Environment and Climate Change Canada
Environnement et Changement climatique Canada

Consultation paper: a proposed federal plastics registry for producers of plastic products

Canada

Environment and Climate Change Canada
Public Inquiries Centre
12th Floor, Fontaine Building
200 Sacré-Coeur Boulevard
Gatineau QC K1A 0H3
Telephone: 819-938-3860
Toll Free: 1-800-668-6767 (in Canada only)
Email: ec.enviroinfo.ec@canada.ca

Aussi disponible en français

Table of Contents

Purpose

The Government of Canada has committed to supporting provincial and territorial extended producer responsibility (EPR) efforts by establishing a federal plastics registry and requiring producers to report on plastics in the Canadian economy.[1] A federal plastics registry will support adoption of EPR rules in Canada that are consistent, comprehensive and transparent. The registry will also support the implementation and monitoring of other measures that are part of the Government's zero plastic waste agenda, including recycled content requirements for plastic products. A plastic registry would improve the efficiency and effectiveness of EPR as it is practised in Canada and increase value recovery rates, keeping plastics in the economy and out of the environment. This would help achieve the goal of zero plastic waste, which could eliminate $500 million in costs, reduce greenhouse gas emissions by 1.8 megatonnes, and create 42,000 direct and indirect jobs.[2]

The purpose of this consultation paper is to seek stakeholder input as the Government develops this registry. Partners, stakeholders and interested members of the public are invited to provide comments.

Extended producer responsibility

EPR is a policy approach in which a producer is made responsible for the collection and management of products and packaging at the end of their life.[3] EPR can take a wide variety of forms, such as take-back programs, curbside collection systems, and deposit-refund schemes. Full EPR means that producers are responsible for funding and operating the program, and for meeting targets for collection and management of materials.[4] In Canada to date, provinces and territories have taken the lead in developing and implementing EPR policies for a range of product categories such as packaging and electronics.

Through the *Canada-wide Action Plan on Zero Plastic Waste*, governments across Canada recognized EPR as essential to achieving zero plastic waste.[5] To help achieve zero plastic waste, federal, provincial and territorial governments are:

- expanding existing EPR policies to cover new categories of products such as mattresses;
- developing new EPR policies to shift away from taxpayer-funded programs and towards full producer responsibility, where the producer is both financially and operationally responsible for collection and the management of materials for reuse or recycling into products and packaging; and

---

[1] Government of Canada, *Minister of Environment and Climate Change Mandate Letter* (2021). Available at: https://pm.gc.ca/en/mandate-letters/2021/12/16/minister-environment-and-climate-change-mandate-letter.
[2] Government of Canada, *Economic study of the Canadian plastics industry, market and waste* (2019). Available at: https://publications.gc.ca/collections/collection_2019/eccc/En4-366-1-2019-eng.pdf
[3] Canadian Council of Ministers of the Environment, *Canada-wide Action Plan on Extended Producer Responsibility* (2009). Available at: https://ccme.ca/en/res/cap-epr_e.pdf.
[4] Partial EPR programs typically have some form of government contribution or consumer fee that pays for part of the operation of the program, i.e., are partially taxpayer-funded.
[5] Canadian Council of Ministers of the Environment, *Canada-wide Action Plan on Zero Plastic Waste, Phase 1* (2019). Available at: https://ccme.ca/en/res/1589_ccmecanada-wideactionplanonzeroplasticwaste_en-secured.pdf.

- working jointly to develop guidance to facilitate consistent EPR approaches across jurisdictions

The Government of Canada's commitments on EPR

In 2020, the Government of Canada identified EPR as part of an integrated management approach to plastic products to prevent waste and pollution. It consulted Canadians on how the Government could support provinces and territories in making their EPR policies consistent, comprehensive, and transparent.[6] Many brand owners stated they were in favour of a single reporting system for the various provincial EPR programs to reduce the administrative burden. Some local governments and civil society organizations encouraged the Government to establish minimum standards and frameworks to promote harmonization among provinces and territories.[7]

Currently, provinces and territories are providing leadership by developing and expanding EPR policies for product categories such as packaging and electronics, but gaps and inconsistencies remain. Some product categories are not covered by EPR in any jurisdiction, such as textiles and construction plastics. In other cases, EPR policies differ between jurisdictions or within a jurisdiction, so that the types of products covered and the data collected are not comparable. This means that, for example, inconsistent definitions or reporting requirements make comparisons and measurement difficult or impossible. As a result, Canadians do not know the extent to which EPR is contributing to zero plastic waste, and whether EPR is being used to its fullest potential to keep plastics in the economy and out of the environment.

To maximize the recovery of plastic products and packaging and keep these items out of landfills and the environment, the Government committed to working with provinces and territories to advance EPR across Canada that is:

- **Consistent:** rules need to be consistent across jurisdictions to create a level playing field, reduce the administrative burden and allow companies to take advantage of the efficiencies and economies of scale possible in larger markets that transcend provincial and territorial borders
- **Comprehensive:** to help achieve zero plastic waste, extended producer responsibility should extend to all major sectors of the Canadian plastics economy that generate large amounts of plastic waste
- **Transparent:** companies are made responsible for meeting outcomes such as collection targets, but are given the freedom to decide how best to meet those targets, making accountability dependent on the transparent reporting and verification of key data

---

[6] Government of Canada, *A proposed integrated management approach to plastic products to prevent waste and pollution* (2020). Available at: https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/plastics-proposed-integrated-management-approach.html.

[7] Government of Canada, *A proposed integrated management approach to plastic products to prevent waste and pollution – What we heard report* (2021). Available at: https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/consultations/plastics/what-we-heard.html.

