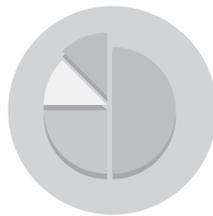


Part Two

How to prepare your steward report



2019 updates to Part Two of the Guidebook

Section	Title	Revision
2.0.4	Resources to assist with preparing your report	New section added that lists the additional resources available to stewards to assist in the preparation of their steward report.
2.1	Identify scope	Additional language has been added to explain how stewards can advise CSSA if they are aware of obligated businesses which are not participating as stewards.
2.3.1 and 2.3.2	Material that may be excluded from your report versus material that may be eligible for a deduction using the deduction form on the portal.	This section has been re-organized and now more clearly distinguishes between materials that may be excluded from a steward report (2.3.1) and materials that may be deducted from a steward report (2.3.2). It also includes guidance on how stewards will need to support the exclusions or deductions on the WeRecycle portal.
2.5.2	Average Bill of Materials (ABOM) method of reporting	This section has been re-written and provides a clear step-by-step process on the ABOM method for preparing a steward report. Straight average ABOMs have been removed from the Guidebook because weighted average ABOMs result in a more accurate estimation of material weights.

2.0 Introduction

If you are an obligated steward or are registering as a voluntary steward, it is time to begin collecting your data. This section will prepare you to file your annual steward report(s), including providing information on data collection, methodologies and record keeping.

Companies that have determined they are an obligated steward will need to use the [WeRecycle portal](#) to register and confirm their obligation. As a steward, you will be asked to supply basic contact information for your organization and then identify a representative, authorized by a senior officer of your organization whom we refer to as the “Primary Contact” (PC), to be the main contact for your organization. The PC has the authority to confirm your obligation for all applicable stewardship programs file and submit reports and when necessary request an amendment to a report (See Policy for Steward-Initiated Adjustment Requests) to a report.

The Primary Contact has access to all portal functions and can assign other contacts listed below:

- A Secondary Contact is an optional contact who can view reports and invoices, receive program related communications and assign other secondary or environmental contacts.
- An Environmental Lead is an optional contact who can view reports and invoices and will receive program-related communications.
- A Billing Contact will receive copies of invoices and financial statements relating to the steward’s account and has the ability to enter data but cannot submit reports. The Billing Contact will receive program-related communications.

The same person can act as both the Secondary Contact and the Environmental Lead but there can only be one Primary Contact per program. For more information about using the portal and completing all registration steps, please refer to the Portal User Guide located on the [CSSA website here](#).

2.0.1 Why is the accuracy of reports so important for stewards?

It is very important that each steward report its designated packaging and paper product materials accurately in order to ensure stewardship program costs are distributed fairly among all stewards. Stewards’ reported quantities of the PPP they supply to residential consumers are a key input to the calculation of annual stewardship fees.

To ensure fairness to all, we require stewards to explain the methodologies they use to prepare their reports when they submit their annual reports through the [WeRecycle portal](#).

The methodologies used and the data reported by stewards are subject to review and verification. Stewards are required to maintain records for five years. Process documentation and record keeping also helps to ensure consistency and accuracy of your reports year over year.

Methodologies may include the use of estimates in the absence of packaging weight and composition data. Estimates must be clearly and carefully explained and well supported. Stewards who do not know the quantities supplied to residential consumers in a jurisdiction may use the Statistics Canada Population Percentages as provided by Statistics Canada and available [here](#) to estimate the distribution of their products across provinces.

In all cases we encourage stewards to:

- base estimates used to inform steward reports on valid and verifiable information;
- make reasonable estimates, and refer to accounting practices and professional standards for guidance on what is reasonable;
- retain records and be aware that steward reports are subject to verification for a period of five years; and
- review your reporting processes and methodologies each year prior to submitting your data as methodology changes cannot be applied retroactively.

2.0.2 When do I have to report and pay?

Stewards file their annual steward reports by May 31 of each calendar year.

