

# Packaging and Paper Product Extended Producer Responsibility Plan

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Recycle BC's first 5-year stewardship plan can be found at [https://recyclebc.ca/stewards/regulation\\_and\\_stewardship\\_plan/](https://recyclebc.ca/stewards/regulation_and_stewardship_plan/)



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# Packaging and Paper Product Extended Producer Responsibility Plan

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# Packaging and Paper Product Extended Producer Responsibility Plan

## 1. Introduction

The British Columbia (BC) Recycling Regulation (B.C. Reg. 449/2004 – the “Regulation”) under the *Environmental Management Act* requires that, effective May 2014, every producer of packaging and paper product (PPP)<sup>1</sup> that wishes to sell, offer for sale or distribute their products to residents in British Columbia must operate, or be a member of, an approved plan concerning the end-of-life management of their products.

Section 6 of the Recycling Regulation requires that every five years a producer must review its approved plan and submit proposed amendments to the Province of BC for review and approval, or in the case where no amendments to the plan are necessary, the Province of BC should be so advised. In 2017, having been in operation for three full years, Recycle BC conducted a thorough review of its performance and its approved plan to identify the changes that should be made to support its ongoing and future success. It conducted a review in consultation with its many stakeholders via a series of workshops held in November, 2017.

The Packaging and Paper Product Extended Producer Responsibility Plan (Program Plan) outlined in this document reflects a number of substantive amendments designed to build on Recycle BC’s initial success and to support its operation over the next five years. This plan will replace the original Packaging and Printed Paper Stewardship Plan submitted by Multi-Material BC (now Recycle BC) and approved in April 2013.

## 2. The Extended Producer Responsibility (EPR) Agency

Recycle BC is responsible for residential packaging and paper product recycling throughout British Columbia. The recycling program is funded by businesses that supply packaging and paper product to BC residents.

Recycle BC aims to be a trusted environment advocate and community partner offering equitable, effective and efficient residential recycling services, and this guides the work Recycle BC does throughout BC. It provides recycling services either by working in partnership with local governments, First Nations, private companies and other non-profit organizations (Recycle BC collectors) or directly to communities.

Recycle BC is based in North Vancouver with local staff members managing its program operations. Recycle BC is supported in its work by Canadian Stewardship Services Alliance (CSSA), a national, non-profit organization dedicated to providing support services to stewardship programs across Canada. Recycle BC is governed by a Board of Directors representing brand owners and retailers. The current composition of the Board of Directors can be found on Recycle BC’s website, [here](#). Recycle BC also consults with an Advisory Committee on core elements of its program. The Advisory Committee includes representatives from stakeholders interested in the success of the program, including local governments, the waste management industry, steward industry associations, and the Recycling Council of BC. The Advisory Committee’s membership can be found on Recycle BC’s website, [here](#).

Recycle BC is acting on behalf of its member businesses who are producers of PPP. For the purposes of the Program Plan, the producer for a specific unit of packaging or paper product is the supplier of service packaging or the first of the following: brand owner, the franchisor or the first seller (also known as the first importer)<sup>2</sup>.

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<sup>1</sup> For a full definition of packaging and paper product see section 3.1 and 3.2 in this document.

<sup>2</sup> For a full definition of “producer” for the purposes of obligation and reporting, see Appendix D.

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## 3. Packaging and Paper Product

### 3.1 Packaging

British Columbia's *Environmental Management Act* defines packaging as "a material, substance or object that is used to protect, contain or transport a commodity or product, or attached to a commodity or product or its container for the purpose of marketing or communicating information about the commodity or product".

Schedule 5 does not further refine the definition of packaging beyond that provided in the *Environmental Management Act* as described above.

Packaging for purposes of producer obligation and reporting<sup>3</sup> under the Program Plan includes:

- (a) Primary packaging, i.e., packaging that contains the product at the point of sale to the residential consumer;
- (b) Grouped packaging or secondary packaging that goes to the household<sup>4</sup>;
- (c) Transportation, distribution or tertiary packaging that goes to the household<sup>5</sup>;
- (d) Service packaging designed and intended to be filled at the point of sale and "disposable" items sold, filled or designed and intended to be filled at the point of sale such as:
  - Paper or plastic carry-out bags provided at checkout;
  - Bags filled at the shelves with bulk goods, produce, baked goods, etc.;
  - Disposable plates and cups;
  - Take-out and home delivery food service packaging such as pizza boxes, cups, bags, folded cartons, wraps, trays, etc.;
  - Flower box/wrap;
  - Food wraps provided by the grocer for meats, fish, cheese, etc.;
  - Prescription bottles filled and provided by pharmacists;
  - Gift wrapping/tissue paper added by the retailer; and
- (e) Packaging components and ancillary elements integrated into packaging, including ancillary elements directly hung or attached to a product and which perform a packaging function unless they are an integral part of the product and all elements are intended to be consumed or disposed of together<sup>6</sup>.

For the purposes of the Program Plan, paper packaging means all paper materials regardless of the cellulosic fibre source of the material including but not limited to wood, wheat, rice, cotton, bananas, eucalyptus, bamboo, hemp, and sugar cane (bagasse) fibre sources.

The plan does not apply to items covered by other EPR programs, non-PPP items or PPP items supplied

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<sup>3</sup> While producers of packaging described in Section 3.1 are responsible for contributing to the cost of providing reasonable access and achieving a 75% recovery rate, only those types of packaging for which there are recycling end markets are collected from residents.

<sup>4</sup> Multiple packages of product sold in a unit, often wrapped in film plastic.

<sup>5</sup> May be both the primary packaging for the product and the packaged used to ship the product but is referred to as transportation packaging that goes home with the consumer. For example, household products packaged in corrugated boxes intended for final use or management by the consumer or end user.

<sup>6</sup> Examples of this kind of packaging include, but are not limited to: labels and lids hung directly on or attached to the packaging; mascara brush which forms part of the container lid; staples, pins, clips; toy on the top of a candy product which forms part of the lid; devices for measuring dosage that form part of the detergent container lid; plastic make-up case; brush contained in the lid of corrective liquid paper; zipper on a plastic film bag containing a product.