The importance of data in achieving zero plastic waste

Data on plastic is crucial to track progress over time, on a broad economy-wide scale and on more specific programs and policies. In recognition of the important role played by data in helping achieve zero plastic waste, the Government of Canada has committed to a range of actions to improve our knowledge of plastic waste, value recovery, and pollution. These include the following:

- Statistics Canada (StatCan) has developed a pilot physical flow account for plastic material in the Canadian economy.[8] The physical flow account comprises 14 variables that describe the production and end-of-life fate of plastic resins by industry sector over numerous years, based on voluntary surveys, existing StatCan data, and third party sources of information
- The Government of Canada is investing in the conduct and dissemination of science related to plastic pollution through Canada's Plastics Science Agenda, as well as updates to the Science Assessment of Plastic Pollution it published in 2020
- The Government of Canada is collaborating with provincial and territorial governments to develop guidance to facilitate consistent EPR policies as part of the *Canada-wide Action Plan on Zero Plastic Waste*. This guidance will include a range of recommendations to improve the scope and consistency of data collection between jurisdictions

Meaningful and standardized, comparable data are important in developing and evaluating the effectiveness of measures to advance a circular plastics economy including measures such as extended producer responsibility, recycled content requirements for products, and the transboundary movement of plastic waste. This data can be used to verify performance such as achievement of reduction and collection, reuse and recycling targets.

To achieve zero plastic waste, governments, industry, civil society groups, experts and the public need reliable and useable information on key measurements such as:

- the quantity and type of plastic products placed on the market across Canada; and
- what happens to plastic products after the end of their useful life, including the quantity going to landfill and the quantity undergoing value recovery for new applications through reuse, remanufacture, and recycling and their import and export from Canada

Why a federal plastics registry is needed

[8] A pilot physical flow account waswere released in March 2022 2021, and are available on request to Statistics Canada. More details here: Pilot physical flow account for plastic material, 2012 to 2018 (statcan.gc.ca).

According to a 2019 Deloitte study, only 25% of discarded plastic waste is collected for diversion and only 9% is recycled in Canada each year. Data are particularly important for ensuring EPR policies are effective and that they play a meaningful role in reducing plastic waste and pollution.

EPR is an outcomes-based instrument, where producers are given the responsibility of financing and operating value recovery programs. Governments rely on timely and accurate data on a range of activities to measure performance and ensure policy goals such as recycling targets are met.

Currently, EPR data requirements are inconsistent across Canada. Provincial and territorial jurisdictions have different requirements for how performance should be measured, as well as inconsistent tracking and reporting processes. This means EPR programs cannot be compared or verified between jurisdictions or product categories, limiting the ability to measure the performance of EPR across the country. This problem is not limited to one part of Canada, or even to Canada as a whole. For example, some major studies in Canada and internationally seeking to understand the effectiveness of EPR across jurisdictions have been unable to quantify either the extent to which EPR improves recycling rates or how different models of EPR compared to one another.[9] Inconsistent data collection can lead to the following issues:

- **Difficult or impossible to measure performance:** Due to different reporting requirements across provincial and territorial EPR policies, performance data generated from EPR programs can be difficult or impossible to accurately compare between jurisdictions and across product categories. As a result, the extent to which EPR contributes to achieving zero plastic waste cannot be fully evaluated
- **Lack of baseline data for future EPR policies:** EPR policies are data driven, and a lack of baseline data can complicate and lengthen the time needed for jurisdictions to develop EPR policies for different categories of plastic products. This baseline data includes both the quantity of plastic products placed on the market, as well as the number of producers, and how much is collected, recycled domestically and exported
- **Data can be difficult to access**: EPR data is typically only accessible in annual reports published by producer responsibility organizations
- **Lack of accurate verification and public reporting**: EPR data that is verifiable and publically reported increases transparency and usability of data for stakeholders and Canadians

Gaps in data collection can also lead to free rider problems. In some cases, it can be difficult for provinces or territories to ensure all producers are meeting their EPR obligations. For example, sellers on some e-commerce platforms or those that frequently ship items via courier may not be compliant with EPR obligations in the jurisdiction where those products are sent. This creates a free-rider problem, where compliant producers end up paying for the recovery of waste of non-compliant producers.

A federal plastics registry would seek to resolve each of these issues by providing a single point of data collection, national in scope and covering a broad range of categories of plastic products. It would have, at a minimum, the following objectives:

---

[9] See, for example, the Organization for Economic Development and Cooperation, *Extended producer responsibility: updated guidance for efficient waste management* (2016); and Ecofiscal Commission, *Cutting the waste: how to save money while improving our solid waste systems* (2018).

- **Make data open and accessible**: By applying government open data principles and accessibility standards, Canadians will have access to more data that they can use in research, business, or to hold governments to account. By housing the data in a single repository, Canadians will be able to access data related to plastic waste diversion more easily. The need to protect confidential business information will be taken into consideration
- **Provide comprehensive and comparable information:** The federal plastics registry would solicit and provide data on all major sectors of the plastics economy in Canada. This data would be comparable across jurisdictions and product categories. This will support effective performance measurement to help maximize the effectiveness of EPR in achieving zero plastic waste. More comprehensive information could also feed into other programs such as Statistics Canada's physical flow account to improve the accuracy of broader measurements of plastics in the economy. It would also facilitate consistent producer public reporting on their own corporate plastic waste commitments, and/or the waste information they provide investors as part of their Environmental, Social and Governance (ESG) reporting
- **Provide baselines for future EPR work:** Provinces and territories will have a better understanding of sectors that place plastics on the market and provide input with respect to recycling rates. This will facilitate the expansion of EPR into new sectors, contributing to the achievement of zero plastic waste and greenhouse gas emissions reductions
- **Mechanisms to support compliance with EPR:** Provinces and territories will have access to data to support enforcement and compliance promotion activities. This will contribute to fairer and more comprehensive EPR policies, and help eliminate free rider problems, where compliant producers are forced to pay for the waste diversion costs of non-compliant producers
- **Inform and encourage investment along the plastics lifecycle**: With consistent and verifiable data, businesses along the plastics value chain will be better placed to make investment decisions that will improve the design, manufacture, collection, and management of plastics

Fulfilling these objectives would help jurisdictions, as well as industry, improve the efficiency and effectiveness of EPR as it is practised in Canada and increase value recovery rates, keeping plastics in the economy and out of the environment. This would move Canada towards its goal of zero plastic waste, which could eliminate $500 million in costs, reduce greenhouse gas emissions by 1.8 megatonnes, and create 42,000 direct and indirect jobs.[10]

Discussion question 1

What additional objectives and potential benefits do you see from a federal plastics registry, and are they contingent on any conditions being met (for example agreements with provinces and territories)?

