



Deduction and Exclusion Policy

KEY FEATURES:

- This Policy provides guidance about “deductions” and “exclusions” from the Annual Steward Report.

I. Overview

1. This Policy:

- outlines the scope of permitted deductions in Annual Steward Reports; and
- explains what materials must be excluded from Annual Steward Reports because they are not designated paper or packaging materials.

II. Purpose

2. The Policy:

- promotes fairness and consistency for all stewards; and
- supports stewards in their obligation to produce Annual Steward Reports which are auditable by the Program and by provincial regulators.

III. Scope

- This Policy is effective January 1, 2025 for all stewards meeting their regulatory stewardship obligations with one or more of the following paper and packaging programs (the “Programs”):
 - Recycle BC;
 - SK Recycles (formerly Multi-Material Stewardship Western (MMSW)); and
 - Multi-Material Stewardship Manitoba (MMSM).

IV. Policy

iv. Definitions

- The following definitions apply:



- vi. **“Annual Steward Report”** is the annual report Filed by all stewards and voluntary stewards, which describes the aggregate amount of Obligated Material, expressed in kilograms or units by category, Supplied by the steward and its franchisees or affiliates during the Data Year.
- (a) **“BC Recycling Regulation”** means B.C. Recycling Regulation B.C Reg. 449/2004 and its amendments.
- (c) **“Consumer”** means an individual (other than a Person in the Industrial, Commercial, or Institutional (IC&I) sector) to whom Obligated Material is Supplied, regardless of whether the Obligated Material is disposed of by the Consumer in the Residential Waste System.
- vii. **“Deduction Declaration Form”** – al form available via WeRecycle Portal that the steward is required to complete and submit with their Annual Steward Report for validation
- viii. **“Designated Material”** means paper, packaging, and service packaging which is Supplied to Consumers and is designated pursuant to one or more of the Programs listed in section 3.
- ix. **“Designated Packaging-like Products”** are:
- x. for Recycle BC:
- xi. as of the 2023 invoice, 2022 reporting year, Recycle BC stewards are obligated to include all Designated Packaging-like Products; and
- xii. this term is defined as per the 2020 Amendments to the BC Recycling Regulation Explanatory note.¹

¹ The addition of packaging-like products to Schedule 5 is intended to capture items that are typically used by the consumer for their own packaging needs and that may be purchased as products. For example, consumers may use these to package, contain or transport their own goods or products that have been removed from their original packaging. Packaging-like products are often indistinguishable from packaging when recycled and consumers generally expect to recycle them through the residential recycling system (e.g. by placing them in their residential “blue box” or returning to a depot). Packaging-like products include, but are not limited to, items such as:

- Food bags and films purchased as a product, food storage, sandwich and freezer bags, paper lunch bags, aluminum foil wrap, plastic shrink film wrap, paper wrap (e.g. wax paper, parchment paper)
- Disposable food storage containers purchased as a product, (i.e., containers intended for short term use), Non-durable plastic, paper or other food containers (e.g. plastic lunch containers), Aluminium foil pie plates and baking trays, etc.
- Household items purchased as a product, Corrugated cardboard moving boxes, banking boxes and cardboard boxes, Recycling bags (i.e. bags used to collect recyclables), LDPE/HDPE film (e.g. used as drop sheets for painting, covering items like furniture or equipment), Bubble wrap, Plastic plant pots and saucers.



xiii. for SK Recycles:

xiv. as of the 2025 invoice, 2024 reporting year, SK Recycles producers are obligated to include all Designated Packaging-like Products.

xv. this term is defined in Saskatchewan's The Household Packaging and Paper Stewardship Program Regulations (2023).

xvi. "**Designated Single-use Products**" are defined as per the 2020 Amendments to the BC Recycling Regulation Explanatory note.² As of the 2023 invoice, 2022 reporting year, Recycle BC stewards are obligated to include all Designated Single-use Products.

(d) "**Excluded Material**" has the meaning provided in section [21].

(e) "**Gross Weight**" means the total weight of all Obligated Material Supplied to Consumers, without deduction.

xvii. "**Jurisdiction**" means the provincial jurisdiction in which the Program operates.

xviii. "**Permitted Deductions**" means the deductions that may be claimed by stewards with respect to Obligated Material in accordance with this Policy.

(f) "**PPP**" means packaging and paper products Designated by a Program.

(g) "**Program(s)**" means the programs listed in section 3.

(h) "**Residential Waste System**" means a system of waste collection which services residential dwellings, including all single family and multi-family dwellings, regardless of whether the service is provided by a municipal government or by private contractors. In the Recycle BC Program, the residential waste system also includes streetscape containers, because streetscape is part of the Recycle BC Program funded by BC first importers and brand owners.

The addition of packaging-like products is not intended to include durable storage containers such as glass or metal food storage containers or long-term storage containers such as heavy-duty plastic boxes or totes but is intended to capture products with short-term reusability and are compatible with the existing residential recycling system.

