



**CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA**

**ASSOCIATION CANADIENNE DE
L'INDUSTRIE DE LA CHIMIE**

April 7, 2021

Mr. Francis Scarpaleggia, M.P.
Chair, Standing Committee on Environment and Sustainable Development
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6
By email: ENVI@parl.gc.ca

Dear Mr. Scarpaleggia:

Re: Study on Single-Use Plastics

The Chemistry Industry Association of Canada (CIAC) is pleased to provide this submission outlining our position regarding the Federal government approach to regulating plastic products. CIAC recognizes the importance of addressing plastic waste, understands that industry must play its part to contribute to solutions, and shares the common objective to create a circular economy for plastics and divert plastics from landfills. We are committed to working with governments to implement an innovative, forward-looking plan to create a circular economy for plastics through improved product design, enhanced recovery systems, and augmented end-markets for post-consumer plastics.

The Plastics Industry Role in the Circular Economy for Plastics

The Chemistry Industry Association of Canada is committed to advancing viable solutions to address plastic waste. Members of the Plastics Division have made the following commitments:

- 100 per cent of plastics packaging being recyclable or recoverable by 2030;
- 100 per cent of plastics packaging being reused, recycled, or recovered by 2040;
- Implementation of Operation Clean Sweep® by 2022, an international plastic stewardship program aimed at eliminating the escape of plastic pellets from industry operations, with a focus on preventing leakage into rivers and oceans.

CIAC recognizes the role that plastics play in our modern and sustainable way of life. Protective food packaging, for example, helps ensure consumers have access to safe, sanitary food products, and play a significant role in extending product shelf-life and reducing food waste and greenhouse gas (GHG) emissions. Additionally, plastics are critical to achieving our net zero carbon emission goals – from lighter, stronger wind turbines, lighter, more fuel-efficient vehicles, to insulating materials to keep our homes warm.



Several members of the CIAC Plastics Division and other innovators across the country are advancing important and innovative technologies to ensure that post-consumer plastics remain in the economy, not the environment. This includes, but is not limited to:

- INEOS Styrolution which entered into a partnership with AmSty and Agilyx to construct a polystyrene recycling facility (a product currently being considered for a federal ban);
- Modix which recycles and pelletizes low-density polyethylene (including plastic bags which are currently being considered for a federal ban);
- Revital Polymers which recycles polypropylene (including black plastic which is currently being considered for a federal ban);
- Ice River Springs which uses 100 per cent recycled content for its green water bottles;
- CleanFarms which provides recycling solutions for agricultural communities;
- Pyrowave which uses innovative microwave technology to depolymerize post-consumer plastic and return it to its molecular level;
- GreenMantra which transforms recycled plastics into value-added synthetic waxes and polymer additives that are used for roofs and roads and composite materials.

These are only a few examples of how innovative thinkers are providing solutions across the country. It also speaks to how the proposed federal approach fails to harness this innovative drive and, instead, is introducing measures that will hamper and effectively undermine all the investment to date. In the face of this innovation, it is unclear what goal is being achieved with a federal approach that seeks to ban products that can already be recycled and where companies have made significant investments of time and money to contribute to the establishment of a circular economy for plastics.

Economic and Job Impacts on SMEs and the Plastics Industry of the Proposed Federal Government Approach

CIAC is concerned that the government of Canada has not taken into account the economic impacts of bans on Canada's plastics sector or the Canadian economy more broadly. There are over 1900 plastics companies in Canada employing 93,000 individuals. The plastics sector is SME-driven; 86 per cent of Canada's plastic product manufacturers are family-run businesses. Based on data from Statistics Canada, the CIAC has estimated that the designation of single-use plastics could potentially be applied to approximately one quarter -- **\$5.5 to 7.5 billion** -- of Canada's plastic product shipments, representing **13,000 to 20,000 Canadian direct jobs. Indirect jobs range from 26,000 to 40,000 jobs.** For every direct job lost in the plastics sector, there are 2 indirect jobs that are at risk of being lost. Any assessment of the broader economic impacts of the federal government's approach must take into account both direct and indirect job losses.

Many of these single-use plastics are everyday products such as packaging materials, foam packaging, bottles, and everyday items like straws, stir sticks, plastic cutlery, etc. Federal bans on these sorts of items puts at risk small producers which make up the vast majority of the market. Given their size, many of these producers do not have the ability to consolidate or pivot to adapt to new product lines since investments in new machinery and equipment may be out of reach financially.