The steward report includes the weights and/or quantities of designated PPP supplied to residential consumers during the previous year in each province where they are a steward. For example, the steward report submitted by May 31, 2019 will be based on quantities of PPP supplied during 2018.

The steward will be invoiced in 2019 based on the report submitted in May of 2018. In summary, a report based on 2017 data would be submitted by May 31 of 2018 and invoiced in 2019.

The total fees are calculated by multiplying each material category fee rate by the quantity of the material you supplied.

For new stewards that do not have prior year data to report, estimates of PPP supplied may be used to calculate the stewards' fees. The National Steward Services team can assist any new steward in determining the best way to develop these estimates, and how to complete their first reports as each situation can be quite different. Please refer to the [Onboarding Policy](#) for additional onboarding principles.

2.0.3 Step-by-step guide to compiling your steward report

What follows is a step-by-step guide designed to assist you through the process of preparing your steward report. Should you have additional questions about how to prepare your report after reviewing this section please contact CSSA's National Steward Services team at 1-888-980-9549 and a National Steward Services Representative will be pleased to assist you.

How to prepare a steward report;

1. Identify scope
2. Select a methodology
3. Obtain sales data and/or information on services provided
4. Determine the weight of designated materials for each product/service/activity

5. Calculate total kilograms of PPP for each material category
6. Identify any additional materials to report
7. Maintain the integrity of your reporting process and data

2.0.4 Resources to assist in preparing your report

There are additional resources available to assist you in preparing your steward report. Please visit the 2019 Reporting Resources page on the CSSA [website](#) for:

- Reporting Tutorial
- Ready to Report Checklist and Webinar
- Best Practice Reporting Tips
- Sector Specific Reporting Tip Sheets
- Portal User Guide

CSSA's National Steward Services team is available to help you and provide guidance on preparing your stewardship reports. Please contact NSS by phone at 1-800-980-9549 or by email at stewards@cssalliance.ca.

2.1 Step one: Identify scope

1. It is important that you identify and report only the PPP for which you are obligated. You will therefore need to identify the services, products and activities associated with your organization that result in designated PPP being supplied either directly or indirectly to the residential consumers.
2. Stewards should not report PPP that is the responsibility of another steward. CSSA provides a list of registered stewards and voluntary stewards and we ask that stewards review this list prior to filing their reports. The steward lists are based on information provided by stewards and can be found on the CSSA [website](#) and on the individual program websites.

Are you aware of unregistered stewards?

CSSA welcomes information to identify unregistered stewards. Please check the provincial/national steward lists to determine if a company is registered. If an organization appears to be obligated and is not registered, there are two ways you can let us know:

Contact CSSA via email at: stewards@cssalliance.ca. Or, anonymously complete an on-line form available on each of the provincial program websites.

- [Recycle BC](#)
- [MMSW](#)
- [MMSM](#)
- [Stewardship Ontario](#)

2.2 Step two: Select a methodology

Some commonly used methods of preparing a steward's report are:

1. Using actual weights – "Specific Identification Method"
2. Using the "Average Bill of Materials" (ABOM) method
3. Using CSSA calculators – If you are considering using one of our industry-developed calculators, please contact National Steward Services as the calculators are not applicable for all organizations.
4. Some stewards use their own in-house or commercial software and/or engage third parties to assist in their report preparation. The obligation for accuracy of reporting always rests with the obligated steward.

Low Volume reporting options are available for some programs - please refer to Part One of the Guidebook, Section 1.11: What is a Small Business Policy?

2.2.1 Specific identification method

This method involves detailing the actual weights and materials of the packaging components for each product supplied.

This option may be viable if you already have an established inventory of the weights and materials associated with your packaging and paper materials.

2.2.2 Average Bill of Materials (ABOM) method

For stewards with a large number of SKUs it may not be feasible to obtain the packaging weights by material type for each and every SKU. Instead, stewards can prepare an Average Bill of Materials (ABOM) for groups of SKUs with like-packaging.