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to industrial, commercial and institutional facilities.

### 3.2 Paper Product

In November, 2017 the government amended Schedule 5 of the BC Recycling Regulation to expand the Paper Product Category from printed paper to paper products<sup>7</sup>. Paper product is now defined as paper of any description, including:

- (a) flyers,
- (b) brochures,
- (c) booklets,
- (d) catalogues,
- (e) telephone directories,
- (f) newspapers,
- (g) magazines,
- (h) paper fibre, and
- (i) paper used for copying, writing or any other general use.

This definition of paper does not include paper products that, by virtue of their anticipated use, could become unsafe or unsanitary to recycle, or any type of bound book not mentioned above.

For the purposes of the Program Plan, paper product comprises any type of cellulosic fibre source including but not limited to wood, wheat, rice, cotton, bananas, eucalyptus, bamboo, hemp, and sugar cane (bagasse) fibre sources.

### 3.3 Sources of Packaging and Paper Product

Under Schedule 5 of the Recycling Regulation, the packaging and paper product program addresses residential premises.

Residential premises<sup>8</sup> are:

- Single-family dwellings inhabited year round or seasonally<sup>9</sup>; and
- Multi-family dwellings including rental, co-operative, fractional ownership, time-share, condominium<sup>10</sup> and seniors residences<sup>11</sup>.

Municipal property that is not industrial, commercial or institutional property comprises the following which are collectively referred to as 'streetscape' in this Program Plan:

- Sidewalks which are municipal property, which adjoin buildings in an urban commercial area and which are used for pedestrian traffic;

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<sup>7</sup> The term packaging and printed paper has been amended to packaging and paper product based on changes to the regulation.

<sup>8</sup> Section 1 of the Recycling Regulation defines "residential premises" to include houses, apartments, condominiums, town homes and other premises in which persons reside but does not include institutional accommodations or visitor accommodations.

<sup>9</sup> Vacation facilities, such as hotels, motels, cottages and cabins, are considered commercial operations.

<sup>10</sup> Vacation facilities, such as rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts), are considered commercial operations.

<sup>11</sup> Residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices, are considered institutions.

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- Plazas or town squares which are municipal property and which are available to the public; and
- Parks which are municipal property.

### 4. Program Design

#### 4.1 Packaging and Paper Product Program Delivery Principles

Recycle BC's program design was driven by one overarching objective – continuous improvement in recovery effectiveness and efficiency in British Columbia.

Recycle BC developed the following market engagement principles to guide the development and operation of the program:

- **Focus on outcomes, not process** – maximize recovery, maximize efficiency, enhance resident service levels while minimizing complexity;
- **Provide economic incentives and set simple rules** – effective economic incentives will drive behaviour that increases recovery activity throughout the PPP reverse supply-chain; simple rules will provide clarity and certainty to those collecting and recycling PPP;
- **Foster interaction, collaboration and competition to drive innovation** – innovation is the result of complex interactions of ideas and efforts among producers and private, public and not-for-profit entities with parties bringing together complimentary skills to collaborate and deliver more value; and
- **Set the stage for evolution** – harness existing activities and build on success through continuous improvement and use of economic incentives to increase collection of PPP and improve system efficiency.

#### 4.2 Packaging and Paper Product Program Delivery Overview

Under the Recycling Regulation, Recycle BC assumed responsibility for driving residential PPP collection and recycling activity in BC, effectively supplanting the role that local governments historically played.

With respect to collection services to BC residents, Recycle BC provides a financial incentive to local governments, First Nations and private collectors that have chosen to deliver recycling collection services and resident education under contract. In other cases, communities have elected to have Recycle BC directly manage their curbside recycling service, which means that these local governments are no longer responsible for oversight or management of recycling services or resident communication regarding curbside recycling. In all cases, Recycle BC assumes financial responsibility for the cost of recycling thereby transferring that cost from taxpayers to producers.

Concerning the post-collection management of PPP, Recycle BC procured a post-collection system through a competitive process, resulting in an efficient, province-wide, PPP transfer and sorting system aimed at maximizing the value and re-use of the recyclables and minimizing redundancy.

Recycle BC regularly reviews both its collection and post-collection operations to identify opportunities to enhance its efficiencies.

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## 4.3 Collection of Packaging and Paper Product from Residents and Streetscapes

Recycle BC's approach to delivery of PPP collection services is to contract with collection service providers that meet Recycle BC's collection qualification standards. These standards are designed to assist Recycle BC in achieving its program targets and commitments.

Qualified collectors are offered financial incentives for PPP collection. The value offered is established as the market-clearing price. Consistent with an outcomes-based approach to program operation, Recycle BC pays collectors once the PPP they have collected has been accepted for processing by a primary processor<sup>12</sup> under contract with Recycle BC.

Recycle BC established a set of collector qualification standards that include basic qualifications historically common to all PPP collectors, with additional requirements that enable tracking and reporting of sources and quantities of collected PPP. Local governments, First Nations, private companies and not-for-profit organizations that meet these collector qualification standards will be considered qualified as Recycle BC collectors, subject to the approach described below.

### 4.3.1 Existing Curbside Programs

Curbside collection is defined as the collection of PPP from single-family dwellings, buildings with up to four households and row house complexes with any number of households where each household sets out material separately for individual collection by collection vehicles.

All local governments operating PPP curbside collection programs that were in place by May 2014 are eligible to join the Recycle BC program as contracted collectors. It is Recycle BC's intention to add all eligible curbside programs to the Recycle BC program as soon as is practical and feasible from a financial and operational perspective.

Recycle BC assesses the need to expand its collection system on an annual basis and takes commercially reasonable steps to meet recovery targets and accessibility performance objectives in the subsequent year, taking into consideration, without limitation:

- Collectors that have expressed an interest in joining Recycle BC's collection system and that are able to:
  - Deliver collection services in areas identified as having insufficient collection service to meet accessibility performance objectives, in accordance with Recycle BC's Collector Qualification Standards, and the terms of the Master Services Agreement and Statement of Work;
  - Contribute to Recycle BC's recovery target; and
  - Contribute to the efficiency and effectiveness of Recycle BC's collection system;
- The ability of Recycle BC to modify post-collection service provider agreements to add new collectors and more tonnes of PPP; and
- The timeline to execute agreements with collectors prior to finalizing Recycle BC's operating budget for the upcoming program year.

