovered resources in the aggregate do not account for more than 15 per cent of the producer's management requirement for any material category, or
 - a product that supports soil health or crop growth that is created through the combination of the recovered resources with organic matter, and the recovered resources used for the product are recovered from paper
 - used in a product that is fuel or a fuel supplement,
 - supplied to an incinerator for use in incineration, or
 - landfilled or land disposed by a processor

Regulatory Framework for Counting Recovered Resources



Relevant definitions from the RRCEA and the Blue Box Regulation

“market”, in respect of a product, includes:

- a) to offer the product for sale, expose it for sale or possess it for sale,
- b) to distribute the product, whether for consideration or not, and
- c) to lease the product, offer it for lease, expose it for lease or have it in possession for lease

“minimum management requirement” means the recovery percentages by material category as set out in [section 42](#) of the regulation:

Material Category	Recovery % for data years 2026-2029	Recovery % for data years 2030 onwards
Paper	80	85
Rigid Plastic	50	60
Flexible Plastic	25	40
Glass	75	85
Metal	67	75
Beverage Containers	75	80

“processor” means a person who processes, for the purpose of resource recovery, Blue Box material that was supplied to a consumer in Ontario

“product” means material that is a thing, part of a thing, or combination of things **intended for use by a consumer**, subject to any alternative meaning or meanings that may be provided for in the regulations


Proposed Definitions for the Audit Procedure

“primary processor” means a person who process Blue Box material supplied to a consumer in Ontario and who prepares material for shipment to secondary or downstream processors

“secondary processor” means a person who receives Blue Box material from primary processor

“downstream processor” means a person who receives Blue Box material from a secondary processor for further processing.

Questions to consider when submitting feedback

A photograph of a residential street with recycling bins and cardboard boxes overflowing with waste. The scene is outdoors, with a concrete curb in the foreground and a paved road. In the background, there are green plants and a building. The text is overlaid on a teal rectangular background.

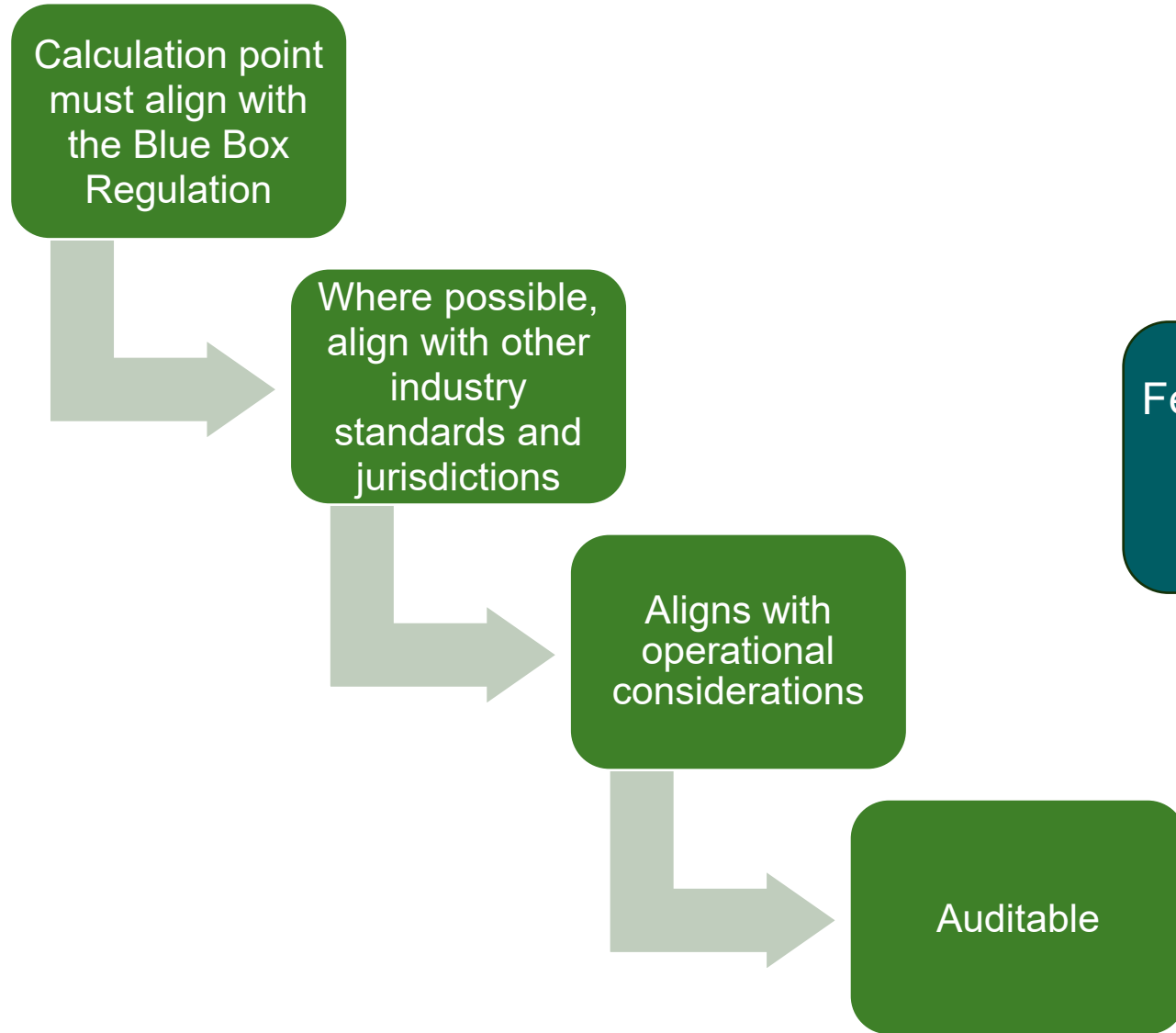
Questions or comments about the reporting requirements or definitions

