

## Reduce, Reuse, Responsibility: Ontario Extends Producer Responsibility Under its New “Blue Box” Waste Management Reforms

Melissa Winch

December 21, 2021

On June 3, 2021, Ontario announced new blue box reforms under the *Resource Recovery and Circular Economy Act, 2016* that will replace the current Stewardship Ontario Blue Box Program between July 1, 2023 and December 31, 2025.

The new Blue Box Program will replace community blue box services in Ontario with an individual producer responsibility model, that makes “producers” of blue box packaging, paper, printed paper products, glass, metal, plastic or a combination of these materials, responsible for managing the life-cycle of their products that they supply to consumers in Ontario. The Blue Box Program applies to several new obligated materials, including: unprinted paper, packaging-like products such as aluminum foil or wrapping paper, service accessories such as straws which are supplied with a food or beverage product, and durable products such as CD cases.

An individual or entity is deemed to be the producer if they are (in order of priority):

1. The brand holder (being a person who owns or licences a brand or who otherwise has rights to market a product under the brand) and resident in Canada;
2. If there is no resident brand holder, the importer (resident in Ontario); or
3. If there is no resident importer, the retailer that supplies the product to consumers in Ontario. In the franchise context, if a franchisor has franchisees with businesses located in Ontario, the franchisor will be the producer in respect of those businesses.

Under the new program, franchisors that are “producers” of Blue Box materials will be required to meet several obligations, such as:

- Register with the Resource Productivity & Recovery Authority (the RPPA);
- Report their supply data to RPPA annually;
- Meet mandatory requirements for Blue Box collection systems and managing Blue Box collection systems;
- Meet mandatory requirements for promotion and education about collection, reuse, recycling and recovery of materials; and

- Meet diversion targets.

Producers have the choice of working with a Producer Responsibility Organization (PRO) to meet their obligations. A PRO is a business established to contract with producers to provide collection, management and administrative services to help producers meet their new regulatory obligations, such as: (1) representing producers for the purposes of the creation of rules for operating the blue box collection system; (2) arranging, establishing or operating a collector or management system and an education system; and (3) preparing and submitting reports.

## Impacts to Franchise Systems

As franchisors that are “producers” are now fully responsible for establishing and funding the life-cycle of their blue box products, some of the following impacts should be expected:

- Increased costs associated with producers taking on full financial and operational responsibility for where their packaging ends up, which could result in a 4-fold to 8-fold increase in the cost of waste disposal;
- Increased decision-making with respect to decisions about PROs;
- Updating Franchise Disclosure Documents to reflect the new changes; and
- Annual reports on performance starting in 2021.

The new reforms may also have implications for franchisees. In particular, franchisors may seek compensation from franchisees for these additional obligations or may otherwise try to offset the additional costs of compliance.

[You can view the new regulation here.](#)

---

*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*