

# Don't Trash our Environment:

Why companies need to be  
part of Ontario's  
waste solution

A report by the  
**Toronto Environmental Alliance**  
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# Introduction

Walk down any street in Ontario on garbage day and you will see many garbage bins and bags and often overflowing recycling bins. Per person, Canada has some of the highest waste levels in the world.

Right now, the cost of recycling programs, and of dealing with garbage that ends up in landfills is mostly paid by residents, through a combination of municipal taxes and waste fees. But is this fair to the environment, or our pocket books?

Think about the waste and recycling that people take to the curb. Much of it is packaging. In fact, about 70% of our waste is now made up of packaging or disposable products. When people buy products at the store, they take home all the packaging that comes with the product. And then, they have to pay the costs of dealing with the packaging they were forced to take home.

Why is it that we have to pay for waste we don't want in the first place?

Many countries have found a better way to deal with waste, a way that not only saves money, but is better for the environment. This better way is based on the simple principle that people are doing their part to follow the 3 R's — Reduce, Re-use and Recycle — why shouldn't companies have to do the same?

### **Companies that sell products and packaging on the Ontario market should be responsible for what ends up in Ontario's waste stream.**

The first step is getting companies to pay to safely manage the waste they create and sell — this is called Product Stewardship. In Ontario, we've made a start: companies pay for half the cost of municipal Blue Box programs, and they pay fees to manage difficult-to-recycle electronic waste. But we must go much further.

The next step is making companies responsible for the full life cycle of their products. This gives companies a reason to continually reduce the amount of waste created and its environmental impact. This is called Extended Producer Responsibility. It gives producers a reason to focus on the 3R's, in the right order.

If we take the next step, municipal taxes and garbage fees would drop dramatically because we would no longer pay for the wasteful habits of companies. As well, the environment would benefit because companies would soon realize they could save money — and help their bottom line — by creating less waste.

The good news is that there are some great examples of Extended Producer Responsibility in Ontario. It's been used successfully for decades in other countries. But more importantly, it's been used successfully right here in Ontario by large

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corporations like the Beer Store and smaller businesses like Harmony Organics, a southern-Ontario based dairy.

So why isn't Extended Producer Responsibility used across the province by all companies? Because companies like having residents of Ontario footing the bill.

The only way companies will start acting responsibly is if they are forced to pay for the waste they create, and to meet strict targets for the 3R's. And for that to happen, the Ontario Government has to pass laws that make companies, not residents, responsible for paying waste management costs.

**This report tells the story of how we got to the point where Ontario residents are paying for the waste they don't create, and what can be done to shift the cost of dealing with waste off the taxpayer and onto the companies that create it in the first place. This report also tells the story of a few companies that have shown that being environmentally and socially responsible works. It ends with actions you can do to help save yourself money and help the environment.**

## How we got into this mess

Back in the 1920's, the average garbage can contained just 7% product waste, the remainder was ash, metal and organics. Now, the average waste bin consists of almost 70% packaging and product waste. Public waste collection was introduced as a public health service, but it increasingly serves as a taxpayer subsidy for wasteful packaging and products.

For example, until the 1960's, all beverages sold in Ontario were in refillable bottles using a deposit-return system. Municipal taxpayers didn't pay a penny to deal with these containers. Then, over the next few decades, companies increasingly



offered single-use containers; it's much cheaper for companies to simply sell a product and forget about it than to pay for a deposit-return system.

As single-use packaging grew, how to dispose of it became a bigger problem. When landfill space became a crisis in the 1980s, municipalities and the Provincial Government, together with industry, created the Blue Box program.

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As one of the first and largest systems in North America, the Blue Box program provides an effective way for residents to do their part to recycle packaging waste. The program was a major step forward for keeping packaging waste and other recyclable waste such as paper out of landfills.

Since 2004, the Province requires all companies that create packaging that ends up in Blue Boxes to pay roughly half the cost of municipal recycling programs. This is a great first step, but it means municipal taxes and waste fees are still needed to subsidize industry's wasteful habits. Until companies are truly made responsible for the full life-cycle of the products they put on the Ontario market, there is little incentive to reduce waste, increase reusability and recyclability, and minimize toxins.

Until recently, the Province was moving towards more producer responsibility — including full industry funding of the Blue Box program, programs that made tire companies responsible for the cost of recycling used tires, and electronic companies responsible for the cost of recycling electronic waste.

More programs were in the works to shift the cost of dealing with waste away from municipal taxpayers to the companies. More importantly, the programs worked to create incentives to reduce waste, make it more recyclable and to reduce toxins that ended up contaminating our landfill. To really work, these programs need strict targets and penalties, and the focus needs to be on pushing companies towards less waste, less toxic products, more recyclable materials, and less packaging in the first place — the 3R's in the right order.

