## TRICORBRAUN



# Canada's Extended Producer Responsibility Packaging Legislation

Extended Producer Responsibility (EPR) legislation is a regulatory approach that holds producers responsible for the cost of their product's end-of-life. Producers are defined as brand owners or manufacturers who use and own products made from materials outlined in the legislation that are sold or distributed in that province or territory. For CPG companies, EPR legislation will impact you directly or indirectly—whether you produce your own products or work with manufacturers.

The aim of EPR legislation is to drive sustainable packaging and improve recycling infrastructure by stabilizing the supply and demand for recyclable materials—and, ultimately, to create a more circular economy. EPR laws have been enacted in seven provinces and are being considered in one province and one territory. This legislation impacts producers who use and own products made from the materials called out in these various bills and sold in these provinces. The legislation assists with recycling and waste management by shifting the responsibility and costs of managing packaging waste from municipalities to packaging producers.

Under EPR laws, producers are typically required to join a Producer Responsibility Organization (PRO), which is run by a third-party and assists with management and accountability. Producers pay an annual fee to the PRO (a fee that can be lessened based on what sustainable packaging options the producer may deploy). The PRO fee is then used for implementation and management of collection and recycling services. Producers are also generally required to annually report their production levels and material use.

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| ALBERTA  | BRITISH COLUMBIA   | MANITOBA  | NEW BRUNSWICK   | NOVA SCOTIA   | ONTARIO   | SASKATCHEWAN   | QUEBEC   |
|--|--|---|---|---|---|--|--|
| EXISTING LEGISLATION   |  |   |   |   |   |  |  |
| Alberta's Extended<br>Producer<br>Responsibility<br>Regulation became<br>effective on<br><b>November 30, 2022.</b>   | British Columbia<br>has had a number<br>of EPR measures<br>in effect since<br><b>2004.</b> Legislation<br>specific to plastic<br>packaging has<br>been effective since<br><b>2012.</b> Producers<br>are required to have<br>an approved EPR<br>plan and engage in<br>annual reporting. | Manitoba has a<br>shared EPR program<br>that has been in<br>effect since <b>2010</b> .<br>The EPR program<br>places 80% of the<br>responsibility on<br>producers and 20%<br>on municipalities.<br>Producers are<br>required to have<br>an approved EPR<br>plan and engage in<br>annual reporting. | New Brunswick's<br>Designated<br>Materials Regulation<br>EPR program<br>became effective on<br>October 14, 2021.  | Nova Scotia's EPR<br>for Packaging_<br>Paper Products_<br>and Packaging-Like<br>Products<br>became effective<br>August 2023.  | Ontario's Blue Box<br>EPR regulation<br>became effective<br>on July 1, 2023.<br>The program shares<br>responsibility<br>between<br>municipalities and<br>producers. Producers<br>are required to have<br>an approved EPR<br>plan and engage in<br>annual reporting. | The <u>Household</u><br><u>Packaging and</u><br><u>Paper Stewardship</u><br><u>Program</u> regulations<br>became effective<br><b>March 31, 2023</b> .  | Quebec's EPR for the<br>Modernization of the<br>Curbside Recycling<br>System became<br>effective in<br>July 2022.  |
| REQUIREMENTS & UPDATES   |  |   |   |   |   |  |  |
| April 1, 2024:<br>Producers will<br>be required to<br>provide collection<br>and management<br>plans to the<br>Alberta Recycling<br>Management<br>Authority (ARMA).<br>April 1, 2025:<br>The EPR system<br>will go into effect<br>for communities<br>that have existing<br>services.<br>October 1, 2026:<br>EPR systems will<br>go into effect for<br>communities that<br>do not have existing<br>services. | There are no<br>upcoming changes<br>at this time.  | Manitoba is<br>developing a plan<br>to transition to a<br>full EPR program<br>that is 100% funded<br>by producers. The<br>Government of<br>Manitoba is in the<br>process of finalizing<br>the transition plan.  | April 1, 2024:<br>Brand owners will<br>not be able to sell or<br>distribute beverage<br>containers if they are<br>not registered with<br>the Board.<br>April 1, 2024: The<br>beverage container<br>deposit and refund<br>system will begin. | January 1, 2024:<br>Producers must<br>register with the<br>Administration.<br>October 1, 2024:<br>Producers will<br>be required to<br>consult with every<br>municipality and<br>submit a readiness<br>report to the<br>Administrator—or<br>designate a PRO<br>to submit it on<br>their behalf.<br>December 1, 2025:<br>The implementation<br>of specified<br>requirements<br>becomes effective. | This EPR program<br>is transitioning<br>away from being<br>partially funded by<br>municipalities to be<br>solely funded by the<br>producers. Changes<br>are being phased in<br><b>through 2025.</b>   | Recent amendments<br>will require a change<br>to how the collection<br>and recycling<br>of household<br>packaging and<br>paper are managed.<br><b>September 27, 2023:</b><br>Producers were<br>required to develop<br>and submit a plan<br>for approval. | <ul> <li>2025: EPR curbside recycling must be fully implemented, and producer fee requirements will begin.</li> <li>2030: All industries will be included in the service territory.</li> </ul> |

