Consultation Document

Pollution prevention planning notice for primary food plastic packaging: Targets for reduction, reuse, redesign, and recycled content





1.0 Purpose

On April 18, 2023, the Government of Canada published a <u>Regulatory Framework Paper for Recycled</u> <u>content and labelling rules for plastics (proposed regulations).</u> The framework outlines ambitious regulatory targets for recycled content for plastic packaging and certain single-use plastics. The proposed recycled content requirements do not apply to plastic packaging that comes into direct contact with food (referred to as primary food plastic packaging), except for beverage containers.ⁱ This is due to food safety requirements under the *Food and Drugs Act* and its *Regulations* that result in a very limited supply of food-grade recycled resins for many types of food-contact packaging. Therefore, the Government is proposing the publication of a pollution prevention (P2) planning notice (P2 Notice) as an alternative instrument to reduce the environmental impact of primary food plastic packaging as part of its comprehensive agenda to address plastic waste and prevent pollution.

The P2 Notice would set requirements for Canada's largest grocery retailers to prepare and implement a pollution prevention plan (P2 plan), with an aim towards zero plastic waste from primary food plastic packaging. This will build on efforts and commitments to date by grocers and food brands to reduce plastic waste and shift away from single-use and difficult to recycle plastics towards a circular economy. The P2 plan would be designed to meet targets set by the Minister for recycled content and for the reduction, reuse, and redesign of primary food plastic packaging. It would also include targets to increase the sale of products within reuse-refill systems, concentrated products, and products free of plastic packaging. To meet reuse-refill targets, companies would have the flexibility to consider including non-food products in their P2 plan.

"Primary plastic packaging" means packaging designed to come into **direct contact with the product** (ISO 21067). Examples of primary food plastic packaging include clamshells for baked goods and produce, wrap for vegetables and meat, plastic condiment bottles, and bags of pet food. Further definitions of terminology used in this document are available in Annex I.

Throughout this document, the term "large grocery retailer" is used to describe grocery chains and supercentres and/or warehouse clubs who:

- retail grocery products (that is, fresh and prepared foods, household cleaning products and personal care products)
- generate grocery retail sales in Canada over \$4 billion annually

This consultation is the first opportunity for stakeholders and partners to provide input on how to reduce primary food plastic packaging waste and pollution. Comments received on this consultation document will be used to develop a Proposed Notice that will be published in the *Canada Gazette*, Part I for public comment. A Final Notice would be published in the *Canada Gazette*, Part I following review of the comments received.

Stakeholders may comment in writing to the address provided in section 8.0 of this document by August 30, 2023.

2.0 Key elements of a P2 Notice

A P2 Notice provides conditions for the target community to innovate and adapt to new business processes to achieve specific outcomes. This P2 Notice would require large grocery retailers, see section 4.2, that use a specific plastic manufactured item (that is, primary food plastic packaging) to prepare and

implement a P2 plan at the parent company level. The P2 plan would apply across their subsidiaries and franchises that undertake activities outlined in section 4.3. Large grocery retailers would be required to consider all the factors outlined in the Notice when developing their P2 plan. Lastly, large grocery retailers would be required to submit declarations and interim progress reports to the Government of Canada outlining the planned and implemented actions in their P2 plan.

The goal of this P2 Notice would be to reduce the amount of primary food plastic packaging used in-store and throughout the food value chain by:

- Eliminating unnecessary or problematic packaging
- Displacing single-use packaging with reuse-refill systems
- Driving innovation so necessary plastics are food-safe and designed to be:
 - o reused
 - \circ recycled
 - o composted in Canadian facilities

Pollution prevention planning notice: Frequently asked questions (FAQs)

What is a pollution prevention notice?

A P2 Notice is an enforceable instrument under Part 4 of the *Canadian Environmental Protection Act, 1999* that requires designated persons to **prepare** and **implement** a P2 plan and to **report** on that plan. A P2 notice specifies:

- who is targeted by the notice
- the substance or group of substances to be covered in the P2 plan
- the activities that will be considered
- factors that must be considered when preparing the P2 plan
- the deadlines for preparing and implementing the plan
- the information that is to be collected within schedules
- deadlines for reporting

Persons or companies subject to the Notice would not have to submit their entire P2 plan to the Government of Canada unless specifically asked to do so.

What if a factor cannot be addressed?

The persons or companies subject to a P2 Notice are required to address the **factors to consider** outlined in the Notice when preparing their P2 Plan and report on what they have done to address these factors in declarations. If a factor cannot be addressed because it is unreasonable or impractical, they submit a **Request for waiver** of the requirement to consider a factor, which is evaluated on a case-by-case basis.

How is a pollution prevention notice different from a regulation?

