

July 04, 2025

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Ministry of the Environment, Conservation and Parks  
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Sent: via online ERO Portal

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

Since 2007, EFS-plastics Inc., headquartered in Listowel, ON, has provided post-consumer plastics recycling services in Ontario. To date, we have recycled over 550 million pounds of mixed rigid plastics and 150 million pounds of plastic film.

As a leading recycler in Ontario, we continue to innovate our recycling processes to provide more post-consumer recycled resin to the market in order to help the province achieve its vision for greater resource recovery from post-consumer packaging that results in increased diversion of waste from landfills, reduced greenhouse emissions, and a circular economy for materials.

As part of that commitment, we are prepared to invest \$200 million in Ontario to bring innovative dissolution and purification recycling technology from Europe to meet the current recycling target for flexible plastics and position Ontario as a North American leader in this sector. Significant time, effort and money has already been expended to meet the current requirements and we are poised to transform recycling capabilities in Ontario.

However, we are very concerned about the proposed amendments to the Ontario *Blue Box Regulation* under the *Resource Recovery and Circular Economy Act, 2016*, which include delaying all recovery targets as well as reducing the recovery target for flexible plastics from 25% to 5% until 2031.

The proposed changes disincentivize business investment and call into question the value proposition for the planned investment by EFS. Without strong recycling targets, EFS-plastics will need to look to other jurisdictions for this \$200 million investment (e.g., Quebec or California) where EPR targets are being maintained. We urge the government to maintain the existing recovery targets and continue to attract investment in advanced recycling technologies.

Achieving the goals of the Blue Box regulation requires coordination, financing, investment, and innovation across a range of businesses and industries, including but not limited to collectors, secondary processing, plastics reclaimers and converters, packaging designers, and, of course, producers. The proposed changes speak only to the perspective of the producers without acknowledging the roles of all entities in the circular economy and the impacts these changes may

have upon their operations. In particular, collectors and recyclers have committed to scaling up operations, investing in new equipment, and investing in facility expansions to serve the blue box program. Many of these investments are already underway or in later stage planning processes.

We recognize that the Ontario EPR model has introduced higher systemic or structural costs than EPR programs in other provinces that are unrelated to recycling targets. We support more targeted and phased-in changes to the Blue Box regulations that support existing and planned investments while better managing costs.

Below, we have provided recommendations that are focused on introducing administrative changes that reduce costs across the system and create a level playing field for competition while not compromising the recycling system and resource recovery.

## **FEEDBACK ON PROPOSED AMENDMENTS**

**RECOMMENDATION 1:** Maintain existing recovery targets for paper, metal, glass, and rigid plastic but do not financially penalize Producers in 2026 and 2027 if targets are not met due to pending regulatory decisions that will have an impact on system calculations.

- RATIONALE: Significant investments have already been made to augment collection, sortation and recycling capabilities and meet regulated targets. However, we recognize that there are two uncertainties that could have an impact on the ability to meet targets that still need to be determined, namely:
  - The Resource Productivity and Recovery Authority (RPRRA) has not yet determined the calculation point for determining when something is considered recycled. Nor have they confirmed the calculation methodology and whether there will be recognition of contamination and processing yield losses.
  - Variability in collection data during the transition from stewardship to producer responsibility indicates there is a need for setting a new baseline of data in the first year of EPR that can inform all future calculations related to recycling targets.

**RECOMMENDATION 2:** Maintain expansion for multi-residential buildings that were not serviced by municipal programs before transition but phase-in the implementation between 2028-2030.

- RATIONALE 2A: Collection from all multi-residential buildings would be consistent with the traditional residential scope of other EPR programs in Canada. If the final amendments eliminate requirements for collection from public or away from home spaces then there should be a comprehensive focus on residential collection, including all multi-residential housing.
- RATIONALE 2B: Collection from these residences is key to being able to meet recycling targets. As such, it is critical to include all multi-residential buildings under producer responsibility to ensure a consistent, managed approach, with a common collection list, that can meet targets as well as traceability and audit requirements for materials.

- Multi-residential buildings represent a high proportion of the population in Ontario, particularly in large urban centres. In fact, this is a growing portion of the housing market with Ontario expected to add 1.5 million new households by 2031.
  - Based on 2021 Statistics Canada data, there are approximately 5.5 million households in Ontario. It is estimated that there are approximately 250,000 – 300,000 households in Toronto that are served by private hauling services (not under municipal collection services).
  - Given the anticipated growth of 1.5 million households, the proportion of privately managed services for multi-residential buildings will continue to grow. Excluding these from all future inclusion under producer responsibility risks compromising the ability to meet targets.
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- RATIONALE 2C: Including all multi-residential buildings will establish consistency in services across the province and fairness in how costs are borne by residents. The current proposal reinforces an inequity in how services are provided to residents in Ontario.
  - RATIONALE 2D: Phasing-in the expansion will allow time to improve collection services in multi-residential buildings not currently under municipal programs.
  - RATIONALE 2E: Failure to include all multi-residential buildings risks introducing an opportunity for arguments aimed at reducing recovery targets. This will undermine recycling efforts.

**RECOMMENDATION 3:** Remove requirement to collect beverage containers ‘away from home’.

- RATIONALE: The explanation provided in the consultation document is clear and this change should be introduced given that there is no cost-effective ‘away from home’ collection system available. However, government should consider identifying other approaches (e.g. private haulers) to support collection in locations where there are significant volumes and allow producers to apply the collection of these materials towards regulated recovery targets by material type.

**RECOMMENDATION 4:** Remove expansion of public space collection.

- RATIONALE: The explanation provided in the consultation document is clear and this change should be introduced. This will allow producers to focus on collecting residential materials, which is the traditional scope of most blue box programs in Canada. However, government should consider advancing initiatives to reduce contamination in public space collection by exploring better design for public receptacles and undertaking promotion to encourage improved consumer behaviour.