[10] Government of Canada, *Economic study of the Canadian plastics industry, market and waste* (2019). Available at: https://publications.gc.ca/collections/collection_2019/eccc/En4-366-1-2019-eng.pdf

Potential key elements of a federal plastics registry

The following sections outline key elements of a federal plastics registry in order to seek feedback on how it could be designed. Each key element draws from a range of sources, including best practices derived from EPR policies across Canada and internationally, as well as guidance developed by the Canadian Council of Ministers of the Environment.

Categories of plastic products subject to reporting requirements

While the Canadian plastics economy encompasses a broad range of product categories, several categories dominate, as shown in Figure 1 for 2018 (below):

Figure 1: Plastic in products produced for Canadian consumption and discarded as waste, 2018[11]

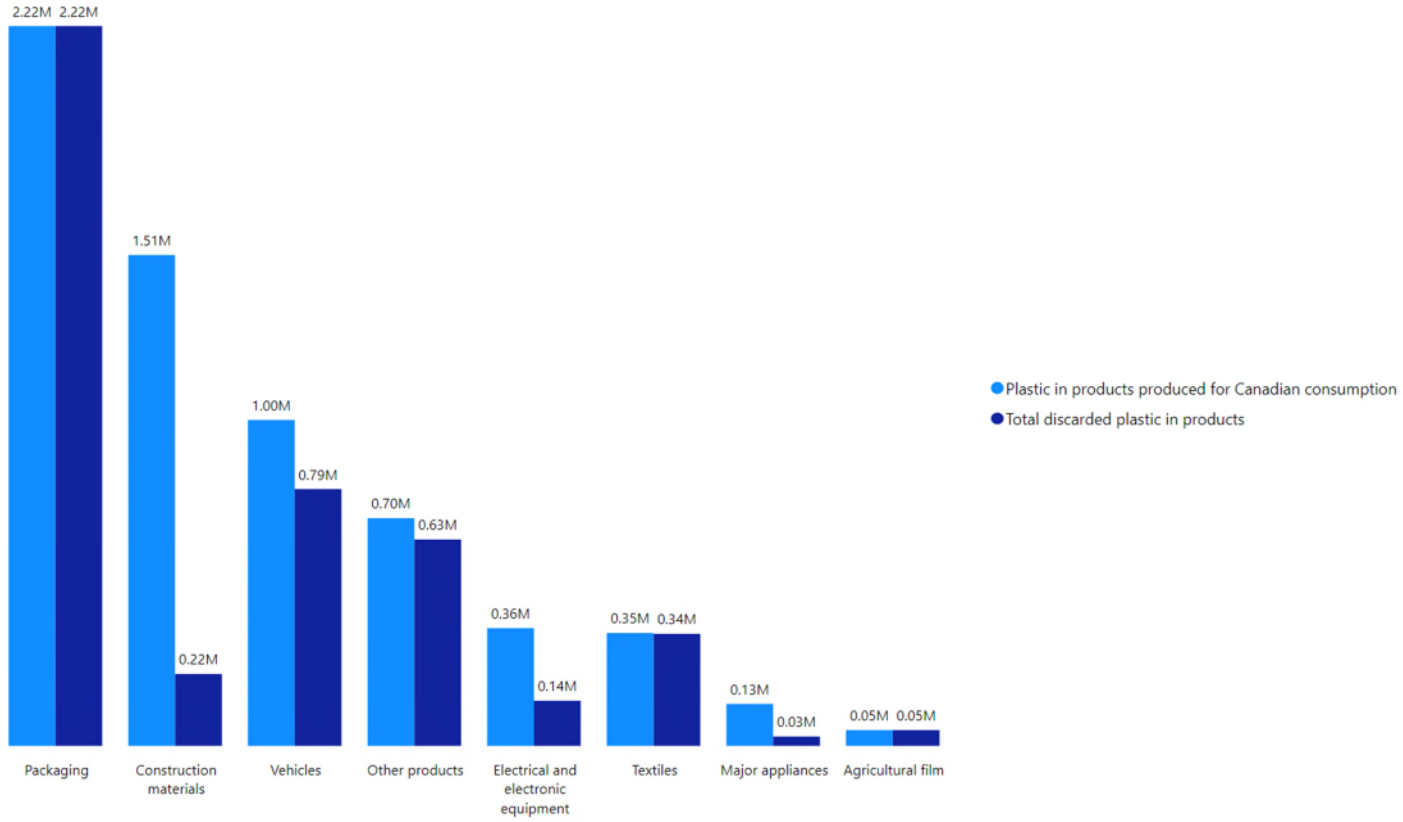

Figure 1 is a bar graph comparing plastic in products produced for Canadian consumption with the total discarded plastic in products across different product categories for the year 2018. In order of categories containing the highest amount of plastic in products produced for Canadian consumption to the lowest, plastic product categories include packaging, construction materials, vehicles, other products, electrical and electronic equipment, textiles, major appliances, and agricultural film. Packaging contains the most plastic in products produced for Canadian consumption (2.22M tonnes) and an equal amount discarded as plastic waste (i.e. total discarded in plastic products). Construction

[11] Data drawn from Statistics Canada, Table 38-10-0150-01 Pilot physical flow account for plastic material, by product category.