Contrary to regulations, if after implementing all the actions in their P2 plan the persons or companies subject are not able to meet the objectives, they will not be out of compliance. However, they must report to Environment and Climate Change Canada (ECCC) how they considered all the factors and why objectives were not met, along with a plan identifying action that will be implemented to meet the objectives. Enforcement actions can result for those who fail to prepare and implement or report on a P2 plan.

How are companies held accountable to the P2 Notice?

The P2 Notice provides public accountability through mandatory reporting requirements, and all nonconfidential information is posted on the <u>P2 planning website</u>.

The Government of Canada uses the information gathered prior to, during, and after implementation of the P2 Notice to determine whether the notice has prevented or reduced the risks posed by the substance(s). If there are still outstanding risks, or if P2 planning has not achieved the risk management objective, ECCC might consider using other instruments, such as regulations, to protect the health of humans and the environment.

How effective are P2 Notices?

The majority of P2 notices to date have been successful. The information from the declarations and reports is assessed to determine whether the notice has prevented or reduced the risks posed by the toxic substance. For a summary of the effectiveness of completed notices to date, consult the following web page: Effectiveness of pollution prevention planning notices

Find comprehensive information on this instrument in these guidelines.

3.0 Background

Canadians are concerned about the impact of plastic waste and pollution and want concrete action to improve the recycling of plastics and prevention pollution. With single-use plastic (SUP) food packaging constituting a large portion of plastic waste, many Canadians are motivated to reduce their footprint from food packaging.ⁱⁱ

Canadians throw away over 4.4 million tonnesⁱⁱⁱ of plastic waste every year and only 9% is recycled. Plastic packaging, which includes items such as bottles, rigid containers, and bags, constituted 37% of total produced plastic for Canadian consumption in 2019. Most plastic waste ends up in landfills, while about 1% – that is about 1 kilogram per person in Canada per year – ends up in the environment as plastic pollution. Recycling alone cannot solve the plastic waste problem; a problem that is intensified by its effects on climate change and risks to human health, wildlife, and the environment. Implementing a circular economy for plastics could reduce plastic and carbon pollution, generate billions of dollars in revenue, and create approximately 42,000 jobs by 2030.

Federal, provincial, and territorial action

In 2018 and 2019 through the Canadian Council of Ministers of the Environment (CCME), the federal, provincial, and territorial governments adopted a Canada-wide Strategy and Action Plan on Zero Plastic Waste. The Strategy takes a circular economy and lifecycle approach to plastics and provides a framework for action in Canada.

In 2022 the CCME released <u>A Roadmap to Strengthen the Management of Single-use and Disposable</u> <u>Plastics</u>. The Roadmap identifies "rigid packaging" (for example, foam food trays, beverage containers) and "film and flexible packaging" (for example, food wrappers, food and beverage pouches) as priority categories for management. The management instruments proposed in the Roadmap include agreements between government and industry and actions to replace single-use and disposable items with more durable and environmentally responsible options to:

- advance bulk sales,
- increase reuse, repairability, recycling or compostability

The proposed P2 Notice will support the implementation of this Roadmap, encouraging retailers to innovate and adapt to new business processes, such as the commercialization of reuse-refill models.

Canada's zero plastic waste agenda

Consistent with the Canada-wide strategy, the Government of Canada is continuing to bring forward new measures to better manage plastic and move towards the goal of zero plastic waste. This includes:

- investing in science
- improving our knowledge of plastic waste and pollution
- greening government operations and procurement
- collaborating with provinces and territories
- working with industry leaders to facilitate industry-led solutions
- working with other countries towards a legally binding and ambitious international agreement to end plastic pollution

In June 2022, the Government of Canada published the *Single-use Plastics Prohibition Regulations* (SUPPR) which will prohibit the manufacture, import and sale of: single-use plastic checkout bags, cutlery, foodservice ware made from or containing problematic plastics, ring carriers, stir sticks, and straws (with exceptions). This will prevent 22,000 tonnes of plastic pollution and 1.3 million tonnes of hard-to-recycle plastic waste over a 10 year period.

In April 2023, the Government published a <u>regulatory framework paper</u> for the proposed Recycled Content and Labelling for Plastic Products Regulations and a <u>technical paper</u> that outlines the reporting requirements for the federal plastics registry. The proposed regulations and requirements would:

- Support stronger and more reliable end markets for recycled plastics by requiring minimum levels of recycled content in plastic packaging
- Prohibit the use of the chasing-arrows symbol and other recyclability claims on plastic packaging and single-use plastics unless the item is accepted in a collection system accessible to at least 80% of the population in a province or territory; can be sorted into a bale with a sorting yield of at least 80% going to North American re-processors; and that bale has a re-processing rate for North American re-processors of at least 80%
- Prohibit the use of terms such as "degradable" or "biodegradable" in the labelling of plastic packaging and single-use items, and set minimum standards for products to be labelled compostable
- Require annual reporting of plastics placed on the Canadian market and how these products are managed at the end of their lives

The proposed regulations and P2 Notice would lead to increased reduction, reuse, and recycling of plastics by requiring producers and retailers to take actions that will mitigate downstream harms from product design, manufacture, and sale. Together, these instruments would reduce the overall threat of harm posed by plastic manufactured items in the environment.

