



March 31, 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

CKF Incorporated

- 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.

About CKF Incorporated:

CKF, a subsidiary company of Scotia Investments Limited, has been in business within Canada for 88 years. We are a Canadian, family-owned, manufacturer that proudly offers a wide range of molded pulp fiber, expanded polystyrene (EPS) foam and polyethylene terephthalate (PET) foodservice and packaging products to meet the specific demands of retail consumers, foodservice operators and the general packaging industry. CKF is Canada's largest manufacturer of single-use plates, marketed under the [Royal Chinet](#) brand name. CKF is a leader in a variety of other fiber, EPS-foam, and PET-plastic products, including egg cartons, meat trays, produce packs, food trays, carry-out trays and containers.

CKF has two molded-fiber plants; one in Hantsport, NS and one in Langley, BC. It has two EPS-foam plants; one in Rexdale, ON and one in Langley, BC. We also manufacture PET foodservice trays in Delta, BC and Rexdale, ON. In the early days of the current Covid-19 pandemic crisis, our Delta BC plant responded by transitioning operations to produce PET face-shields for front-line workers.

CKF produces over 3 billion units annually and employs approximately 750 workers nation-wide. Additional information about CKF can be found at www.ckfinc.com

CKF is a member of the [Chemistry Industry Association of Canada \(CIAC\)](#) Plastics Division, the [Canada Coalition of the Foodservice Packaging Institute \(FPI\)](#); as well as an associate member of the [Responsible Plastic Use Coalition \(RPUC\)](#). These associations represent Canada's leaders in plastics industry sustainability – a \$35 billion sector that directly employs over 93,000 Canadians and which indirectly employs

over 279,000 [ECCC-Economic Study of the Canadian Plastics Industry. Markets & Waste - 2019](#). One third of employment in the entire plastic value chain (beyond construction, transportation, medical, textiles, agriculture, white goods and other plastics) is in plastic packaging!

CKF and Sustainable Practices

CKF incorporated believes that sustainability isn't an option, it is a responsibility. We have developed a sustainability program driven by values of "Better Planet, Better (Ethical) Business and Better Community". CKF has developed environment friendly products, using recycled materials wherever possible and is committed to having our packaging products fully compostable and/or recyclable. We have targeted 13 separate Key Performance Indicators (KPI's) in supporting our Sustainability values. To identify only a few: CKF has set sustainability improvement targets in waste-diversion; water conservation, reduced energy consumption, reduced GHG emissions (per tonne of output); reduced transportation GHG emissions (per tonne shipped); reduction in packaging material usage; investments in new growth opportunities and technology improvements as well as improved employee engagement, health and safety initiatives and community involvement.

CKF Incorporated is committed to a proactive safety culture that is reinforced and supported at all levels of the company. Accident rates have been steadily declining as all CKF facilities target our primary mantra of "ZERO HARM". In February 2020, our Langley BC facility was awarded the Health & Safety "Certificate of Recognition (COR)" from Work Safe BC. In March 2020, Langley was also presented with the "Occupational Safety Standard of Excellence" award from the Manufacturing Safety Alliance of BC.

Our Hantsport NS facility also has a long history of outstanding safety performance and has been recognized by Nova Scotia's Workers' Compensation Board (WCB) achieving the Mainstay award for Safety Excellence in 2009, 2014 and, most recently, in November of 2020. This is the highest safety honour bestowed in Nova Scotia!

Further, CKF Incorporated and the Scotia Investment Limited (SIL) Family of Companies own and operate dams on the Halfway River and St. Croix River systems in Nova Scotia. The Halfway River dams provide process water for the plant and the St. Croix dams provide "low carbon" hydroelectric power to supply our plants and feed the local power grid. For decades, we have been good stewards of these river systems, caring for the related ecosystems and looking after the safety of local residents.

CKF and the Plastics Industry Role in the Circular Economy for Plastics.