materials contain 1.51M tonnes of plastic in products produced for Canadian consumption, but only 0.22M tonnes of this is discarded as plastic waste. This product category (construction materials) has the largest plastic in products produced for Canadian consumption-total discarded plastic in products ratio of any of the categories. Vehicles contain 1.00M tonnes of plastic in products produced for Canadian consumption and 0.79M tonnes discarded as plastic waste. Other products contain 0.70M tonnes of plastic in products produced for Canadian consumption, and a similar amount is discarded as plastic waste (0.63M tonnes). Electrical and electronic equipment contain 0.36M tonnes of plastic products produced for Canadian consumption, of which 0.14M tonnes is discarded as plastic waste. Textiles contain 0.35M tonnes of plastic produced for Canadian consumption, and 0.34M tonnes that is discarded as plastic waste. Major appliances and agricultural film contain the lowest amounts of both plastic in products produced for Canadian consumption and total discarded plastic in products, with 0.13M tonnes produced by major appliances and only 0.03M tonnes of this discarded as plastic waste, and 0.05M tonnes produced by agricultural film, with an equal amount of plastic in products discarded.

The Government of Canada is considering including each of the following major categories of plastic products within the scope of a future federal plastics registry, which collectively made up approximately 88% of all plastic placed on the market in Canada in 2018, and approximately 86% of plastic waste generated that year:

Packaging

Packaging can be considered any material, substance or object used for the containment, conservation, protection, handling, delivery, storage or transport of goods, or that also acts to market, present or communicate information about goods. In 2018, packaging made up 35% of all plastics used in products in Canada, as well as 50% of all plastic waste generated. Packaging is also subject to numerous EPR policies across Canada, including curbside residential collection systems.

Packaging subcategory: beverage containers

Beverage containers are a subset of packaging that includes items such as certain bottles, jugs, and cartons. In many jurisdictions, beverage containers are treated separately from other kinds of packaging. For example, many provinces and territories have established deposit-refund schemes to collect and recycling beverage containers, while others have set separate recycling targets.

Packaging subcategory: single-use plastics

Single-use plastics encompass products made with plastic that are designed to be used only once or for a short period of time before they lose their original functionality, physical capacity or quality or before they are disposed of.

Single-use plastics do not always fit neatly into the product categories shown in Figure 1 above – some may be considered packaging, while others may fall into the “other plastics” category. As of 2022, several jurisdictions across Canada are expanding the scope of their packaging EPR policies to include single-use plastics such as plates, bowls, cups and party supplies.

Construction

Construction plastics made up 24% of plastics used in Canada in 2018, and 5% of all plastic waste. It includes all plastic products typically used in the construction of buildings, structures and public works such as pipes, flooring, windows and doors, and siding. There are currently no EPR policies in place in Canada to manage end-of-life construction plastics.

Automotive

Automotive plastics made up 16% of plastics used in Canada in 2018, and generated 18% of all plastic waste. Automotive plastics encompass those used in vehicles such as cars, trucks, buses, motorcycles, trailers and snowmobiles. There are currently no EPR policies in place in Canada to manage end-of-life automotive plastics. However, the Government recognizes that markets for end-of-life vehicles are well

established to recover non-plastic materials such as metals, as well as reusable parts. EPR policies are in place for products such as tires and used oil containers, and some jurisdictions are exploring EPR for electric vehicle batteries.

Electronics and electrical equipment

EPR policies for electronics and electrical equipment are common across Canada. Electric and electronic equipment can be considered any product that includes a cord or a battery, or that otherwise requires an electric current to operate. It includes a wide range of consumer electronics, tools, small appliances, information technology equipment and audio-visual equipment. In 2018, electric and electronic equipment made up 6% of all plastics used in Canada and 3% of plastic waste generated.

Textiles

Textiles encompass products such as clothing, interior textiles (for example bedding) and footwear. In 2018, textiles made up 5% of the end-use market for plastics, and generated 8% of plastic waste. There are currently no EPR policies in place in Canada to recover textiles at end-of-life.

Major appliances

Major appliances encompass large appliances such as ovens, fridges, freezers and large air conditioners. In 2018, major appliances made up 2% of plastic use and generated less than 1% of plastic waste. Some jurisdictions in Canada have EPR policies in place covering certain major appliances such as fridges.

Agricultural film

Agricultural films include products used in the containment, protection, handling, delivery, storage and transport of agricultural goods. In 2018, agricultural films made up 1% of plastics used and 1% of plastic waste generated. Several jurisdictions have implemented EPR policies to cover certain agricultural plastics such as grain bags, twine, totes and drums. However, it is uncertain whether or not data on quantities of agricultural film packaging being collected by existing EPR programs exists.

Discussion question 2

Are the product categories described in this document characterized accurately? For example, should any sub-categories be separated out and included as product categories in their own right, or should any categories be combined?

Discussion question 3

Are there any other product categories that could be include within the scope of a federal plastics registry?

Discussion question 4

What other sources of information should be considered by the registry to improve understanding of Canada’s plastics economy?

Product category definitions

The Government recognizes that provinces and territories have implemented EPR differently in each jurisdiction. The CCME’s EPR guidance will contribute to improving consistency between jurisdictions and across product categories, but the fact remains that EPR policies targeting the same product category may cover different products in different jurisdictions. The Government of Canada proposes to

apply consistent product category definitions drawn from a 2019 report commissioned by Environment and Climate Change Canada on the Canadian plastics economy, markets and waste.[12] This may mean that producers will need to report to the federal registry on products not covered by EPR in one or more jurisdictions. However, the benefit will be in gaining a more holistic picture of the total amounts of a product category being diverted through EPR in Canada.

Information that must be reported

A federal plastics registry would include a requirement for producers to register and make themselves known to federal, provincial and territorial governments. Registration is important for jurisdictions to know who is participating in EPR programs. It also helps jurisdictions find out who may not be compliant with EPR obligations.