Opportunities for reuse

While the Government of Canada is advancing solutions to improve recycling rates to keep plastics in the economy and prevent them from becoming waste or pollution, there is an opportunity to adopt upstream solutions, especially for commonly littered items like packaging. Over the past 3 years, the

Government of Canada has pursued important foundational work on reuse which will set the stage for future action on reuse, including:

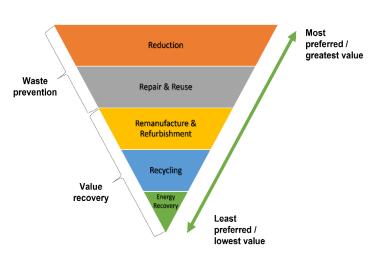
- An exemption for reusable plastic packaging from the proposed regulations for minimum recycled content requirements and labelling rules
- A partnership with Scout Environmental, focused on reusable packaging and refilleries resulted in an initiative <u>Reuse-Refill Canada</u> to normalize the adoption of reuse-refill systems and a study on the <u>State of Reuse and Refill in Canada and Recommendations</u>
- Co-hosted a <u>symposium on reuse</u>, in November 2022, which brought together leaders from the private and public sectors to discuss the economic, social, and environmental opportunities of advancing reuse to decouple from take-make-waste consumption models
- Engagement with the Canada Plastics Pact (CPP) on plastic packaging design and reuse
- Support to projects to promote reuse models to reduce plastic pollution, such as OceanWise to create a toolkit to reduce unnecessary plastic waste in restaurants

As part of the Government of Canada's zero plastic waste agenda, these measures will help to incentivize and encourage the innovation and growth of reusable alternatives in the Canadian market.

3.1 The circular economy and plastic food packaging

Reduce and reuse

The most effective means of reducing plastic waste and pollution and related emissions is preventing it from becoming waste in the first place through upstream solutions such as reduction, reuse, repair, remanufacturing and refurbishing^{iv}. After reduction, reuse offers the single most effective and sustainable way to prevent plastic waste. <u>Reuse Refill Canada</u> found that replacing just 20% of Canada's single-use packaging with reusable packaging will reduce over 300,000 tonnes of annual waste and create a financial opportunity worth over \$770 million.^v



Design for circularity

Building a circular economy for plastics in Canada requires improving how plastic food packaging is designed, used, and managed at Figure 1- The diagram is a downward facing pyramid displaying the waste management hierarchy. Starting off with waste prevention and then value recovery in the following order from most preferred/greatest value to least preferred/lowest value: reduction, repair and reuse, remanufacture and refurbishment, recycling and energy recovery.

end-of-life. Where the use of plastic packaging cannot be avoided, designing packaging for reuse and recyclability would have the greatest impact on plastic waste and emission reductions and would play a key role in keeping these plastics circulating in the economy.

The mitigating actions outlined in this document would help shift the food packaging sector to a circular model where plastic remains in the economy and out of landfills, incinerators, and the environment.

Plastic food packaging

Food packaging is a significant contributor to single-use plastic waste and pollution. Research shows that plastic food packaging makes up approximately one-third of all plastic packaging in Canada (roughly half being primary packaging and half being either secondary or tertiary packaging). A significant portion of food packaging is single use (for example, juice bottles, produce bags, yogurt containers, snack wrappers and meat trays). A recent audit of large grocery stores across Canada found that nearly two-thirds (64%) of products in select grocery sections (produce, baby food, pet food and soup) were packaged in plastic intended for a single use.^{vi} The proportion of single-use food and beverage packaging litter found on Canadian shorelines nearly doubled from 15.3 % of all litter in 2019 to 26.6% in 2020.^{vii}

Plastic has become the most common material for food packaging primarily for its purported ability to reduce food loss and waste. It is also inexpensive, lightweight, and flexible - suitable to meet product specifications such as heat and tear resistance. Plastic packaging is also easy to print and integrate into production processes where the package is formed, filled, and sealed on one production line.

The wide variety and complexity of plastic food packaging limits recyclability and can contaminate recycling streams. For example, there are currently no widely available mechanisms to recycle multimaterial flexible plastic packaging, used to package foods such as snacks and cheese. Recycling these materials would require technological advancements and significant investments in mechanical recycling technologies to efficiently identify and sort these materials.^{viii} Chemical recycling processes are emerging, though there are concerns about financial and environmental costs, and scalability.