² The addition of single-use products to Schedule 5 is intended to capture items that may not always be thought of as packaging, but similarly serve a single or short-term purpose (e.g., straws, stir sticks, utensils, plates, bowls and cups). The example of "party supplies" in the regulation is intended to capture items that are similar to the above or to packaging or paper products that can be managed in the current residential recycling system, such as paper party décor. For example, this includes items such as paper streamers, pinwheels and piñatas, but does not include items such as costume wear (e.g., eyeglasses), balloons, ribbons, or other items that would contaminate the recycling stream.



- (i) **“Supplied”** means sold, leased, donated, disposed of, used, transferred the possession of or title of, or otherwise made available to a Consumer in the Jurisdiction or distributed to a Consumer in the Jurisdiction. Supply and Supplies have similar meanings.
- (j) **“Service Packaging”** means packaging which may or may not bear a Brand that is Supplied at the point of sale by the retail, food-service or other service providers to facilitate the delivery of goods, and includes all bags, boxes, and other items for the containment of goods at point of sale
- (k) **“Validation Data”** means data such as SKU, UPC or other product categorization information, including:
 - (a) descriptions of each product item or group;
 - (b) product sizes;
 - (c) packaging materials and weight;
 - (d) sales volumes

that may be requested by the Program to:

- (i) substantiate quantities reported by stewards in their Annual Steward Report; or
- (ii) assess a steward’s request for a Permitted Deduction.

(b) Overview: “Deductions” versus “Exclusions”

3. “Exclusions” are different from “Deductions”:

- (a) “Exclusions”:
 - (i) relate to material which is not a Designated Material by the Program, examples of which are provided in the next section; and
 - (ii) must not be reported in the Annual Steward Report.
- (b) “Deductions” relate to material that is a Designated Material by the Program and is Supplied to Consumers, but is managed outside of the Residential Waste System:
 - (i) Designated Materials Supplied to a Consumer must be reported in their totality in the Annual Steward Report without deduction insofar as the steward is unable to provide adequate Validation Data in support of its deduction.



- (ii) Designated Materials sometimes may be disposed of outside of the Residential Waste System and therefore may be deducted from the Annual Steward Report as long as the deductions are substantiated and validated through the completion of a Deduction Declaration Form and supported by appropriate Validation Data.
- (iii) Deductions based on where the Designated Material is managed within the Residential Waste System i.e., recycling, garbage or organic stream, are not permitted.

xix. Materials that should be Excluded from the Annual Steward Report because they are not Designated under the Programs

- 4. Some PPP is not Designated by a Program because the material is never Supplied to a Consumer or is not considered to be packaging. These are known as Exclusions. Stewards do not need to include material which is “Excluded” (i.e. not Designated) in their Annual Steward Report.
- 5. Examples of Excluded Material include:
 - (a) **Durable Packaging**
 - (i) Durable packaging refers to packaging that has a useful life of at least five years, is intended to facilitate longer term storage of the product and remains with the product throughout its useful life.
 - (ii) Where only a portion of the packaging is considered integral to the long-term use or storage of the product, this portion may be excluded from the steward report because it is not Designated PPP.
 - (iii) The following are examples of durable packaging that should not be included in the Annual Steward Report:
 - CD/ DVD cases;
 - power tool cases;
 - vinyl record covers; and
 - the boxboard used to contain, store and transport pieces of a board game or puzzle.
 - (b) **Products and services Supplied to IC&I consumers for the IC&I consumers’ consumption**



- (i) Where a steward supplies packaging or paper product materials to the industrial, commercial, or institutional (IC&I) sector, and the material is not disposed of in the Residential Waste System, this constitutes Excluded Material.
- (ii) PPP Supplied to home offices disposed of in the Residential Waste System are not considered Exclusions and cannot be deducted from the Annual Steward Report because it will be managed in the Residential Waste System, rather than in a commercial establishment's waste management system.

(c) Other items to exclude from your report

- xx. SK Recycles and MMSM: do not report items that are not generally considered to be packaging such as accessories to the product that do not serve a packaging function or in SK Recycles are not a packaging-like item. These items are not Designated Materials under the provincial Programs. This would include items such as:
 - plastic cutlery,
 - straws, and
 - paper serviettes, etc.

xxi. Do not report packaging sold as a product (empty) to the end consumer, except where packaging-like items are obligated.³ This would include:

- garbage bags,
- organic waste bags,
- xxii. food storage bags⁴, and
- xxiii. food storage container⁵

- (i) Do not report items that constitute an integral part of the product. This would include:
 - toner cartridges, and
 - single use cameras.

³ Retail carry-out plastic bags are considered designated items and must be reported.