Information on how to create and calculate an example ABOM is provided in section 2.5.2.

2.3 Step three: Obtain your sales data and/or information on services provided

1. Identify all PPP for which you are the brand owner, franchisor and/or first importer. (Please see sections 1.6 through 1.11 of this guidebook for obligation requirements).
2. You must also identify services and other activities undertaken by your organization that generate PPP.
 - Examples of materials that need to be accounted for but are sometimes overlooked include: hard copies of annual reports, bank statements, marketing brochures, flyers, and printed materials distribute to your employees that are likely to be managed in the residential waste stream such as records of employment, pay stubs and T4s, and any envelopes, flyers or inserts accompanying these documents.

In order to access this information, you may rely on systems data or mail service data or studies (e.g., number of customers who request ATM receipts and dispose of them on bank property).

3. Identify the sources of data available to you and ensure you have access to the data required to complete the report (e.g., franchises, marketing, vendor management, divisions, shareholder services, etc.).
4. Ensure that you account for changes to your organization (as a result of acquisitions or divestitures of brands or businesses) since your previous reports have been identified and incorporated into your report.
5. Extract a sales report from your accounting system for all products sold for which your organization is the obligated steward in the relevant data year. Gather other data as required that will enable you to prepare your report (e.g., shareholders that received annual reports, marketing materials provided to consumers, etc.).

2.3.1 Exclusions: Materials that should be excluded from your report because they are not designated under the Programs

Some packaging or paper product materials are not

designated by the Programs because the material is never supplied to a residential consumer or is not considered to be disposable packaging. These are known as exclusions because the PPP was never designated. Stewards do not need to include material which is “excluded” (i.e. not designated) in their Annual Reports.

“Exclusions” are different from “Deductions”. In limited circumstances, stewards that complete and submit a Deduction Declaration Form may be permitted to deduct some designated Packaging or Paper Product materials which are supplied to residential consumers. Deductions are discussed in section 2.3.2.

The following subsections discuss the types of excluded packaging which do not need to be included in the stewards’ Annual Reports.

2.3.1.1 Exclusion: Durable Packaging

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. 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. The following are examples of durable packaging and should not be included in your report:

- CD/ DVD cases
- Power tool cases
- Vinyl record covers
- The boxboard used to contain, store and transport pieces of a board game or puzzle.

2.3.1.2 Exclusion: Products and services supplied to IC&I consumers for the IC&I consumers’ consumption

Where a steward supplies packaging or paper product materials to a consumer in the industrial, commercial, or institutional (IC&I) sector, and the IC&I consumer never in turn supplies that material to residential consumers, this is IC&I material which is not designated by the programs. It can include corrugated or boxboard shipping cases, plastic

pallet wrap or any other material used for the delivery of the product to a retail outlet but is disposed of or recycled in the warehouse and never included as packaging supplied to the consumer.

Stewards must be able to demonstrate that the PPP excluded from the report was supplied to IC&I consumers for their consumption or for the consumption of other IC&I organizations and that the material was never supplied to residential consumers.

This situation is illustrated by the following examples:

- A steward may supply industrial cleaning supplies in bulk-sized containers to hospitals for their use in maintaining health care facilities. The packaging associated with these bulk-sized containers is never supplied to residential consumers. As a result, this is material supplied to the IC&I sector (and not to residential consumers). This material is not designated under the provincial recycling programs and therefore should be excluded from the steward's report.
- A steward sells "bulk sized" packages of cooking oils to restaurants (part of the IC&I sector) who incorporate the cooking oil into their menu items. The same steward also sells the same bulk sized packages of cooking oil in "big box" retailers which in turn sell this product to residential consumers. The steward should not include the portion of the packaging supplied to the restaurant in its Annual Report because this packaging is not designated. However, the steward must report on the bulk packaging supplied to residential consumers through the big box retailer, as this is designated material.