However, this process stalled in 2010 after the eco-fee disaster (see text box on page 5). In a matter of days, the very programs that would have saved municipal taxpayers millions every year were discredited and companies were once again getting the public to pay for their bad habits.

The facts make it clear companies taking responsibility for their packaging and products is best for taxpayers and the environment. And the proof can be found around the world and right here in Ontario.

### **Why do companies need to be part of the solution?**

Companies make the key decisions on what packaging material to use (recyclable or not), and how much packaging to use.

If they aren't responsible for their packaging, they will make decisions that help their bottom line at the expense of the public or the environment.

If they are responsible for dealing with their packaging, they will make decisions that are best for everyone.

### How to get out of this mess

In countries and regions around the world, companies are increasingly taking responsibility for their own waste. In Canada, programs include beverage container deposits in Quebec, the Maritimes and BC, common also in many US states. In the European Union, the 'Green Dot' program makes companies ensure that their packaging and product waste is recycled, and other programs have led to reduced hazardous waste in household electronics.

But we don't need to go outside of Ontario to show how successful Extended Producer Responsibility (EPR) programs can be. In Ontario, both large and small companies show us that EPR can be part of a successful business model. By investing in a packaging and distribution system to achieve high return rates and to lower their packaging volumes, these companies keep their products out of the municipal waste and recycling stream and save municipal taxpayers millions of dollars every year.

While some companies will do this voluntarily, it's clear that the Provincial Government needs to create programs that get all companies following their example.

#### **The problem with Eco-Fees**

In July 2010, Stewardship Ontario introduced Eco-Fees in response to the Province's request for an industry program for toxic and special waste. The program was meant to keep hazardous products out of landfills or our environment.

But, the Eco-Fees program was flawed from the start, and implementation was a mess; after public outcry over confusing fees were slapped on products at the cash register, the program was scrapped.

The Eco-Fee program allowed companies to wash their hands of their environmental responsibilities, treating responsible product management as a tax for consumers to bear rather than a cost of doing business in Ontario. If the cost was part of the sticker price, companies would have a reason to innovate, and to seek out alternatives to reduce handling costs and increase profits.

Another key flaw of the program was that less hazardous products didn't have lower fees. This means that there was no reward for companies that made environmental choices, like using a less toxic ingredient in a product, so there was no incentive for doing the right thing for the environment.

**Real producer responsibility leads to better environmental choices and lower costs for Ontario taxpayers.**

## The Beer Store

**As the largest and most widespread deposit return system in Ontario, the Beer Store provides an example of how large operations can achieve significant environmental benefits.**

The Beer Store is Ontario's primary beer retailer with hundred of outlets across the Province. Since 1927, it has been operating the most successful bottle return system in North America.

The Beer Store collects a small deposit on all beer sold, and gives a deposit refund when empty containers are returned. Refillable bottles are shipped back to brewers for washing and refilling. Bottles are re-used an average of 12 to 15 times before being recycled.

With recovery rates of 100% for refillable bottles, 92% for all non-refillable alcohol containers, the Beer Store deposit-return system is incredibly effective, and has wide public acceptance.

Last year alone, 1.85 billion beer containers were returned to the Beer Store, keeping them out of landfill and municipal Blue Boxes. This resulted in saving 3 million gigajoules of energy, avoiding 174,000 tonnes of Greenhouse Gas emissions and saving taxpayers \$48 million.

The Beer Store deposit-return program is an example of designing and managing packaging and products for their full life-cycle. It is also proof

that a system involving many producers, retailers and bars and restaurants can work efficiently.



### **Learning from the Beer Store: Refillables for the Ontario Wine Industry**

In 2007, the Beer Store deposit-return system expanded to include all alcohol containers sold through the LCBO. While millions of containers are kept out of the Blue Box system, only beer bottles are cleaned and re-used.

In 2011, the environmental organization Environmental Defence Canada outlined the benefits of Ontario wineries using refillable bottles in its report *Refillable Wine Bottles in Ontario: Cases for Reuse*.

As glass bottles are thought to be the largest source of carbon emissions for a winery, any reduction in new bottles would have a significant environmental impact. If half of Ontario wine was sold in refillable bottles, nearly 7000 tonnes of carbon would be avoided each year.

- *Refillable Wine Bottles in Ontario: Cases for Reuse*, Environmental Defence Canada, May 2011

## Harmony Organic Dairy

**As a mid-sized producer, Harmony Organic shows where stewardship is integral to the product and its market.**

Harmony Organic Dairy is an Ontario dairy selling a range of products, including up to 15,000 litres of milk each week in refillable milk bottles. Harmony Organic began using refillable milk bottles ten years ago both because it is better for the environment, and because glass protects the freshness and quality of the product.