Data related to plastics diversion

The Government of Canada is considering developing the federal plastics registry to collect the following key data points, while recognizing that not all data points may be feasible for all product categories at once:

Data point	**Description**
Plastics placed on the market	The total amount, in tonnes, of plastic in products placed on the Canadian market in a given year.
Plastics collected for diversion	The total amount, in tonnes, of plastic collected and recycled by an EPR program and sent to a sorting facility for diversion.
Plastics successfully reused	The total amount, in tonnes, of plastic collected for reuse and sold on to secondary markets to be used again without intensive repair, remanufacture, refurbishment, or recycling whether for its original purpose or to fulfill a different function.
Plastics successfully repaired, remanufactured or refurbished	The total amount, in tonnes, of plastic collected for diversion and either sold on to secondary markets or returned to the original equipment manufacturer for repair, remanufacturing or refurbishment via intensive, standardized industrial processes that provide an opportunity to add value and utility to a product's service life.
Plastics successfully recycled	The total amount, in tonnes, of plastic collected for diversion, reprocessed into raw materials and successfully sold on to secondary markets for use as inputs into new product manufacturing.
Plastics incinerated for energy recovery	The total amount, in tonnes, of plastic collected for diversion and recovered for energy recovery (for example engineered fuel, mass burn).
Plastics imported, exported	The total amount, in tonnes, of plastic waste imported or exported for recycling and final disposal.

[12] Government of Canada, *supra* note 9.

Reporting

Provincial and territorial EPR policies define the obligated producer (i.e., the entity that must fulfill the obligations to manage the product at end of life and report on their performance). Each jurisdiction has its own definition, but typically jurisdictions attempt to target the brand owner. Each jurisdiction also has their own definition for a brand owner; the term is typically defined in relation to ownership or use of a brand, including the owner, licensor, licensee or user. If the brand owner is not physically present in a jurisdiction, then other entities might be designated the obligated producer following a hierarchy, such as the entity that first imported the product into the jurisdiction, a distributor or wholesaler, or a retailer, as demonstrated in Figure 2.

Figure 2: Sample producer hierarchy

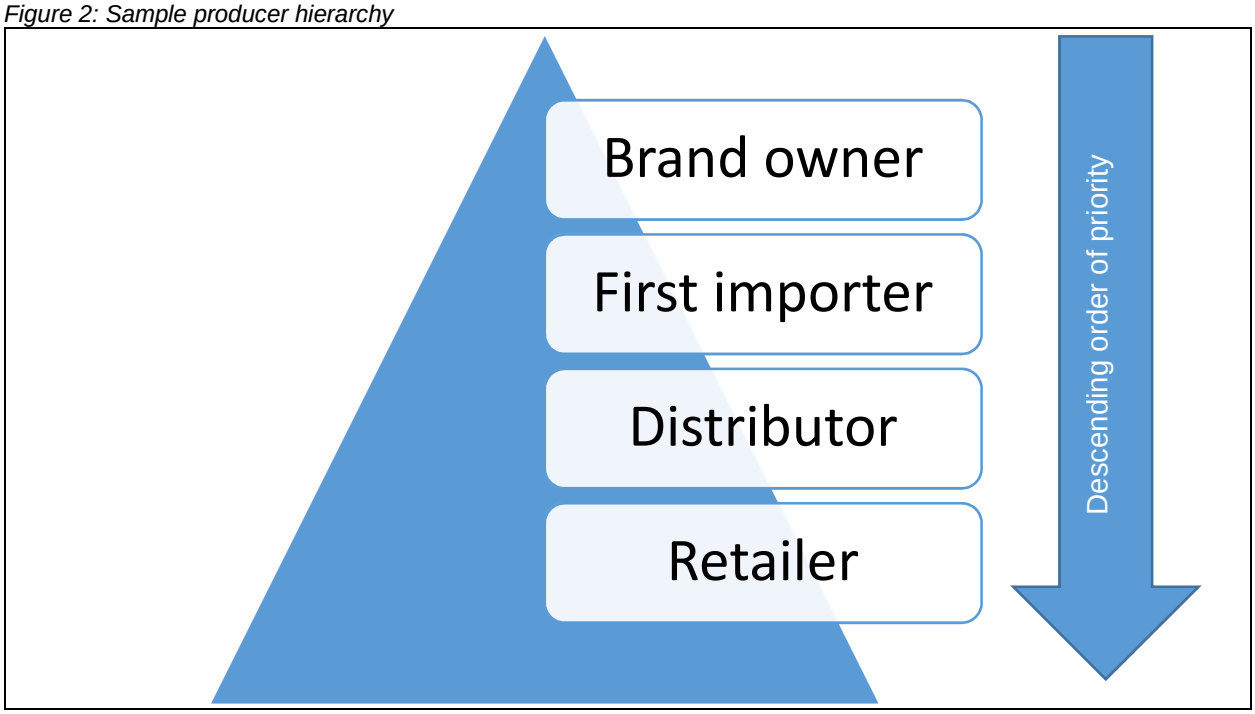

Figure 2 provides a sample hierarchy representing the order of priority of producers obligated to report on plastics in the Canadian economy through a federal plastics registry. Brand owner is identified as having the highest priority, followed by first importer, distributor, and retailer.

Available guidance suggests that the obligated producer should be the entity with the most control over a product's design.[13] However, the entity that may be best placed to report data on a national level may not be the entity that is subject to a provincial or territorial EPR policy. For example, a brand owner may be headquartered in one province, while its goods are sold in another province where the first importer, distributor, manufacturer or a retailer is obligated to report under that province's EPR policy.

Determining who should report would also depend on the instrument chosen to develop the federal plastics registry. For example, certain authorities within CEPA focus on activities such as manufacture, import, and sale, rather than an entity's place within the value chain.

---

[13] OECD, *supra* note 7.

Discussion question 5

Should the Government adopt a producer hierarchy approach as presented in Figure 2? If so, should the hierarchy presented be modified in any way? Why?

Discussion question 6

Could a product have different obligated producers in different provinces or territories (for example a brand owner in one province, and a different first importer in another province)? If so, how should a federal plastics registry account for these differences?

