

August 24, 2023

Hon. Steven Guilbeault
Minister of Environment and Climate Change Canada
Ottawa, Ontario,
Canada
K1A 0A6
Sent by email to: ec.ministre-minister.ec@canada.ca

Re: Response to the Pollution Prevention Planning Notice for Primary Food Plastic Packaging

Dear Minister Guilbeault,

We are writing to you on behalf of Retail Council of Canada, Food, Health & Consumer Products of Canada, the Canadian Beverage Association, the Canadian Produce Marketing Association, the Canadian Federation of Independent Grocers and the Canadian Association of Importers and Exporters.

Our combined associations represent the majority of grocery products sold in grocery stores and food service establishments across Canada. We are writing to urgently request a meeting to share our significant concerns regarding Environment and Climate Change Canada's (ECCC) *Pollution prevention planning notice (P2 Notice) for primary food plastic packaging: Targets for reduction, reuse, redesign, and recycled content*.

Along with the federal government, our associations and members are committed and taking action to reduce plastic waste including in relation to:

- Eliminating unnecessary or problematic packaging;
- Considering the feasibility of displacing single-use packaging with reuse-refill systems, and;
- Driving innovation so that plastics are designed to be recycled, composted or reused.

In addition, we are co-founders and actively engaged in the [Canada Plastics Pact](#) which seeks to meet the above objectives.

Achieving zero waste and promoting a circular plastics economy requires collaborative efforts from a broader spectrum of stakeholders, including retailers, brand-holders, manufacturers and growers as well as government. Moreover, given the reach of complex global supply chains, implementing sustainable packaging requirements exclusively for the Canadian market would represent substantial challenges due to differing regulations and infrastructures across jurisdictions.

While acknowledging the government's commitment to plastic waste reduction and its efforts to suggest a non-regulatory P2 approach, we strongly emphasize the necessity of comprehensive life cycle assessments and impact analysis before setting policy actions and targets under any policy measure. A more holistic approach to plastic reduction policies that recognizes the uniqueness of the Canadian marketplace, including geography and population, is strongly recommended. Moreover, taking a life cycle analysis

approach to policy development can ensure optimal environmental, economic, and social outcomes while mitigating unintended consequences.

We elaborate on our joint concerns below:

Lack of control of global supply chains:

In order to drive a circular economy for plastics, our organizations believe that policy solutions from the federal government should be fair, equitable, sustainable, transparent, and achievable while ensuring the involvement of a range of key stakeholders. Moreover, any policy measures should also take into account the complexity of global supply chains to effectively address the challenging issues of plastic waste and a circular economy. Given retailers do not have direct control and responsibility for supply chain packaging, we believe that targeting large grocers, who act as supply chain intermediaries, will not address the root cause of plastic packaging pollution. A P2 approach that targets retailers exclusively does not align with the principles of producer responsibility, the producer hierarchy outlined in the [Canadian Council of Ministers of the Environment's Guidance to Facilitate Consistent EPR Policies and Programs for Plastics](#) or extended producer responsibility (EPR) programs rolling out across Canada which place obligations on brand-holders.

In addition, goods supplied into Canada are often made for North American markets and beyond given the relatively small size of the Canadian market and international cooperation under the Canada-United States-Mexico Agreement (CUSMA). As a result, brand-holders, including manufacturers and retailers, have limited influence on global supply chains and we expect our Canadian companies will face significant challenges when trying to impose sustainability packaging requirements for products imported from countries that have varying regulations and recycling infrastructure.

We would also expect this to create disparities in sustainability efforts and potentially lead to an unlevel playing field and higher costs for Canadian consumers. In the case of fresh fruits and vegetables in Canada, it is likely this will lead to lack of availability and/or impacts to food cost. In addition, while large grocers are targeted in this proposed notice, the implications will spread across supply chains, impacting independent grocers and of course manufacturers. It is therefore critical that the government consider international cooperation relating to plastic waste management policies to ensure a level playing field and a more comprehensive approach to tackling the global and domestic issues relating to plastic waste.

With the proposed P2 approach, we also have concerns relating to data confidentiality, and in particular in relation to data ownership, competition, and privacy, as suppliers will be hesitant to, or reject, disclosing such information to retail partners who may also be competitors. Furthermore, the potential reluctance of suppliers to disclose sensitive information under the P2 approach could impede collaborative efforts and hinder progress. This raises pressing concerns related to international trade coordination and supply chains as the federal government has chosen to do this alone rather than work in conjunction with provincial and territorial governments.

The proposed P2 notice would also overlap with independent corporate efforts and supply chain screening efforts to reduce plastic waste, the Canada Plastics Pact collaborative, transitioning EPR programs and the forthcoming federal Plastics Registry which is also intended to collect data from producers and retailers to better understand the end-of-life outcomes of plastic waste. With impending regulations relating to recycled content, labelling and additional single-use plastic bans, we need clarity on the federal

government's overarching direction and strategy so that businesses can plan ahead. We are therefore deeply concerned that a P2 approach would lead to needless repetition, redundant administrative processes and substantial expenses in an already sensitive inflationary environment facing both businesses and consumers.