### 4.3.2 New Curbside Programs

Local governments in communities that did not have PPP curbside collection programs by May 2014, when the program was launched, are eligible to join the Recycle BC program as contracted collectors if they implement a PPP curbside collection program, provided each of the following criteria is met:

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<sup>12</sup> For a definition of primary processor please see section 4.5 in this document.

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- A curbside garbage collection program was in place by May 2014;
- The community represents an incorporated municipality; and
- The community has a minimum population of 5,000 residents.

The timeline for the provision of formal offers to these communities is determined based on the same assessment as noted above.

### **4.3.3 Transition to Provision of Curbside Service by Recycle BC**

Recycle BC operates curbside service directly in communities where the local government has transitioned service to Recycle BC. In these communities, Recycle BC is responsible for all aspects of the management of curbside collection services to residents.

Local governments with existing collection agreements with Recycle BC may, at their discretion, request Recycle BC to operate PPP curbside services directly in their communities, provided each of the following criteria is met:

- The request is made in writing and is accompanied by a formal resolution from the applicable Council or Board;
- A formal commitment is made, in writing, to provide Recycle BC with all reasonable assistance and cooperation during the transition period (e.g. provision of a complete address list, household data etc.);
- The request pertains to the entire service area and not a portion thereof;
- If applicable, the existing inventory of collection containers is provided to Recycle BC (or left in the possession of residents) at no cost, at the discretion of Recycle BC;
- The PPP curbside program achieved a minimum capture rate of 90 kilograms of PPP per curbside household in the previous calendar year;
- A minimum of 18 months' notice prior to the proposed transition date for provision of curbside services directly by Recycle BC is provided; and
- The transition date falls on or after the original termination date of the applicable local government's curbside collection agreement.

Acceptance of requests will not be reasonably withheld by Recycle BC, provided the above criteria have been met.

Such requests will only be considered by Recycle BC during defined time periods as communicated by Recycle BC to eligible collectors. For example, October 1, 2018 is the deadline for local governments with curbside collection agreements with Recycle BC that expire at the end of 2018 to request Recycle BC to directly operate the curbside services. The 18 month transition period will begin effective Jan 1, 2019 and the effective date for transition to service operated directly by Recycle BC in any applicable communities will be July 1, 2020.

Recycle BC will be under no obligation to operate PPP curbside services directly in communities that do not meet the above criteria, including in locations where the applicable local government has requested to terminate their collection agreements prior to the original termination date.

### **4.3.4 Multi-family Collection**

Multi-family collection is defined as the collection of PPP from residential complexes with 5 or more units where all households bring their recycling to a centralized location with shared containers.

Recycle BC delivers PPP multi-family building collection services by contracting with local governments and



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private companies that accept the market-clearing financial incentive to deliver multi-family building collection services.

### **4.3.5 Depot Collection**

Depot collection is defined as the collection of PPP at a location operated by a local government or private company in which PPP can be delivered by residents.

Recycle BC delivers PPP depot collection services by contracting with local governments and private companies that accept the market-clearing financial incentive to deliver depot collection services.

Recycle BC tracks the number of households without access to curbside or multi-family collection services and strives to provide reasonable access to depot locations, in accordance with the Stewardship Agencies of British Columbia's (SABC) depot service delivery standard.

### **4.3.6 Streetscape Collection**

Recycle BC conducted three pilots to test the effective delivery of streetscape collection systems in 2014, 2015 and 2016-2017. In each of these pilots, Recycle BC undertook waste composition audits of PPP and garbage. A behavioural study was conducted during three audit periods in 2016-2017 to further inform the effective delivery of streetscape collection to pedestrians. Recycle BC conducted this research to develop a preferred approach to streetscape collection and recycling services. Based on its study results, Recycle BC proposed a preferred approach for streetscape services and a financial incentive offer during its November 2017 consultation. Since the November consultation, a new challenge for streetscape collection and recycling services has emerged.

#### ***The new challenge for streetscape collection and recycling services***

As Recycle BC's pilot studies showed, PPP material can be collected but it is poorly sorted, heavily contaminated, wet with residual liquids, and unclean with food waste. Hazardous material can also be present. The processing and recovery of PPP from streetscape collection containers in the 2014-2017 pilots has proved challenging due to the highly contaminated nature of this material and the increasingly strict marketing specifications. The inability to find end markets for mixed waste material is now a global issue. For example, China currently (2018) requires material to have no more than 0.5% contamination; streetscape has greater than 30% contamination, suggesting that streetscape PPP collection may not be recoverable under current market conditions. Additionally, should the level of quality in streetscape PPP not improve then extensive investment in streetscape collection containers and their upkeep is not a sound use of resources if the collected material is not marketable.

#### ***Recycle BC's delivery of streetscape collection and recycling services***

Recycle BC will continue to perform further research through streetscape collection projects to determine if a viable recovery of PPP can occur under the new restricted global marketing conditions.

Should streetscape produce a reasonable amount of recoverable PPP<sup>13</sup>, Recycle BC will service streetscape in areas where the local governments operate a litter collection system (referred to as 'streetscape collection service')<sup>14</sup> and that meets Recycle BC's reasonable access criteria. Reasonable access is defined as urban commercial areas with business activities that generate large amounts of PPP within municipalities with a population of 20,000 or more and a population density of 200 or more people per square kilometre.

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<sup>13</sup> Subject to proof of concept through testing effective delivery of streetscape collection systems.

<sup>14</sup> The provision of a streetscape garbage collection service is critical to the operation of a streetscape PPP collection service.

