



Circular Materials' Draft 2026 Membership Model - Engagement Sessions

What We Heard Report

We are pleased to share an update on the 30-day producer consultation conducted from June 17, 2025 - July 18, 2025, on Circular Materials' draft 2026 Membership Model. As a not-for-profit organization created by producers, for producers, the purpose of the consultation was for Circular Materials to understand and capture producer feedback on the proposed Membership Model, including criteria and voting structure, to ensure it meets producers' needs.

Background

In response to the Ontario Blue Box Regulation, Circular Materials was founded by producers in 2021 as a not-for-profit producer responsibility organization (PRO) to support EPR regulations in Ontario and guide the organization during its initial start-up phase. The founding Board of Directors is composed of 17 Directors who represent the member companies that provided the initial funding to Circular Materials.

Since 2021, the organization has quickly evolved to respond to emerging regulations in New Brunswick, Nova Scotia, Alberta and the Yukon. To accommodate the growth in its mandate across the country, the Board's vision evolved to Circular Materials becoming a national PRO that could represent producers in jurisdictions across the country (except Quebec).

Now that the organization has fully transitioned from the start-up phase and evolved with an expanded geographic reach, Circular Materials' Board of Directors recommended changing to a broad-based Membership Model, where Circular Materials' subscribing producers have an opportunity to become voting Members.

To ensure the highest standards in governance, Circular Materials engaged Watson Advisors Inc., recognized experts in this field, to support the development of the Membership Model criteria and voting structure.

Producer Engagement Sessions

In June 2025, Circular Materials kick-started its Producer Engagement Sessions to share its draft 2026 Membership Model and gather feedback from producers to ensure alignment with their goals and expectations. To support a comprehensive and transparent engagement process, producers were invited to submit feedback on the proposed model during a 30-day consultation period.

A Producer Engagement Session took place on June 17, 2025 and included:

- 2,254 invitees
- 122 unique participants from 91 organizations
- 11 comments/questions during the webinar

A dedicated email address (CMNational@circularmaterials.ca) was provided to support producer questions and input.

A further meeting was also conducted with associations on June 11, 2025, to support awareness. Invitees included the Food and Health Consumer Products of Canada (FHCP), Retail Council of Canada (RCC), Canadian Beverage Associations (CBA), Chemistry Industry Association of Canada (CIAC), Restaurants Canada, Association of Home Appliance Manufacturers (AHAM), Canadian Produce Marketing Association (CPMA), Canadian Home Products Trade Association, Canadian Health Food Association, Canadian Manufacturers & Exporters and Dairy Processors Association of Canada (DPAC)

Producer Feedback

Beyond feedback received during the above engagement sessions, Circular Materials also received 15 written responses (13 from individual producer members, 2 from industry associations that represent a large majority of producers) through email. A summary, together with all individual questions/responses received are noted below.

Summary of Feedback

- Overall, producers are supportive of Circular Material's proposed membership criteria and voting structure, and its intent to foster inclusive participation, strengthen national governance and maintain operational integrity as Circular Materials evolves into a national PRO.
- Several producers voiced interest in engaging further, including receiving invitations to future meetings and contributing more actively to the ongoing development of the governance model to ensure alignment with Circular Materials' guiding principles and the evolving needs of producers.
- Producers requested clarity on how often the governance structure will be reviewed, with a suggested review cycle.
- Several producers requested clarification on whether Membership is mandatory and if annual Membership fees will apply. Producers emphasized the need for a transparent consultation process if fees for Membership are introduced in the future.
- It was recommended that the benefits of Membership be clearly communicated, such as participation in governance and alignment with long-term strategic goals.
- Inquiries and recommendations were raised on the mandatory alignment with Circular Materials across all jurisdictions.
- The proposed tiered voting model based on supply tonnage was generally supported as a reasonable approach to balancing influence and impact while maintaining opportunities for input from all members. Some producers advocated for equal number of votes per member and recommended ensuring representation from small and medium producers, a variety of industry sectors and various tiers.
- There was a request for greater transparency in tier composition, including the number of producers in each tier, average supply tonnage, and a breakdown by sector and region. A forecast of future tier placements was recommended to help producers estimate their status in advance.

