

Extended Producer Responsibility (EPR) Principles

EPR is a policy instrument that makes producers responsible and legally liable for the end-of-life management of products and packaging.

1. EPR regulation should drive a circular economy, including designing out waste, reducing, reusing, extending material life, recycling and enhancing the natural environment.
 - Governments should require reporting on broad circular economy outcomes, as well as adherence to the waste hierarchy.
2. EPR regulation must be outcomes-based to encourage competition to drive innovation towards a circular economy.
 - Producers must be able to choose how they harness efficiency from both collaboration and competition.
 - Producers should be able to self-organize to reduce cross-jurisdictional administrative burden, create economies of scale, and design reverse distribution systems -i.e., in a single collective, multiple collectives, or individually.
 - Producers must be self-determinant in establishing collection and management systems to achieve outcomes.
3. EPR regulated performance standards, including targets, should be ambitious, measurable and enforceable.
 - Ambitious targets encourage producers to be progressive and innovative.
 - Material-specific targets ensure producers face the direct consequences for their material choices.
 - Material categories should be disaggregated to avoid cross-subsidy of harder to recycle materials (e.g. laminate plastics) by easier ones (e.g. PET plastics).
 - Common performance standards (which include targets and the outcomes to be achieved) include requirements for stakeholder consultation; accessibility; consumer service; amount collected, reused, recycled, and recovered (through waste-to-energy).
 - Definitions of performance outcomes (e.g., diversion - reuse, recycling) must be aligned with the definition of circular economy.
4. EPR regulated systems must be effectively enforced to ensure a level playing field.
 - All obligated producers (domestic, importers or e-commerce) must be required to meet the performance standards, with meaningful enforcement.
 - Performance standards must be verifiable. i.e., through requirements for producers to submit audited obligated material supply data, collection data, and management data.
 - All collectors, transporters, recyclers, processors and end markets must be auditable and accountable to regulators.

5. EPR regulation is not a panacea. Complementary regulations may be needed to achieve desired environmental outcomes.
- EPR is a first step in driving product redesign, but may not fully influence the higher-level environmental benefits that can be achieved through product, packaging, and system redesign. Complementary instruments may be required to achieve some desired environmental outcomes.
 - Examples of complementary instruments include:
 - 'right to repair' laws that discourage producers to design for obsolescence;
 - hazardous material restrictions (e.g., Restriction of Hazardous Substances (RoHS));
 - requirements for recycled content;
 - requirements for eco-modulation of fees (e.g., France or Germany);
 - requirements for designs that avoid problematic litter

Implementation Notes:

1. Implementation of EPR regulation should consider the harmonization of EPR systems across Canada.
 - Canada is shifting towards full EPR -i.e., an outcomes-based system that allows producers to harmonize their approaches across jurisdictions.
 - New regulation should enable producers to set up national EPR systems to maximize economies of scale and investments, and aim to designate a broad, common set of materials Canada-wide (i.e., no unique product exemptions or inclusions).
 - Harmonization will require common definitions for obligated parties and designated materials.
 - The more the EPR regulatory framework focuses on outcomes rather than process, the simpler it is and therefore easier to harmonize across jurisdictions.
2. EPR regulation should anticipate a fair and orderly transition from the current state to the future EPR state.
 - Regulators must provide sufficient time for new commercial relationships to be established (e.g., procurement processes and agreements)
 - It is important to recognize that stakeholders have made significant financial investments into the current state. This should be considered as the system transitions.
 - Existing system operators should be considered for first right of refusal to provide service to the new producer system operator(s).