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Recycle BC will service streetscape recycling by offering a financial incentive to the local government for the provision of services that include PPP collection and recycling services, public education, promotion and first point of contact for collection service customers. Should local governments decline the offer, Recycle BC will not directly undertake streetscape collection in their community.

### **4.4 Post-Collection**

Recycle BC contracts directly for post-collection services which include curbside, multi-family and depot collection activities subsequent to the collection of PPP from BC residents. Post-collection activities include receiving PPP from collection vehicles, picking up PPP from depots, consolidation and transfer where required, handling and sorting PPP, preparing PPP for shipment to end-markets or downstream processors, marketing PPP to maximize commodity revenue, appropriately managing residual materials, reporting the quantities of material received and marketed, and other metrics to Recycle BC as required.

Primary processors are considered to be the first receivers of collected PPP that market at least some types of processed PPP directly to end markets. Primary processors may engage subcontractors to provide consolidation, transfer, and transportation services to move PPP from the collection location to the processing facility. Primary processors may also engage secondary or downstream processors that can more efficiently or effectively sort, process, and market some types of PPP.

The primary processor contract(s) is awarded based on an RFP process. Processors are considered to be qualified based on compliance with the processor qualification standards and evaluation criteria including but not limited to price, location, capability, capacity, output to recycling end-markets per tonne received, and material revenue received.

### **4.5 Collector and Processor Qualification Standards**

Collector and processor qualification standards, including reporting protocols, are the minimum operating standards that a service provider must meet on a continuous basis in order to be eligible to provide collection, depot operation and/or processing services under a contract with Recycle BC.

Qualification standards are used by Recycle BC to support the continued growth of a safe, stable and sustainable PPP collection and processing system across British Columbia. Recycle BC incorporates qualification standards into the RFP for post-collection services and into contracts with collectors and processors.

Qualification standards set out basic requirements, such as free collection service to residents, proof of all necessary licenses and permits, compliance with health and safety requirements and specified liability and business insurance coverage. Qualification standards also include reporting requirements to allow Recycle BC to meet its reporting requirements to the Ministry of Environment and Climate Change Strategy. Collector and processor qualification standards can be found [here](#).

### **4.6 Dispute Resolution**

Recycle BC seeks to balance the principles of access, efficiency, fairness and equitable outcomes in the design of its dispute resolution mechanisms. Dispute resolution processes are tailored to the nature of disputes as well as the likely parties to a typical dispute. The objectives of the dispute resolution process are to manage disputes to resolution rather than adjudication, earlier and faster and at a reduced cost to all parties involved.

The following suite of alternative dispute resolution processes are used:

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Dispute Type	Path of Escalation/Resolution
<b>Residents</b>	<ul style="list-style-type: none"> <li>Discussion with Recycle BC management</li> <li>If unresolved, involvement of Recycle BC Board</li> </ul>
<b>Collectors and processors</b>	<ul style="list-style-type: none"> <li>Discussion with Recycle BC senior management</li> <li>Facilitation: to prevent escalation and to explore interests/remedies</li> <li>Mediation: to be used if facilitation is unsuccessful. Process to be specified in commercial agreements regarding selection of mediator, roles of parties, time and place of mediation, conduct of mediation, length, responsibility for fees/costs, confidentiality, conclusion of mediation by agreed settlement or final settlement proposal by the mediator</li> <li>Arbitration: to be used if mediation is unsuccessful; process to be specified in commercial agreements regarding notice of arbitration, submission of written statements, place and conduct of meetings and hearings, the process for rendering and delivering decisions; jurisdiction and powers of the arbitrator, allocation of costs/fees; application of the B.C. Arbitration Act (RSBC 1996)</li> </ul>

### 4.7 Communications

The Recycling Regulation requires that, as part of the Program Plan, Recycle BC design and deliver an effective resident education program that achieves two overarching objectives:

- Make residents and other target audiences aware of the program features and benefits through communication activities; and
- Employ promotion and education (P&E) activities to engage and encourage residents to make informed and proper decisions concerning the preparation and management of PPP for collection and recycling.

To achieve the above objectives, Recycle BC employs the following strategies:

#### 1. Advertising

Recycle BC conducts targeted advertising campaigns independently or in partnership with stakeholders, such as other EPR agencies, producers, local governments, and community-based organizations.

#### 2. Strategic partnerships

Recycle BC partners with organizations with targeted local or provincial market penetration to broaden the reach and raise the profile and awareness of Recycle BC.

#### 3. Brand management

Recycle BC works with collectors and other stakeholders to maintain brand integrity (accuracy and consistency).

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### **4. Collector resources**

Resources are made available to Recycle BC collectors to be used to help educate their residents on various aspects of the Recycle BC program. In many instances templates are available for customization.

### **5. Additional resident communication**

Recycle BC communicates directly with residents about various program elements including accepted and not-accepted materials, depot locations, collections schedules, contests, special projects, etc. using various channels.

### **6. Research**

Recycle BC regularly conducts quantitative research to gather accurate provincial information on recycling habits, service levels, and brand and program awareness.

## **4.8 Administration of the Program Plan**

Recycle BC is responsible for implementing this Program Plan on behalf of the producers that have chosen to be members.

Recycle BC's objective is to administer the implementation of the Program Plan effectively and efficiently through a combination of in-house and outsourcing of key specialized functions or services. Activities administered through out-sourcing include those that will not compromise the relationship between Recycle BC and BC stakeholders and where effectiveness and efficiency is enhanced by the best practices already incorporated by the service provider that would otherwise be a multi-year continuous improvement effort for Recycle BC.

Recycle BC directly administers collection and processing services including dispute resolution, communications to BC residents and performance reporting to the BC Ministry of Environment and Climate Change Strategy.

Recycle BC outsources producer registration, reporting, fee invoicing, payments, audits and compliance in order to facilitate harmonized systems for Canadian producers, whether operating only in BC or in other Canadian provinces.

## **4.9 Program Financing**

Recycle BC is responsible to the producers that have chosen to be its members to deliver an efficient and effective PPP EPR program.

