

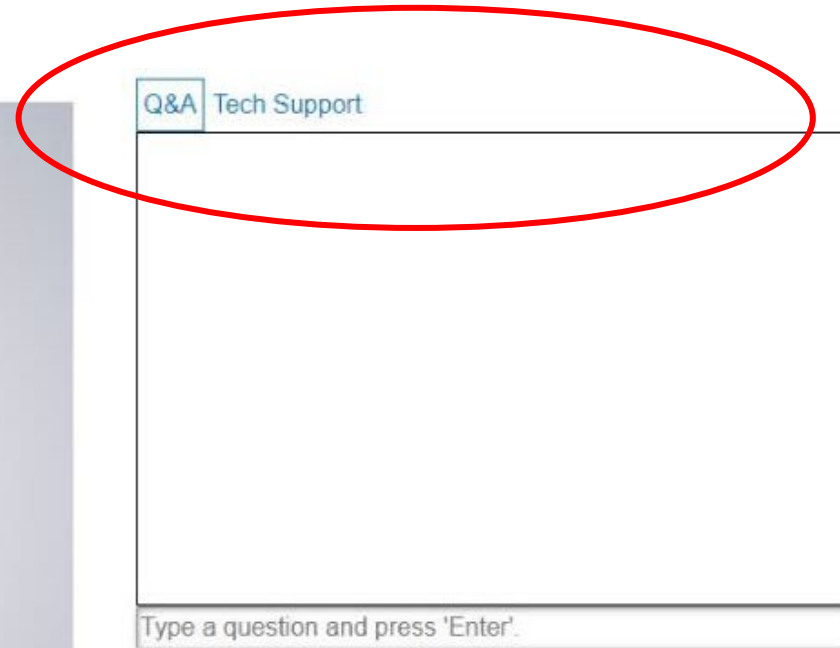
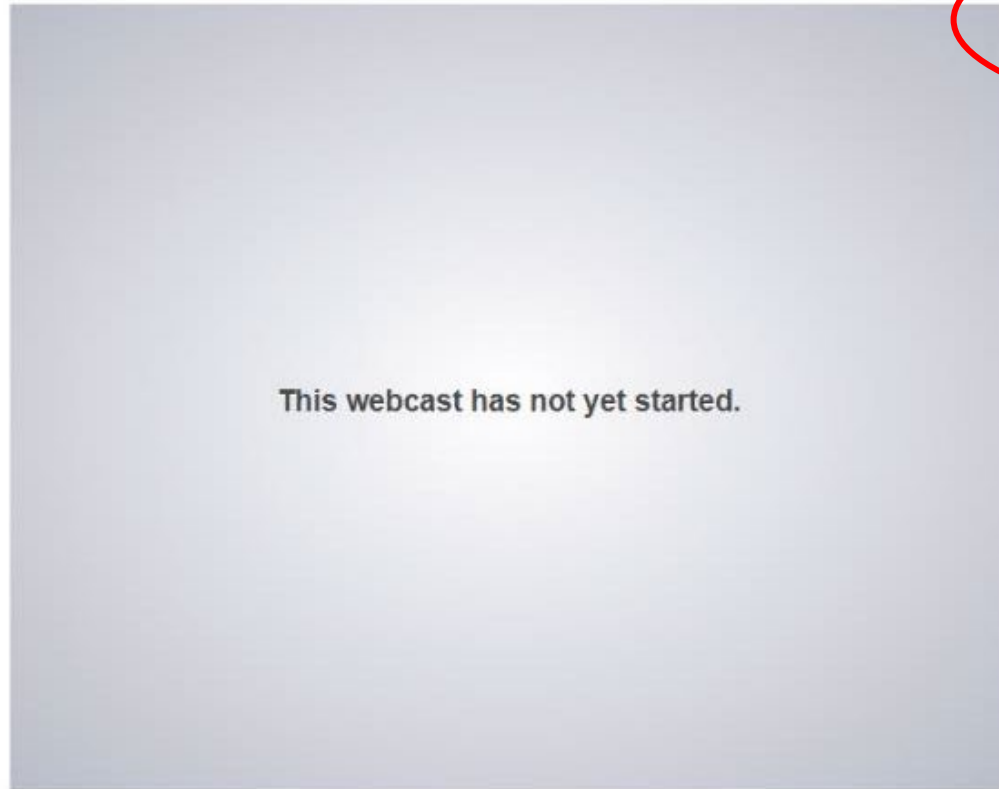
Consultation: Stewardship Ontario's Proposed Blue Box Program Wind-Up Plan