Retailers collect and refund a deposit on each bottle sold, and the milk bottles are returned to the dairy to be washed and reused 15 to 20 times before finally being recycled. A reusable bottle has a carbon footprint of 80 to 87% less than a single-use bottle, and uses between 50 to 80% less water, including washing.



Harmony Organic's Robert Kuenzlen notes that glass bottles fit with the customer expectation for an environmentally sound business. Positive feedback from their retailers and customers, "...is the rewarding part of our commitment."

Though some customers keep the iconic glass milk bottle for other uses, the dairy estimates that more than 75% of bottles are returned for reuse. Harmony Organic's deposit-return program is keeping at least 624,000 heavy glass milk bottles out of municipal Blue Boxes and landfills.

**“ A reusable bottle has a carbon footprint of 80-87% less than a single-use bottle, and uses 50-80% less water. ”**

## Local Food & Restaurants

**Take out food and drink containers make up the majority of litter, and waste in public litter bins — collected by City workers.**

Smaller restaurants with local and loyal customers have also found innovative ways to reduce waste and lower costs.

The **Urban Herbivore**, a vegetarian restaurant in Toronto, sells take-home soup in refillable jars with a \$1 deposit. **Fresh** vegetarian restaurants sell fresh juice in refillable jars, and give discounts to customers who bring their own containers for take-away food.

Toronto's **Tiffinday** is a quickly-growing company providing hot lunches to downtown workers in reusable metal containers. The founder was inspired by the successful system in India where 250,000 city workers have homemade meals delivered in reusable 'tiffins' by delivery men each day.

Tiffinday currently delivers 150 meals per week — most by bike — packaged in reusable tiffins. With no disposable napkins or cutlery, the entire business creates virtually no waste, helping to meet the 'triple bottom line' of profit, and social and environmental responsibility.

By choosing reusable food packaging, these Toronto food businesses are ensuring that they, and their customers, are reducing waste in our garbage bins, Blue Box, and litter bins.



Tiffin Wallahs delivering lunch to urban workers in Mumbai.

Photo: Steven Evans

## Lessons Learned

In the last 40 years, Ontario has experimented with a number of different ways to deal with our waste. We've moved from dumping everything in the garbage can into a landfill, to separating things into a blue box, green box and garbage can.

We've also seen many companies increase the amount of packaging waste they produce without taking on the responsibility to pay for this new packaging waste. We've learned lots of lessons that can help us develop a better system that is good for the environment and for Ontarians.

### Lesson #1

**Companies that produce packaging and products sold in Ontario, should pay the full cost of dealing with packaging and product waste.**

Currently municipalities and their taxpayers and ratepayers pay the majority of the cost for managing waste. At a time when residents and municipal governments are having a tough time making ends meet and balancing budgets, there is no reason they should pay for the wasteful habits of companies. It's only fair that companies should pay the full cost.

### Lesson #2

**Done properly, taking responsibility for packaging and product waste makes good business sense for companies — just ask the Beer Store and Harmony Organic Dairy.**

The Beer Store is a text book example of how a large company taking responsibility of packaging waste can run a highly successful business. When a company president says "Extended Producer Responsibility won't work for us" what they are really saying is "We don't want to find better ways to package and build our products, we're happy with municipal taxpayers paying for our wasteful habits."

### Lesson #3

**Voluntary systems do not work: government must force companies to take responsibility.**

With rare exception, most businesses will not voluntarily take responsibility for the costs of managing their packaging and product waste. Government must force companies to take responsibility for the full life cycle of the products and packaging they put on the market. Strict targets and standards that reward companies for reducing waste are essential to ensuring effective programs.

## What You Can Do

Ontarians have two excellent tools to help get companies to take responsibility for their product and packaging waste: your voice and your wallet.

### 1. Speak Out:

Contact your MPP today. Tell them you are tired of having your precious municipal taxes and fees going to pay for the wasteful habits of companies. Instead, you want the Province to force companies to take responsibility for their product and packaging waste.

A. Update the Waste Diversion Act to make producers and manufacturers entirely responsible for all of their product and packaging costs. Ensure that any system includes incentives to reduce packaging, choose recyclables and reduce toxins.

B. Immediately get companies to pay the full cost of the Blue Box program, as a first step to taking the cost of waste management of taxpayers.

### 2. Use Your Wallet:

Choose products with less packaging, or more recyclable packaging — take a travel mug, or eat-in at a restaurant instead of getting take-away.

Support businesses that are taking steps in the right direction, let them know that you value their efforts to be environmentally responsible.



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