Producers that choose to be members of Recycle BC are responsible to pay fees that are sufficient, in aggregate, to implement the Program Plan. These costs fall into three categories:

- Administration - what it takes to manage the business;
- Resident awareness - what it takes to promote the behaviours that drive collection; and
- Material management - what it takes to manage materials.

Producers that supply obligated PPP pay fees that are intended to cover:

- An equitable share of Recycle BC administration costs;
- An equitable share of resident awareness costs;

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- A contribution to the costs to maintain the accessibility of the recycling system and to manage the recyclable PPP that is the basis for the PPP EPR program performance; and
- Where required, a contribution to advance the material's adoption in the recycling system, improve the cost efficiency to manage the material and/or to develop end markets to maximize the material's value.

Producers that choose to be members of Recycle BC do not apply a fee at the point of sale of products in packaging and paper product, primarily due to the relatively low cost per unit of packaging and paper product that, for many products, is less than one cent. In the absence of a fee at the point of sale, costs incurred by producers to meet their obligations under the Recycling Regulation through membership in Recycle BC is considered a cost of doing business in BC and is managed by the producer accordingly. Each individual producer determines for its own business how it manages the costs incurred to meet its obligations under the Recycling Regulation through membership in Recycle BC.

Costs incurred by Recycle BC to deliver and administer the Program Plan are allocated among producers based on the following principles:

- All obligated materials should bear a fair share of the costs to manage the packaging and paper product program, irrespective of whether a material is collected because all obligated producers who put obligated materials into the marketplace should contribute to the recycling system;
- The material management costs allocated to each material should reflect the material's cost to collect and manage it in the recycling system because a material's unique characteristics can drive costs in distinctive ways; and
- The commodity revenue should be attributed only to the materials that earn revenue because materials that are marketed have value and should benefit from earned revenue.

## **5. Program Performance**

### **5.1 Managing Environmental Impacts**

Section 5(1)(c)(vii) of the Recycling Regulation requires that an EPR plan adequately provide for eliminating or reducing the environmental impacts of a product throughout the product's life cycle.

Recycle BC works to reduce the environmental impact of its program materials through innovation and managing the collection and recycling of material. Innovation includes engaging with producers to advance the recycling of various materials and finding new ways to encourage source reduction, re-using and good recycling practices. Management involves partnering with communities on collection and overseeing the sale of processed material to selected end markets.

A key theme that emerged in 2016 is an increasing interest and engagement in circular economy thinking by Recycle BC members. The circular economy focus centres on creating systems and infrastructure to allow for the continuous, circular flows of materials and it is in large part due to the work of the Ellen McArthur Foundation and Canada's Circular Economy Innovation Lab (CEIL). Both of these entities are working with a range of organizations, including Canadian producers and Recycle BC, to overcome the systemic hurdles that prevent the continuous flow of materials. The Ellen McArthur Foundation and CEIL are creating opportunities for parties across the supply chain to collaborate and thereby increase the capture and reprocessing of valuable materials so they can be repurposed for further use, thereby decreasing reliance on virgin material inputs. The momentum behind this work will continue involving Recycle BC and a number of its members and processors.

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While that work takes place at both a global level and local level, Recycle BC members continue to work independently and with their suppliers and processors on a number of fronts to reduce the environmental impact of the packaging and paper product they distribute to BC consumers. Examples of this work include:

- Light weighting packaging to reduce material while maintaining packaging integrity;
- Simplifying packaging and paper product by removing unnecessary layers or components to improve recyclability;
- Utilizing lifecycle modeling tools in order to more fully understand the impact of their packaging throughout its lifecycle – encompassing both post-consumer management and carbon impact;
- Removing elements from packaging that might act as contaminants in the recycling stream such as utilizing new adhesives that are more compatible with the recycling process;
- Commitments to using 100% recyclable materials within a specified timeframe in order to support the market for recycled materials;
- Commitments to convert all packaging to recyclable materials within a defined timeframe; and
- Optimizing packaging in a way that reduces the carbon footprint over its lifetime.

All of these factors play a role in the way in which Recycle BC members innovate and build eco-efficiency in the packaging and paper products distributed to British Columbians.

### 5.2 Pollution Prevention Hierarchy

Section 5(1)(c)(viii) of the Recycling Regulation requires that an EPR plan adequately provide for the management of the product in adherence to the order of preference in the pollution prevention hierarchy.

The Program Plan adheres to the pollution prevention hierarchy through the following activities:

Pollution Prevention Hierarchy	Activity
Reduce the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency	<ul style="list-style-type: none"> <li>• Initiatives undertaken by individual producers</li> <li>• Program Plan encourages reduction by rewarding companies that reduce the packaging supplied to market</li> </ul>
Redesign the product to improve reusability or recyclability	<ul style="list-style-type: none"> <li>• Initiatives undertaken by individual producers</li> <li>• Program Plan encourages redesign through cost allocation</li> </ul>
Eliminate or reduce the generation of unused portions of a product that is consumable	<ul style="list-style-type: none"> <li>• Not applicable as packaging and paper product are not consumable</li> </ul>
Reuse the product	<ul style="list-style-type: none"> <li>• Initiatives undertaken by individual producers</li> <li>• Program Plan encourages reuse through cost allocation</li> </ul>
Recycle the product	<ul style="list-style-type: none"> <li>• Program Plan utilizes payments to service providers to encourage collection of PPP and processing of PPP to meet recycling end-market requirements</li> <li>• Recycle BC provides guidance to producers on design for recyclability</li> </ul>

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Pollution Prevention Hierarchy	Activity
Recover material or energy from the product	<ul style="list-style-type: none"> <li>Primary and downstream processors are encouraged to further process system residues to meet recovery end-market requirements and minimize the amount of residue sent to landfill</li> <li>Research and development to explore ways recover material that is currently non-recyclable (e.g. multi-laminated plastic packaging)</li> </ul>
Otherwise dispose of the waste from the product in compliance with the Act	<ul style="list-style-type: none"> <li>Primary and downstream processors are required to manage residue in compliance with the Act</li> </ul>

### 5.3 Reporting

Recycle BC reports annually on indicators as summarized below:

