



July 4th, 2025

Submitted via the Environmental Registry of Ontario

Marc Peverini
Resource Recovery Policy Branch
40 St. Clair Avenue West, 8th floor
Toronto, ON M4V 1M2

Re: ERO 025-0009 - Amendments to the Blue Box Regulation

Dear Marc Peverini,

We first want to thank the Ministry of the Environment, Conservation and Parks (MECP) for its continuous efforts aimed at improving the *Blue Box Regulation* (Regulation). There are several elements in this proposal that will quickly provide financial relief to Producers, and will ultimately limit the financial impact that the Regulation has on consumers across Ontario. Therefore, we are in support of most of the proposed changes.

However, we believe some aspects of the proposal could have unintended consequences, and we see opportunities for further improvements, so we'd like you to consider the following recommendations:

1. **Transition to a stewardship plan model, operated by a single PRO:**

While we appreciate that the MECP has been amending the Regulation every year since its initial release in 2021 to address deficiencies, we believe that the Individual Producer Responsibility (IPR) model itself is fundamentally flawed and that a full reform is the only sustainable path forward. The delays that are currently being proposed are the perfect opportunity for the MECP to transition the Blue Box program to a traditional Extended Producer Responsibility (EPR) model, based on a stewardship plan, and operated by a single Producer Responsibility Organisation (PRO).

We are available to meet with the MECP to provide further details on the stewardship plan model and discuss how Ontario can efficiently transition to this traditional EPR model, which has been successfully implemented in most Canadian provinces over the past 15 years.

2. **Delay recovery targets to 2028 instead of 2031, except for flexible plastic:**

Through their PRO, leading Producers, such as Costco, have already made significant investments to build new post-collection facilities, and to upgrade existing facilities. With these investments, we are on track to meet recovery targets for all material categories by 2028, except for flexible plastic. We oppose the 5-year delay that is currently being proposed as it will de incentivise Producers and PROs to maintain the level of efforts currently being deployed to increase material recovery. It will also create a very unfair environment where Producers and PROs that have made minimal investments or efforts over the past few years are now being rewarded for their inaction.

We support the proposed changes regarding the recovery target for flexible plastic. This material category is challenging for recycling systems across the world. Leading PROs across Canada are currently working together to pilot various new technologies, but we are still years away from the industrial-scale processing capacity required to significantly increase the recovery of flexible plastic. The proposed delay is necessary to allow Producers and PRO to develop and build this capacity.



3. **Undertake further consultations in 2027 and 2028 to re-evaluate recovery targets:**

We believe that Ontario requires thorough baseline data to set recovery targets and ensure a fair balance between being ambitious and realistic. Producers are in the process of modernizing the post-collection infrastructure in Ontario, and some municipalities have not yet transitioned to the new system, so it's still too early to decide what the right recovery targets are. We think that we'll be in a much better position to make informed decisions on recovery targets toward the end of 2027, once we have data on the first 2 years of operating a fully deployed Blue Box system in Ontario (2026 and 2027). It will also be a good opportunity to evaluate the progress being made on flexible plastic and discuss a timeline for gradually increasing recovery targets for this category.

In addition, PROs are still waiting for the Resource Productivity and Recovery Authority (RPRA) to publish a *Blue Box Audit and Verification Procedure* that clearly defines the methodology to calculate eligible material recovery. This could have major impacts on the volume of material that can be counted toward recovery targets, so we might need to further adjust recovery targets to reflect the methodology that will be set by the RPRA.

4. **Ensure all PROs are held to the same high standards**

The current system requires standardised auditing and more transparency when it comes to the volume of material that is actually being recycled. It's unclear whether the material that PROs claim to have recovered is actually being recovered properly and reintroduced in supply chains. Allowing PROs to make recovery claims without thorough and transparent audits creates an uneven playing field for Producers. The RPRA needs to play a greater role in ensuring that all PROs are held to the same high transparency and auditing standards.

This transparency and fairness problem is unique to Ontario, and is a direct result of the IPR model. Usually, EPR recycling systems are operated by a single PRO, and auditing standards are applied evenly to the entire system. This ensures that all Producers are held to the same standards and treated equally. Moving Ontario's Blue Box system to one-PRO is the best solution to prevent Producers from trying to game the system by hiring underperforming for-profit PROs.

We also support the recommendations that have been submitted by our PRO, Circular Materials, for this consultation. It includes more detailed information and recommendations on various aspects of the Regulation, and we believe that following these recommendations would be beneficial.

Thank you for considering our feedback and we look forward to seeing progress on this important issue. As always, we remain available to meet and provide assistance in making EPR successful in Ontario.

Sincerely,
Costco Wholesale Canada Ltd.

Eric Sasseville
Manager, Stewardship Programs