As a result, if you can prove (with auditable data) that specific products (and their associated packaging) are only supplied to IC&I consumers and are never resupplied to residential consumers, you do not need to include that packaging in your report. You must retain all supporting documentation about any materials not excluded from your report as non-designated material as you may be required to substantiate the exclusion of this material by providing auditable data upon request.

2.3.1.3 Other items to exclude from your report

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. These items are not designated under the provincial program. This would include:

- plastic cutlery, straws, and paper serviettes, plant pots that are intended to remain with the perennial plant throughout its entire life cycle (i.e. the plant is not temporarily packaged in a pot/holder until it can be re-potted or planted—please see Horticulture and Agriculture tip sheet for details).

Do not report packaging sold as a product (empty) to the end consumer. This would include:

- garbage bags, organic waste bags, food storage bags and food storage containers. Please note that retail carry-out plastic bags are considered designated items and must be reported.

Do not report items that constitute an integral part of the product. This would include:

- toner cartridges and single use cameras.

2.3.2 Deductions: Materials that are designated but may be deducted from your report

Packaging and Paper Product materials supplied to a residential consumer are always designated and must be reported in their totality in the Annual Report without deduction. However, in limited circumstances, Packaging and Paper Product materials that are otherwise designated (because it is supplied to residential consumers) sometimes may be disposed of outside of the residential waste stream and therefore may be deducted from the Annual Report, with appropriate proof and where the steward completes and submits the Deduction Declaration Form. In addition to completing the Deduction Declaration Form, stewards must describe their methodology for calculating their deduction in the methodology section of the Annual Report.

An Excel Deduction Declaration Form has been added to the [WeRecycle portal](#) for stewards to provide information on the types of deductions taken. The form requires 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. The Programs may require any steward claiming a deduction to provide additional validation or submit to an audit of the deduction.

Please note that 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 changes, and this includes changing the percentage of designated material for which the steward claims a

deduction for past years.

Please contact National Steward Services with any questions about deductions: 1-888-980-9549 or stewards@cssalliance.ca.

The deduction information that follows in sections 2.3.2.1 through 2.3.2.3 generally applies to Packaging and Paper Product materials supplied by Brand Owners or First Importers to residential consumers in British Columbia, Saskatchewan, Manitoba, and Ontario, with two important exceptions:

- In British Columbia, a steward's obligation to report and pay fees extends to designated material disposed of on municipal property. Specifically, 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, etc.¹
- MMSM and Ontario are the only CSSA-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. A Deduction Declaration Form must be completed and submitted on the WeRecycle portal by all stewards in Manitoba and/or Ontario that are reporting a reduced quantity of their total plastic bags supplied due to return to retail. 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. As is generally the case, all stewards claiming a deduction for plastic bags may be required by the Program to provide supporting documentation to validate their deduction.

With proper completion of the Deduction Declaration Form on the WeRecycle portal and appropriate supporting documentation, stewards claim a deduction for certain otherwise designated materials as described below.

¹The Recycle BC approved plan covers the following:

Under Schedule 5 of the Recycling Regulation, the packaging and paper product program addresses residential premises and municipal property that is not industrial, commercial or institutional property.

Residential premises are:

- Single-family dwellings inhabited year-round or seasonally; and
- Multi-family dwellings including rental, co-operative, fractional ownership, time-share, condominium and seniors residences

2.3.2.1 Deduction: Materials supplied to consumers but not managed in the residential waste stream

A steward may deduct Packaging from products supplied to consumers that are consumed as the steward's on-site premises, when the packaging and/or printed materials associated with the product is disposed of at the steward's business premises. For example, at quick service food establishments, a portion of customers eat in the restaurant and dispose of their waste at the restaurant. Other customers may have the food delivered to their residence or pick up the food and remove the associated packaging and paper from the restaurant and dispose of it at their residence. The portion of PPP that is disposed of on-site at the steward's business premises may be deducted in the steward's Annual Report.