Session 2: Supporting competition and
maintaining data security

October 14, 2020



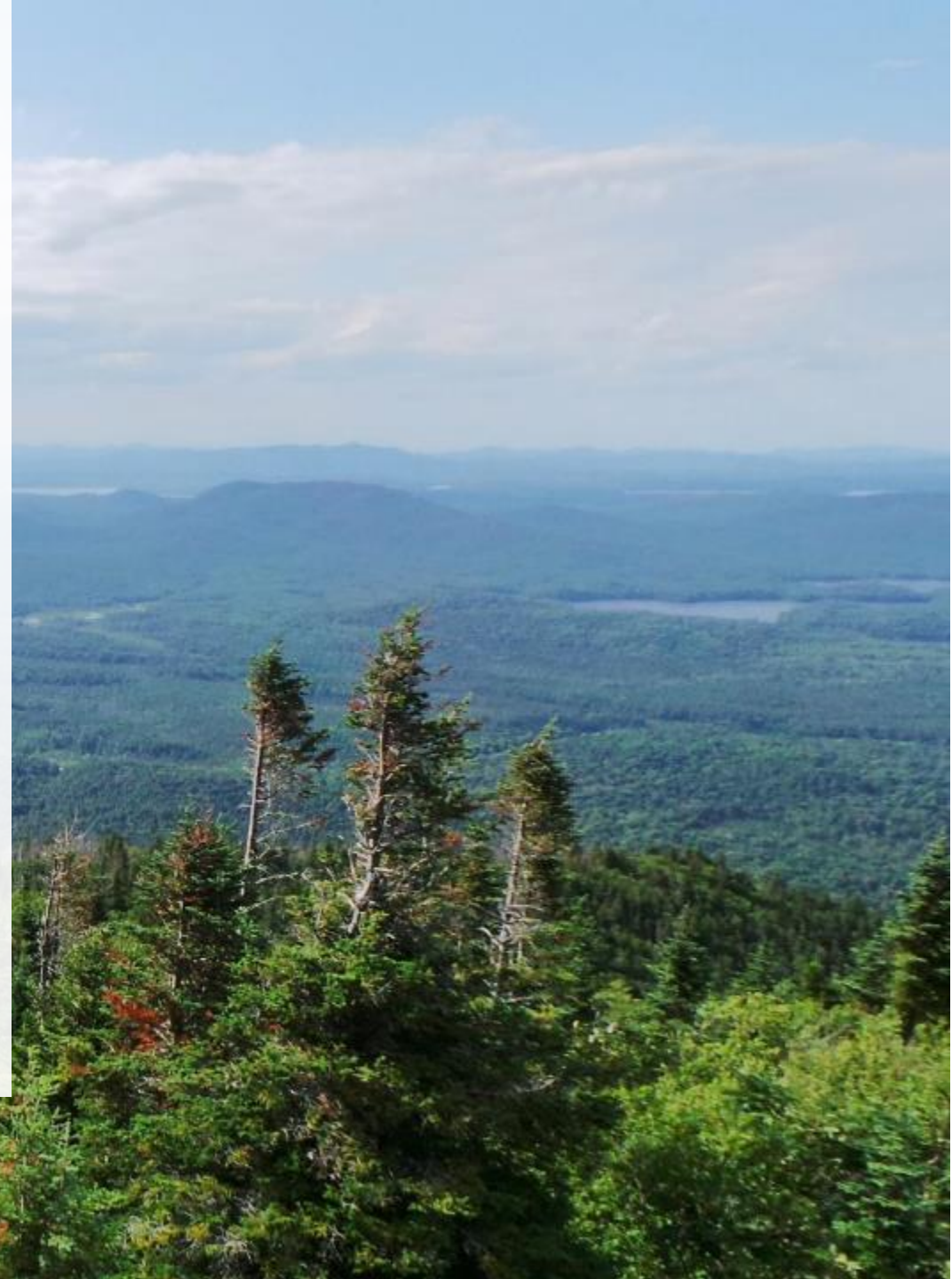
How to ask a question



To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press 'Enter.'