Creating a landscape of fairness with stakeholders:

While we believe that the P2 approach is unnecessary given existing and forthcoming programs, if the federal government is intent on proceeding with a P2 notice, we would encourage the government to expand the purview of who is obligated by adopting similar hierarchical producer definitions used in EPR systems across Canada and as recommended by the [Canadian Council of Ministers of the Environment's Guidance to Facilitate Consistent EPR Policies and Programs for Plastics](#). Those definitions are oriented around obligating the entity most directly able to make decisions around products and packaging, with the caveat that they have residency in Canada.

The need for life cycle strategies and mitigating unintended consequences:

While our organizations are supportive of a goal to achieve zero plastic waste across Canada, we encourage the federal government to take a holistic and life cycle approach to policy development to drive optimal environmental, economic, and social outcomes. The proposed targets outlined in the discussion paper lack adequate baselines and substantiated evidence. Before rushing to set targets, we believe that additional research and innovation are required to find circular solutions that balance environmental, financial, economic and social impacts.

It is critical for the government to conduct comprehensive life cycle assessments, comparing various options, before considering policy actions and targets. It is also essential to strike a balance between reducing plastic usage while ensuring best food preservation practices and mitigating climate change. For example, plastic film and vacuum shrink wraps play a critical role in preserving and extending product lifespans and we urge ECCC to consider this important fact. This packaging helps keep food on store shelves, avoiding spoilage and food waste by keeping meats and produce fresh. Limiting plastic usage in such settings could lead to the unintended consequences of an increase in food waste, thereby generating higher levels of methane gases, a major contributor to climate change.

Similarly, comprehensive life cycle studies should be considered when evaluating the feasibility of reuse-refill policy measures and targets. These life cycle factors involve environmental concerns related to reverse logistics and dishwashing processes, health and safety risks relating to the handling and cleaning of reusable packaging, navigating consumer resistance and education requirements to promote less convenient options, and evaluating the economic feasibility of these models, considering factors such as packaging, staffing, store space requirements, and logistics and reverse logistics costs, all of which would impact product pricing to consumers.

Furthermore, the majority of systems and technologies currently marketed in Canada relating to reuse-refill are still in startup mode and have not been proven at scale or are not designed for the grocery setting. In addition, while some European jurisdictions are developing policy to drive reuse-refill that the Canadian government may be benchmarking against, we understand that practical implementation has been

challenging and we would strongly recommend that ECCC conduct further research to better understand the life cycle impacts of these systems and how such systems can work in the Canadian context before considering policy measures. As such, we believe that requirements and targets relating to reuse-refill systems are premature. It is also unclear what the implications are for reuse-refill systems to meet obligations under the *Safe Food for Canadians Act* and corresponding regulations.

Driving balanced life cycle approaches and investment:

It is essential that plastic packaging and waste reduction policy, efforts and objectives take a comprehensive, life cycle approach including considering environmental, economic, health and safety and consumer impacts. The government should work to also consider and mitigate unintended consequences such as:

- a lack of time to phase in and scale the supply of alternatives packaging, quality recycled content or reuse/refill platforms, leading to significant cost increases to businesses and consumers;
- the health, food availability and food safety risks to customers when shifting to alternative materials and reusable or refillable schemes;
- consumer behaviour impacts including education and participation considerations; and
- the negative environmental impact resulting from shifting away from certain plastic packaging, including the risk of potential increases in food waste, deforestation and greenhouse gas emissions.

Additionally, government efforts should be directed towards promoting harmonization, collaboration, investment and innovation across the value chain. Thorough studies and analyses are required to examine successes, opportunities, and challenges of sustainable packaging design. In particular, alternatives to existing required packaging such as flexibles for produce and shrink wrap for meats, scaling quality recycled content and reuse-refill models in order to identify the most efficient, environmentally impactful, and cost-effective strategies.

With this in mind, the federal government can play a crucial role in supporting circular economy development by providing financial incentives and grants to industry for research and pilot projects focused on sustainable and scalable solutions. Investing in research not only drives the creation of more efficient packaging and/or reuse-refill systems but also enables a more thorough understanding of the environmental, social, consumer and financial impacts of these alternatives. Beyond this, the government could help scale infrastructure to help increase the quality and quantity of recycled content and explore policy tools that can help subsidize costs as virgin materials typically cost less than recycled materials. This will help ensure there is a level playing field for stakeholders and help achieve ambitious recycled content targets.

We thank you in advance for allowing us to comment on the Government of Canada's *Pollution prevention planning notice (P2 Notice) for primary food plastic packaging: Targets for reduction, reuse, redesign, and recycled content*. Given that this very brief 30-day consultation comes in the midst of summer and during the height of the annual vacation period, we are working hard to reach out to all affected stakeholders to provide ECCC with as much feedback and information as possible under the circumstances. While we are working with ECCC officials, we hope to have the opportunity to meet with you at your earliest convenience in order to ensure that we can work together towards zero plastic waste.

Sincerely yours,



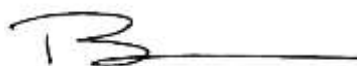
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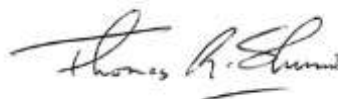

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