Rationale for targeted community

Large grocery retailers play a significant role in supplying food to Canadian homes and placing a large amount of plastic packaged foods on the market each year. The top 4 traditional grocery retailers (Loblaw, Empire, Metro, Jim Pattison Group) and top two general merchandise retailers (Walmart and Costco) held approximately 80% of market share of sales in 2020.^{ix} There is also considerable vertical integration in the food retail sector, with large retailers owning their wholesalers and distribution centres that supply their own stores, as well as independent retailers, including franchises and non-franchises. They, therefore, hold a pivotal position at the centre of the value chain to help facilitate a shift away from a single-use linear economy and substantially reduce their plastic footprints and engage and educate customers about changing their buying habits to support a shift to reuse systems and delivery models.

Several major retailers have committed to reduce plastics through ongoing initiatives such as the Canada Plastics Pact^x, in addition to corporate sustainability pledges. Large grocery retailers could build on these commitments by reducing plastics from their private label brands and engaging with brands and suppliers to influence practices further up the value chain through procurement policies.^{xi}

Although the responsibility would fall on large grocery retailers to prepare, implement, and report on their P2 plan, we expect companies along the value chain (food retailers, producers, and brands) to work together to meet the objectives set out in the P2 Notice.

4.0 Main elements of the P2 Notice for primary food plastic packaging

4.1 Content of the P2 plan

A P2 plan documents how an organization will prevent or minimize the creation of pollutants and waste within its operations. Those subject to the Notice have the flexibility to develop and implement a range of actions that are best suited for their specific situation, while considering all factors outlined in the Notice when preparing their plan. The plan will also have the capacity to generate the information required in the mandatory reports to be submitted to the Government of Canada. See section 8.0 for Pollution Prevention Resources.

4.2 Person or class of persons required to prepare and implement a P2 plan

The P2 Notice for primary food plastic packaging is intended to target entities with the most control over:

- in-store experiences
- design and marketing of plastic package foods
- the sale of plastic packaged foods

The Government of Canada is proposing to capture any persons or class of persons who, between the date of publication of the Final Notice and December 31, 2035

- Operate a chain of supermarkets, grocery stores, supercentres and/or warehouse clubs, including subsidiaries and franchises, engaged in retailing grocery products, such as general lines of fresh and prepared foods including meats, poultry and seafood, bakery, canned and frozen foods, fresh fruits and vegetables, dairy products, and
- Generate grocery retail sales in Canada over \$4 billion annually, including in-store and online sales, in current dollars

The proposed Notice is not intended to capture small businesses, independent grocers, speciality food stores, convenience stores, farmers markets, etc.

The Notice would apply to any person or class of persons who is the successor or is a person appointed by the persons identified in this section.

4.3 Activities to address in a P2 plan

All persons identified in section 4.2 would be required to prepare and implement a P2 plan in relation to the following activities:

- Distribution and sale of general lines of food products packaged in primary plastic packaging, such as foods, including pet foods, packaged in bags, pouches, multi-layer wrap, filled bottles, beverage bottles, and clamshell containers
- Use of primary food plastic packaging in store and for affiliated grocery delivery services, such as produce bags, trays (meat), plastic wrap used to package foods, food sample containers, bags for bakery items, and deli/take out containers

Activities would apply to direct-to-consumer and business-to-business packaging in contact with food.

"Direct-to-consumer" means that the product is sold to a consumer for their personal use.

"Business to business" means that the product is sold to one business selling goods to another business (such as a supplier/distributor selling to a retailer), as opposed to selling directly to consumers.

4.4 Objectives, targets, and timelines

The Government of Canada proposes the following objectives with an aim towards zero plastic waste from primary food plastic packaging. Companies subject to the P2 Notice must develop and implement a plan to achieve these objectives and targets and must consider all factors outlined in Section 4.5.

Table 1 Risk management objectives

Risk management objectives	Targets
Reduce the environmental impact of primary food plastic packaging along the value chain to the greatest extent practicable through the elimination of unnecessary or problematic packaging and design for circularity	2035
Fresh fruits and vegetables are distributed and sold in bulk and/or in plastic-free packaging All primary food plastic packaging is reusable, recyclable, or compostable*	At least 75% by 2026 At least 95% by 2028
*Where local composting facilities accept these products and subject to proposed federal standards (expected to be published fall 2023)	100% by 2028
 Develop strategies, outside of fresh produce, to increase, by a certain percentage, the sale of: products within a reuse-refill system* products free of plastic packaging and/or concentrated products 	20% by 2026 50% by 2030 60% by 2035 *products within a
Companies would have the flexibility to meet reuse/refill targets using non-food products. This would recognize and encourage other opportunities for reuse-refill systems, plastic package-free, and concentrated alternatives for non-food products commonly sold by large grocery retailers. Examples include personal care products (for example, shampoo, soap) and cleaning products (for example, laundry detergent).	reuse-refill system must account for at least 50% of the above targets
Non-reusable* plastic food packaging contains post-consumer recycled (PCR) content** * Recycled content targets would not apply to reusable plastic packaging.	Annual average of: 10% by 2028 20% by 2030 30% by 2035
** The Government of Canada is proposing to require minimum recycled content in beverage containers, as part of proposed recycled content and labelling rules for certain plastic items. Any regulatory requirements for beverage containers would supersede P2 requirements.	