Feedback and Responses:

Feedback	Response from Circular Materials
<p>Addition of the following principles:</p> <ul style="list-style-type: none"> • Collaboration and Teamwork: Members should work collaboratively, supporting each other to achieve common goals and fostering a spirit of teamwork. • Communication: Members should communicate openly, respectfully and constructively, listening actively to others' viewpoints. <p>Under Membership Responsibilities and Rights, update to include:</p> <ul style="list-style-type: none"> • Rights to information and transparency • Approval of bylaw changes – should also include approval of membership fee methodologies and policy changes. 	<p>Thank you for your feedback and recommendations. The recommended principles of collaboration and teamwork, and communication are well received and have been incorporated within the Members' Code of Conduct.</p> <p>Members will also have access to annual reports of financial and operational results, for increased transparency of Circular Materials' overall performance. With respect to Membership Responsibilities and Rights, any changes made to producer fee methodologies are approved by the Circular Materials Board of Directors, post consultation from Circular Materials' producers. Producers are actively engaged in our material cost differentiation (MCD) fee methodology review.</p>
<p>The membership criteria is supported with the exception of an eligible member must assign CM as their PRO in every jurisdiction.</p>	<p>The criteria to have Circular Materials as the PRO in every jurisdiction a producer is obligated within is the direct result of Ontario's Blue Box Regulation and the complexity of its multi-producer responsibility framework in creating alternative structures to keep information related to Ontario confidential. Producers not with Circular Materials would be privy to competitively sensitive information, thereby compromising privacy obligations and the interests of all members.</p> <p>We recognize that all producers, even those not using Circular Materials as their PRO in Ontario, will want to understand Circular Materials' performance and fees. In the regions where producers use Circular Materials as their PRO, the respective Producer Working Group and the Ontario Producer Advisory Group meetings will be utilized to provide information and hear feedback on a regular basis.</p>
<p>Tiered voting structure by supply tonnage: In other EPR member-led organizations – each member has 1 vote regardless of supply, mirroring how each Canadian has a vote in government elections regardless of the amount of taxes they pay. This enables minority [smaller] groups who may have different interests to impact outcomes.</p>	<p>All producers will have a voice under the proposed voting structure. The proposed design was for governance decisions to be reflective of producer tonnage, supporting an equitable collaborative footing. In addition to aligning votes to producer tonnage, the tiers as designed include a variety of different sectors and geography - creating representation, balance in voices and influence.</p> <p>To ensure that it is serving producers and providing the collaborative and inclusive platform to positively shape the organization's future, we will be reviewing the structure post implementation to support objectives and continuous improvement.</p>
<p>Within the proposal, there was no information provided regarding what defines quorum and what % of votes is required to pass a motion. We would recommend that >66% of votes are required to pass a motion put to eligible members. In addition to the membership responsibilities and rights listed, we would also recommend that the membership fee model also be passed by a membership vote and that the bylaws list a minimum lead time prior to a vote to ensure that members can make educated decisions.</p>	<p>The <i>Canada Not-for-Profit Corporations Act</i> ("CNCA") sets out matters requiring a member resolution, what matters require a special resolution of members (i.e., 66 2/3 of votes at a meeting considering the special resolution), and the time and content requirements for notices of meetings of member. Those requirements will support governance.</p>

