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# Advancing the Circular Economy

EPR for Packaging & Bottle Bill Programs: How Can They Co-exist?

Allen Langdon, Chief Executive Officer

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# About Circular Materials

- National not-for-profit producer responsibility organization (PRO) created and governed by producers.

## Full Service Offering to Support Producers:

- **Comprehensive compliance services** to support producers with meeting regulatory obligations for packaging and paper.
- **National harmonization** of producer services and recycling supply chains to achieve scale and deliver efficiencies.
- **Return materials** to producers to meet recycled content goals.



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# Our Founders



# Our Members Represent Several Sectors



Appliances



Automotive



Beverage



Building supplies



Cinemas



Clothing



Consumer products



Convenience stores



Cosmetics



Dairy



Distribution



Electronics



Food



Furniture



Financial services



Paper products



Pharmaceuticals



Pharmacies



Retail



Restaurants



Tobacco

# Our Presence Across Canada

## Implementing:

- Ontario: transition begins in July 2023
- New Brunswick: expected implementation in late 2023
- Alberta: 2025

## Service Provider Relationships:

- British Columbia: Recycle BC
- Saskatchewan: Multi-Material Stewardship Western
- Manitoba's Multi-Material Stewardship Manitoba
- Ontario: Stewardship Ontario and Automotive Materials Stewardship

## In Consultation:

- Nova Scotia
- Newfoundland and Labrador
- Yukon

## Monitoring:

- Prince Edward Island: Monitoring activity



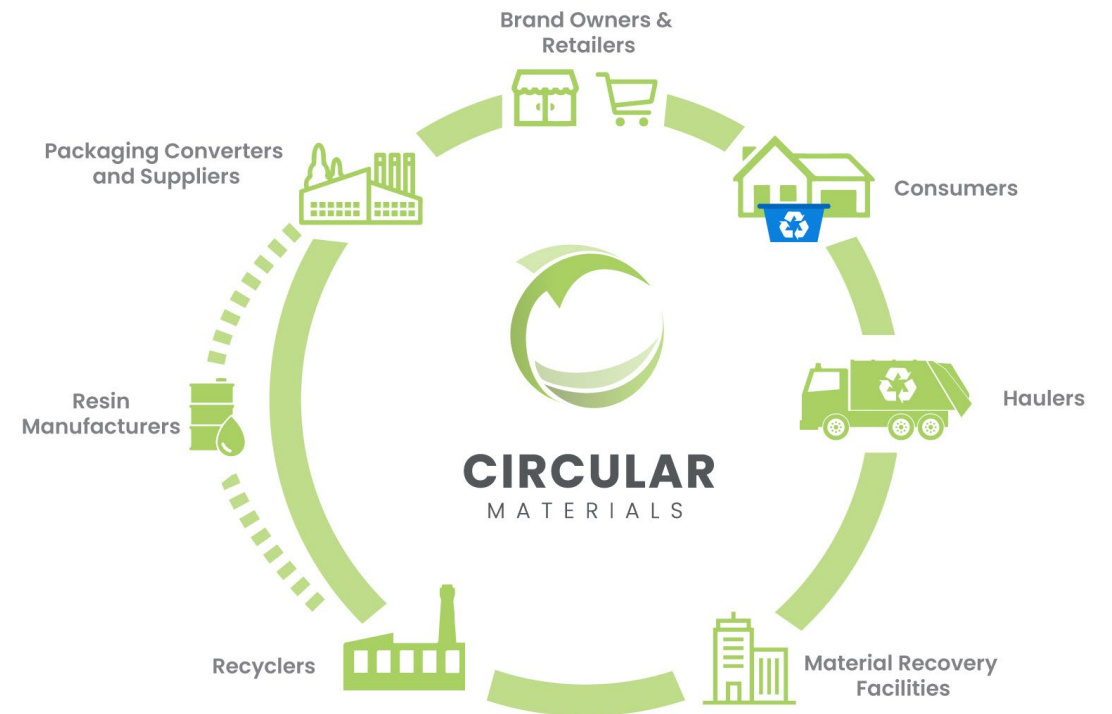
# Building Circular Supply Chains

- We are designing recycling supply chains where material is collected, recycled and returned to producers.
- This enhanced, closed-loop system:
  - Minimizes waste.
  - Ensures materials are reused again and again.
  - Advances innovation.
  - Increases performance.
  - Reduces the need for virgin resources.
  - Delivers improved environmental outcomes.