4.5 Factors to consider in preparing a P2 plan

P2 Planning Notices specify the "factors to consider"; these are the issues or activities that persons subject to the Notice consider when preparing and implementing a P2 plan. A description of how the specified factors were addressed when preparing the P2 plan will be required to be reported to the Government of Canada and made available to the public. The proposed factors to consider to be included in the P2 Notice for primary food plastic packaging are outlined below.

It is expected that persons outlined in section 4.2 will endeavour to:

(1) Develop and implement measures to reduce the environmental impacts of primary food plastic packaging waste along the value chain to the greatest extent practicable. This should be achieved through the application of the Waste Management Hierarchy (see figure 1) in the design and lifecycle management of packaging, as follows:

- a) Strategically target plastic waste reduction measures along the value chain (manufacturing, business-to-business, and business-to-customer) such that the use of primary food plastic packaging and the amount of plastic packaging entering the waste stream is phased out across the value chain over a set timeline
- b) Eliminate unnecessary and/or problematic packaging (for example, plastic produce bags, plastic mesh, and other bundling bags, individually wrapped produce)
- c) Minimize the use of single-use packaging; favouring and promoting plastic-free packaging, bulk and reuse-refill options
- d) Where single-use packaging is necessary, packaging would be designed for circularity (that is, is recyclable in practice and contains recycled content, where feasible)
- e) Consider other risk factors which could produce unintended negative consequences relating to the implementation of plastic waste reduction measures, that is, packaging substitutions. Risk factors may include, but are not limited to the following:
 - Adverse health effects of substitute materials or processes (for example, release of microplastics and other chemicals into food, carcinogenicity, bioaccumulation, endocrine system disruption)
 - Food waste and loss (that is, while packaging can be a lever for reducing food waste, it can also cause waste when predetermined quantities of perishable foods exceed needs, for example, bundling multiple items of produce, such as bell peppers or mushrooms, in one package
 - Increased energy intensity requirements
 - Increased GHG emissions
 - Deforestation (increased use of virgin paperboard)
 - Increased pollution (air, water, land)
 - Canadian employment losses
 - Increased costs to customers
- f) Collaborate with peers subject to the P2 Notice and actors in the value chain (producers, and brands), industry bodies and government to coordinate efforts to reduce the environmental impact of primary food plastic packaging, such as interoperable systems (that is, standard packaging design, deposit take-back systems) and infrastructure to support reuse^{xii}

- 2) Undertake an assessment to identify problematic and/or unnecessary plastic packaging and develop and implement a plan such that:
 - a) Fruits and vegetables are distributed and sold in bulk and/or in plastic free packaging: at least 75% by 2026 and at least 95% by 2028
 - b) All primary food plastic packaging is designed to be reusable, recyclable, or compostable by 2028
 - A plastic package is considered recyclable if it meets all of the following criteria, subject to proposed federal labelling requirements (draft regulations expected to be published by end of 2023):
 - The item is accepted in a collection system accessible to at least 60% of the Canadian population by 2026 and 80% by 2030
 - The item can be sorted into a bale with a sorting yield of at least 60% going to North American re-processors by 2026 and 80% by 2030
 - The bale has a re-processing rate for North American re-processors of at least 60% by 2026 and 80% by 2030.
 - ii) Other considerations to design for recyclability include:
 - Designed to optimize recyclability and circularity (that is, materials, inks, adhesives, additives, labels, coatings, barrier layers used in packaging are engineered to maximize PCR quality and enable recycling)
 - Consider third party guidance from an accredited source when designing plastic packaging for recyclability
 - Consider the Canada Plastics Pact Golden Design Rules for optimal plastic design, production, and recycling
 - Any federal regulations that define the recyclability criteria for plastic packaging would supersede the criteria set out herein
 - c) Where plastic packaging cannot be eliminated, reused or recycled into new packaging formats, examine options for environmentally responsible material or resin substitutes
 - d) Compostable plastics should only be used in niche applications to minimize food waste, where local composting facilities accept and successfully process these items.^{xiii} In such instances, the onus is on food retailers to ensure compostable packaging is accepted and successfully processed at local composting facilities
- 3) Implement strategies, outside of fresh produce, to increase by a certain percentage, the sale of:
 - Products within a reuse-refill system
 - Products free of plastic packaging
 - Concentrated products