Would this new change require us to have CM as our PRO in Ontario as well? If we don't make that change, is there any impact?	The proposed membership model and participation is in relation to the governance of Circular Materials. This is separate and apart from Circular Materials' role as a producer responsibility organization and the services we provide to producers in meeting their EPR compliance obligations in New Brunswick or Alberta. Producers will continue to have a voice and engage as they do today on EPR developments, operations and other related services.
We agree with the criteria and tiering model for the proposed Membership Model.	We appreciate your feedback and look forward to sharing further updates on the Membership Model.
I agree with the proposed model and would like to be included in future meetings and discussions.	We appreciate your feedback and look forward to sharing further updates on the Membership Model.
We do not have feedback specific to the membership criteria or voting structure, but as stakeholders, we appreciate the opportunity to have a voice as a voting member. One question we have is how much time will be required of members? We will need to determine if we have the resources to increase our engagement. Thank you for sharing the proposal, and we will look for the next steps in Q4.	<p>The proposed Membership Model has minimal time requirements for members. The primary commitment involves attending the Annual General Meeting each year and allocating some time beforehand to review the necessary materials.</p> <p>We appreciate your feedback and look forward to sharing further updates on the Membership Model.</p>
Would there be an opportunity for small to medium-sized processors to be included on the board of directors if other members wanted to be? For example, a certain number of board members from each tier, or certain number of members from large, medium, small processors, and a certain number from retailers, etc.	<p>As Circular Materials expands its geographic reach to support extended producer responsibility in Ontario, New Brunswick, Nova Scotia, Alberta and the Yukon, the Circular Materials Board of Directors is in the process of renewing its governance structure, which includes the appointment of new Directors. This process is underway and includes ensuring diverse and inclusive skill sets that serve the needs of all producers.</p> <p>Circular Materials' National Board of Directors is responsible and accountable for:</p> <ul style="list-style-type: none"> • Governance and stewardship, including appointments to and structure of National and Regional Committees, • Compliance, strategic oversight, guidance and support of Circular Materials, to ensure it delivers on purpose and performance while remaining a financially and operationally resilient organization.
How often does the board of directors meet in year? Understanding voting members meet yearly at the AGM, or additional meetings as required, but it would how many times the board meets per year.	Circular Materials' Board of Directors currently meets five times per year and on a semi-quarterly basis. Directors also serve on Committees, which meet throughout the year.
What does your tonnage need to be to determine which tier you are or can your tier fluctuate year to year based on volume?	Producers will be grouped into tiers based on their previous years' supply data, which will determine the number of votes each producer receives. In addition to aligning votes to producer tonnage, the draft tiers are representative of different sectors and geography - creating balance in voices and influence.
Is the volume based on what provinces you report into, or does it also include the provinces we are not currently obligated to report into? Or is the volume only based on Ontario?	The previous years' supply data is reflective of the provinces you are obligated under EPR and report into with Circular Materials.
Will the structure be reviewed over time – is that every 3 years? What is the review period of the voting structure from a governance perspective?	We can confirm that the structure will be reviewed every three years, to make sure that it is serving producers and providing a collaborative and inclusive platform to positively shape the organization's future.

<p>Acceptance of financial statements – this is standard with a board with voting members, but will the financial statement be detailed so we know where the dollars are being spent? Examples below:</p> <ul style="list-style-type: none"> • How much is marketing to re-educate the consumers about plastic no longer going into the garbage • How much is going towards renovating recycling facilities to ensure flexible films can be recycled • How much is going towards updating the CM software update to include more recycling materials <ul style="list-style-type: none"> ○ If they are aiming for the national level, should they not align with FPR reporting so they have all plastic materials? 	<p>The financial statements will include specific areas of spend, including promotion and education, operations, IT initiatives, etc. Specific details, such as the percentage of the budget used to educate on material types, will not be included. However, Circular Materials does host monthly Producer Working Group meetings where this can be brought forward as requested by producers.</p>
<p>Following the presentation made on June 17th, it is my understanding that membership is not mandatory, correct?</p> <p>Aside from having voting rights for members, what other benefits do member get? How much is the estimated member fee? Is it payable annually?</p>	<p>The proposed membership model does not involve any fees for becoming a member. Membership is free and voluntary.</p> <p>Benefits to membership include participating and voting rights at the Annual General meeting, Board of Director elections as set out in the CNCA and by-laws, appointment of auditors, acceptance of financial statements and auditor's report, approval of bylaws changes, the ability to make proposals for items to be added to the agenda for members' meetings and the right to requisition member meetings.</p> <p>The proposed membership model and participation is also in relation to the governance of Circular Materials. This is separate and apart from Circular Materials' role as a producer responsibility organization and the services we provide to producers in meeting their EPR compliance obligations. Producers will continue to have a voice and engage as they do today on EPR developments, operations, and other related services, whether or not they elect to be members.</p>
<p>I am concerned about a voting structure based on tons on the market. Our organization has a very light weight packaging portfolio (no bottles, a lot of flexible packaging), and I don't think we would be in the top Tiers, despite the size of the business and the units of packaging we use. Other companies that also use a lot of flexible packaging have unique needs from Circular Materials and I worry they would be devalued in the face of needs from beverage companies who use heavier packaging</p> <p>I would encourage use of sales volume as the metric for membership. This is a more common approach for membership models and in my view, a fairer approach.</p>	<p>The voting tiers were designed to create an alignment between supply volumes (which has a strong alignment to fees/financial contribution) and influence over the organization's direction and governance. An analysis of the producers within each tier was conducted and the results demonstrated no significant difference in the make-up of the tiers in using supply volume vs. sales volumes. This analysis will be validated and reconfirmed upon a review cycle to support up to date numbers.</p>
<p>Thank you for presenting the proposed Membership Model last month. We are supportive of the new model, including eligibility criteria and voting structure. We look forward to hearing next steps.</p>	<p>We appreciate your feedback and look forward to sharing further updates on the Membership Model.</p>
<p>From what I've gathered there would be no additional fee for this structure, is this correct? Secondly, how can we forecast in which tier will we be?</p>	<p>The proposed Membership Model does not involve any fees for becoming a member. Membership is free and voluntary. Additionally, if you are interested in determining your potential tier placement, you may request this information via CMNational@circularmaterials.ca, and our team will gladly provide it in a confidential manner.</p>