# Advancing the Circular Economy

- Supporting producers with achieving circularity through greater access to materials.
- Designing our recycling supply chain to both:
  - Support producers with provincial EPR compliance, and,
  - Return materials to producers to meet recycled content goals and federal recycled content standards for plastic packaging.





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# Ontario



# Preparing for Ontario's EPR Launch

- The Ontario Blue Box Regulation sets out a three-year transition to EPR for packaging and paper materials beginning July 1, 2023.
  - Regulation defines the designated packaging and paper materials, including beverage containers (aluminum cans, glass bottles, milk cartons, juice boxes, etc.)
- Producers that sell packaging and paper, including beverage containers, are required to meet management targets based on the amount of material supplied to consumers.





Canadian Beverage Container  
Recycling Association

- We formed a partnership with the Canadian Beverage Container Recycling Association (CBCRA) to develop a comprehensive recycling program for beverage containers in Ontario.
- Collaborate on supply chain design and promotion and education initiatives.
- Work to improve recycling awareness and meet the regulatory beverage container targets.
  - 2026: 75% recovery rate.
  - 2030: 80% recovery rate.

# How the Ontario System Will Work

- Beverage container producers will pay Container Recycling Fees (CRFs) set by CBCRA to cover both blue box and away-from-home collection and management costs.
- Producers will report their packaging and paper supply data annually, and their beverage supply data monthly into Circular Materials national reporting portal.
  - Beverage reporting capabilities within the portal allows producers a one-stop-shop for reporting.
- Circular Materials will deduct its portion of CRF revenue to cover its beverage container management costs and remit the remainder to CBCRA.



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# British Columbia

# British Columbia's Deposit System

- Encorp Pacific (Canada), better known as Return-It, is the not-for-profit stewardship agency that manages the beverage container deposit program in BC.
- They have been appointed to support producers in fulfilling the requirements of the Recycling Regulation's Beverage Container Product Category.
- The program covers all ready-to-drink beverage containers for soft drinks, juice, water, wine, coolers and spirits, plus non-refillable beer bottles sold in British Columbia.



# Program Success

- Program achieved an overall recovery rate of 75.9% in 2021.
- 99.3% of BC's population has access to a beverage container return facility.
  - 163 depots.
  - 9 Express & GO facilities.
  - 2 Express Plus facilities.
- 99% of consumer awareness of the Return-It brand.

# Co-Existing with Packaging EPR

- Recycle BC is British Columbia's packaging and paper EPR program.
- Sometimes residents place deposit materials in Recycle BC's recycling program forgoing the deposit.
- Tonnes collected by Recycle BC on behalf of some stewardship programs, including Return-It, are attributed back to the respective stewardship program.
- Private depots in BC often collect materials on behalf of multiple stewardship programs.

# Lessons Learned in British Columbia

- Two beverage container deposit programs in BC have resulted in consumer confusion, operational challenges and inefficiencies.
  - **Return-It:** manages soft drinks, juice, water, wine, coolers and spirits, plus non-refillable beer bottles.
  - **BC Brewers' Recycled Container Collection Council (BRCCC):** manages refillable beer, cider bottles and aluminum alcohol cans.
- Use of a visible container recycling fee (CRF) has ensured that the system has appropriate financial stability to withstand market fluctuations in commodities.
- Partnership with retailers is crucial as they increasingly look to drive foot traffic to their stores but do not want to be involved in the operational aspects of taking back UBCs.



# In Summary: Insights from EPR in Canada

- Collaborating with bottle programs encourages synergies and efficiencies, reducing the administrative burden on producers.
- Programs need to be industry controlled with clear performance targets and accountability for both industry and the regulator.
- Governance must be transparent.
  - Have clear lines of accountability.
  - Leverage the participation of independent directors appointed to address gaps within the Board's skill set (finance, legal, etc.).
- Advisory boards are beneficial and provide an opportunity for local governments, service providers and trade associations to provide feedback on the creation and operation of the program.



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# Questions?



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info@circularmaterials.ca



circularmaterials.ca