Thresholds for small businesses

It is common for EPR policies to exempt small businesses that fall under a certain threshold (for example, businesses with less than $1M in gross annual revenue) from some or all of the EPR obligations within a jurisdiction. The Government of Canada is considering exempting small -sized businesses from some or all of the requirements of a plastic registry. Specifically, the Government is considering the following exemptions for small businesses (some of which are mutually exclusive):

1. Exempting small businesses from having to register or report
2. Requiring small businesses to register, but exempting them from having to report, and/or
3. Requiring small businesses to register and report, but with reduced or no fees

Discussion question 7

Should the Government create thresholds for small businesses? If so, what should those thresholds be, and which activities should small businesses be exempted from doing?

Reporting via third parties

The Government recognizes that many producers discharge their obligations under existing provincial and territorial EPR policies by jointly retaining third party producer responsibility organizations to operate EPR programs. These organizations are often experts in registering producers, overseeing waste diversion systems, collecting data from a range of stakeholders and reporting to provincial or territorial governments.

Some data on end-of-life plastics may not be attributable to individual producers. For example, packaging collected via residential curbside recycling programs are not typically identified according to brand. Rather, producer responsibility organizations report on total amounts collected or recycled under the EPR program as a whole.

The Government of Canada is considering allowing producers to submit data via authorized agents such as producer responsibility organizations. Some data relating to an EPR program (e.g., total amounts collected or recycled) could be reported in aggregate, but certain data (for example plastics placed on the market) submitted by agents would need to be attributable to a specific producer and could not be submitted in an aggregated form.

Discussion question 8

How should a federal plastics registry account for the fact that producers may engage multiple producer responsibility organizations for different provinces and territories?

Reporting for franchises

Many provincial and territorial EPR programs allow or require franchises to report together as a single system. Where franchisors are present in a jurisdiction, they may be required to act as the obligated producer. Franchisors may also be allowed to voluntarily report on behalf of the franchise, even if the franchisor is not present in a jurisdiction.

This helps simplify reporting systems, as franchise systems are often composed of many independent companies (franchisees) that would otherwise have to report separately. This also accords with broader principles of producer responsibility, as franchisees have little or no control over the design and marketing of products.

The Government of Canada is considering requiring franchisors to submit a single report representing all information applicable for a franchise, and consequently exempting franchisees from having to report.

Validation of Key Performance Indicator Data

Many provincial and territorial EPR programs have data validation requirements for data that is submitted to them by producers or third parties. These requirements could be based on established nonfinancial standards (such as Canadian Standard on Assurance Engagements 3000), and many jurisdictions mandate the use of third-party professionals (for example Chartered Professional Accounts) to provide assurance on financial and non-financial information used in EPR reporting.

The Government of Canada is considering requiring producers to use third-party professionals to validate their data before it is submitted to registry.

Cost recovery

The Government of Canada is considering requiring producers to pay a fee to help recover the costs of operating the registry, with the goal of achieving full cost recovery if possible. This is in keeping with the polluter pays principle, as well as the principle of making producers responsible for all the costs related to the management of products and packaging they place on the market. Cost recovery approaches could include, for example, charging fees to producers based on the weight of plastics placed on the market. Fees could also be increased or reduced based on factors such as

- company size;
- product design features (for example design for recyclability);
- product origins and supply chains; or
- the extent to which product categories contribute to plastic waste or pollution (for example disproportionate amounts of plastic waste or pollution could lead to higher fees, in line with the polluter pays principle).

Discussion question 9

Are there other considerations the Government should be aware of as it explores possible cost recovery options?

Discussion question 10

Should the Government allow producers to fulfill any cost recovery obligations through producer responsibility organizations? If so, how would the Government ensure that each producer is contributing to cost recovery according to its obligations (for example related to

any different fee structures linked to product design, product origins and supply changes, or product category contributions to plastic waste or pollution)?

Online marketplaces

Online marketplaces could lead to free rider problems for EPR programs, as producers are more difficult to identify and may not be present in the jurisdiction where products are ordered. As a result, compliant producers are required to pay for the end-of-life management of non-compliant producers.

Internationally, other jurisdictions as well as organizations such as the OECD have identified online marketplaces as an issue to be addressed in terms of identifying all producers that should participate in EPR programs. Other jurisdictions, such as those in the European Union, are considering requiring online marketplaces to verify their sellers are compliant with EPR obligations.

The Government of Canada is considering two potential approaches to addressing (or preventing) free-rider problems stemming from online marketplaces. The details of each approach may depend on the instrument chosen to require reporting from producers.

- Approach 1 would require online marketplaces to report on third-party sellers that are producers under EPR policies, that use their platforms to market their products, and that should be registered on the federal plastics registry.
- Approach 2 would require online marketplaces themselves to register as producers for all the goods that sellers sell on their marketplaces. Online marketplaces could be required to register in the federal plastics registry if they have logistics operations such as warehouses in Canada. They would be required to report the weight of goods sold through the logistics operations to the registry, separated by seller and product type.

Discussion question 11

Is there a free rider issue for online marketplaces in Canada? If so, what is the extent of the problem and how could it be mitigated through a federal plastics registry?

Couriers

Similar to online marketplaces, the use of couriers to ship goods can contribute to free rider problems, in particular for transboundary shipments. The Government of Canada is therefore considering requiring couriers to either that verify businesses that ship goods within or to Canada are registered on the federal plastics registry, or report on the businesses that use their services, subject to other rules such as small-business exemptions.

Discussion question 12

Is there a free rider issue for couriers in Canada? If so, what is the extent of the problem and how could it be mitigated through a federal plastics registry?

Making data open and accessible to Canadians

Open data means structured data that is machine-readable, freely transparent used and built on without restrictions. Open data is convenient, modifiable, and ideally available for free. It is provided under terms that permit reuse and redistribution, including the intermixing with other datasets. There are no restrictions to using open data – everyone must be able to use, reuse and redistribute.