Submit your feedback to consultations@rpra.ca

3. Measuring Performance

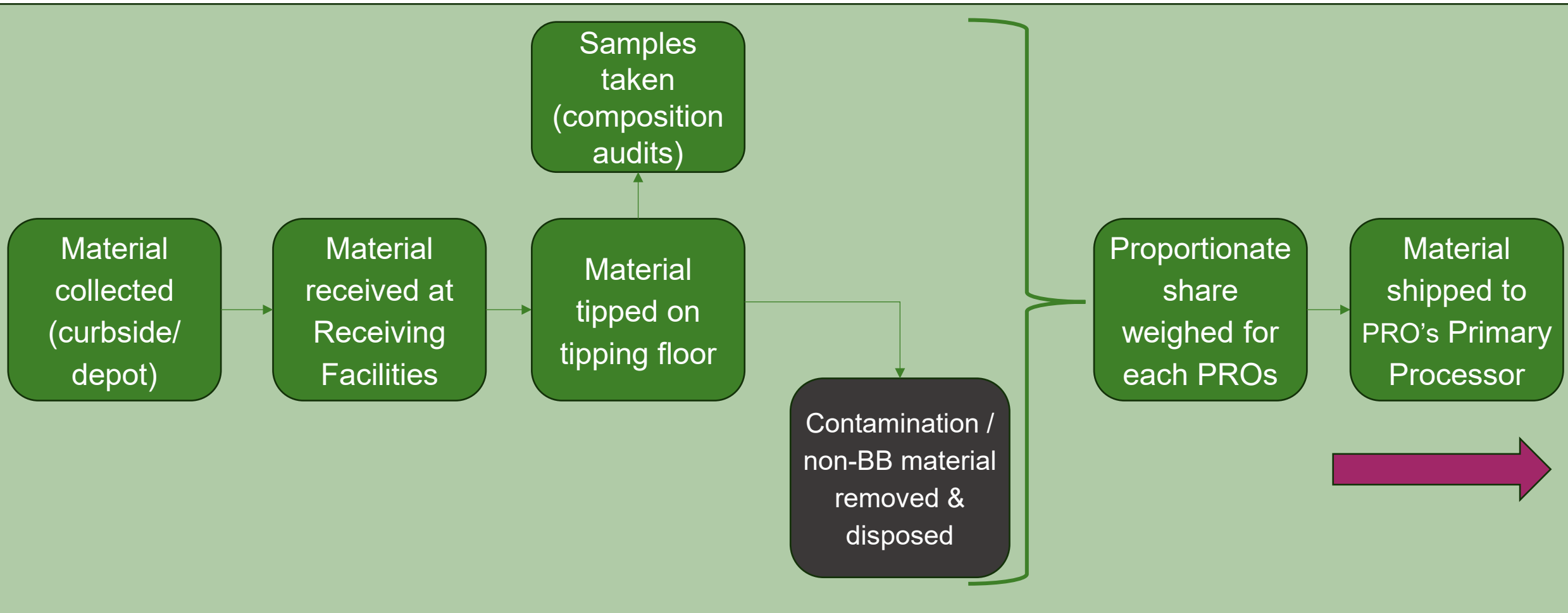


Calculation Point



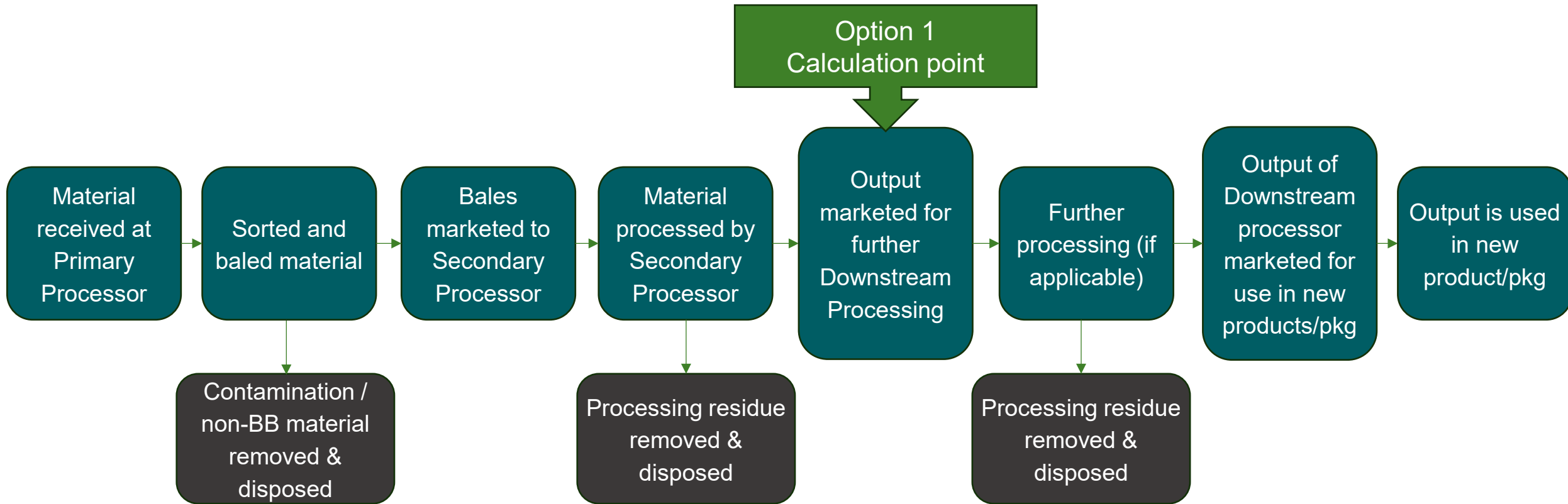
Feedback is critical to ensure all considerations are included:
consultations@rpra.ca

