

January 3, 2023

Dear Valued Customer:

PepsiCo Beverages Canada (PBC) is writing to inform our Ontario-based customers of important changes to support new Ontario recycling regulations effective April 1, 2023.

In 2021, the Province of Ontario announced [recycling regulation](#) changes to printed paper and packaging including beverage containers. The regulation also introduced new recycling targets for beverage containers: 75% by 2026 and 80% by 2030. With recycling rates in Ontario among the lowest in the country, the industry focused its efforts on developing programming to meet these collection targets.

Beginning April 1, 2023, a Container Recycling Fee (CRF) will be added to beverage containers to increase participation in already existing recycling programs and ultimately increase collection rates in Ontario. It will ensure sufficient funding to significantly improve recycling infrastructure in the Province, an approach that many other Provinces have taken to date. PBC will add the CRF to customer invoices in Ontario.

Here are a few things you should know:

- CRF is set by the Canadian Beverage Container Recycling Association (CBCRA).
- Starting April 1, 2023, the recycling fee is set at:
 - Aluminum cans - \$.01 per container
 - PET Plastic up to and including 500ml - \$.02 per container
 - All other containers - \$.03 per container
- These fees will appear on your invoice effective April 1, 2023.
- Where HST applies to our products, HST will also apply to the related CRF.

To drive programming, the industry established two organizations including the **CBCRA**, a not-for-profit, industry-funded Producer Responsibility Organization whose membership includes beverage brand owners and distributors, and **Circular Materials**, a producer-led not-for-profit organization established to support producers with meeting their obligations under the regulation. PBC is registered with and supports CBCRA and is a Founding Member of Circular Materials.

The fees will fund the expansion of the CBCRA's Recycle Everywhere program into Ontario. The program will fund more robust recycling efforts including collection, handling, transportation, and processing of used beverage containers, as well as a province-wide education campaign designed to encourage Ontarions to recycle their beverage containers. More information on this plan is available on CBCRA's website: cbcra-acrcb.org/provincial-programs.

If you have any questions, please reach out to our PBC Accounts Receivable Team, PBCReporting@PepsiCo.com. Thank you for your understanding and continued business.

Kind Regards,



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