Sales would be subject to the following targets and timelines:

- 20% (of total sales) by 2026
- 50% (of total sales) by 2028
- 60% (of total sales) by 2035
- a) Companies would have flexibility to meet sales using non-food products. This would encourage opportunities for reuse-refill, plastic package-free, and concentrated alternatives for other products sold by large grocery retailers (for example, shampoo, laundry detergent, paper towel)

- b) Sales targets would adhere to the following criteria:
 - Reuse-refill systems must comprise at least 50% of the above targets
 - Offer customers plastic-free packaging and reusable options for dry foods (for example, lentils, beans, nuts) and fresh products (for example, salad bar, deli, meat and seafood sections)
 - Aim to integrate the environmentally preferable products with other products in the same product line, rather than offering a single dedicated area
 - Reuse-refill systems, concentrated products, and products free of plastic packaging have optimal in-store placement (for example, eye level and/or end-of aisle or prominent displays)
 - Information is readily available to end users on how to reuse or refill the packaging
 - Pricing policies are designed to effectively motivate and incentivize customers to favour package free, reuse-refill options
 - The provision of packaging at negligible costs devoid of take-back programs or price incentive structures to incent recirculation is **not** considered reuse, that is, bags, take out food containers
- 4) In addition to satisfying criteria 2(b) Primary plastic food packaging contains post-consumer recycled content, subject to the following targets and timelines:
 - 10% by 2028
 - 20% by 2030
 - 30% by 2035
 - a) To facilitate the integration of post-consumer recycled content in plastic packaging, consider the following:
 - Packaging used for foods intended for human consumption, must comply with the safety provisions of the *Foods and Drugs Act* and *Regulations*
 - Examine pathways to "closed loop" recycling systems to secure food-grade PCR from difficult to recycle plastics like flexible packaging, for example, the collection and return of back of store plastic film wrap or offering take back programs for the express purpose of recycling
 - Ensure food packaging can be recycled into food grade PCR by using resins that have viable pathways to being processed into food grade PCR
 - Reduce the use of primary or secondary packaging containing any materials (including additives) that are not food-safe to the greatest extent possible
 - As outlined in the proposed *Recycled content and labelling rules for plastic regulatory framework:*
 - Adhere to acceptable sources of secondary plastics principles
 - *Reusable plastic packaging would not have to meet recycled content requirements*

4.6 Time provided to prepare the P2 plan

All persons or class of persons subject to the Notice would be required to prepare and begin implementing their plan within 12 months of publication of the Final Notice.

4.7 Time provided to implement the P2 plan

The Notice would require that all persons or class of persons subject to the Final Notice finish implementing all the actions within their plan by December 31, 2035.

It is also expected that persons outlined in section 4.2 will endeavour to meet the objectives and timelines outlined in sections 4.4 and 4.5.

5.0 P2 Notice requirements and public disclosure of information

Persons subject to the P2 Notice would be required to:

- Prepare a P2 plan taking into account all factors to consider described in the Notice
- Submit a Schedule 1 Declaration that a Pollution Prevention Plan has been Prepared and is Being Implemented that includes descriptions of anticipated actions and reductions
- Implement the activities outlined in the P2 plan
- Submit annually, Schedule 4 Interim Progress Reports that includes information on progress
 made in implementing the actions identified in the P2 plan, reductions achieved to date and the
 status on meeting the different objectives of the Notice
 Note: The Government of Canada proposes to collect progress reports annually throughout the
 implementation of the P2 plan, consistent with the P2 plan process
- Submit a *Schedule 5 Declaration that a Pollution Prevention Plan has been implemented* that includes descriptions of actions taken and results achieved
- Respect all deadlines for preparation and implementation of the plan and deadlines to submit declarations and reports
- Keep a copy of the P2 plan on-site

Optional reports include, as needed:

- Request for Waiver of the Requirement to Consider a Factor or Factors (Schedule 2): Find more information on waiver request in Section 3 of the Guidelines: <u>Pollution prevention plans under the Canadian Environmental Protection Act: Guidelines</u>
- Request for Time Extension for Preparation or Implementation of a Pollution Prevention Plan (Schedule 3): Find more information on time extension in Section 4 of the Guidelines: <u>Pollution</u> <u>prevention plans under the Canadian Environmental Protection Act: Guidelines</u>

Note that the Minister intends to publish non-confidential information received on schedules 1, 4 and 5, and any granted time extensions or waiver request on the P2 planning notices section of the Government of Canada's website or CEPA Registry.