<p>From what we understand from the proposed model, there are various voting structure tiers that members will fall under depending on the amount of supply data reported. This may result in certain industries being placed in lower tiers, even though they are also financially obligated under EPR regulations. To allow for equal opportunity to voice concerns, we would like to request that votes be dispersed equally amongst different industries/sectors, as opposed to creating a tiered approach. This would allow the various industries for their concerns and feedback to be heard without having to worry about the number of votes</p>	<p>The voting tiers were designed to create alignment between supply volumes (which has a strong alignment to fees/financial contribution) and influence over the organization's direction and governance. An analysis of the producers within each tier was conducted and the results demonstrated that each tier included a diverse range of producers both in terms of sector and geography. It includes having larger-supply producers continue on an equal, collaborative footing and provides a relatively simple model that can be understood and that does not create significant shifts in voting each year.</p>
<p>The proposed 2026 Membership Model is an excellent way of getting the views and opinion of the members and are able to vote on matters concerning the producers. I agree on the proposed Guiding Principles, Members Code of Conduct and Members Responsibilities, including the voting structure</p>	<p>We appreciate your feedback and look forward to sharing further updates on the Membership Model.</p>
<p>We are pleased to see CM's evolution and expansion across multiple jurisdictions. As a producer-led organization, CM's expansion allows producers to have a role in advancing consistent EPR policies, processes and best practices across jurisdictions to maximize efficiency, reduce unnecessary administrative burden and improve environmental outcomes. This level of coordination is challenging to achieve through public policy alone given the limits of jurisdictional scopes and mandates. We appreciate the opportunity to provide feedback on the proposed Membership Model to ensure producers maintain an active role as CM continues to expand.</p>	<p>Thank you for your feedback. As a producer created and led not-for-profit organization, we are committed to supporting producers through harmonization and other cost efficiency initiatives as EPR continues to expand across Canada.</p>
<p>We support the shift to a broader-based membership model that gives producers an opportunity to become voting members and participate in decisions affecting Circular Materials' governance and operations. We recognize that as EPR expands across Canada along with CM services, it's critical that CM's governance structure remains representative, transparent, and inclusive of the producers it serves. Ensuring producers have a direct role in governance helps maintain their engagement in an increasingly complex and potentially high-cost regulatory environment. It also helps safeguard CM as a long-term asset for producers and one that reflects producer priorities while supporting EPR compliance across jurisdictions. We appreciate the proposed guiding principles for the membership model, that focus on inclusive, broad, meaningful producer engagement and participation. These principles are essential to building and maintaining producer confidence in CM and supporting continued effective performance and service that meet the needs of producers. Based on our experience, systems where producers are given a leadership role in design and implementation consistently deliver stronger environmental and recycling outcomes.</p> <p>We encourage CM to clearly articulate that while applying for membership is voluntary, there are several benefits to membership. Some benefits to highlight include having a direct voice in the organization's governance and long-term direction.</p>	<p>We appreciate your feedback and are aligned on developing a Membership Model that is grounded in continuous improvement, representative, transparent, and inclusive of the producers it serves - meeting the evolving member needs and growth of our producer community. Benefits to membership will include participating and voting rights at the Annual General meeting, Board of Director appointments and changes, appointment of auditors, acceptance of financial statements and auditor's report, approval of bylaws changes, the ability to make proposals for items to be added to the agenda for members' meetings and the right to requisition member meetings.</p> <p>The proposed Membership Model does not involve any fees for becoming a member. Membership is free and voluntary.</p>