Agenda

1. Introduction to Session 2
2. Conflict of Interest Prevention
3. Data Management
4. Intellectual Property



Introduction to Session 2



Minister's direction

- Stewardship Ontario (SO) is the industry funding organization (IFO) that operates Ontario's Blue Box Program on behalf of industry stewards of packaging and printed paper
- On August 15, 2019, the Minister of the Environment, Conservation and Parks issued direction to SO and RPRA to wind up the Blue Box Program and transition it to Ontario's new individual producer responsibility framework starting on January 1, 2023 through to December 31, 2025
 - SO will wind up as a corporation shortly thereafter
- SO submitted its proposed wind-up plan to the Authority by the revised August 31, 2020 deadline set by the Minister
- It is expected that the Authority must review, consult on and approve the plan no later than December 31, 2020

How to participate

Consultation webinars

Session 1: Consultation, program and transition overview

Tuesday, October 13, 11:00 a.m. to 12:00 p.m.

Session 2: Supporting competition and maintaining data security

Wednesday, October 14, 9:30 to 10:30 a.m.

Session 3: Maintaining program performance and municipal funding

Wednesday, October 14, 1:00 to 2:00 p.m.

Session 4: Financials and steward operations

Thursday, October 15, 10:00 to 11:00 a.m.

Session 5: Winding up the CIF

Friday, October 16, 11:00 a.m. to 12:00 p.m.

Online group discussions

RSVP on or before October 14

Stewards

Monday, October 19, 1:30 to 3:00 p.m.

Municipalities, waste management industry

Tuesday, October 20, 1:30 to 3:00 p.m.

First Nation and northern/rural communities

Thursday, October 22, 10:00 to 11:30 a.m.

NGOs and general public

Friday, October 23, 10:30 a.m. to 12:00 p.m.

Minister's direction

*“The plan shall **support competition in, and not adversely affect, Ontario’s current and future marketplace** for the collection and recovery of paper products and packaging. The plan shall **not provide for unfair or preferential treatment of the public or any affected parties**, or barrier to competition during or following the windup of the program.”*

*“SO shall take all necessary steps to ensure there is **no real, potential or apparent conflict of interest** when developing and implementing the plan.”*

Competition under the RRCEA

- The RRCEA sets up a framework where there is competition among service providers, but details are in the regulations
 - In the Tires and Batteries Regulations, for example, that has meant competition among producer responsibility organizations (PROs)
- The regulation for Blue Box is not yet available

Conflict of Interest Prevention



Minister's direction

*“SO shall take all necessary steps to ensure there is **no real, potential or apparent conflict of interest** when developing and implementing the plan.”*

“[.]the plan should address:

- Any real, potential or apparent conflict of interest in respect to SO's relationship with the Canadian Stewardship Services Alliance (CSSA)*
- Any necessary steps to ensure that the CSSA does not receive preferential treatment over other markets that may be created under the RRCEA”*

Stewardship Ontario and CSSA

- At time of Minister's direction letter, SO had two staff members; the remaining SO services are provided by Canadian Stewardship Services Alliance (CSSA) staff
- CSSA may become a PRO, or act as a service provider to a PRO, as early as 2022, while supporting operations of the existing Blue Box Program until its wind-up in 2026
- Prior to drafting the wind-up plan, there was:
 - cross-representation of one Director on the SO and CSSA Boards
 - cross-representation of three Executives on the SO and CSSA management teams
- SO developed and implemented a plan to prevent conflict of interest prior to drafting their wind-up plan

Steps taken

- SO staff and CSSA staff dedicated to SO are physically segregated, working in separate quarters on the 8th floor of 1 St. Clair West. Only those persons will have card key access to those quarters.

At board level

- No cross-appointments of directors between SO and CSSA
- No director or director's company is permitted to participate in an organization designed to deliver compliance services under the RRCEA, while serving on the board of SO
- A revised [Code of Conduct](#) is in place to codify these restrictions and obligations

At management level

- A new independent management team, to which the Board delegated responsibility for the development of the plan and the day-to-day management of SO's responsibilities and obligations
- All managers working on the plan are restricted under the terms of their contracts from providing services to CSSA or any other potential market participants that may be created under the RRCEA
- All material management and policy decisions will be made by the independent management team and subject to oversight by the Board

A close-up photograph of a blue metal filing cabinet. The cabinet is open, revealing several drawers. The top drawer is pulled out, showing a stack of papers. The papers are mostly white and appear to be crumpled or folded. The lighting is bright, highlighting the metallic texture of the cabinet and the edges of the papers. The background is slightly blurred, showing more of the cabinet's structure.