Material Flow in Common Collection System



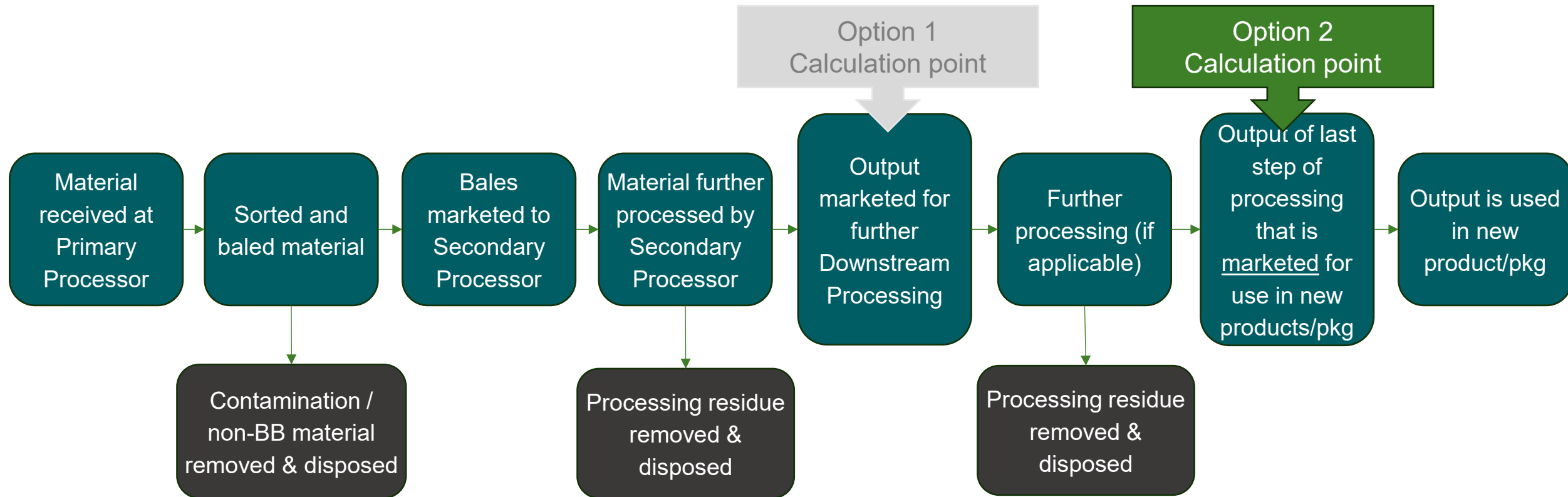
Material Flow in Post Collection System

Option 1: Material marketed after being processed by Secondary Processor



Material Flow in Post Collection System

Option 2: Material is marketed after completing all processing steps before being used in a new product or packaging



Paper - Operational and Audit Considerations

- Additional option is to count when bales exit from the Primary Processors (pre-conditioning facilities/MRFs)
 - How are residue and rejected loads accounted for at the secondary processor? (i.e., paper mill)
- If calculation point is based on Option 1 (i.e., the output from the Secondary Processor/paper mill)
 - What other operational considerations need to be taken into account?

Glass - Operational and Audit Considerations

- Glass is typically sorted first at a Primary Processor and then goes through subsequent sorting at a Secondary Processor
 - This generates glass cullet and/or fines
- If calculation point is based on Option 1 (i.e., the output from the Secondary Processor)
 - What operational considerations need to be taken into account?

Plastic - Operational and Audit Considerations

There are different ways to process plastics (e.g., mechanical and chemical)

- Mechanical processing
 - If calculation point is based on Option 1 (i.e., the output from the Secondary Processor)
 - Pellet or flake
- Chemical processing
 - If calculation point is based on Option 1 (i.e., the output from the Secondary Processor)
 - Specific polymers / resins
- Is it necessary to tailor different calculation points for each processing methodology?

Metal - Operational and Audit Considerations

- Metal is first sorted and baled at a Primary Processor
- Further sorting may be required at a Secondary Processor
 - This may be at a separate sorting facility or at the same smelting or refining facility
- If calculation point is based on Option 1 (i.e., the output from the Secondary Processor)
 - What operational considerations need to be taken into account?
 - How will residue be accounted for when different processing steps are conducted within the same facility?

Questions to consider when submitting feedback

Do you have feedback on the proposed calculation points for each material?

Should the calculation point be customized for each material?

Are there other considerations to incorporate?

Submit your feedback to consultations@rpra.ca

4. Audit Report Overview



Audit Requirements (Section 67)

- Producer, or PRO on behalf of a producer, to audit the practices and procedures implemented to comply with management requirements
- Audit to be conducted every three years, covering the three prior calendar years
- Audit to be conducted by an independent auditor who is licensed or holds a certificate of authorization under the Public Accounting Act, 2004
- In addition, audit reports prepared in accordance with the Canadian Standard on Assurance Engagements 3000 (CSAE 3000)

GOAL: provide RPRA with reasonable assurance that a producer has met its minimum management requirements

Audit Considerations

- PROs/producers may have different management systems in place. Auditors will perform an audit in accordance with each system's business processes.
- The CSAE 3000 standard itself is not prescriptive; therefore, the procedure could allow for the auditor to apply judgement in selecting the best audit approach to obtain reasonable assurance.
- Auditors are contracted by the producer or PRO.
- Audit is independently conducted without influence from the producer, PRO or RPRA.