- **Accessibility indicators** to describe access to PPP collection services in the province of BC such as:
  - Single-family and multi-family households receiving household collection service;
  - Number and service area locations of depots accepting PPP;
- **Operational effectiveness indicators** characterizing program performance such as:
  - Tonnes of PPP collected within each regional district;
  - Kilograms per capita of PPP collected within each regional district;
  - Tonnes of PPP recycled and recovered for the province;
  - Kilograms per capita of PPP recycled for the province;
  - Recovery rate expressed as a percentage for the province;
- **Management of collected PPP in relation to the pollution prevention hierarchy**
  - Tonnes of PPP managed by recycling;
  - Tonnes of PPP managed by recovery;
  - Tonnes of PPP managed by disposal;
- **Operational efficiency indicators** reflecting program performance in financial terms such as:
  - Total program cost per tonne;
  - Total program cost per household;
- **Environmental impact measures** to characterize actions intended to reduce the environmental impacts of packaging and paper product by producers who are members of Recycle BC and by Recycle BC; and
- **Resident awareness indicators** to assess public awareness and engagement such as:
  - Percentage of residents aware of the Recycle BC program;
  - Percentage of residents reporting use of available collection services; and
  - Visits to the Recycle BC website.

In addition to compiling data for the indicators listed above during implementation of the Program Plan, Recycle BC will begin to compile GHG data from its contractors in 2018 with the full data tracking system functional by 2019 and GHG performance reported in 2020.

## Packaging and Paper Product Extended Producer Responsibility Plan

Also in 2020, recovery rates for the following material categories will be reported: paper, plastic, glass, and metal.

Recycle BC reports on the performance of the PPP program in an annual report submitted to the BC Ministry of Environment and Climate Change Strategy and posted on its website by July 1 each year. A comprehensive list of the performance metrics reported by Recycle BC is available as Appendix B to this Program Plan. Recycle BC includes a reasonable assurance opinion of the accessibility indicators and operational effectiveness indicators by a third-party in its annual report.

### 6. Consultation

During the lead up to the launch of Recycle BC (then Multi-Material BC) in 2014, Recycle BC used a combination of mechanisms to consult with stakeholders during development of the Program Plan. This consultation period resulted in a number of changes to the original version of the Program Plan.

Recycle BC was required to host a stakeholder consultation within five years of the launch of the original program plan. In November 2017, Recycle BC conducted a consultation to gather stakeholder feedback and provide program updates.

In May 2017 invitations were sent to Recycle BC's partners for the November event, along with a survey to gather information and allow stakeholders to provide any initial feedback or topics they wished to discuss. Focus groups were held in August 2017 to provide an opportunity for additional feedback for topics that garnered a significant amount of interest or feedback. A pre-read consultation workbook was sent to all registrants and collectors in October 2017 and posted on RecycleBC.ca in anticipation of the November consultation.

The consultation was held on November 15 and 16, 2017 in New Westminster, BC and included nine workshop sessions on topics as listed below:

- 3 Years of Data;
- Curbside Collection;
- Multi-family Collection;
- Depot Collection;
- Contamination;
- Research and Development: Other Flexible Plastic Packaging;
- Streetscape;
- Marketing and Communications; and
- Program Plan Updates.

Stakeholders who were not able to attend the event in person were able to view four workshops via webcast and submit feedback or comments online until December 15, 2017. A consultation report summarizing feedback on a variety of topics was posted in February 2018. Click [here](#) to read the Consultation Report.

Following this consultation period, updates to the program plan were made and it was submitted to the Ministry of Environment in March 2018 for approval for consultation. Stakeholder feedback on the revised plan will be invited for a 45 day period following its publication date. The plan is expected to be finalized in June 2018.



# Packaging and Paper Product Extended Producer Responsibility Plan

## Appendix A – Glossary

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**Collector**

Entity providing services for collection of PPP from households or from streetscapes under contract with Recycle BC.

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**Depot**

Facility where residents can drop off PPP under contract to Recycle BC.

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**Market Clearing Price**

Payment available to collection service providers (subject to executing an agreement to provide the collection service, comply with the collector qualification standard on a continuous basis, report specified data on a defined schedule) designed to stimulate collection activities and act as a market clearing mechanism that causes quantities of supply and demand to be equal.

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**ICI**

Industrial, commercial and institutional.

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**Processing**

Manual or mechanical sorting and quality control of PPP for the purpose of shipping to recycling end-markets.

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**Primary Processor**

First receivers of collected PPP that market at least some types of processed PPP directly to end markets. Primary processors may engage downstream processors that can more efficiently or effectively sort, process and market some types of PPP.

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**Qualification Standard**

Minimum operating standard that a service provider must meet on a continuous basis in order to be eligible to provide collection, depot operation and/or processing services under a contract with Recycle BC.

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**Recovery Rate**

Calculated as a percentage with the numerator representing the quantity of PPP collected and the denominator representing the quantity of PPP available for collection.

$$\text{Recovery Rate \%} = \frac{\text{Collected}}{\text{Available for Collection}} \times 100$$

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**Service Provider**

Entity that collects PPP from single-family or multi-family households or streetscapes, operates a depot or provide post-collection services under contract with Recycle BC

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## Packaging and Paper Product Extended Producer Responsibility Plan