Businesses, civil society groups, researchers and all interested Canadians should be able to access data related to EPR and plastics more generally. This helps empower stakeholders and citizens to make informed decisions, to build or grow their business, to better understand particular issues related to plastics in the circular economy, and to hold the government to account.

The Government of Canada is considering making data received from producers open by default on a dedicated online platform, subject only to considerations related to protecting confidential business information. The platform would allow the public to download or visualize the data collected via the registry for free and in a range of formats (for example xml, csv), and arranged as they choose (for example by product category, jurisdiction, or year). Raw data files would be also be available on the Government's Open Data portal, and linked to from the registry's dedicated online public platform.

Protecting confidential business information

While data should be open by default, some information should be protected, as it constitutes confidential business information (CBI). Releasing this information can lead to businesses losing a competitive advantage or gaining an unfair advantage over their competitors. Producers who submit information to the federal plastics registry would be able to make a request for confidentiality. Requests for confidentiality would need to indicate which specific information or data should be treated as confidential, along with providing a rationale for the request. The federal plastics registry's online interface could facilitate these requests (for example via standardized forms). Public access to data subject to a request for confidentiality would be limited to aggregated data, and information that could link individual producers to specific data would not be published.

While public access may be limited in some cases to aggregated data, there may be cases where the public interest justifies allowing certain people access to non-aggregated data. As per section 316 of CEPA, provincial and territorial governments may need access to registry data for enforcement or performance measurement of EPR policies in their jurisdictions. The Government of Canada is therefore considering processes for providing all registry data to provincial and territorial governments on request. This would allow, for example, provincial or territorial authorities to verify that producers on the registry are registered and paying fees under their respective EPR policies. The Government of Canada would explore the use of confidentiality agreements with provincial and territorial governments to ensure CBI is not disclosed publicly.

Discussion question 13

Are there any special considerations the Government should take into account to maximize the openness and transparency of data while protecting CBI?

Potential approaches to implementation

Provinces and territories are at different stages in implementing EPR within their jurisdictions. As a result, some product categories are subject to EPR in some jurisdictions but not others, while other product categories are not subject to EPR at all.

The Government of Canada is considering implementing the federal plastics registry in phases that reflect the implementation of EPR across the country. This will reduce the complexity and

administrative burden of reporting, while still facilitating the expansion of EPR into new product categories in the future.

Categories of plastic products for which EPR policies are in place
Where EPR policies are in place in one or more provinces or territories, the Government of Canada is considering requiring producers of plastic products to report on the following data points:

- Plastics placed on the market
- Plastics collected for diversion
- Plastics successfully reused
- Plastics successfully remanufactured, refurbished or repaired
- Plastics successfully recycled
- Plastics incinerated for energy recovery
- Plastics exported and imported for recycling and final disposal

Categories of plastic products for which EPR policies are not yet in place
For certain categories of plastic products, no EPR policy is currently in place in Canada. This includes a range of major end-markets for plastics, such as textiles, automotive and construction. For these cases, the Government recognizes that producers would likely need time to build the capacity to report on data related to plastics diversion. However, producers would be able to register and report on plastics placed on the market.

Reporting on plastics placed on the market for categories not currently subject to EPR will help jurisdictions by providing a baseline that jurisdictions could use to inform the development of EPR policies in the future and inform private sector investments in the plastics economy.

Working with provinces and territories
Since the publication of the *Canada-wide Action Plan on Extended Producer Responsibility* in 2009,[14] provinces and territories have provided valuable leadership in implementing EPR across Canada, and that leadership has only accelerated since the publication of the *Canada-wide Strategy on Zero Plastic Waste* in 2018.[15] For example, numerous provinces and territories are currently developing new EPR policies such as for packaging, or expanding existing EPR policies to cover new products such as single-use plastics.

Each jurisdiction is taking a different approach to EPR data. For example, provincial and territorial governments may (or may plan to) operate systems similar to the proposed federal plastics registry, while others may limit data collection to accepting publicly available annual reports. In recognition of the unique circumstances of each province and territory in terms of developing and implementing EPR and related reporting and data systems, the Government of Canada will work with each jurisdiction and explore how the following could be achieved:

- **Data sharing via one platform**: By sharing certain data points, governments could minimize duplication and reduce the administrative burden for industry, as data would only need to be submitted once. For example, the Government of Canada could explore the possibility of becoming the primary EPR reporting tool for interested provinces and territories, or having the

[14] Available at: https://ccme.ca/en/res/cap-epr_e.pdf.
[15] Available at: https://ccme.ca/en/res/strategyonzeroplasticwaste.pdf.

federal plastics registry fulfill some or all of a producer's reporting obligations under a provincial or territorial EPR policy

- **Supporting the effectiveness of existing EPR policies**: Provinces and territories could use data from the federal plastics registry to minimize the risk of free riders
- **Supporting the expansion or development of EPR policies**: Provinces and territories could draw from the data collected through the federal plastics registry to facilitate the expansion of EPR in their jurisdictions. For example, by knowing the producers who place products on a provincial or territorial market, and the quantities that are placed, provinces and territories may be in a better position to develop EPR policies within shorter timeframes

Discussion question 14

Which mechanisms could be used to facilitate collaboration between federal, provincial and territorial governments? Are there any mechanisms in particular that could also help reduce the administrative burden on producers?