Audit Process

- Proof of the chain of custody:
 - Material was supplied by the producer to consumers in Ontario
 - Material was collected from eligible sources
 - Material was processed by processors registered with RPRA
 - Confirmation that the recovered resources were marketed for use in new products or packaging or for re-use
 - Material disposal is correctly documented and reported
- Checkpoints:
 - Weight of the recovered resources only counted one time by the producer and must not be counted by more than one producer
 - Recovered resources were processed within three months of the registered processor who reported the recovered resources receiving the Blue Box material

Audit Report Overview

- Audit report may include details of/reference to:
 - The auditor, the engagement company (producer or PRO) and intended user (regulator)
 - The auditor's accreditation
 - The auditor's opinion and conclusion on the audit performed
 - Planning for the audit
 - Materiality and level of assurance
 - A description of the auditing process
 - Information on the company's data flow, data quality assurance and internal control procedures
 - Analysis and risk assessments conducted to establish appropriate sampling requirements

Examples of Supporting Documentation - Performance Reporting & Audit

- Shipping invoices/bills of lading that track the transfer of material between parties through the supply chain
- Weigh scale tickets with all relevant information
- Weigh scale calibration reports provided by independent qualified inspectors
- Detailed labels for waste composition audits
- Evidence of recovered resources being marketed
- Shipment records of material disposed

Questions to consider when submitting feedback

Documentation producers/PROs will provide to validate that material can be counted as a recovered resource and meets management requirements

Please provide feedback on any challenges in accessing necessary documentation and how can these challenges be mitigated?

What approach will be taken when tracking material collected from a Supplemental or Alternative Collection System?

What approach will be taken when tracking beverage containers supplied for business purposes and collected from all sectors?

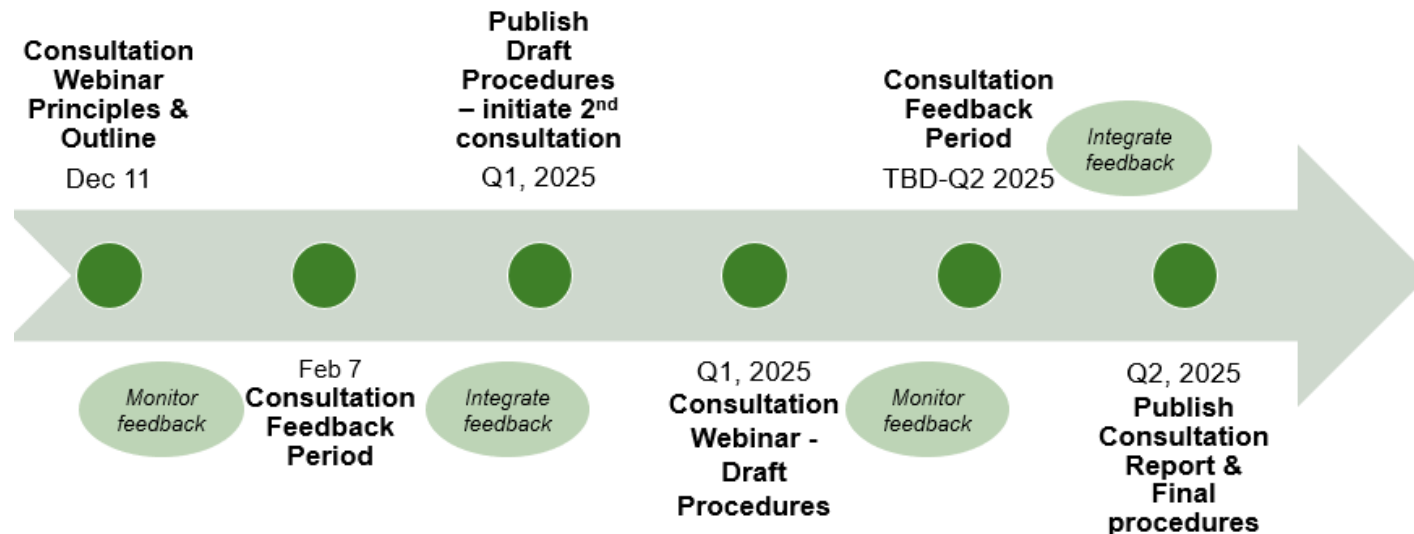
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5. Next Steps



Immediate next steps

- From today – February 7, 2025
 - RPRA to receive and review submissions received during feedback period
- Q1 2025
 - Integrate feedback into draft procedure
 - Publish draft procedures
 - Host second webinar to consult on draft procedure



Feedback

- If you have feedback, questions about the proposal, or would like to discuss it in more detail, email us at consultations@rpra.ca
- Feedback can be submitted until **February 7, 2025**