### Appendix B – Summary of Performance Measures

Measures	2018	2019	2020	2021	2022
<b>Recovery Target</b>	Continue to on-board eligible communities to achieve and annually maintain, at a minimum, the overall provincial collection rate of 208,700 tonnes as assessed during preparation of the report titled <i>Current System for Managing Residential Packaging and Printed Paper</i> (March 2012). <sup>1</sup>			While continuing to maintain performance target and reporting as outlined in Appendix B, begin consultation process on performance targets and measures in preparation for next 5-year Program Plan.	
	Submit targets to achieve a 75% recovery rate if a 75% recovery rate is not achieved due to on-boarding timing. Goal to collect all packaging types.		Introduce recovery rates for the following material categories will be reported: paper, plastic, glass, and metal.		
<b>Recovery/Collection Reporting*</b>	<ul style="list-style-type: none"> <li>• Tonnes of PPP collected within each Regional District;</li> <li>• Kilograms per capita of PPP collected within each Regional District;</li> <li>• Tonnes of PPP recycled and recovered for the province;</li> <li>• Kilograms per capita of PPP recycled and recovered for the province;</li> <li>• Recovery rate expressed as a percentage for the province.</li> </ul>				
<b>Accessibility Performance</b>	Provide curbside collection of PPP to a minimum of 973,400 curbside households and 421,600 multi-family households (active service counts as of February 14, 2018).	Continue to on-board eligible communities with the exception of any households where a local government eligible to participate in the Recycle BC program declines to enter into a collection agreement with Recycle BC.	Annually maintain, at a minimum, single-family and multi-family household service levels where these households currently receive PPP collection. <sup>2</sup>		
	Annually provide depot collection to communities across BC with a minimum of 200 depot locations.				

\*Reported in annual report submitted to BC Ministry of Environment and Climate Change Strategy July 1 each year.

<sup>1</sup> Subject to adjustments to correct any errors in the Phase 1 survey data identified during program implementation and to reflect any significant changes in the quantity of PPP available for collection.

<sup>2</sup> With the exception of any households where a service provider that currently provides collection of PPP terminates their Services Agreement with Recycle BC.

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Measures	2018	2019	2020	2021	2022
<b>Accessibility Reporting*</b>	<ul style="list-style-type: none"> <li>• Single-family and multi-family households receiving household collection service; and</li> <li>• Number and locations of depots accepting PPP.</li> </ul>				
<b>Other Collection: Streetscape</b>	Continue to perform further research through streetscape collection projects to determine if a viable recovery of PPP can occur in the new restricted global marketing conditions.	Implement streetscape collection and recycling services by offering a financial incentive to eligible local governments for the provision of services. <sup>3</sup>			
<b>Consumer Awareness Targets</b>	Maintain a resident awareness target of 90% or greater for a packaging and paper product recycling program. Continue annual consumer research to measure resident awareness. Conduct regular quantitative research to measure the effectiveness of resident education programs and to gather accurate provincial information on recycling habits, service levels, and brand and program awareness.				
<b>Consumer Awareness Reporting*</b>	<ul style="list-style-type: none"> <li>• Percentage of residents aware of packaging and paper product recycling program;</li> <li>• Percentage of residents reporting use of available collection services; and</li> <li>• Visits to the Recycle BC website.</li> </ul>				
<b>Pollution Prevention Hierarchy Performance</b>	Target all PPP for collection and manage according to the pollution prevention hierarchy including shifting as much of the currently unrecyclable PPP from disposal or recovery up the hierarchy into recycling as possible.				
	Direct 85% to 90% of collected PPP to recycling commodity markets. Assess options to increase the percentage of collected PPP directed to recycling commodity markets.				
<b>Pollution Prevention Hierarchy Reporting*</b>	<ul style="list-style-type: none"> <li>• Tonnes of PPP managed by recycling;</li> <li>• Tonnes of PPP managed by recovery;</li> <li>• Tonnes of PPP managed by disposal; and</li> <li>• Environmental impact measures to characterize actions intended to reduce the environmental impacts of PPP by producer members of Recycle BC, and by Recycle BC.</li> </ul>				
<b>Other Performance Measure: Greenhouse Gas Emissions (GHG)</b>	Compile GHG data from Recycle BC service providers.	Full GHG data tracking system functional.	GHG performance reported.		
<b>Other Reporting Metric: Program Cost*</b>	<ul style="list-style-type: none"> <li>• Total program cost per tonne; and</li> <li>• Total program cost per household.</li> </ul>				

\*Reported in annual report submitted to BC Ministry of Environment and Climate Change Strategy July 1 each year.

<sup>3</sup> Subject to proof of concept through testing effective delivery of streetscape collection systems.

## Packaging and Paper Product Stewardship Plan

### Appendix C – Producer Members of Recycle BC

A total of 1291 producers are currently members of Recycle BC as of February, 2018. Recycle Producer companies that have joined Recycle BC fall into the following sector categories:

- Food and consumer products
- Retailers (grocers, mass/general merchandisers, hardware/housewares, drug stores and specialty merchandisers)
- Electronic manufacturers/brand owners
- Horticulture and agriculture
- Media and printed paper
- Quick service/take-out restaurants
- Paint and chemical products
- Other/miscellaneous

A complete membership list is updated annually and posted on Recycle BC's website [here](#).

## Packaging and Paper Product Stewardship Plan

### Appendix D – Definition of Producer for the Purposes of Producer Obligation and Reporting

“**Brand**” is a trademark.

“**Brand Owner**” is a Person Resident in British Columbia who is:

- (a) the owner of the registered or unregistered trademark; or
- (b) a licensee of the registered or unregistered trademark, where “licensee” includes a person who packages goods and includes any person whose corporate name or business name registration contains the trademark.

“**Consumer**” means an individual (other than a Person in the Industrial, Commercial, or Institutional (IC&I) sector) to whom Packaging or Paper Product is Supplied.

“**First Importer**” is a Person Resident in British Columbia who imports Packaging or Paper Product into British Columbia or is the first to take possession or control of Packaging or Paper Product in British Columbia for which a Brand Owner does not exist.

“**Franchisor**”, “**Franchisee**”, “**Franchise System**”, or “**Subfranchise**” have the meaning ascribed to these terms in the *Franchises Act* or as may be amended or replaced from time to time:

<http://www.bclaws.ca/civix/document/id/lc/statreg/15035> . This includes Franchisors who conduct business in British Columbia through their British Columbia Franchise System, regardless of whether the Franchisor has a Franchisor-owned fixed place of business in British Columbia.

“**IC&I Material**” means Packaging or Paper Product which is supplied to the industrial, commercial, or institutional sector and which is not subsequently Supplied to Consumers.

“**Person**” means an individual, partnership, joint venture, sole proprietorship, corporation, government, trust, trustee, executor, administrator or any other kind of legal personal representative, unincorporated organization, association, institution, or entity.