Stewards must ensure that they do not claim deductions for PPP which is removed from the steward's premises. For example, if a steward is supplying ketchup packages to a quick service restaurant, the only packages that can be deducted from the total supplied quantities are those that are disposed of onsite at the restaurant. The rest must be reported.

2.3.2.2 Deduction: Product returns

A steward may deduct Packaging or Paper associated with products that are initially supplied to residential consumers, but are returned to retail, never re-supplied to a residential consumer, and disposed of outside of the residential waste stream. Stewards cannot claim this deduction if the returned product and its associated paper or packaging are subsequently re-supplied to a consumer, as it will re-enter the residential waste stream (i.e. returned products that are placed back on the shelf or sold in bulk to be re-sold by a retailer selling discounted goods). Product returns without their associated paper or packaging cannot be claimed as deductions.

Retailers may only claim this deduction for packaging and Municipal property that is not industrial, commercial or institutional property comprises the following which are collectively referred to as 'streetscape' in this Program Plan:

- Sidewalks which are municipal property, which adjoin buildings in an urban commercial area and which are used for pedestrian traffic;
- Plazas or town squares which are municipal property and which are available to the public; and
- Parks which are municipal property.

paper product for which they are the Brand Owner or First Importer. A Brand Owner claiming this deduction must be able to substantiate the quantity of returns to retail.

2.3.2.3 Deduction: Packaging removed from consumer's home

On occasion, goods delivered to residential consumers may have packaging that is delivered with the product, but that packaging is sometimes removed from the consumer's home by the delivery service. This Packaging is designated because it is supplied to the residential consumer at the time of the delivery but may be eligible for a deduction with appropriate proof if the Packaging is removed from the residential consumer's home and disposed of outside of the residential waste stream.

For example, a big box retailer may provide home delivery for large appliances. The appliance is delivered with its packaging (e.g. corrugated box, polystyrene, plastic film etc.) and its printed paper (e.g. warranty information).

Some delivery services may offer to remove the packaging (but not the paper warranty information) at the option of the consumer. This Packaging is designated because it was supplied (i.e. delivered with the purchased appliance) and must be reported in its totality without deduction. In these situations, the obligated Brand Owner or First Importer may claim a deduction for that portion of Packaging that is removed from the home and disposed of outside the residential waste stream. The steward must have auditable documentation to support the deduction of this material from its report and provide supporting information in the Deduction Declaration Form.

2.4 Step four: Determine the weight of designated materials for each product/service/activity

The first step is to determine all the material categories for which you are reporting and which material list to use when filing your annual steward reports using the [WeRecycle portal](#). The national material list (Part Three of this guidebook) and province-specific material lists have been developed to provide stewards with the option of filing nationally or provincially. The Portal User Guide provides instructions on how to select your reporting preferences using the national or provincial material lists.

Next you will need to weigh the packaging and identify packaging material type. Some stewards use a specially designed system or database, or use Excel spreadsheets.

There are several options for obtaining weights and material sub-categories where they are not already known. These include:

- » **Option 1** - Obtain packaging data (the materials and their weights) from vendors or industry associations, where available. If this method is selected, steps should be taken to ensure the accuracy of weights provided by the vendors. This could include a discussion with the vendor as to how the weights were obtained or testing the data for accuracy. Ensure that processes are in place to obtain accurate weights (i.e. not estimated weights) and material classifications.
- » **Option 2** - Physically examine the packaging components to determine their weights and material categories. This may require the acquisition of a scale which is accurate at least 0.1 grams in order to obtain the weights of packaging materials.

For either option, care should be taken to exclude any materials that are not provided to the residential consumer as noted in sections 2.3.1 and 2.3.2 above. Please ensure you keep all supporting documentation on the weights you have deducted or excluded from your reports.

Where products supplied include designated materials such as magazines or paper for general use (e.g. blank

paper for printing), the weight of these designated materials should be included in the weights to be reported.

Please refer to section 2.5.2 if you are using the Average Bill of Materials (ABOM) method for reporting.