6.0 Performance measurement and evaluation of the Notice

Performance measurement of the Notice will be conducted on an annual basis after every reporting cycle to evaluate the effectiveness of the Notice in meeting its intended objectives. Performance reports summarizing the overall results to date will be posted online.

The Minister will evaluate the effectiveness of the Notice with respect to the objectives proposed in subsection 4.3 of this document. This may include data-gathering after the implementation of the plans to verify actions. This evaluation will determine if other measures, including regulations, are needed to further prevent or reduce negative environmental impacts from primary food plastic packaging.

7.0 Discussion questions

- 1. Are there any other objectives and/or factors the Government of Canada should consider as it develops an approach to address primary food plastic packaging? If so, what are they and why are they important?
- 2. What are the potential impacts to supply chain relationships, costs, and other obstacles associated with this approach?
- 3. What else is needed to advance reuse in grocery stores?
- 4. Are there any supporting materials, such as guidance documents, tools, or awareness campaign the Government of Canada should consider developing to support industry and facilitate meeting the objectives?
- 5. Are there any undesirable consequences of moving to reuse and design for circularity versus reliance on recycling?
- 6. What performance metrics should the Government of Canada consider in tracking progress and evaluating success?
- 7. Do food retailers currently consider reduction, reuse, recyclability in procurement criteria and/or contracts with suppliers?
- 8. Is the applicability of the P2 planning notice clear? That is, is it clear what level of your corporation would be responsible for the required submissions?
- 9. Is there any data the Government of Canada should be aware of regarding the plastic footprint of food retailers?

8.0 Pollution Prevention Resources

Guidance on preparing pollution prevention plans may be obtained from:

- How your business can prevent pollution
- <u>Create and implement your pollution prevention plan</u>

9.0 Next steps

The Government of Canada invites the target community, interested partners, and all stakeholders, including the public, to provide written comments on or before August 30, 2023. The discussion questions in Section 7.0 are intended to help focus input. However, feedback is welcome on any issue or proposal raised in this document.

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

- analyze feedback to inform the P2 Notice design
- continue to consult with stakeholders as the P2 Notice is developed
- publish a draft P2 Notice for public comment before finalization

Comments can be submitted by email to plastiques-plastics@ec.gc.ca

Or by mail to: Tracey Spack, Director Plastics Regulatory Affairs Division 351 Boulevard Saint-Joseph Gatineau, QC, K1A 0H3

Annex I – Definitions

For the purpose of this consultation document:

Biodegradable plastic (as defined in the Science Assessment of Plastic Pollution) – types of plastic that possess heteroatoms along their backbone that render them more susceptible to hydrolytic or enzymatic reactions.

Business-to-business – is a situation where one business makes a commercial transaction with another. For tangible products, this typically occurs when a business sells raw material to another business that produces output or when a business re-sells goods produced by another business.

Bulk - products presented without packaging that customers can purchase package-free, package themselves, in personal reusable containers or returnable containers provided by the store, in quantities chosen by the customer.

Chains – a retail organization that is composed of more than one retail store, that share a brand and central management, and usually have standardized business methods and practices.

Circular economy - implementing measures to retain and recover as much value as possible from resources by reusing, repairing, refurbishing, remanufacturing, repurposing, or recycling products and materials. It is about using valuable resources wisely, thinking about waste as a resource instead of a cost, and finding innovative ways to better the environment and the economy.

Compostable plastic (as defined by ISO 17088) – plastic that undergoes degradation by biological processes during composting to yield CO2, water, inorganic compounds and biomass at a rate consistent with other known compostable materials and leave no visible, distinguishable or toxic residue.

Concentrated products – contains the same ingredients as ready to use products with the bulk of the liquid removed. For example: fruit juice concentrate, shampoo bars.

Direct-to-consumer – product is sold directly to a consumer for their personal use (as opposed to business-to-business sales).

Degradable plastic (as defined by ISO and ASTM) – a plastic designed to undergo a significant change in its chemical structure under specific environmental conditions resulting in a loss of some properties that may vary as measured by standard test methods appropriate to the plastic and the application in a period of time that determines its classification.

General lines of food products – fresh and prepared food products including fresh and prepared meats, poultry and seafood, canned and frozen foods, fresh fruits and vegetables and various dairy products.

Grocery products – food and non-food items, including fresh and prepared foods, household cleaning products (laundry detergent, paper towel), or personal care products (shampoo, soap).

Fresh products - refer to perishable food items that are often minimally processed. These products have a short shelf life and typically require refrigeration to maintain their quality and safety.

Multilayered plastic packaging - Any material used or to be used for packaging and having at least one layer of plastic as the main component in combination with one or more layers of material such as

paper, paperboard, polymeric material, metalized layers or aluminium foil, either in the form of laminate or co-extruded structure.

Plastic free packaging – packaging that does not contain any plastic, including adhesive, coatings, and laminates.

