



## **DRAFT DEFINITIONS FOR PURPOSE OF CONSULTATION**

### **General**

The Waste Diversion Act, section 30(2) defines stewards of a designated waste as having a commercial connection to the designated wastes or to the product from which the designated waste is derived.

Item 5 in the Addendum to the Ministers' Request for a Waste Diversion Program for Blue Box waste states:

*The proposed funding rules under the program will designate and define as stewards under the program, brand owners and first importers into Ontario of products that result in blue box wastes under the program.*

### **Brand Owner or First Importer of Product Packaging**

Stewardship Ontario defines brand owner or first importer to be:

- 1) The responsible party should be the brand owner or trade-mark owner defined as:
  - a) The packer-filler for products packaged in Ontario that result in blue box wastes, or
  - b) The party that causes products to be packaged that result in blue box wastes, or
  - c) The brand owners' Canadian subsidiary or legal entity for products imported to Ontario that result in blue box wastes.
  
- 2) For packaged products imported into Ontario where the brand owner does not have a Ontario legal entity, the first importer to Ontario (importer of record) is the first person to take possession of the product, except where the brand owner whose legal entity is outside Ontario agrees to register with Stewardship Ontario and discharge their responsibility.



## **Brand Owner or First Importer of Printed Materials**

Stewardship Ontario defines brand owner or first importer of printed materials as:

- 1) The responsible party should be the brand owner, title owner or trade-mark owner defined as:
  - a) The publisher of printed materials in Ontario that result in blue box wastes, or
  - b) The party that causes printed materials to be produced that result in blue box wastes, or
  - c) The publishers' Canadian subsidiary or legal entity for products imported to Ontario that result in blue box wastes.
  
- 2) For printed material imported into Ontario where the brand owner, publisher or title owner does not have a Canadian legal entity, the first importer to Ontario (importer of record) is the first person to take possession of the printed material, except where the brand owner whose legal entity is outside Ontario agrees to register with Stewardship Ontario and discharge their responsibility.



## **Obligated Materials**

A variety of options have been discussed with MOE policy and legal staff. It is our recommendation that the definition outlined below be released for consultation. Please note, however, all of these issues are subject to review by the provincial government's constitutional lawyers. MOE has not yet been able to schedule a review meeting.

Stewardship Ontario will apply the following rule for the reporting of obligated materials:

### **1) Consumable/Quick Turnover Products & Printed Paper**

Stewards report all printed paper and packaging that is produced primarily for household consumers, regardless of sales or distribution channels.

This definition would have the effect of:

- broadening the base of obligated material
- minimizing the administrative and auditing burden on Stewards and Stewardship Ontario
- ensuring that blue box materials which are sold into IC&I accounts but may end up being managed in the municipal waste stream are captured in the program

### **2) Durable & Semi-Durable Products**

Stewards to determine that portion of printed paper (e.g. business magazines, warranty cards) and packaging sold into commercial accounts and deduct these quantities from the fee calculations.

This definition would have the effect of:

- recognizing that some of these products are overwhelmingly sold into the IC&I stream (office furniture, photocopy paper, office supplies, etc.),
- capturing the appropriate share of product packaging that is managed by municipal programs (e.g. packaging from home computers, home office furniture, etc.)
- leveling the playing field for some products lines with distinctly different business strategies (i.e. direct consumer sales for computers from one company versus largely IC&I sales for another company)

## DRAFT – Printed Paper and Packaging Definitions

Designation of Materials	Base Definition	Levy Code #	Sub-classifications of Materials Covered Under Program
Printed Paper	Includes all printed paper materials for use by consumers distributed through retail distribution, subscriptions, mass mail delivery. It also includes instructions, warranty and health information inside some packaged products. Does not include published soft cover or hardcover books.	1 2 3 4	Newspaper and newsprint flyers Glossy magazines and catalogues Directories (telephone, postal codes, flight schedules) Other printed paper including deliveries to the home and printed paper found within packaged products
Paper Packaging	Paper packaging is subdivided into two groups: 1) Paper packaging containing <b>less than 15%</b> by weight of other closely bonded, impregnated or laminated materials that cannot be easily separated.	5	Corrugated cardboard packaging. Includes paper bags which contain less than 15% by weight of other closely bonded, impregnated or laminated materials that cannot be easily separated.
	2) Paper packaging containing <b>more than 15%</b> by weight of other closely bonded, impregnated or laminated materials that cannot be easily separated.	6 7 8	Boxboard/paperboard packaging. Includes molded pulp paper packaging such as egg cartons and formed trays. Aseptic and gable top cartons. Other laminated paper packaging with more than 15% by weight of non-paper
Steel Packaging	All steel packaging	9	Steel packaging with more than 50% by weight steel, including containers and lids/closures.
Aluminum Packaging	Aluminum packaging is subdivided into two groups: 1) Aluminum packaging which contains more than 50% by weight of aluminum with a minimum thickness of greater than 153 micrometres.	10	Aluminum containers and lids.
	2) Aluminum packaging which contains more than 50% by weight of aluminum with a thickness of less than 153 micrometres is defined as aluminum foil.	11	Aluminum semi-rigid and flexible foil packaging. Greater than 50% by weight of aluminum.