Furthermore, adding all "plastic manufactured items" to the Canadian Environmental Protection Act (CEPA) *Schedule 1: List of Toxic Substances* could put at risk additional aspects of Canada's \$35 billion

plastics supply chain, especially resin producers with major operations in Alberta and Ontario. This designation will send a strong negative signal to the industry as it considers future investments. Alberta, Ontario, British Columbia, and Québec are all prioritizing chemistry and plastics investments as part of their economic growth and recovery plans.

Beyond resin manufacturers, a designation under the *List of Toxic Substances* would also send a strong negative signal to manufacturers and recyclers who handle plastic materials. The implications and uncertainties around how this designation could affect organizational logistics are introducing risks to businesses that could face higher operational costs such as: increased liability insurance; higher labour relations costs as employees seek higher compensation for handling products designated under the *Schedule 1: List of Toxic Substances*; higher transportation costs; specific requirements for site storage and handling; employee training; as well as permitting costs and complications when transporting across national borders to meet potential requirements under the Transportation of Dangerous Goods Act.

This approach suggests that the federal government is not aligned in its priorities which on the one hand is urging greater sustainability through a circular economy for plastics while on the other hand putting in place hurdles that will put at risk further investments in recycling – for example, the designation on the *Schedule 1: List of Toxic Substances* could put at risk bank loans for business investments. Banning plastic products would remove these valuable products from the ‘blue box’ recycling system thereby making it more expensive to manage. Furthermore, it mischaracterizes a cost-effective and durable product that is used to achieve sustainability goals where the use of alternatives are more expensive and result in unintended environmental impacts.

With no clarity on how extensively the Proposed Integrated Management Approach will continue to assess other plastic items, there is uncertainty regarding even broader economic impacts that the proposed approach will have. For example, the federal government has not addressed questions regarding whether the proposed bans will be on the sale of these products in Canada (while allowing the sale in other jurisdictions) or whether it will include a manufacturing and export ban. This determination has significant impact on being able to assess the scope of economic and job impacts as many companies export a significant portion of their product lines.

Recommendation 1: Before proceeding with the proposed approach, the federal government should conduct a comprehensive economic impact assessment on SMEs and the plastics industry more broadly of designating plastic manufactured items under *CEPA Schedule 1: List of Toxic Substances* and the banning of certain single-use plastics.

Environmental Impacts of the Proposed Federal Government Approach and How this Undermines the Establishment of a Circular Economy for Plastics

CIAC is highly concerned with the proposed federal approach to list “plastic manufactured items” under the *CEPA Schedule 1: List of Toxic Substances* and ban certain single-use plastic products. Such an approach will not accelerate the solutions required to divert plastic waste from landfills and will have negative consequences on the growth and economic recovery of our industry. Moreover, it will undermine our advancement towards a circular economy for plastics.

CEPA is the wrong tool to approach the management of plastic waste because it is not designed to regulate a broad set of consumer products. Plastic is an inert product. A scientifically unjustified designation for plastics on the *Schedule 1: List of Toxic Substances* would blur the line with those substances that are truly toxic and are rightfully managed under CEPA.

Mislabelling plastics on the *Schedule 1: List of Toxic Substances* and banning single-use plastics inappropriately targets the use of plastic products rather than the insufficient end-of-life management of plastics that results from a lack of infrastructure, consumer education, and markets to drive the secondary use of post-consumer plastics.

Punitive measures like bans on single-use products are counterproductive and create a false dichotomy. Governments should be focused on establishing a circular economy which maximizes the efficient use of resources by enabling continuous re-use and supporting sustainability and net-zero carbon goals. With a circular economy in place, there will no longer be the concept of single-use; our mindset and practices will shift from single-use to re-use.

Rather, governments should be promoting the expansion of reuse, recycling, and recovery, the integration and development of end-markets, and investments in innovative advanced recycling infrastructure and projects. Banning single-use products undermines the significant investments that both industry and governments have put in place to develop and improve the technologies and systems to recycle plastics and build a circular economy for plastics in Canada. It sends a chill on future investment in a sector that federal government is approaching in a punitive manner rather than from an innovation perspective.

The Proposed Integrated Management Approach does not consider, from a life-cycle perspective, the environmental costs of alternatives that would be selected in the event plastic products are banned. Studies have shown that the environmental cost of using alternative materials to plastic in consumer goods is almost four (4) times higher. Estimates indicate that substituting plastics in consumer products and packaging with alternatives that perform the same function will increase environmental costs from US\$139 billion to US\$533 billion.¹ A life-cycle assessment of plastic products compared to alternatives will help avoid regrettable situations where alternatives selected have a larger overall environmental footprint.