**Do you think the steps taken by SO
sufficiently prevent conflict of interest?**

Data Management



Minister's direction

*“A **description of all data and information that is within SO's custody or control** and that is related to the operation of the SO Program since the Minister's program request letter of September 23, 2002, and a **proposal for transferring all data and information to the Resource Productivity and Recovery Authority (the Authority)**”*

*“A proposal for **identifying confidential or personal data and information** and indicating how such data and information will be **supplied in confidence when transferring it to the Authority**, which will assist the Authority in determining its treatment of such data and information based on applicable law and policies.”*

*“The plan shall **support competition in, and not adversely affect, Ontario's current and future marketplace** for the collection and recovery of paper products and packaging. The plan shall **not provide for unfair or preferential treatment of the public or any affected parties**, or barrier to competition during or following the windup of the program.”*

*“Demonstration and documentation that any party currently having access to SO data and information **only retain data that is equivalent to the information that will be shared through a fair, open and transparent process.**”*

Data included in the Plan

Type of data
Steward supply reports, related adjustments, invoices and payments
Contact information
Banking information
Program cost information and recovery data from municipalities and First Nation communities
Market intelligence

Data access and storage during transition

- SO collects, stores and compiles program data to execute on its role as an Industry Funding Organization (IFO). This includes data that was collected and analyzed by CSSA for SO. This data will be fully stored in SAP.
 - The SAP system will be segregated by company code and access will be restricted to the SO team
 - Access is maintained via role-based permissions governed by SO's Chief Financial Officer
 - Access and permissions will continue to be monitored on a regular basis for adherence to SO's data security and privacy policies
- SO has market intelligence generated through market development initiatives
 - SO will compile an inventory of such market knowledge. It will transfer the inventory to RPRA by the end of 2021. RPRA may make the information available to the market as it sees fit.

Data management at wind-up of SO

Retention	Public sharing	Transfer	Destruction
<p>SO will identify all data required to be stored and make necessary arrangements for retention of that data in a secure manner while legal obligations exist. Access to this data will require authorization from SO's CFO and approval of RPRA.</p>	<p>SO to publish Final Wind-Up Plan completion report before the dissolution of SO in September 2026. Report should include aggregated program information only.</p>	<p>SO will transfer Blue Box Program data in its possession to RPRA. Most of this information will be provided to RPRA in a digital format with measures implemented to maintain data security during the transfer process.</p>	<p>Where SO does not require Blue Box Program data for legal or regulatory reasons, data will be destroyed. SO will provide RPRA with an attestation that the destruction process is complete.</p>

A blue metal filing cabinet with a drawer open, containing crumpled white paper. The text is overlaid on the image.

Do you think SO's data management plan supports competition and ensures data security?

Intellectual Property



Minister's direction

*“The plan shall **support competition in, and not adversely affect, Ontario’s current and future marketplace** for the collection and recovery of paper products and packaging. The plan shall **not provide for unfair or preferential treatment of the public or any affected parties**, or barrier to competition during or following the transition of the program.”*

Intellectual Property (IP)

- Owned by SO:
 - Market knowledge
 - Stewardship Ontario will also compile an inventory of studies, research and reports commissioned in support of its market development efforts and other activities for transfer to RPRA by the end of 2021
 - Domain name, business name, trademark, website
 - Following program termination, the legal ownership rights to the Stewardship Ontario trademark and website domain name will be transferred to RPRA
- The draft plan also contemplates data and IP that is owned by CSSA but used by SO as part of its arrangement with CSSA would be retained by CSSA, including the new MCD methodology proposed as part of the plan for setting steward fees