Pre-filled products - are sold directly to customers in returnable containers, that are reusable. These containers are recovered, sterilized and refilled. Examples of pre-filled products include the standard brown beer bottle, private deposit containers (for such things as milk and yogurt), and bulk deliveries by retailers.

Primary plastic packaging (as defined by ISO 21067) – means packaging designed to come into direct contact with the product. Examples include bottles, jars, pouches and blister packs.

Recycled content (adapted from ISO 14021) – refers to recycled plastics derived from end-of-life products from residential, industrial, commercial or institutional sources, also known as post-consumer resin (PCR).

Remanufactured and refurbished – a remanufactured product will have all the components replaced on it, all to the new specification, while refurbished products only have the failed components replaced

Reuse-refill systems can be categorized into three different solutions:

- **Return from home** packaging is collected from user's homes, for example, by a logistics company or combined with the delivery of new products such as groceries and meal delivery services
- **Refill on the go** users refill their reusable containers away from home, for example at an in-store bulk dispensing system
- **Return on the go** users return the packaging to a store or drop-off point, for example products sold in pre-filled returnable and reusable containers, such as a bottle returned to a deposit-and return machine

Supermarkets and grocery stores – primarily engaged in retailing a general line of food and household products, such as canned, dry and frozen foods; fresh fruits and vegetables; fresh and prepared meats; fish, poultry, dairy products, baked products and snack foods; cleaning and personal care products

Supercentres and warehouse clubs – stores that primarily sell a general line of food and household products and other basic merchandise, such as apparel, appliances, and beauty supplies. Warehouse clubs have membership requirements while supercentres do not.

Value Retention Processes (VPR) – helps maintain a product in service or extend its useful life beyond its expected service life, while preserving its inherent value, helping to increase both economic and environmental sustainability and resilience.

Endnotes

ⁱ Recycling processes producing food-grade PET and HDPE are relatively mature, and beverage bottles made from these resins have a proven ability to incorporate high levels of recycled content

ⁱⁱ Walker, T.R., McGuinty, E., Charlebois, S. *et al.* Single-use plastic packaging in the Canadian food industry: consumer behavior and perceptions. *Humanit Soc Sci Commun* 8, 80 (2021). <u>https://doi.org/10.1057/s41599-021-00747-4</u>

^{III} Statistics Canada, <u>Pilot physical flow account for plastic material, 2019 (statcan.gc.ca)</u>, March 2023

^{iv} <u>Remanufacturing</u> and other <u>VRPs</u> (including refurbishment, repair and reuse) are key activities of the circular economy. They help maintain a product in service or extend its useful life beyond its expected service life, while preserving its inherent value, helping to increase both economic and environmental sustainability and resilience, <u>Retaining product value in a circular economy</u>

^v Make Reuse the Norm, <u>Reuse Refill Canada</u>, May 10, 2023

^{vi} Left holding the bag: A survey of plastic packaging in Canada's grocery stores, <u>Grocery Store Report</u>, April 2023.

^{vii} <u>Great Canadian Shoreline Clean up Annual Report 2020,</u> May 2020

^{viii} Mulakkal M.C., Castillo A.C., Taylor A.C., Blackman B.R.K., Balint D.S, Pimenta S., Charalambides M.N. <u>Advancing mechanical recycling of multilayer plastics through finite element modelling and</u> <u>environmental policy</u>. Resources, Conservation and Recycling. 2021; 166

^{ix} BMO Capital Markets/BMO Nesbitt Burns custom tabulation with calculations by Kevin Grier, 2021. It is important to note that, while not included in the consolidation estimate, Jim Pattison is a significant retail player in Western Canada, operating and owning several retail banners.

^x Canada Plastics Pact, Partners list - Working together for a Canada without plastic waste or pollution

^{xi} Greenpeace and Environmental Investigation Agency, Checking out on plastic: A survey of UK supermarkets' plastic habits, <u>Checking-out-on-plastics.pdf</u>

^{xii} Persons, including those subject to the P2 Planning Notice, must not contravene the Competition Act (the "Act") (see: <u>Competition Act</u>). Agreements between competitors or potential competitors that are likely to substantially lessen or prevent competition may be subject to review under the civil agreements provision in section 90.1 of the Act. Further, subsection 45(1) of the Act prohibits, under criminal law, agreements between competitors and potential competitors to fix prices, allocate markets or restrict output. Legal defences, exceptions or exemptions could apply. Parties wishing to collaborate may wish review the guidance provided in the Competitor Collaboration Guidelines (see: <u>Competitor Collaboration</u> <u>Guidelines</u>) to ensure they remain compliant with the Act.

^{xiii} Compostable labelled plastic packaging and single use plastics will be subject to proposed labelling requirements, including minimum performance standards.