The Proposed Integrated Management Approach does not reflect current and future recycling capabilities. For many single-use plastic products, technologies to recycle and recover them currently exist but limited municipal budgets for investments in recycling technologies, absence of end-markets, and limited sorting capabilities result in poor recycling rates. Future capabilities through improved robotics for sorting and emerging advanced recycling technologies are paving the way for eliminating plastic waste and re-using plastics continuously in the economy. These solutions help us achieve our environmental goals while also spurring innovation and economic development.

¹ Trucost. July 2016. *Plastics and Sustainability: A Valuation of Environmental Benefits, Costs, and Opportunities for Continuous Improvement*.

Recommendation 2: Do not use CEPA to regulate a set of consumer products like “plastic manufactured items”. Rather, the federal government should re-focus the Proposed Integrated Management Approach on investments and incentives to develop technological and system-wide process solutions in support of a circular economy. In that context, bans on single-use plastic products would not need to be included as part of the government’s Proposed Integrated Management Approach since plastic products would be designed for recyclability and infrastructure would be in place for effective recycling and recovery.

Recommendation 3: That the federal government develop a life cycle assessment of single-use plastic products compared to alternatives when used in the quantities required to replace plastic.

Health Impacts of the Proposed Approach

Plastics play an important role in protecting the health of Canadians and addressing food insecurity. Plastics are critical in the food supply chain for food safety and security, keeping food safe from human contact, germs, and cross contamination between products.

Plastics also reduce and prevent food waste throughout the food supply chain, a critical public health issue. Roughly one-third of the edible food produced for human consumption is lost or wasted globally. The Toronto Food Policy Council reports that \$31 billion worth of food is wasted in Canada each year, representing 40 per cent of food produced in Canada annually.² A large portion of this food waste is edible and could be redirected to communities with low food security.

Plastics packaging reduces food loss and waste by protecting food products, extending shelf-life, and promoting behaviour change (e.g., portion control, resealable features, consumer messaging). For example, plastic film helps increase shelf-life of fresh meats up to 21 days or more, and plastic vacuum packaging extends shelf life 10 times longer than store-wrapped meat, resulting in 75 per cent less food waste.

Plastics are also prevalent in the healthcare industry as they are impermeable to germs, making medical procedures simpler and safer and preventing the transmission of diseases in hospitals. From medical devices to artificial corneas, hearing aids to time-release pill capsules, innovation in plastics has revolutionized the medical industry. Plastics have also played an essential role in response to the COVID pandemic- from the production of personal protective equipment to the packaging and syringes used to deliver vaccines.

The Proposed Integrated Management Approach does not consider the impacts that banning plastic products would have from a food safety or food security perspective, nor does it consider the benefits plastics play in the medical and healthcare industries in protecting human health and preventing disease transmission. By associating the use of the word ‘toxic’ with plastic products, it will create consumer confusion and concern, undermining confidence in the health and safety measures of these highly regulated products.

² Value Chain Management Centre. Dec 2014. “27 Billion” Revisited: The Cost of Canada’s Annual Food Waste. <http://vcm-international.com/wp-content/uploads/2014/12/Food-Waste-in-Canada-27-Billion-Revisited-Dec-10-2014.pdf>

Conclusion

CIAC remains highly concerned with the proposed federal approach as it will not accelerate the solutions required to divert plastic waste from landfills nor provide effective measures in Canada to prevent leakage into the environment. Moreover, the proposed approach will have negative consequences on Canada's economic recovery and industry's growth prospects to advance towards a circular economy for plastics. At a time when industry is actively working with federal and provincial governments to address plastic waste, the proposed approach could undermine such necessary collaboration and co-operation.

We remain committed to working with governments to develop innovative and progressive pathways towards a circular economy through improved product design, enhanced recovery systems, and augmented end-markets for post-consumer plastics. The result will be continuous and efficient re-circulation of resources in the economy, and the elimination of plastic waste.

Sincerely,



Bob Masterson
President and CEO

About Canada's Chemistry Industry

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The Chemistry Industry Association of Canada is the association for leaders in Canada's chemistry and plastic sectors—adding C\$54 billion and C\$28 billion respectively to the Canadian economy. The Association represents close to 200 members and partners across the country. We provide coordination and leadership on key issues including innovation, investment, plastics, taxation, health and safety, environment, and regulatory initiatives.

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c.c. Hélène Soublière, Committee Assistant, Standing Committee on the Environment and Sustainable Development