2.4.1 The component threshold rule

The component threshold rule provides reporting guidance on how to report packaging that is made up of two or more different material types when certain components of the package constitute a small proportion of the entire package. The component threshold rule is applied as follows:

- If a packaging component or the ancillary packaging (defined below) weighs less than 5% of the overall weight of all packaging components combined, then the steward may report the weight of the component or the ancillary packaging under the material category that represents the majority of the package's weight.
- If the packaging component or the ancillary packaging (defined below) weighs more than 5% and remains attached to the packaging when the consumer discards the packaging, then the steward is required to report the packaging component or ancillary packaging under the material category that represents the majority of the package's weight.
- If the packaging component or ancillary packaging weighs more than 5% and will not remain connected to the packaging when the consumer disposes of it, then the steward is required to report the packaging component or ancillary packaging under the specific material category associated with the packaging component or ancillary packaging.

Definitions:

Packaging Component is an integrated part of the packaging and is attached to the package when supplied to the consumer. Examples of packaging components include: label on a water bottle, label on a corrugated box or the steel lid on a glass bottle.

Ancillary Elements are packaging items that help the consumer use the product and are attached to the packaging. Examples of ancillary packaging include: mascara brush forming part of a container closure, a toy on the top of candy acting as part of the closure, devices for

measuring dosage that form part of a detergent container cap, or the pouring spout on a juice or milk carton.

See table below for examples.

Scenario	How to Report	Example
A packaging component or ancillary packaging weighs less than 5% of the overall packaging weight.	The weight of the packaging component or ancillary packaging may be reported under the material that represents the majority of the package's weight.	Bottle of water: Since the paper label weighs less than 5% of the overall bottle weight, the weight of the paper or plastic label can be reported in the same material category as the bottle.
A packaging component or the ancillary packaging weighs more than 5% of the overall packaging weight and remains attached to the packaging when the consumer discards the packaging.	The weight of the packaging component or ancillary packaging must be reported under the material that represents the majority of the package's weight.	Hand sanitizer bottle: Since the pump weighs more than 5% of the overall packaging weight, but will get discarded with the main bottle component, the pump can be reported in the same material category as the bottle. The label that is non-separable from the bottle can also be reported in the same material category as the bottle.
The packaging component or the ancillary packaging weighs more than 5% of the overall packaging weight and does not remain attached to the packaging when the consumer disposes of the packaging.	Stewards must report the weight of the component or ancillary packaging under the specific material sub-category associated with the packaging component.	Frozen juice can: Since the steel lid of the frozen juice can weighs more than 5% of the overall packaging weight and will be separated from the main package when the consumer disposes of it, the lid must be reported under the appropriate "steel" material category separately from the paper laminate juice can.

The component threshold rule does not apply in the following scenarios:

- » The packaging around multiple objects, for instance the plastic film around a pack of juice boxes or water bottles, must be reported separately.
- » The paper sleeve around a six-pack of yogurt containers must be reported separately.
- » A two-pack of shampoo and conditioner where film and boxboard co-join the products must each be reported separately.

2.5 Step five: Calculate the total kilograms of PPP for each material category

2.5.1 Specific identification method

Where the specific identification method is used, the weight of each packaging material should be multiplied by the quantity sold as noted in your spreadsheet or data management tool to arrive at the total weight of each

material per product. The columns containing the total kilograms per material sub-category can then be summed up to arrive at the kilograms to be reported. This could be organized in your spreadsheet as follows:

Product	Sales quantity	Per product			Total		
		Other printed material (kg)	Paper laminates (kg)	Boxboard (kg)	Other printed material (kg)	Paper laminates (kg)	Boxboard (kg)
Product A	100	0.05	0.002	0.1	5	0.2	10
Product B	500	0.1	0.05	0.05	50	25	25
Total					55	25.2	35

2.5.2 Average Bill of Materials (ABOM) Method

The ABOM method is a process designed to help simplify reporting by using averages to determine weights of each material for groups of products with like packaging.

