

April 5, 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

Peel Plastic Products Ltd

- Recognizes the importance of addressing plastic waste and understands that industry must play its part to contribute to solutions.
- Shares the common objective to create a circular economy for plastics and divert plastics from landfills.
- 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

As a member of the Chemistry Industry Association's Plastics Division, **Peel Plastic Products Ltd** is committed to advancing viable solutions to address plastic waste. We 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.

Peel Plastic Products Ltd recognizes the role that plastics play in our modern and sustainable way of life: protective food packaging 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. Plastics are critical to achieving our climate change 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% 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 plastics 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.

There 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 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.

Peel Plastics Products Ltd manufactures flexible packaging solutions for the Pet Care, Lawn & Garden and Health & Wellness markets. Our commitment to sustainable innovation and to the delivery of future-focused solutions have converged to produce a new line of fully recyclable portfolio of pouches. Our portfolio of recyclable pouches offers the same great features, formats, protection and quality as our non-recyclable mixed-material pouches. This new recyclable pouch portfolio represents a significant step in the development of packaging solutions that will contribute to a better and brighter future with a much lower environmental footprint. Our commitment to sustainability has expanded to include pouch solutions which contain bio-based & post-consumer recycled (PCR) feedstocks. Our bio-based & PCR solutions are available in a number of formats with a wide variety of features, and is also approved for direct food contact. Bio-based & PCR materials are both excellent options in supporting the global circular economy and reducing the overall environmental footprint of flexible packaging.

While we have endeavoured to create recyclable solutions for our customers, ultimately the decision on which technologies to pursue resides with brand owners. While providers of various packaging solutions will undoubtedly extol the advantage of their particular materials (be it paper, plastic, metal or glass), a common frustration felt throughout the industry is the fragmented nature of the waste industry.

While a reduction in single-use plastics is a virtuous exercise, without consideration of the replacement product and a life-cycle analysis of the replacement solution, as a society we are not solving the problem: what to do with our waste. While we have invested heavily in 100% recyclable solutions for our customers and are hopeful that the future will provide a closed loop where recycled plastics find a second or third use in the future, any ban or legislation that does not take waste management into consideration is doomed to fail. We hope that Canada takes a leadership position on Waste-to-Energy facilities so that we can recapture some of the value of our garbage and stop spending additional resources on separating and collecting something that will ultimately end up landfills anyway. A national

Waste-to-Energy strategy will fill the gap between current status and the (likely distant) closed-loop recycling technologies.

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

Peel Plastics Ltd is concerned that The Government of Canada has not taken into account the economic impacts of bans on the plastics sector or the economy.

- There are over 1900 plastics companies in Canada employing 93,000 individuals. The plastics sector is an SME-driven industry; 86 per cent of Canada's plastic product manufacturers are family-run businesses across the country. Based on data from Statistics Canada, the Chemistry Industry Association of Canada has estimated that the designation of single-use plastics could potentially be applied to approximately one quarter- **\$5.5 – 7.5 billion-** of Canada's plastic product shipments, representing **13,000 – 20,000 Canadian direct jobs. Indirect jobs range from 26,000 – 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 this 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, the vast majority of the market, many of which 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 for many SMEs.
- Although Peel Plastics Products Ltd manufactures multi-use flexible packaging solutions, the banning of single-use plastic & labeling plastics a toxic substance is not only misleading and false, but will have a severe detrimental effect on our business in general. Our flexible packaging solutions are definitely beneficial to society, not toxic and actually preserve the shelf life & increase the food safety of many essential pet food & human food products, and they do that much better and with lesser environmental footprints (lower energy, lower GHG and lower water usage) then for example paper or metal packaging solutions.
- Furthermore, adding all plastic manufactured items to CEPA Schedule 1 *List of Toxic Substances* could put at risk additional aspects of the \$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, BC, 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 *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.

- This approach suggests that the 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.
 - This designation on the *List of Toxic Substances* could put at risk bank loans for business investments;
 - It removes valuable products from the ‘blue box’ recycling system thereby making it more expensive to manage;
 - It mischaracterizes a cost-effective and durable product that is used to achieve sustainability goals resulting in the use of alternatives that are more expensive and could undermine sustainability goals.
- 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 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 the US) 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 amount of their product lines to the US.

Recommendation 1: Before proceeding with the proposed approach, the Government should conduct an analysis of the economic and job impacts on SMEs and the plastics industry of designating plastics under Schedule 1 of CEPA and banning some plastic products.

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

Peel Plastic Products Ltd is highly concerned with the proposed Federal approach to list “plastic manufactured items” under the Canadian Environmental Protection Act (CEPA) *Schedule 1: List of Toxic Substances* and ban certain 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 *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 *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.
- 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 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.
 - Peel Plastics' flexible packaging solutions have been proven solutions to be a better sustainable packaging format than paper bag, metal or even rigid plastic solutions
 - With our flexible packaging solutions, there is an immediate reduction in energy usage, GHG emission and water usage when compared to other solutions like paper, cardboard, metal et other packaging options
- The Proposed 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 are solutions help us achieve our environmental goals while also spurring innovation and economic development.
 - Most of Peel Plastics Products' in the Lawn & Garden market are already recycle
 - Peel is in the process of transitioning most non recyclable packaging into (How2Recycle approved) fully recyclable packaging in the Pet Care and Health & Wellness markets

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

- In the last 3 years, Peel has invested over 2 million dollars in research & trials to transition to more sustainable recyclable flexible packaging
- Peel strongly recommends the government to invest more in appropriate recycling facilities for the flexible packaging solutions that Peel Plastics provide

Recommendation 2: Do not use CEPA to regulate a set of consumer products like “plastic manufactured items”. Rather, the Government should re-focus the 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 Management Approach since plastic products would be designed for recyclability and infrastructure would be in place for effective recycling and recovery.

Recommendation 3: We would recommend that the 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% 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.

Peel Plastics Ltd flexible packaging solutions are proven packaging solutions to increase shelf life of perishable foods and to increase overall food safety for both humans and pets. Flexible packaging is beneficial to society, not toxic and could be re-used and recycled with a better recycling infrastructure.

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>

The Proposed 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.

In closing, Peel Plastic Products Ltd strongly recommends further detailed studies with regards to the LCA of flexible packaging and the false & detrimental toxic claims being made to our industry. We also recommend the government to study & invest more in appropriate municipal recycling facilities for both single-use and multi-use flexible packaging solutions.

Sincerely,

David Troost
General Manager
Peel Plastic Products Ltd

About Peel Plastic Products Ltd.

For over 40 years, Peel Plastic Products Ltd has been a recognized leader in flexible packaging solutions and process innovation. Peel manufactures custom flexible packaging solutions to complement a number of North America's most recognizable brands. As a responsive supply partner, our products provide solutions that are unique, sustainable, industry relevant and brand specific. Peel invests a significant amount of time and energy to better understand the needs and desires of today's fast-moving consumers and brand owners. Our commitment to innovation, sustainability, the latest machine technology and an ability to develop new packaging solutions makes Peel Plastics your ideal supply partner. For more info please visit www.peelplastics.com

Peel Plastics Products Ltd is also a member of the Chemistry Industry Association of Canada (CIAC) Plastics Division, which represents Canada's leaders in plastics sustainability – a \$35 billion sector that directly employs over 93,000 Canadians. The Division encompasses the entire plastics value chain, including resin and raw material suppliers, processors/converters, equipment suppliers, recyclers, and brand owners.