**RECOMMENDATION 5:** Phase-in existing recovery targets for flexible plastics to allow more time to implement proven and innovative recycling technology systems. Phased-in recovery targets should be 15% in 2028, 30% in 2030 and 40% after 2032 supported by an annual Continuous Improvement Plan submitted to the Resource Productivity and Recovery Authority (RPRA) outlining concrete advancements being made to meet targets.

- RATIONALE 5A: Significant investment has already been undertaken to improve collection and sortation capabilities to include plastic film and flexibles. Changing the targets will delay investments to build recycling capabilities and result in under-utilized assets at sorting centres. The 5% target is very close to the recovery rate today so there is no reason to delay this target. This delay will effectively punish those early adopters who invested in solutions while rewarding those that did not.
- RATIONALE 5B: Significant investment to build capability to recycle plastic film and multi-layer flexible packaging is already underway in Ontario. Reducing the recovery target to 5% will disincentivize investment and drive it to other jurisdictions (like Quebec or California) where EPR targets are being maintained. Capital investments and innovations in sorting facilities often require years of planning. Setting interim targets gives the time needed to start and strengthen programs.
- RATIONALE 5C: Approximately 40% of plastic packaging is film and flexibles. Without investments in recycling technologies, more material will go to Ontario's landfills which will reach capacity in the next few years. Diverting more material from landfills will help extend their lifespan.
- RATIONALE 5D: Packaging design decisions are made years in advance based on anticipated collection and processing infrastructure. Phased in targets sends a clear market signal that film and flexibles should be designed for recovery.

**RECOMMENDATION 6:** Incineration of valuable recyclable materials is not acceptable. The priority should be to maximize yield by introducing improvements to package design and new technologies and these initiatives should be reported on in an annual Continuous Improvement Plan provided by PROs to the regulator. However, if the Ministry chooses to allow for some situations when waste to energy may be considered as a last resort, this should be used for *residual waste only* after all recyclable plastics are removed (waste from recycling facilities or pre-conditioning facilities) and if Producers and/or PROs have demonstrated that no recycling option for this packaging exist within Canada & the US.

**RECOMMENDATION 7:** Include an explicit requirement in the regulation that all materials collected through the blue box common collection system be sent to a registered processor, with priority given to North American processors, and with clear criteria developed to define a registered processor.

- RATIONALE: Collectors and recyclers are making significant investments to service an expanded Blue Box and transition to a circular economy. These companies are acting in good faith that materials will be sent to a registered processor that meets recognized industry standards for practices and not the landfill. This change should be solidified to de-risk private sector investments.

### **ADDITIONAL RECOMMENDATIONS TO REDUCE SYSTEM COSTS**

The following recommendations for administrative changes to the regulation are focused on reducing systemic costs of the EPR program in Ontario.

**RECOMMENDATION 8:** Identify provincial and federal incentives and funding to support transition to a circular economy. Tax credits, innovation grants, R&D funding, and many other tools are commonly used to accelerate innovation in areas of provincial and federal priorities. Similar investments are needed to support the transition to a circular economy which cannot be funded solely through producer fees. In addition to the recommendations provided in this document, we encouraged the province to identify ways in which the linear economy is currently subsidized and how funding can be transitioned to better support a circular economy.

**RECOMMENDATION 9:** Require all Producer Responsibility Organizations (PROs) to invest in improvements to the collection, sortation and recycling services in proportion to the share of materials their members place on the market for recovery, and report on investments made in an annual Continuous Improvement Plan to the Resource Productivity and Recovery Authority (RPR).

- RATIONALE: In a competitive PRO model, this creates a level playing field across PROs by a) ensuring all PROs are responsibly contributing to the establishment of a robust system, and b) eliminating the potential for smaller PROs to become free-riders while depending on larger PROs to make the necessary investments to meet targets.

**RECOMMENDATION 10:** Remove the dedicated target for beverage containers and integrate these items and volumes in the targets for other materials (e.g. rigid plastics, metal, glass, paper).

- RATIONALE 10A: Ontario made a recent strategic decision not to advance a separate bottle deposit return system given the anticipated costs to consumers as well as the cost associated with establishing a parallel collection system when the EPR curbside collection is

already in the process of being implemented (thereby allowing residents to have a readily accessible way to recycle their bottles). Thus, it is unclear what purpose this separate target serves.

- RATIONALE 10B: A separate accounting of bottles from multiple material streams introduces a cumbersome and costly administrative process only for the bottles to be blended again and recycled as part of a material stream. For example, recycled PET is sold as a commodity (not by product) and can have been made from peanut butter jars, water bottles, etc. Eliminating this dedicated target will reduce unnecessary accounting and administrative costs to the system.

**RECOMMENDATION 11:** Introduce clear requirements that the online Marketplace Facilitator is responsible for ensuring that producers who sell through them are registered in the EPR registry and that the Marketplace Facilitator can report for these producers on their behalf and with their consent.

Similarly, revise Part IX (73) to clarify that packaging used by a Marketplace Facilitator to transport, convey or otherwise supply goods on behalf of a producer that is exempt under Section 73 of the Regulation (small producer exemption) remains subject to all requirements of the Regulation as applying to blue box material.

- RATIONALE: There are a number of producers globally using online marketplaces (Marketplace Facilitators) to supply and transport goods to buyers. This generates a lot of packaging that needs to be managed but for which there is often no registered producer. This will reduce the number of free-riders and help spread system costs more equitably among producers.

Thank you for the opportunity to provide feedback. We look forward to continuing our dialogue with you.

Regards,



Martin Vogt  
President & CEO