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# COMMENTS ON THE RECYCLED CONTENT, LABELLING, AND A FEDERAL REGISTRY FOR PLASTIC MANUFACTURED ITEMS FRAMEWORK PAPERS

Presentation to Environment and Climate Change Canada





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# *Re: regulatory framework papers on recycled content minimum standards and labeling for plastic products.*

Emailed to: <a href="mailto:plastiques-plastics@ec.gc.ca">plastiques-plastics@ec.gc.ca</a>

Oceana Canada supports Environment and Climate Change Canada's commitment to reducing plastic production and usage in Canada through the creation of regulations on recycled content minimum standards, labeling for plastic products, and a federal plastics registry.

Canada needs to continue its momentum to eliminate harmful plastics that pose a threat to the oceans, wildlife, and people. There are an estimated 170 trillion pieces of plastic in the world's oceans,<sup>1</sup> and new marine wildlife-afflicting diseases are emerging stemming from plastic pollution.<sup>2</sup>

To ensure the upcoming regulatory packages achieve the government's goal of reducing singleuse plastic packaging as a step toward zero-plastic waste, Oceana Canada recommends the following changes to the technical issues papers:

#### **Recycled Content Requirements**

# 1. Require 50 per cent recycled content for all plastic packaging by 2030, along with a path to recycled content for all plastic products.

Canada must increase its recycled content requirement in flexible packaging to 50 per cent by 2030 to equal to the requirements for rigid plastics. All plastic packaging, inclusive of those suggested under the hybrid model, must be subject to 50 per cent recycled content requirements. If flexible packaging is seen as an easier target to meet, plastic producers will likely substitute flexible plastic packaging for traditionally rigid packaging. For example, when the federal government banned ring carriers, some plastic producers responded by replacing them with plastic overwrap, which creates more plastic waste.

Additionally, Canada must define secondary packaging to reduce unnecessary plastic packaging for fruits, vegetables, and nuts that have a peel, skin, shell, or rind. Excessive plastic packaging on Canadian produce has been on the rise and consuming plastic packaging has

<sup>&</sup>lt;sup>1</sup> Eriksen M et al. 2023. "<u>A growing plastic smog, now estimated to be over 170 trillion plastic particles</u> <u>afloat in the world's oceans—Urgent solutions required</u>." PLOS ONE.

<sup>&</sup>lt;sup>2</sup> Charlton-Howard HS et al. 2023. "'<u>Plasticosis': Characterising macro- and microplastic-associated</u> <u>fibrosis in seabird tissues</u>." Journal of Hazardous Materials. Volume 450.

been incentivized through competitive pricing.<sup>3</sup> Plastic packaging that does not come in direct contact with the edible portion of produce must be considered non-essential and subject to recycled content requirements. Disincentivizing or banning unnecessary plastic packaging on produce is already law in France,<sup>4</sup> and therefore Canada would be following best global practices. Exceptions can be made for Northern and remote communities as defined by geographic boundaries to protect food availability (e.g., north of the 52<sup>nd</sup> parallel, Newfoundland and Labrador, Northern Ontario, and the territories).

# 2. Legally exclude incineration, pyrolysis, gasification, refuse-derived fuel, and thermal or chemical processes that destroy plastic polymers as a form of recycling or a means to achieve recycled content.

Oceana Canada supports excluding fuel as recycled content for plastic packaging and "book and claim" methods of measuring recycled content. We call for the legal exclusion of "chemical" or "advanced" recycling processes that involve pyrolysis, gasification, refuse-derived fuel or any other form of incineration, which produces fuel or energy, while generating harmful pollutants to air, water, and soil.<sup>5</sup> Examples of these false solutions are present in Canada and should not be considered acceptable forms of recycling. In British Columbia, high recovery rates of plastic waste are publicly reported, however unknown amounts of plastic waste are sent to energyfrom-waste facilities, cement kilns by way of refuse-derived fuel, and other non-mechanically recycled end markets that generate unknown amounts of emissions.<sup>6</sup> Incineration-based forms of plastic waste management disproportionately affect marginalized communities,<sup>7</sup> and the legal exclusion of these false solutions provides the opportunity to advance environmental justice in the proposed regulations.