As a member of the aforementioned industry association's, **CKF Incorporated** is committed to advancing viable solutions to address plastic waste. We have made the following commitments:

- 100% of CKF produced packaging products compostable, recyclable or recoverable by 2030.
- 100% of all plastics packaging being reused, recycled, or recovered by 2040.
- CKF is a member of Operation Clean Sweep®, 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. We support industry wide implementation by 2022.

CKF Incorporated recognizes the valuable 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.

Proposed Federal Government Approach and How This Undermines the Establishment of a Circular Economy for Plastics

CKF Incorporated 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 the environmental cost of using plastic in consumer goods is 3.8 times less than alternative materials when used in the quantities needed to replace plastic. Estimates indicate that substituting plastics in consumer products and packaging with alternatives that perform the same function requires almost four times more alternative material, increasing environmental costs from US\$139 billion to US\$533 billion.¹
- It would be counter-productive to place a prohibition on any single-use plastic product without having conducted a full life-cycle analysis of those products and inadvertently will undermine sustainability and carbon/climate change goals. Some alternatives may be found to be unsustainable once a full suite of factors is considered including contributions to greenhouse gas emissions, energy and water consumption, and other social and environmental impacts during production, transportation, and end-of-life. A life-cycle assessment of plastic products would ensure that both the societal costs of mismanaged plastic products and benefits of plastics are evaluated and compared to alternatives, and would avoid regrettable situations where alternatives are selected that have a more detrimental overall environmental footprint.

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

- 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 to help us achieve our environmental goals while also spurring innovation and economic development. Emerging technologies have opened the door to more recycling opportunities with effectiveness not seen before. Many companies in Canada and the United States are investing in molecular/chemical recycling processes: [Green Mantra](#) in Ontario, [Pyrowave](#) and [Polystyvert](#) in Quebec, as well as [Agilyx](#) in Oregon to name only a few. ([Pyrowave-Polystyvert-and-Greenmantra receive national attention for polystyrene recycling!](#))

In 2019, American Styrenics (Amsty) began a joint venture with Agilyx Corporation – **Regenyx LLC** - to operate the **first-of-its-kind** advanced polystyrene recycling facility located in Tigard, Oregon. [AmSty-and-Agilyx-Launch-Joint-Venture-Regenyx-LLC](#) This process converts used polystyrene products, regardless of contamination, back into styrene monomer feedstock that can be used to make virgin polystyrene with limitless recycled content to be used for products across all sectors of the economy without degrading quality or value. With this technology they eliminate “single use” as a descriptor for polystyrene items and they become infinitely recyclable – a true “**Circular Economy**”.

This technology has numerous benefits that address used plastic resources:

- 1) Eliminates the “problematic processing barriers” food contamination has caused in conventional polystyrene recycling processes;
- 2) Adds value to the recovery of polystyrene products and packaging;
- 3) Strengthens domestic end markets for recycled plastics;
- 4) Supports collection, innovation and scaling up of new technologies to provide more integrated resource recovery options to prevent plastic waste and pollution.

Based on the success of the Tigard recycling facility; Amsty further announced plans to build a large commercial scale polystyrene recycling facility using [Agilyx technology near Chicago Illinois](#). This state-of-the-art, 91 tonnes/day (100 ton/day), polystyrene recycling facility will be operational in 2023. Goal is that all polystyrene recovered within Canada & the US is diverted from landfills and urban waste plastic resource streams.

- These are only a few examples of how innovative thinkers are providing solutions across Canada and North America. 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.
- Canada must be part of this world changing, 21st Century, technology which negates the concept that polysterene products will remain “hard-to-recycle”! Canada needs to be a **leader in technology** and job creation vs the “ban” solution which freezes innovation, eliminates valuable high-paying jobs throughout the plastics industry, and puts long standing Canadian businesses like CKF in jepardy. New technology, including investments already and currently being made, must be supported and the valuable feedstocks they count on must not be banned!

Recommendation 1: 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 2: Government should 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, re-sealable 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.

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.