<p>We also encourage CM to confirm that there is no additional cost. If at any time in the future membership fees were to be considered, a fair, equitable and transparent process for fees and fee setting along with extensive member consultation would be suggested.</p>	
<p>We support the proposed Member Code of Conduct and appreciate CM clarifying the expectations for participation and engagement. This will ensure discussions and decisions are constructive and productive.</p>	<p>Thank you for your feedback and look forward to sharing further updates on the Membership Model.</p>
<p>We support the proposed eligibility requirement that a producer must have designated Circular Materials as its PRO in every jurisdiction in which it operates and is obligated. This criterion reflects the need to manage commercially sensitive information and prevent conflicts of interest among members with competing PRO affiliations. Additionally, we agree that members should be in good standing.</p>	<p>Thank you for your feedback and look forward to sharing further updates on the Membership Model.</p>
<p>We appreciate the proposed tiered voting structure that aims to balance influence with supply tonnage, ensuring that voting power aligns with the degree to which producers could be affected by decisions, while still providing all members with an opportunity for meaningful input.</p> <p>To further support fairness and transparency, we suggest committing to tier composition reports providing aggregated data for each tier, for example on the number of suppliers and average supply tonnage by sectors or by jurisdiction etc.</p> <p>We suggest consulting with members on the aggregated metrics for each tier that would be most useful.</p>	<p>Thank you for your feedback. We can confirm that the structure will be reviewed every three years to make sure that it is serving producers and providing a collaborative and inclusive platform to positively shape the organization's future. We will review the process for sharing tier composition reports, considering how best to balance transparency and protection of producers' sensitive commercial information.</p>
<p>We suggest that trade associations, can play a unique role in supporting producers and CM through providing input or sharing information with members on common objectives, such as achieving better environmental outcomes, enabling effective and efficient recycling programs, and supporting compliance. This role can be fulfilled without formal membership, for example through a subcommittee or advisory group. We encourage CM to consider ways to leverage trade associations' expertise and networks in implementing the membership model.</p> <p>We also suggest that mechanisms are in place to support ongoing evaluation and producer feedback on the proposed membership model. This will ensure the model remains responsive and supports the objectives and guiding principles of the membership model.</p> <p>We appreciate the opportunity to provide comments on the proposed membership model and remains a resource as you finalize and implement the model.</p>	<p>Thank you for your feedback and agree that input from producer trade organizations is vital to enabling effective and efficient recycling programs.</p> <p>While Circular Materials engages in regular meetings with industry associations to collaborate and share updates, there is value in formalizing a process to further expand to other associations to network and leverage expertise and networks. We will review and share further information on opportunities to further collaborate.</p>

We appreciate the opportunity to provide feedback on Circular Materials proposed 2026 Membership Model. We are broadly supportive of the model’s objectives to foster inclusive participation, ensure operational integrity, and strengthen national governance as the organization evolves into Canada-wide producer responsibility organization (PRO).

While we believe that transparent financial and operational reporting is the best practice across sectors, even where competitive dynamics exist, we understand Circular Materials intent to protect confidentiality in Ontario, given the unique multi-PRO landscape under the Blue Box Regulation. We acknowledge the rationale behind the proposed membership eligibility criteria requiring producers to “assign Circular Materials as its PRO in every jurisdiction it operates in and where the producer is obligated.” This requirement is clearly designed to protect proprietary and competitively sensitive information, particularly as it relates to financial and operational performance in Ontario.

However, to support transparency and accountability outside Ontario, we recommend establishing a separate advisory forum for producers that use a different PRO in Ontario but rely on Circular Materials in other provinces. This would provide those producers with appropriate visibility into the financial performance, operations, and direction of programs they fund in other jurisdictions, without the confidentiality risks related to Ontario. This approach aligns with Circular Materials commitment to inclusive and meaningful producer participation across Canada, while protecting the competitive integrity of the organization in Ontario.

Thank you for your feedback. We can confirm that there is currently a separate forum for producers that are not with Circular Materials in Ontario. Each month, Circular Materials hosts its Producer Working Group meeting, which is a collaborative forum for producers registered with Circular Materials in New Brunswick, Nova Scotia, Alberta and the Yukon. These meetings are an opportunity to provide program updates, collaborate with one another, and understand feedback and input to support the development of a recycling system that meets producers’ needs.