### 3. Use the controlled blending method for measuring recycled content

Controlled blending ensures producers are incorporating recycled resins into products and removes the technical loopholes that the mass balance method provides for continuing business as usual without the integration of recycled resin.<sup>8</sup> Controlled blending keeps virgin and recycled resin separated until the point before production and allows the producer to confidently claim that an end product contains a specific and accurate percent of recycled content, whereas mass balance methods cannot make this kind of claim.<sup>9</sup> Controlled blending is further tied to a timeline of production and would allow Environment and Climate Change Canada to have more confidence that producers are compliant with Recycled Content Standards while maintaining trust with consumers.

The technical loopholes in the mass balance method favour the use of virgin resin and further drive the price gap between recycled resins and virgin resins, making virgin resin a cheaper and

<sup>&</sup>lt;sup>3</sup> Environmental Defence. 2023. "<u>Left Holding the Bag: A Survey of Plastic Packaging in Canada's Grocery</u> <u>Stores</u>."

<sup>&</sup>lt;sup>4</sup> <u>Décret n° 2021-1318 du 8 octobre 2021 relatif à l'obligation de présentation à la vente des fruits et</u> légumes frais non transformés sans conditionnement composé pour tout ou partie de matière plastique.

<sup>&</sup>lt;sup>5</sup> NRCD .2022. <u>"Recycling Lies: Chemical Recycling of plastics is just greenwashing incineration."</u>

<sup>&</sup>lt;sup>6</sup> RecycleBC. 2022. <u>2021 Annual Report</u>.

<sup>&</sup>lt;sup>7</sup> NRDC. 2021. "Burned: Why Waste Incineration Is Harmful."

<sup>&</sup>lt;sup>8</sup> Eunomia. 2021. "<u>A comparative assessment of standards and certification scheme for verifying recycled</u> <u>content in plastic products.</u>"

<sup>&</sup>lt;sup>9</sup> Eunomia. 2021. "<u>A comparative assessment of standards and certification scheme for verifying recycled</u> <u>content in plastic products.</u>"

more appealing path for producers. Controlled blending ensures recycled resin content and therefore creates a market for recycled resin, lowering the price for virgin resin<sup>10</sup> by reducing demand.

# 4. Create a specific requirement for recycled content in extruded and expanded polystyrene (EPS/XPS) packaging

Extruded and expanded polystyrene (EPS/XPS) can be defined as either rigid or flexible plastic packaging by the plastics industry, and therefore fall into technical loopholes within the regulations. As one of the most problematic plastics for the environment and a highly non-recyclable form of plastic packaging, Canada must target EPS/XPS separately. California<sup>11</sup> took the approach of categorizing EPS/XPS on its own to set high recycling rates which is expected to either vastly improve the failed recovery and recycling of EPS/XPS or *de facto* ban the product from markets.

### Labelling

# **1.** Plastic products must be labelled as either "recyclable" or "waste" to bring truth and transparency to labelling

Truth and transparency in labelling have proven to be a non-partisan topic across all ages, genders, and geographies in Canada.<sup>12</sup> Oceana commissioned market research by Abacus Data in 2023 that found that the new proposed labels and categories of "recyclable," "non-recyclable," and "collected by producers" caused confusion among Canadians. The new labels would result in a high contamination rate for "non-recyclable" products: seventeen per cent were unsure into which bin to sort "non-recyclable" products while 7 per cent would sort the product in the incorrect bin.<sup>13</sup> The polling also demonstrated that Canadians do not know what the "collected by producers" label means or how products would be sorted or disposed of properly.

Labels must communicate clearly to consumers where the plastic product will likely end up after consumption. Ninety-one per cent of Canadians agree<sup>14</sup> we need to update labelling on plastic products in Canada to accurately reflect whether they will end up in landfill or are recycled, not just if they are "potentially recyclable." New labels must be "recycling," bearing the known chasing arrows, and "waste," bearing a waste bin without the chasing arrows.

# 2. Assess and designate recyclability based on the whole product's packaging, as sold to a customer, without disassembly.

