



Pack All Manufacturing Inc.

701 Industrial Street, Rockland, Ontario K4K 1T2

April 6, 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

Re: Study on Single-Use Plastics

Dear Mr. Scarpaleggia,

Pack All Manufacturing, Inc.:

- 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, Pack All Manufacturing 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.

We recognize 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);



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- 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.

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 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.

Pack All Manufacturing produces polystyrene foam products in the food industry, providing a safe means for consumers to purchase everything from processed meat at the grocery store to take-out at the local restaurant. Our product is 100% recyclable and we re-use all of our scrap material and product that is not suitable for consumers in-house, breaking it down and using it to make new material. We have also been pushing our local municipal governments to expand their recycling efforts to include polystyrene foam since our inception in 1994, with no success to date.

Our facility is also a Clean Sweep Operation, with no spills resulting in environmental damage given our ability to clean and store all spills and leaks and dispose of those materials appropriately. Additionally, no product or waste is able to make its way into the local water stream due to the filtration system in place both inside and outside of our operating facilities. We are also looking to transition from hydraulic presses to electric presses, removing the need for oil in our hydraulic system and reducing the risk of spills and leaks.

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

Pack All Manufacturing 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.



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- Pack All Manufacturing produces food-safe polystyrene foam products that help ensure Canadians have safe access to sustainable foods. Due to the COVID-19 pandemic we have seen an increased demand for our product as consumers look for safe alternatives to properly handle food.
- We are exploring all options to continue to do our part to contribute to a circular economy for all plastics, testing various alternative base products including plant-based raw material, in order to produce an even more sustainable product. Using such products would require a significant retrofit of our manufacturing processes, requiring more electricity (even after transitioning from hydraulic presses) and increasing our carbon footprint due to the chemistry of such plant-based products. These retrofits are estimated to cost between \$1-1.5M. Such a large figure could have a significant impact on our ability to be competitive in today's global and domestic markets.
- If we were not able to make such changes, the impact to our business would put 30 direct jobs at risk, and indirectly effect 10 additional jobs.
- 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.



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

Pack All Manufacturing 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.
 - For instance, the immediate alternative to polystyrene foam, which is 100% recyclable, is wax paper or wax-layered wrapping products – none of which is recyclable. Every bit of those wax-based products ends up in the landfill.
 - Furthermore, the only other real alternative to be able to properly handle food is glass, which requires an incredible amount of water to create, and is very difficult to recycle. There is also an expanded carbon footprint to recycling glass due to the extreme heat required as part of the process.

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



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- 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.
 - Polystyrene foam is 100% recyclable, and Pack All is committed to working within a circular economy and our local, provincial, and federal governments to do our part in ensuring all foam products are properly recycled.
- Labeling all plastics as “toxic” brandishes our product, which is food-safe, in a negative light, and prohibits us from finding renewable ways to manage the life cycle of plastics products.
- We also have concerns that grocery providers and wholesale companies would not be able to purchase and distribute a wide variety of products to help support the health and well-being of all Canadians if this designation was to take effect.

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

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>



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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.

In our case, polystyrene foam offers the most affordable means to safely move food from the grocery store or the local restaurant to consumer's homes. Our product is 100% recyclable, and with the political will to invest in the circular economy of plastics, there is no more efficient way to distribute food across the country.

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.

Conclusion:

Pack All Manufacturing is absolutely committed to reducing plastic waste in our environment and we will be working to both find alternatives and push for a more circular plastics economy. However, we need the support of the federal government to make such initiatives both possible and viable. In the meantime, we feel the concerns outlined in this brief, particularly as they impact the food industry sector, demonstrate the potentially destructive outcomes from decisions. We want to see evidence-based change and will continue to support initiatives and programs based on such evidence while also looking to be innovative and forward-thinking.

Sincerely,

Peter Abdelnour
President and Chief Executive Officer
Pack All Manufacturing Inc.

About Pack All Manufacturing, Inc.

Pack All Manufacturing has been a member of the Rockland, ON economic community for over 20 years, having been imbedded in the local fabric and employing dozens of residents over the years. We produce quality food-related polystyrene foam products that help ensure that Ontarians and Canadians are able to access their food needs in a safe and reliable manner.

We are 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.