CIF Intellectual Property

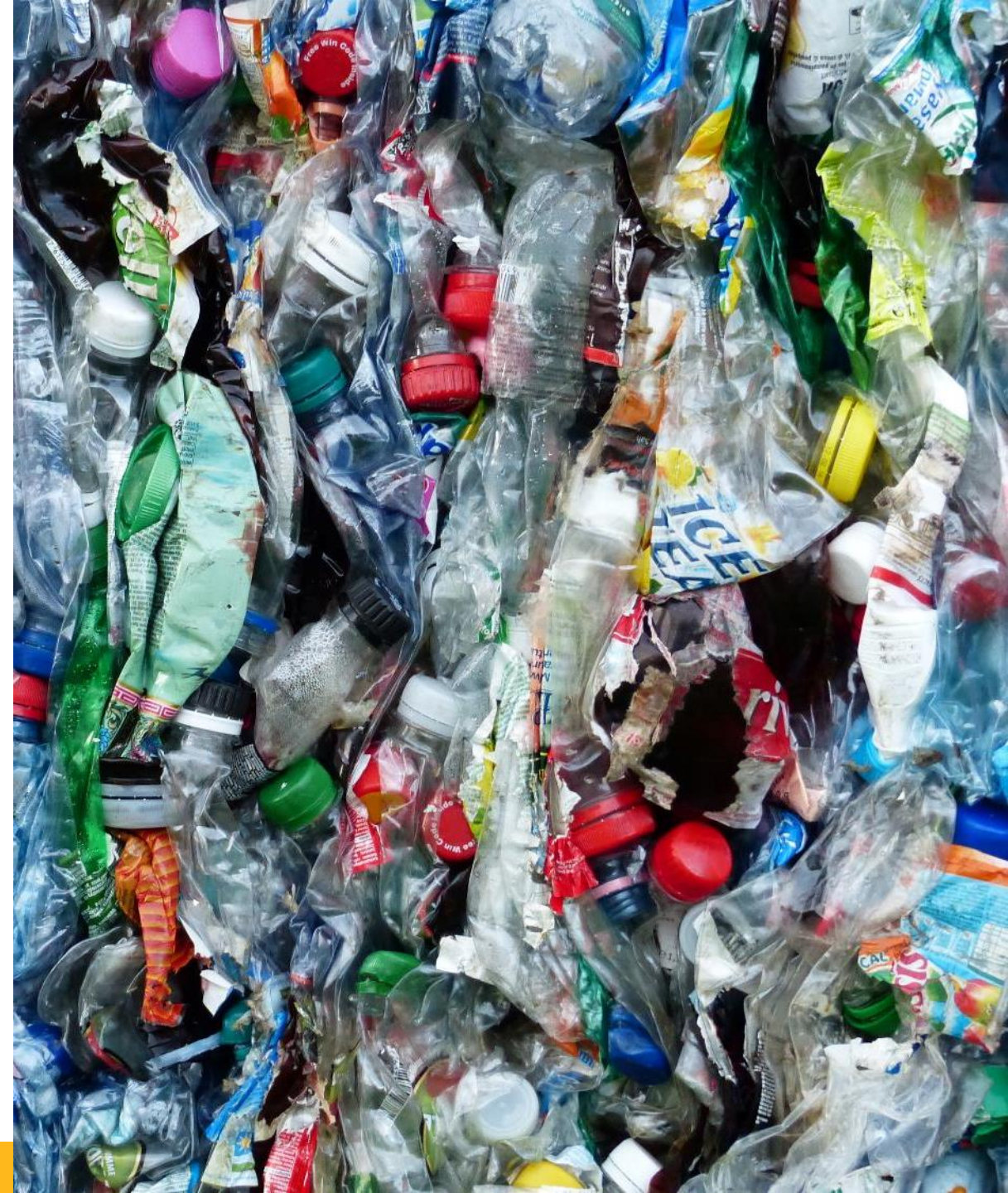
- CIF has a significant amount of intellectual property, including:
 - deliverables from approximately 750 projects
 - training materials, guidance documents and models
- CIF seeks opportunities to continue providing access to these materials after its wind-up, subject to confidentiality limitations. A Request for Expressions of Interest was issued in September 2020.

A blue recycling bin is shown, filled with crumpled paper and cardboard. The bin is positioned in the foreground, and the background is a blurred blue wall with a recycling symbol. The text is overlaid on the bin.

Does the plan support competition in Ontario's current and future marketplace for the collection and recovery of paper products and packaging?

Next steps

- This presentation deck and a recording will be posted to our [consultation webpage](#)
- Provide feedback by **Tuesday, November 10, 2020** via:
 - Email to consultations@rpra.ca
 - [Online survey](#)
 - Webinar, group discussion or 1:1 meeting (upon request)
- Feedback from the consultation will be summarized in a report that will be available on the Authority's website
- If you have questions about the wind-up plan or would like to discuss it in more detail, email us at consultations@rpra.ca



A large stack of newspapers is shown, tied together with a thick, light-brown rope that runs vertically down the center. The newspapers are stacked in a way that their edges are visible, showing various headlines and text. The text is mostly illegible due to the angle and focus, but some words like 'Thank You', 'BJP hit back', and 'KBK Infographics' are visible. The background is a blurred outdoor setting, possibly a recycling yard or a newspaper collection point.

Thank You

● **BJP hit back**

KBK Infographics