



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,

On behalf of Pactiv Evergreen, we appreciate the opportunity to comment on the planned study regarding the Government of Canada's approach to single-use plastics.

Pactiv Evergreen is the largest manufacturer and distributor of fresh food and beverage packaging in North America with a diversified mix of customers, including restaurants, foodservice distributors, supermarkets, food and beverage producers, food packers and processors. In Canada, we operate six facilities, employ roughly 300 employees with a payroll of over \$16 million, plus pay millions of dollars in taxes.

We recognize the importance of addressing plastic waste and understand that industry must play its part to contribute to solutions. We also share the common objective to create a circular economy for plastics and divert plastics from landfills. Indeed, we are committed to working with the Government 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. However, we have some concerns we'd like to share with you for your consideration.

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

We are 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 – some of which we manufacture. 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. 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 that maximizes the efficient use of resources by enabling continuous re-use and supporting sustainability 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.
- 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, few 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.
 - For example, Pactiv Evergreen is a founding member of the Foam Recycling Coalition, an industry group voluntarily supporting the expansion of foam recycling in the U.S. and Canada. Through the work of the FRC, an additional 6.3 million people have gained access to foam recycling, including several communities in Canada.

We strongly recommend that CEPA not be used 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.

Health Impacts of the Proposed Approach

Plastics play an important role in protecting the health of Canadians and addressing food safety and insecurity. Plastics are critical in the food supply chain, 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% of food produced in Canada annually.¹ A large portion of this food waste is edible and could be redirected to communities with low food security.

Plastic 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 have also played an essential role in response to the COVID pandemic, from the production of personal protective equipment to the packaging (like we manufacture) used by restaurants to keep them in business when in-store service was not allowed.

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 SMEs and the Plastics Industry of the Proposed Federal Government Approach

We are concerned that the Government of Canada has not taken into account the economic impacts of bans on the plastics sector or the economy.

- The plastics sector is an SME-driven industry; 86% 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 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.
- Federal bans on plastic products 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.
- 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, British Columbia, 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

¹ 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>

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 (like ours) export product lines to the US.

We strongly recommend that before proceeding with the proposed approach, the Government 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.

We strongly urge the government to continue to work with stakeholders, the provinces and territories to build a circular economy framework that supports our shared goal of eliminating plastic pollution – without hurting businesses in Canada.

Sincerely,



Ken Bumstead
General Manager, Canada

About Pactiv Evergreen Inc.: Pactiv Evergreen Inc. (NASDAQ: PTVE) is the largest manufacturer and distributor of fresh food and beverage packaging in North America with a diversified mix of customers, including restaurants, foodservice distributors, supermarkets, food and beverage producers, food packers and processors. Additionally, the company manufactures paper and paperboard from responsibly sourced fiber, providing supply chain confidence to customers. With over 15,000 employees, the Lake Forest, Illinois-based company helps make today's convenience-oriented lifestyle possible with products that give people the freedom to eat and drink fresh food and beverages safely anytime and anywhere. Learn more at pactivevergreen.com.

Pactiv Evergreen is 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.