



SK Recycles Transition

Phase 2 Eligibility and Efficiency Criteria

BACKGROUND – PHASE 2 ELIGIBILITY AND EFFICIENCY CRITERIA

The approved Program Plan includes a commitment to develop two program elements pertaining to Phase 2 of the transition to full Extended Producer Responsibility (EPR), which are the focus of this document.

The intent of the Phase 2 Community Curbside and Multi-family Collection Eligibility Criteria is to outline which communities will be eligible for the continuation of curbside and multi-family collection in Phase 2 under the SK Recycles program moving forward, as well as eligibility criteria for those communities not currently acting as curbside or multi-family collectors under the SK Recycles program at present.

The intent of the Phase 2 Efficiency Criteria is to outline the criteria through which SK Recycles will determine which communities eligible under Phase 2 will be given the opportunity to act as a collection service provider to SK Recycles and in which communities SK Recycles will directly operate collection services in the future as applicable. Given the significant number of small, rural and remote communities identified for Phase 2, SK Recycles aims to develop and implement an approach to program delivery that reduces administrative burdens, fosters operational efficiencies, drives environmental improvement and builds on regional economies of scale.

The Program Plan includes a commitment to conduct engagement on these two program elements and to submit them as amendments to the Program Plan to the SK Ministry of Environment by December 1, 2024 for review and approval.

PHASE 2 COMMUNITY CURBSIDE AND MULTI-FAMILY ELIGIBILITY CRITERIA

SK Recycles Collectors:

- All municipalities and Regional Waste Authorities (RWAs) with existing curbside collection programs participating in the shared responsibility model of the SK Recycles program (previously known as Multi-Material Stewardship Western) as of July 1, 2024 will be eligible to participate in Transition Phase 2.
- All municipalities, RWAs and First Nation and Métis communities participating in the SK Recycles program as a curbside collection service provider (whether under the shared responsibility program, Transition Phase 1 or Transition Phase 2) are eligible to launch and operate a multi-family collection program in the same service area if applicable.

Non-SK Recycles Municipalities:

Communities that did not have curbside collection programs participating in the SK Recycles program as of July 1, 2024 will be eligible to participate in Transition Phase 2 provided all of the following criteria are met:

- The community is an incorporated municipality and either a Town, Northern Town, Village or Northern Village;
- The community has a minimum population of 1,000 residents per the 2021 Census; and
- A curbside garbage collection program is in place and operated by the municipality (whether directly or through a contract with a private collection company) or scheduled to launch no later than coinciding with the introduction of packaging and paper curbside collection.

Requests from communities that do not meet these criteria that wish to participate in Transition Phase 2 will be considered on a case-by-case basis. The following criteria will be considered when reviewing such requests and determining whether an exception will be granted:

- Community population and density;
- Community proximity to other curbside service areas, population centers and post-collection facilities; and
- The ability of the community to contribute to SK Recycles' collection targets and the establishment of an efficient and effective collection system.

PHASE 2 EFFICIENCY CRITERIA

All communities that meet the Phase 2 Community Curbside and Multi-Family Eligibility Criteria (outlined above) will be eligible to act as a collection service provider under Transition Phase 2 for the two-year period of February 1, 2026 to February 1, 2028. Communities will receive a formal offer to participate in Phase 2 from SK Recycles, including a Master Services Agreement (MSA), Curbside Statement of Work (SOW) and Multi-Family SOW (if applicable) and the applicable incentive rates. Communities will have the opportunity to review these documents and consider whether to accept SK

Recycles' offer, sign the applicable collection agreements and participate in Phase 2 as a collection service provider for curbside and/or multi-family collection until February 1, 2028.

Communities that are interested in considering SK Recycles' offer may establish a review, signing and participation timeline for Transition Phase 2 that reflects their internal decision-making process and will not be required to launch on the first eligible day of Transition Phase 2. SK Recycles will communicate quarterly launch opportunities, the first of which will coincide with February 1, 2026, each with respective deadlines for offer acceptance. SK Recycles collectors eligible under Phase 2 that need additional time to consider this offer will continue to receive payments in accordance with the terms of their existing agreements under the shared responsibility model until they launch under Phase 2 or February 1, 2028, whichever comes first.

SK Recycles collectors that meet the Phase 2 Community Curbside and Multi-Family Eligibility Criteria with existing contracts for the provision of curbside collection by a private collection company that expire prior to February 1, 2028 are encouraged to extend these contracts to February 1, 2028 where possible. Where this is not possible, SK Recycles will explore opportunities with the collector and their private contractor to ensure uninterrupted service delivery, provided sufficient notice is given to SK Recycles.

Effective February 1, 2028, SK Recycles will directly operate curbside and, if applicable, multi-family collection services in any municipality or RWA that meets the Phase 2 Community Curbside and Multi-Family Eligibility Criteria, is participating in the SK Recycles program by February 1, 2026, and that requests that SK Recycles move forward in providing this service in their community by February 1, 2026.

SK Recycles will not directly operate curbside and, if applicable, multi-family collection services in the following cases:

- In an RWA that provides packaging and paper curbside collection and, if applicable, multi-family collection to two or more municipalities, First Nation or Métis communities (whether directly or through a contract with a private collection company) that formally requests to act as a collection service provider under the Phase 2 community-led collection model beyond February 1, 2028; or
- In a municipality or RWA that requests by February 1, 2026 to opt out of the SK Recycles program entirely (or does not otherwise communicate their decision to SK Recycles by February 1, 2026) and intends to either terminate curbside collection services or operate those curbside collection services independently of the SK Recycles program after February 1, 2028.

In communities where SK Recycles will directly operate curbside and, if applicable, multi-family collection services beginning February 1, 2028, SK Recycles will be responsible for all aspects of the management of collection services to residents, including procuring, providing and maintaining the collection containers that residents will use to set out their material. In the lead up to the launch of SK Recycles' service, SK Recycles will work closely with community staff on many aspects of the transition with the goal of providing a seamless transition without disruption to residents. It is SK Recycles' intent to establish and maintain regular communication and coordination with community staff starting before and continuing after the launch of SK Recycles services to ensure the continued success of the program.

SK Recycles will select a collection contractor for each community through a competitive procurement process. Potential service providers will be evaluated on items such as the following:

- Responsiveness and capacity to effectively communicate;
- Operational knowledge, adaptability and experience;
- Access to required infrastructure and equipment;
- Ability to innovate and drive operational efficiencies;
- Commitment to sustainability and environmental improvement;
- Approach to customer service;
- Reporting capabilities; and
- Pricing.

SK Recycles will engage directly with private companies involved in the collection of packaging and paper on the design of the competitive procurement process and the development of efficient and optimized regional service areas to ensure their needs and interests are considered.

Eligible communities will continue to receive curbside and, if applicable, multi-family collection services directly from SK Recycles provided the community maintains a minimum threshold of 30 kg of collected material per household per year. If, after 5 years of operating curbside and, if applicable, multi-family collection services a community has not achieved this threshold (or falls below the threshold after 5 years), SK Recycles will reserve the right to terminate that collection service.