“**Producer**” means the Person who is obligated with respect to the Packaging or Paper Product, and includes any person who elects to become a Voluntary Producer in accordance with Recycle BC’s policies.

“**Resident in British Columbia**” with respect to a corporation, means a corporation that has a permanent establishment in British Columbia. In the case of Franchisors, it includes Franchisors who conduct business in British Columbia through their British Columbia Franchise System, regardless of whether the Franchisor has a Franchisor-owned fixed place of business in British Columbia.

Resident in British Columbia, with respect to a corporation, means a corporation that has a permanent establishment in British Columbia, where “permanent establishment” includes branches, mines, oil wells, farms, timberlands, factories, workshops, warehouses, offices, agencies and other fixed places of business. In addition to the foregoing, the following deeming provisions shall apply:

#### **Contracting Employees or Inventory Sufficient**

Where a corporation carries on business through an employee or agent who has general authority to contract for the corporation or who has a stock of merchandise owned by the

## **Packaging and Paper Product Stewardship Plan**

corporation from which the employee or agent regularly fills orders which the employee or agent receives, such employee or agent shall be deemed to operate a permanent establishment of the corporation.

### **Commission Agent not Sufficient**

The fact that a corporation has business dealings through a commission agent, broker or other independent agent shall not of itself be deemed to mean that the corporation has a permanent establishment.

### **Subsidiary of Parent not Sufficient**

The fact that a corporation has a subsidiary controlled corporation in a place or a subsidiary controlled corporation engaged in a trade or business in a place shall not of itself be deemed to mean that the first-mentioned corporation is operating a permanent establishment in that place.

### **Licensed Insurance Company Sufficient**

An insurance corporation is deemed to have a permanent establishment in each jurisdiction in which the corporation is registered or licensed to do business.

### **Purchasing Office not Sufficient**

The fact that a corporation maintains an office solely for the purchase of merchandise shall not of itself be deemed to mean that the corporation has a permanent establishment in that office.

### **Ownership of Land Sufficient**

Where a corporation, otherwise having a permanent establishment in Canada, owns land in a province or territory of Canada, such land is a permanent establishment.

### **Production Packing and other Activities Sufficient**

The fact that a non-resident corporation in a year produced, grew, mined, created, manufactured, fabricated, improved, packed, preserved or constructed in whole or in part anything in Canada, whether or not the corporation exported that thing without selling it prior to exportation, shall of itself, be deemed to mean that the corporation maintained a permanent establishment at any place where the corporation did any of those things in the taxation year.

### **Machinery or Equipment Sufficient**

The use of substantial machinery or equipment in a particular place at any time in a year of a corporation constitutes a permanent establishment of such corporation in that place for such a year.

### **Principal Place of Business Sufficient**

Where a corporation has no fixed place of business, it has a permanent establishment in the principal place in which the corporation's business is conducted.

### **Charter or By Laws designating Head or Registered Office Sufficient**

Where a corporation does not otherwise have a permanent establishment in Canada, it has a permanent establishment in the place designated in its charter or by-laws as being its head office or registered office.

## Packaging and Paper Product Stewardship Plan

“**Service Packaging**” means packaging which may or may not bear a Brand that is Supplied at the point of sale by the retail, food-service or other service providers to facilitate the delivery of goods, and includes all bags, boxes, and other items for the containment of goods at point of sale.

“**Supplied**” means sold, leased, donated, disposed of, used, transferred the possession of or title of, or otherwise made available to a Consumer in British Columbia or distributed for use by a Consumer in British Columbia. Supply and Supplies have similar meanings.

“**Voluntary Producer**” means any non-resident Brand Owner who elects to become a member of Recycle BC in accordance with Recycle BCs policies and membership agreement.

### DESIGNATION OF PRODUCERS

#### Designation of Producers

The following Persons are designated as Producers for Packaging and Paper Product. If two or more Persons are designated as a Producer pursuant to the following provisions, then the earlier provision shall prevail.

#### Producers for Packaging

For Packaging (except for Service Packaging) the Producer is the Person Resident in British Columbia who:

- a) is the Brand Owner for the British Columbia market; or
- b) if the Person described in paragraph (a) does not exist, then a Person who manufactures, packs or fills or causes the manufacturing, packing or filling of products regardless of whether the activity takes place in British Columbia or not; or
- c) if a Person described in paragraphs (a) or (b) does not exist, then the First Importer, unless the First Importer is a Consumer.

#### Producers for Service Packaging

Any Person that Supplies Service Packaging in British Columbia at the point-of-sale shall be the Producer for such Service Packaging.

#### Producers for Paper Product

For Paper Product, the Producer is the Person Resident in British Columbia who:

- a) is the Brand Owner of the Paper Product, whether production of the Paper Product takes place in British Columbia or not; or
- b) if a Person described in paragraph (a) does not exist, then a Person who is the title-owner of the Paper Product or is a licensee of those rights for British Columbia, whether production of the Paper Product takes place in British Columbia or not; or
- c) if a Person described in paragraphs (a) or (b) does not exist, then a Person who produces or manufactures the Paper Product whether the production or manufacturing takes place in British Columbia or not; or
- d) if a Person described in paragraphs (a), (b), or (c) does not exist, then the First Importer, unless the First Importer is a Consumer.

#### Franchisor is Obligated to Report for its British Columbia Franchisees

A Franchisor is obligated to report for its British Columbia Franchisees with respect to all Packaging and Paper Product which is Supplied within the Franchisor’s British Columbia Franchise System.

## **Packaging and Paper Product Stewardship Plan**

### **More Than One Brand Owner for the Same Packaging or Paper Product**

If there is more than one Brand Owner for the same Packaging or Paper Product, the Brand Owner more directly connected to the production of the Packaging or Paper Product shall be deemed to be the Producer.

### **Products Containing Two or More Independent Brands**

If products containing two or more independent Brands are packaged to be Supplied together, the Brand Owner, First Importer or Franchisor most directly connected to the joint Packaging shall be designated as the Producer for the joint Packaging.