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

CKF Incorporated 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 directly employing 93,000 individuals. The plastics sector is an SME-driven industry; 86 per cent of Canada’s plastic product manufacturers are family-run

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>

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 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 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.
- As a manufacturer and supplier of expanded polystyrene (EPS) foam and polyethylene terephthalate (PET) foodservice and packaging products, CKF is at great risk of economic hardship resulting in business loss and potential job loss. The initial ban of Polystyrene foam foodservice products would reduce current sales by over 200 million units and further potential bans targeted at all Polystyrene products would put roughly 2 billion units at risk. This is fully two thirds of CKF's current business and could put roughly five hundred jobs at risk!
- CKF would obviously attempt to mitigate this risk as much as possible by investing in capital equipment capable of manufacturing alternate/replacement substrates. In fact, CKF has already invested over \$20 million over the past few years. Unfortunately, time constraints as well as the requirement of additional millions of dollars in investment would surely leave this business loss at risk.
- 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.
- 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.

- 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 3: 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.

Conclusion

CKF would argue that Schedule 1 of the CEPA was designed to safely manage substances that are of urgent, acute, or long-term concern to human health (e.g., asbestos). Lumping specific material classes like plastic manufactured items into a similar categorization and labeling it as a toxic substance – due to improper end of use management – is inappropriate and will lead to many negative unintended consequences. We believe Federal participation/legislation should instead be focused on the following outcomes:

- 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.
- Expanded Infrastructure to recover value from ALL used plastics, including investments in: advanced collection and sorting systems; advanced plastics recycling and recovery initiatives including mechanical and chemical recycling, and; removal of regulatory barriers.
- A life cycle approach: We need to look at the entire life cycle of a product. If the replacement to the plastic product is worse for the environment in the long-term, this does not provide a viable solution.
- A comprehensive study and 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.
- Harmonized Extended Producer Responsibility: work with the provinces and industry through the CCME to eliminate confusion around what gets recycled; increase collection rates; grow end-markets for recycled content, and; reduce costs.
- Support for innovation: ensure that ALL plastics products are designed for durability, reuse, recyclability, and recovery. This most definitely includes supporting new and emerging chemical recycling innovation. Canada needs to keep plastics and its benefits in our economy but out of our environment.

- Working with Provinces and CCME Zero Plastic Waste Strategy: We support the important work of the CCME as it uses science and data to avoid the negative unintended environmental, economic and social consequences of bans.

CEPA is not the right tool: Creating an impression that safe, sanitary plastic materials are toxic through the Canadian Environmental Protection Act (CEPA) will ultimately make it more difficult for Canada to achieve its ZERO WASTE objectives. We need a strategy that deals with plastic waste specifically and effectively. The federal government action through CEPA (with bans) is not required, not the appropriate legislative mechanism, interferes with provincial waste resource recovery plans and will be an impediment to establishing the Plastics Circular Economy.

CKF appreciates the opportunity to provide comments to the Standing Committee on Environment and Sustainable Development and the Federal Government’s ongoing activities to manage plastics. We would also welcome an opportunity to present at the upcoming committee meetings.

CKF have always been committed to ongoing collaboration at every governmental level (municipal, provincial, federal) and support moving towards a more sustainable future for plastics in Canada. We are committed to eliminating plastic pollution in our waterways, oceans and our environment. To do this, we must target the best outcomes for keeping the valuable resource of plastic materials out of the environment but in the economy!

Sincerely,

Rick Everest

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Plastics are a truly sustainable choice.

PLASTICS	ALTERNATIVES
<ul style="list-style-type: none"> LIGHTWEIGHT FLEXIBLE DURABLE 	<ul style="list-style-type: none"> PLASTICS = 5 ALTERNATIVES = \$\$\$\$
<p>They are lightweight, flexible and durable materials that help us do more with less.</p>	<p>For consumer goods, the environmental cost of using alternative materials is approximately four times higher than using plastics.</p>

Source: Statist