

Montreal, July 4, 2025

Subject: Amendments to the Blue Box Regulation

ERO Number: 025-0009

TC Transcontinental Submission

TC Transcontinental appreciates the opportunity to provide feedback on the proposed amendments to Ontario's Blue Box Regulation. We welcome the Ministry of the Environment, Conservation and Parks' efforts to improve the efficiency and sustainability of the province's collection and recycling system. We would be pleased to respond to any questions or provide further clarification.

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Summary

- As a leading printer of advertising materials and a flexible packaging company, TC
 Transcontinental supports the goal of controlling the escalating costs of Ontario's
 collection, sorting, and recycling system—while preserving the Blue Box
 program's role in advancing resource recovery. We advocate for public policy
 grounded in reliable data, science-based and achievable targets, and informed by
 best practices from other jurisdictions.
- Ontario represents TC Transcontinental's largest provincial footprint in Canada, with 8 facilities employing 2,000 people.
- As an illustration of the impact of the exploding costs of Ontario's system, the
 cost burden on printed flyers has increased dramatically—newsprint fees have
 risen by 463% since 2023, growing from 9% to 30% of total production costs,
 causing damage to the flyer business model. This is despite Canada's wellestablished circular economy for paper.
- Flyers remain a vital tool for Ontario consumers and retailers. Consumers
 estimate annual savings of \$1,500 through flyer rebates, while retailers rely on
 them to drive store traffic and promote local commerce.

 We urge the Ontario government to adopt more realistic targets and transition to a single Producer Responsibility Organization (PRO) model, as implemented in other provinces. The current multi-PRO system is inefficient and a major driver of rising costs.

<u>Submission</u>

Who We Are

<u>TC Transcontinental</u> is a Canadian, family-controlled, publicly-traded company. It is a leader in flexible packaging in North America and in retail services in Canada. We are also Canada's largest printer and the leading French-language educational publishing group in the country. Founded in 1976, we employ approximately 7,400 people, primarily in Canada, the U.S., and Latin America.

Our mission is to deliver high-quality products and services that help businesses attract, reach, and retain their customers. Our core values—respect, teamwork, performance, and innovation—guide our operations and our commitment to responsible business practices.

Our Commitment to Ontario

Ontario is home to TC Transcontinental's largest provincial footprint in Canada, with 2,000 employees across eight facilities in Retail Services & Printing (Aurora, Brampton, Markham, Mississauga, Owen Sound, Paris and Vaughan), and Packaging (Whitby). We are deeply invested in the province's economic and environmental well-being.

We support the goal of controlling the escalating costs of Ontario's collection, sorting, and recycling system—while preserving the Blue Box program's role in advancing resource recovery. We advocate for public policy grounded in reliable data, science-based and achievable targets, and informed by best practices from other jurisdictions.

Ontario's Complex and Costly System

While we support the principles of Extended Producer Responsibility (EPR), Ontario's current system is the most complex and expensive in Canada. The regulatory framework has introduced significant administrative burdens and escalating producer costs.

We urge the Ontario government to adopt more realistic targets and transition to a single Producer Responsibility Organization (PRO) model, as implemented in other provinces. The current multi-PRO system is inefficient and a major driver of rising costs.

Escalating Costs Despite a Circular Paper Economy

As an illustration of the impact of the exploding costs of Ontario's system, the cost burden on printed flyers has increased dramatically—newsprint fees have risen by 463% since 2023¹, growing from 9% to 30% of total production costs², causing damage to the flyer business model. This is despite Canada's well-established circular economy for paper, with a recovery rate of approximately 70%—among the highest in the world³, and the repurposing of newsprint into products such as egg cartons and insulation.

Impact on Ontario Consumers and Retailers

This cost escalation is damaging to the printed flyers' business model, which remain a vital economic and social tool for Ontario consumers and retailers:

- 79% of consumers are influenced by flyers in their choice of stores⁴.
- Flyers help families save an estimated \$1,500 annually⁵.
- Retailers, especially small and medium-sized businesses, rely on flyers to compete with global e-commerce giants and to drive local foot traffic.
- Redirecting marketing budgets away from print, due to rising recycling fees, risks shifting spending to international digital platforms (e.g., Meta, Alphabet, Amazon), weakening the Canadian economy—especially at a time of geopolitical and trade uncertainty.

Alignment with Industry Partners

As a member of Circular Materials, the Chemistry Industry Association of Canada, and the Retail Council of Canada, TC Transcontinental generally supports the submissions made by these organizations.

¹ Source: Circular Materials

² Source: TC Transcontinental

³ Source: Forest Products Association of Canada (FPAC)

⁴ Source: IPSOS, March 2025

⁵ Source: IPSOS, March 2025