Designation of Materials	Base Definition	Levy Code #	Sub-classifications of Materials Covered Under Program
Plastic Packaging	Polymer based packaging including bottles, jugs, films, bags, pouches, wraps, tubs, lids, tubes, trays, cups and other formed or molded packaging.	12 13 14 15 16	PET bottles and jars (e.g. peanut butter) HDPE bottles and jugs Other Rigid plastics. Includes bottles, jugs, tubs, lids, closures, trays, cups, forms, tubes and other rigid plastic packaging. LDPE and HDPE film bags and wraps. Plastic bags purchased at retail used for containing garbage, organic waste or recyclable materials are to be exempt. Other flexible film plastic wraps, bags and formed packaging. Greater than 50% plastic, including PET, PVC, PP, multi-layered, and laminated flexible plastic packaging.
Glass Packaging	All sealed glass containers	17	Glass container packaging, with the exception of packaging made from Pyrex, ceramics or crystal.
Textile Packaging	Natural and synthetic sacs and bags	18	Natural and synthetic sacs and bags.



## **Franchises**

With respect to any business operated partly or wholly in Ontario as a franchise, the franchisor shall be deemed the obligated steward for all its Ontario franchisees. Therefore the franchisor will be obligated to report packaging and printed paper generated in Ontario by all of its franchisees and the franchisor itself (e.g. special promotions, corporately owned stores, advertising etc.) with the following exceptions:

- 1) With respect to any business operated partly or wholly in Ontario as a franchise, where the franchisor does not supply all or substantially all of the goods to plants, distribution centres, and stores operated by its franchisees, each franchisee of the franchisor shall be deemed to be the steward for purposes of obligations to Stewardship Ontario.
  
- 2) With respect to any business operated partly or wholly in Ontario as a master franchise, where, under the terms of the master franchise agreement, the master franchisee is required to supply all or substantially all of the goods to plants, distribution centres, and stores operated by the franchisor or such franchisor's associate, if applicable, and/or by its franchisees, the master franchisee shall be deemed to be the franchisor and shall be the be the steward for purposes of obligations to Stewardship Ontario.



## Service Packaging

Service packaging (also known as in-store packaging) is packaging which is filled and or provided at the point of sale. Service packaging is considered primary household packaging and is obligated under the Stewardship Ontario program.

Every merchandise shop, quick service establishment and grocery store which provides customers with service packaging is obligated as the brand owner or first importer. Given the extremely large number of establishments responsible for service packaging Stewardship Ontario has established special rules for service packaging:

- 1) Suppliers of service packaging have the option of declaring service packaging to Stewardship Ontario on behalf of those of their customers who provide service packaging to consumers.

*This approach would leave the matter of who pays the fee up to commercial negotiations*

### OR

- 2) Suppliers of service packaging shall declare all (i.e. no option) service packaging to Stewardship Ontario on behalf of those of their customers who provide service packaging to consumers.

*This approach would determine by rule that it is more administratively simple for the relatively small number of suppliers of service packaging pay fees and supports a level playing field (including for smaller retailers that would be exempted under the de minimis rule).*

Service packaging typically includes:

- Carry-out bags provided at checkout (free and paid for)
- Bags filled at the shelves with bulk goods
- Gift boxes and wrapping
- Meat trays, wraps that were added at the meat/fish department
- Sheets of paper and plastic wrapping for flowers and plants
- Paper/plastic bags and boxes for breads, rolls and pastries at bakery
- Take-out food packaging (cups, wraps, pizza boxes etc.)



## Draft Exemptions

Stewardship Ontario has identified the following packaging as being exempt from obligations (draft not final):

- 1) Transportation and distribution packaging that is not intended primarily for use or management in the home.
- 2) Industrial or bulk packaging that is not intended for sale to or use by consumers in the home.
- 3) Packaging that is intended to prevent the loss of product components for durable or semi-durable products and to remain with the product throughout its useful life. This includes the following items:
  - Cases for CD's, DVD's, cassettes and videos
  - Storage boxes for puzzles and games
  - Case for electronic razor
  - Jewelry case or box
  - Toner cartridges
  - Bag containing sleeping bag or tent and accessories (poles, pegs, etc.)
- 4) Other items that are not generally considered to be packaging:
  - String, thread, tape, pins/clips
  - Plastic cutlery, straws, paper serviettes
  - Plastic garbage bags and organic waste bags
  - Disposable camera
  - Adhesives
- 5) Packaging that is not covered under the Regulation including:
  - Wood based packaging (e.g. boxes, crates)
  - Ceramic based packaging
  - Crystal packaging