⁴ Recycle BC stewards and SK Recycles producers will report these designated packaging-like products

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xxiv. Deductions Claimed by a Steward in the Annual Steward Report

(i) Introduction

6. A steward must provide the following information in its Annual Steward Report:
 - (a) report on the Net Weight of Designated Material Supplied to Consumers;
 - (b) identify the Gross Weight of the Designated Material, by material type, in the completed Deduction Declaration Form identifying the methodology used to calculate and determine the deduction;
 - (c) maintain the steward's records in support of the deduction for at least five years and make these records available to the Program upon request.
7. The Programs may require any steward claiming a deduction to provide additional Validation Data or submit to an audit of the deduction.
8. If the deduction substantiation involves a third-party study, waste audit data, or market research; the steward must ensure that:
 - (a) a copy of the study, data or research is included along with the Deduction Declaration Form,
 - (b) the study, data or research must be current, undertaken or refreshed within the three years preceding the submission year,
 - (c) information such as time frame of the study/research/ data, demographics, location, survey questions, and results are clearly stated,
 - (d) the questions asked in the research and study demonstrate the percentage of PPP managed outside the Residential Waste System versus the percentage consumed⁶ or delivered etc.,
 - (e) any other relevant information.
9. Stewards are not permitted to retroactively claim deductions which they did not claim in a prior Annual Steward Report. The Steward Initiated Adjustment Policy prohibits retroactive methodological

⁶ In instances where a consumption study is applied, e.g.. chip bags consumed in the car or transit, the stewards will be asked to apply a factor that also considers where the packaging is being disposed. For example, chip bags consumed in the car may or may not be disposed of in the residential setting, and therefore should not receive a 100% deduction.



changes, and this includes changing the percentage of designated material for which the steward claims a deduction for past years.

(ii) Waste Management Outside of the Residential Waste System

10. Designated Materials that are disposed of outside the Residential Waste System may be deducted from the Annual Steward Report, as long as the deduction is supported by adequate Validation Data and a completed Deduction Declaration Form.⁷

11. The following caveats apply with respect to deductions:

(a) BC Disposal on Municipal Property:

- (i) In British Columbia, a steward's obligation to report and pay fees extends to Designated Material disposed of on municipal property.
- (ii) No deduction is permitted in British Columbia for out-of-home disposal where the disposal occurs on municipal property, which includes public waste disposal bins and recycling bins in all municipal parks, streets; and

(b) Plastic Bags Deduction Limited to MMSM;

- xxv. This deduction is not available for stewards under SK Recycles and Recycle BC programs as return to retail programs are not permitted.
- (i) MMSM is the only Circular Materials-supported programs in which stewards may claim a deduction for plastic bags which are returned to retail as part of a return to retail program for plastic bags.
- xxvi. A Deduction Declaration Form must be completed and submitted on the WeRecycle portal by all stewards in Manitoba that are reporting a reduced quantity of their total plastic bags Supplied due to return to retail.

⁷ An Excel Deduction Declaration Form is available on the WeRecycle portal for stewards to provide information on the types of deductions taken. The form lists examples of acceptable supporting documentation for any deductions, including stock keeping unit (SKU)-level data or relevant third-party studies and their application to the SKU level data. Validation data must be submitted alongside the Deduction Declaration Form to support the review process and confirm the legitimacy of the underlying deduction.



- (ii) Stewards that commingle their plastic bag returns with other plastic materials such as overwrap must ensure that the deducted quantity for plastic bags does not include other plastic material.
- (iii) All stewards claiming a deduction for plastic bags may be required by the program to provide supporting documentation to validate their deduction.

(iii) Product returns

12. A steward may deduct Designated Material associated with products that are initially Supplied to Consumers, but are:

- (a) returned to retail;
- (b) never re-Supplied to a Consumer, and
- (c) disposed of outside of the Residential Waste System.

13. Stewards cannot claim a deduction for product returns where:

- (a) the product is returned without its associated PPP; or
- (b) the returned product and its associated PPP are subsequently re-Supplied to a Consumer, as it will re-enter the Residential Waste System.

14. Retailers may only claim this deduction for PPP for which they are the brand owner or first importer.

15. A brand owner claiming this deduction must be able to substantiate the quantity of returns to retail.

(iv) Packaging removed from consumer's home

16. Goods delivered to Consumers may have PPP that is delivered with the product, but the associated PPP is sometimes removed from the Consumer's home by the delivery service.⁸

17. This PPP is Designated Material because it is Supplied to the Consumer at the time of the delivery but may be eligible for a deduction if the PPP is removed from the Consumer's home and disposed of outside of the Residential Waste System.

⁸ Not all Consumers will ask for the Designated Material to be removed at the time of delivery. Further, some delivery companies that do remove PPP at the time of the delivery may use the Residential Waste System for disposal. Some SKUs may have lower rates of delivery than other items (e.g. large appliances).



18. Retailers may only claim this deduction for PPP for which they are the brand owner or first importer.
19. A brand owner claiming this deduction must be able to substantiate the quantity of PPP removed from the homes of Consumers at the time of delivery.
20. The steward must have Validation Data such as auditable documentation from various retailers and their delivery network that supports the deduction of this Designated Material from its report and provide supporting information in the Deduction Declaration Form.