For example, as a grocery retailer and a first importer, you may need to report on several varieties of frozen dinners that come in slightly different sizes (e.g. 150g and 250g). Each frozen dinner has similar packaging: a boxboard outer box, a PET plastic tray and a plastic film cover. Rather than weighing each material for each variety, you may use the ABOM method to calculate the average weights of the various materials of all the frozen dinners (ABOM group) based on a representative sample.

To create an ABOM group it is essential that the packaging of products within the group consist of similar PPP materials. Typically, a company will examine each detailed account level in its chart of accounts (COA is a financial organizational tool that provides a complete listing of every account in an accounting system) to determine if products in a particular group are considered similar in terms of type of packaging materials.

For greater accuracy, once ABOM groups have been defined, they are often divided into sub-groups with a sample product selected from each sub-group. The sub-group samples are used to represent the entire ABOM group.

The section below outlines the steps in the ABOM process using example spreadsheet tables. The ABOM method assumes that the sales quantities of each product within the group are known, allowing for a distribution of packaging and paper product composition to be weighted relative to its percentage of total sales.

CSSA endorses the use of weighted-average ABOMs. Reports that are based on straight-average ABOMs will be assessed on a case by case basis.

Steps to Build and Calculate an ABOM

- *Step 1: Identify products with like-packaging*

As an example, assume a company is obligated to report on total sales of 500,000 units from 100 SKUs of cereal in boxes of various sizes. Even though there are several varieties of cereals in several sizes of boxes, all the packaging is composed of the same or similar materials: an outer box and an inner liner bag. Cereal such as oatmeal packaged in a cardboard tube with metal caps cannot be included in this ABOM group as it contains different packaging materials.

It is important to note that it is likely that multiple ABOM groups would be necessary to represent the assortment of packaging materials used for different products sold in each department within a company. For example, a fishing lure with a bag and a sticker

cannot be grouped with pontoon boats which would include corrugated cardboard, inner plastic bags, paper instruction manuals, etc. even though they are both sold in the fishing department.

- *Step 2: Choose a representative sample of products*

Using the example of 100 SKUs of cereal, representative samples will need to be selected for the different product sizes and brands. This requires the creation of sub-groups to ensure samples are representative of the entire group. The number of sub-groups in an ABOM group should be relevant and reasonable.

As a starting point, the SKUs can be sub-grouped based on product weight, with consideration to the product packaging dimensions. A 500g box of granola will have a smaller box and bag than a 500g box of puffed rice.

In this example, a review of the ABOM group has identified five sub-groups of different sized products. From each of the five sub-groups, one SKU should be randomly selected to represent the sub-group's packaging materials. All packaging items from each sample item need to have accurate weights.

- *Step 3: Record the sales quantities in each sub-group and determine the weight for each of the sample's designated materials*

For each sub-group, the table below captures the total sales quantity of all SKUs in that sub-group (Column A) and the percentage of the group's total sales that each sub-group represents (Column B). For each of the five sample SKUs selected from the sub-groups, the table includes the weight in grams of the boxes (Column C) and liner bags (Column D).



ABOM Sub-groups	SKUs	A	B	C	D
		Units Sold	% of Units Sold	Sample SKU Box Weight (g)	Sample SKU Plastic Bag Weight (g)
Sub-group 1	18	90,712	18%	60.3	8.9
Sub-group 2	12	24,920	5%	67.4	10.4
Sub-group 3	21	73,688	15%	75.3	10.8
Sub-group 4	37	189,995	38%	110.6	13.3
Sub-group 5	12	120,685	24%	140.4	15.2
Total	100	500,000	100%		

- *Step 4: For each sub-group, multiply the weight of each material by the sub-group's percentage share of sales*

Using the data from Step 3, material weights from each sub-group's sample (Columns C and D) are multiplied by that sub-group's percentage of total sales (Column B). The resulting amounts are added to get the weighted average of each material to represent the ABOM group.