Canada must assess the recyclability labelling of plastic packaging on the sum of all its components, and not on the labeling of individual packaging pieces. As an example, an individual pop bottle must be assessed based on the combined recyclability of the bottle, the label, and the cap. This will push for improved recyclability, decrease mixing polymers and decrease the use of problematic dyes and additives. Ninety-three per cent of Canadians would choose a product labelled "recyclable" over a product labelled "waste."<sup>15</sup> Additionally, it is

<sup>&</sup>lt;sup>10</sup> IHS Markit. 2017. "<u>The economics of PET recycling</u>." Recycling Today.

<sup>&</sup>lt;sup>11</sup> <u>SB-54 Solid waste: reporting, packaging, and plastic food service ware.</u>

<sup>&</sup>lt;sup>12</sup> Oceana Canada. <u>Market Research</u> via Abacus Data.

<sup>&</sup>lt;sup>13</sup> Oceana Canada. <u>Market Research</u> via Abacus Data.

<sup>&</sup>lt;sup>14</sup> Oceana Canada. <u>Market Research</u> via Abacus Data.

<sup>&</sup>lt;sup>15</sup> Oceana Canada. <u>Market Research</u> via Abacus Data.

important to 96 per cent of Canadians that plastic packaging should only contain recyclable components.<sup>16</sup> This strict assessment would incentivize better product design and the removal of unnecessary waste-bound plastic packaging components.

The QR code proposed by the government is the best way provinces and producers can update consumers on waste sorting variations across the country as extended producer responsibility (EPR) programs roll out over the coming years, while the label provides a national standard for the likely end of life of the packaging without EPR. Leveraging QR codes to improve sorting allows for rapid adaptability on plastic packaging, even for those already printed before EPR systems take effect.

### 3. Make all mandatory labelling rules for all packaging types effective January 1, 2026.

Canada must move up the timelines for implementing updated labelled requirements for new plastic packaging to January 1, 2026. Annually, Canada produces more than 2.2 million tonnes of plastic packaging,<sup>17</sup> only eight per cent of which is recycled.<sup>18</sup> Our oceans require action now. Polling has shown that 78 per cent of Canadians agree the current labelling of plastic products is misleading and requires updating.

### Conclusion

Environment and Climate Change Canada must develop a clear path to meet its goal of zero plastic waste by 2030 and eliminate unnecessary single-use plastics in Canada. Strong recycled content standards and improved labelling can contribute to this goal.

Oceana Canada proposes the following recommendations for consideration in the development of the recycled content standards and labelling:

- 1. Require 50 per cent recycled content for all plastic packaging by 2030 and outline a path to requiring recycled content for all plastic products.
- Legally exclude incineration, pyrolysis, gasification, refuse-derived fuel, and thermal or chemical processes that destroy plastic polymers as a form of recycling or a means to achieve recycled content.
- 3. Use the controlled blending method for measuring recycled content.
- 4. Create a specific requirement for recycled content in extruded and expanded polystyrene (EPS/XPS) packaging.
- 5. Label plastic products as either "recyclable" or "waste" to bring truth and transparency to labelling.
- 6. Assess and designate recyclability based on the whole product's packaging, as sold to a customer, without disassembly.
- 7. Make all mandatory labelling rules for packaging effective January 1, 2026.

<sup>&</sup>lt;sup>16</sup> Oceana Canada. <u>Market Research</u> via Abacus Data.

<sup>&</sup>lt;sup>17</sup> Statistics Canada. "<u>Pilot physical flow account for plastic material, by province and territory</u>."

<sup>&</sup>lt;sup>18</sup> Deloitte & Cheminfo Services Inc. 2019. "<u>Economic study of the Canadian plastic industry, markets and</u> waste. Environment and Climate Change Canada."

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#### About Oceana Canada

<u>Oceana Canada</u> was established as an independent charity in 2015 and is part of the largest international advocacy group dedicated solely to ocean conservation. Oceana Canada has successfully campaigned to ban plastic pollution, end the shark fin trade, make rebuilding depleted fish populations the law, improve the way fisheries are managed and protect marine habitat. We work with civil society, academics, fishers, Indigenous Peoples and Environment and Climate Change Canada to return Canada's formerly vibrant oceans to health and abundance. By restoring Canada's oceans, we can strengthen our communities, reap greater economic and nutritional benefits and protect our future.