Please consult with your legal team to understand the exemptions outlined in each province's legislation and to assess how specific legislative mandates impact your brand.



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#### WHERE ELSE WE'RE WATCHING

Canada is developing national guidelines to establish consistency across EPR programs in all provinces and territories. These guidelines would streamline the data collection process and improve data collection and performance measurement. This EPR legislation went into effect on March 31, 2023; implementation is in the planning stages and the law is expected to be phased in sometime in 2024. And we're watching what's happening in the Yukon Territory, where there is an EPR proposal in the draft phase. It's awaiting approval, and the territory has committed to implementing an EPR program by 2025. Meanwhile, the European Union has proposed updates to their packaging regulations, including stringent post-consumer recycled content requirements and mandates for designing for recyclability.

# Packaging Implications & Recommendations for Impacted Brands

If you are a brand owner, these laws will impact you as they shift the responsibility (and costs) of managing packaging waste from municipalities and onto the defined producer. Eco-modulation incentives, managed by producer responsibility organizations to reward producers with lower PRO fees if they reduce the environmental impact of their packaging, may be one way to get relief in some instances. What incentives exist will vary depending on the specific legislation in each province or territory.

### There are packaging strategies that can help you comply with EPR laws and minimize—as much as possible—the various fees:

- Incorporate PCR into your Packaging: Post-consumer recycled (PCR) content is packaging that has been reconstituted from non-virgin sources (e.g., recycled plastics) and can be repurposed for consumer use. Using PCR reduces the use of virgin materials, which decreases the environmental impact of your product; it also helps to stabilize demand for recycled materials. Considerations for implementing PCR into packaging include odor, color, performance, use of food grade resins, price, and supply. Learn more about PCR and Minimum PCR Content Legislation here.
- Design for Recyclability: In its <u>Circular Packaging Assessment Tool</u>, the Recycling Partnership says that "while the body of a package may be easily recyclable, companies must also ensure that package components and constituents—such as labels, lids, additives, and liners—do not hinder the recyclability of the package. Including contaminants in packaging composition results in value loss throughout the system, decreases availability of recycled content, and at times even reduces the quality of recycled content." Indeed, everything from size to shape, the type of material or plastic, the color, and the labeling impacts the recyclability of your package. In order to ensure recyclability, all these design considerations must be taken into account. Utilize <u>our team of experts</u> in Supply Chain and Design & Engineering to evaluate the recyclability of your existing package.
- Use Nonhazardous Materials: Hazardous materials in packaging products potentially pose environmental and health risks. Using nonhazardous materials will minimize EPR fees associated with the product because doing so will decrease environmental and safety concerns.



If you're looking to comply with EPR measures and minimize the potential impact of your fees, TricorBraun can help. Our deep relationships with our robust network of suppliers means that we can partner with the best supplier to meet your goals or we can leverage our in-house design capabilities to develop new PCR packaging. Plus our knowledgeable Supply Chain and Design and Engineering experts will work with you to implement or custom design packaging for recyclability. And our dedicated team of in-house quality professionals takes packaging through a range of qualification and functional testing to ensure that your sustainable packaging will perform as required. Let us partner with you to create packaging that reduces your environmental footprint, and potentially your fees, while wowing your customers.

This overview is designed to help you better understand emerging EPR requirements and how we can support you on this complex journey. We also recognize that your sustainability goals are broader than compliance with state laws—and we're prepared to support you in ensuring that your packaging aligns with your sustainability strategy and brand story. As one of the largest suppliers of primary packaging across all substrates, let us help you evaluate what packaging materials and structure will create a package that drives brand loyalty for long-term success.