	B x C	B x D
ABOM Sub-groups	Sample SKU Box Weight (g)	Sample SKU Plastic Bag Weight (g)
Sub-group 1	10.9	1.6
Sub-group 2	3.4	0.5
Sub-group 3	11.1	1.6
Sub-group 4	42.0	5.1
Sub-group 5	33.9	3.7
Weighted Average	101.3	12.5

- *Step 5: Multiply the weighted average for each material by the total units sold*

In this example, the entire ABOM group had total sales of 500,000 units. Multiply the weighted average for each material from Step 4 by total sales to determine total grams of each material.

Total Units in ABOM	Total Box Weight (g)	Total Plastic Bag Weight (g)
500,000	50,650,000	6,250,000

- *Step 6: Convert to Kilograms*

As materials are reported in kilograms, the final step is to divide gram weights in Step 5 by 1,000. The resulting amounts are the weights to be reported for the entire ABOM group. In this example, the material reporting categories would likely be Boxboard for the box and Plastic Laminates for the bag.

	Total Box Weight (Kg)	Total Plastic Bag Weight (Kg)
Convert to Kilograms	50,650	6,250

Please contact NSS for questions about or assistance with the ABOM method.

2.6 Step six: Identify any additional materials to report

In addition to packaging materials associated with products for which you are the brand owner or first importer, there are other materials which need to be included in your annual steward reports such as service packaging, paper products and printed materials distributed to residential

homes, cash register receipts, brochures, coupons, take-out menus, annual statements, printed paper distributed to employees including Record of Employment, T4s and paystubs, to name just a few. See section 1.9 in Part One of the guidebook for more information.

Items to be reported	Source of weight and material classification	Additional comments
<p>Service packaging (E.g., shopping bags, receipt rolls, quick serve food containers, direct mail shipping packaging etc.)</p>	<p>Vendor – Typically can provide weight by case and the material used.</p>	<p>Ensure the weight provided does not include the box used to ship the service packaging to the steward as this will not be provided to the end consumer and therefore does not need to be included.</p> <p>Service packaging can be tracked and reported using the total weight of materials shipped to store locations (vs. tracking materials that have left each store with customers).</p>
<p>Printed materials and paper product (E.g. product catalogues, flyers, annual reports, brochures, take out menus, T4s, paystubs etc.)</p>	<p>Printing Company – Typically can provide total weight of all paper used for the order.</p>	<p>Ensure the weight is in the correct unit of measurement (i.e. kg).</p>

As with all other aspects of your report, ensure any information provided by a third party is retained as it may be requested for report validation.

2.7 Step seven: Maintain the integrity of your reporting processes and data

Once these processes have been established for your first report and your data prepared, the preparation process of future reports may be more straightforward. We recommend that you maintain both the records of the process you used to produce the report and the data that includes a list of your data sources and the tools or any internal reports used. Stewards are required to maintain documentation for a period of five years from the date the report was due as all reports may be subject to review by the program or third party review.

Each year, weights and material categories should be verified to ensure accuracy. We recommend that you review your processes prior to reporting each year to ensure the accuracy of your reports as retroactive adjustments due to methodology changes are not permitted.

- **Specific identification method**

The sales report extraction process performed for each report should incorporate the identification of any new products to be reported; weights and materials should also be verified to ensure that they have not changed for existing products.

- **ABOM method**

The ABOM groups should be examined to verify they are reasonable and whether the packaging materials profile for each ABOM has changed. The ABOM composition and packaging information/data must be maintained and adjusted as required.

- **Additional materials**

Any weights and materials information obtained from third parties that are still in use should be verified with the vendor to ensure that both weights and materials used have not changed.

- **Process documentation**

Documenting your detailed reporting processes will ensure unintended changes in the process are not made in subsequent reports. It will also ensure the process is applied consistently irrespective of who prepares the report and provide substantiation of your methodology for any reviews (including third party reviews) that may be requested. Change management is an important aspect of your report preparation process as well as records retention.