Implementation

The following approach to implementation of a federal plastics registry attempts to balance the need for data to support future expansions of EPR, while also recognizing that sectors not accustomed to EPR obligations may need more time to comply with reporting requirements, and that EPR coverage is not consistent across Canada:

- In the first phase, producers already subject to established EPR policies in multiple jurisdictions would be required to report on plastics placed on the market. This will help create a baseline for later performance measurement, while providing time to producers to gather other data inputs required in future phases
    - Producers in the first phase would need to begin reporting on plastics they placed on the market for packaging and electronics
- In the second phase, producers of the remaining product categories would begin reporting on plastics placed on the market to begin creating baselines for those sectors. Producers of product categories that came online in the first phase would need to begin reporting on all of the data points outlined in this consultation paper
    - Producers in the second phase would need to begin reporting on:
        - Plastics placed on the market for white goods, agriculture, textiles, automotive and construction
        - Plastics collected for diversion for packaging, electronics, white goods, and agriculture, and
        - Plastics reused, repaired, remanufactured, refurbished, recycled or recovered for energy for packaging and agriculture
- In the third phase, producers of product categories that began reporting on collection in the second phase would need to begin reporting on diversion activities. Producers of product categories that are not currently subject to EPR policies in Canada would be given extra time to begin reporting on diversion

    - Producers in the third phase would need to begin reporting on plastics reused, repaired, remanufactured, refurbished, recycled or recovered for energy for electronics and white goods

- In the fourth phase, producers of the remaining product categories would need to begin reporting on diversion
    - Producers in the fourth phase would need to begin reporting on plastics collected for diversion, reused, repaired, remanufactured, refurbished, recycled or recovered for energy for textiles, automotive, and construction

Table 1: Implementation phases for product categories

Sector (Plastics)	Report on plastics placed on the market	Report on plastics collected for Diversion	Report on plastics reused	Report on plastics repaired, remanufactured, refurbished	Report on plastics recycled	Report on plastics recovered for energy
Packaging	Phase 1	Phase 2	Phase 2	Phase 2	Phase 2	Phase 2
Electronic and electrical equipment	Phase 1	Phase 2	Phase 3	Phase 3	Phase 3	Phase 3
White goods	Phase 2	Phase 2	Phase 3	Phase 3	Phase 3	Phase 3
Agriculture	Phase 2	Phase 2	Phase 2	Phase 2	Phase 2	Phase 2
Textiles	Phase 2	Phase 4	Phase 4	Phase 4	Phase 4	Phase 4
Automotive	Phase 2	Phase 4	Phase 4	Phase 4	Phase 4	Phase 4
Construction	Phase 2	Phase 4	Phase 4	Phase 4	Phase 4	Phase 4

The Government is currently targeting Phase 1 to begin before the end of 2024. Timelines for subsequent phases will be determined taking into account feedback from partners, stakeholders and the public. A schedule of reporting obligations for each phase will be developed and published before Phase 1 is initiated.

Discussion question 15

What should the Government be aware of in implementing a federal plastics registry system according to the plan outlined in this paper (for example feasibility, cost)?

Discussion question 16

How quickly after Phase 1 data is required to be reported could producers provide the information outlined above for Phases 2-4?

Next steps

The Government of Canada invites interested partners, stakeholders and members of the public to provide written comments on or before October 7, 2022. Consultation questions are intended to help focus input, and are summarized in Annex I. However, feedback is welcome on any issue or proposal raised in this document.

Following the close of the comment period, the Government commits to the following next steps:

- Feedback received will be analyzed to inform the choice of instrument, instrument design, and implementation plan
- The Government will signal its choice of instruments for meeting the commitment to establish a federal plastics registry
- A draft instrument will be published for public comment before being finalized

Comments can be submitted via email to plastiques-plastics@ec.gc.ca, or by mail to:

Tracey Spack
Director
Plastics Regulatory Affairs Division
Environment and Climate Change Canada
351 Saint-Joseph Boulevard
Gatineau, Quebec
K1A 0H3

Glossary

Extended producer responsibility (EPR)	A policy approach in which a producer's physical and financial responsibility for a product is extended to the post-consumer stage of a product's life cycle.
EPR policy	Government actions designed to achieve EPR objectives. EPR policies may include laws and regulations as well as policy statements, directives, guidelines and frameworks.
EPR program	A program funded and operated by one or more producers, often through a producer responsibility organization, to fulfill their obligations under an EPR policy.
Producer responsibility organization (PRO)	An organization that producers can retain or join to fulfill their obligations and can specify the functions the PRO can carry out for producers.

Annex 1: Questions for discussion

1	What objectives and potential benefits do you see from a federal plastics registry, and are they contingent on any conditions being met (for example agreements with provinces and territories)?
2	Are the product categories described in this document characterized accurately? For example, should any sub-categories be separated out and included as product categories in their own right, or should any categories be combined?
3	Are there any other product categories that could be include within the scope of a federal plastics registry?
4	What other sources of information should be considered by the registry to improve understanding of Canada's plastics economy?
5	Should the Government adopt a producer hierarchy approach as presented in Figure 2? If so, should the hierarchy presented be modified in any way? Why?
6	Could a product have different obligated producers in different provinces or territories (for example a brand owner in one province, and a different first importer in another province)? If so, how should a federal plastics registry account for these differences?
7	Should the Government create thresholds for small businesses? If so, what should those thresholds be, and which activities should small businesses be exempted from doing?
8	How should a federal plastics registry account for the fact that producers may engage multiple producer responsibility organizations for different provinces and territories?
9	Are there any important considerations the Government should be aware of as it explores possible cost recovery options?
10	Should the Government allow producers to fulfill any cost recovery obligations through producer responsibility organizations? If so, how would the Government ensure that each producer is contributing to cost recovery according to its obligations (for example related to any different fee structures linked to product design, product origins and supply changes, or product category contributions to plastic waste or pollution)?
11	Is there a free rider issue for online marketplaces in Canada? If so, what is the extent of the problem and how could it be mitigated through a federal plastics registry?
12	Is there a free rider issue for couriers in Canada? If so, what is the extent of the problem and how could it be mitigated through a federal plastics registry?
13	Are there any special considerations the Government should take into account to protect CBI?
14	Which mechanisms could be used to facilitate collaboration between federal, provincial and territorial governments? Are there any mechanisms in particular that could also help reduce the administrative burden on producers?
15	What should the Government be aware of in implementing a federal plastics registry system according to the plan outlined in this paper (for example feasibility, cost)?
16	How quickly after Phase 1 data is required to be reported could producers provide the information outlined above for Phases 2-4?