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Submitted via email: plastiques-plastics@ec.gc.ca

Re: Feedback on the Recycled Content and Labelling Rules for Plastics: Regulatory Framework Paper

On behalf of the Canadian Health Food Association ("CHFA"), we are writing to provide comments on the consultation for *Recycled Content and Labelling Rules for Plastics: Regulatory Framework Paper*. As Canada's largest trade association dedicated to natural health, organic and wellness products, CHFA is committed to representing our members and the industry on proposed regulatory changes that will directly influence their business operations. Our membership base consists of hundreds of businesses across Canada, including manufacturers, retailers, wholesalers, distributors and importers of natural health products and food products. These businesses produce and sell a variety of products including foods, vitamin and mineral supplements, herbal products, as well as health and beauty aids, which would be impacted by the proposed recycled content and labelling rules on plastics. In addition, our members will be significantly affected by this proposal as this includes all members of the supply chain such as producers, brands, brokers, importers and retailers.

I. CHFA General Comments on the Consultation Document

While CHFA appreciates the opportunity to provide feedback as part of this consultation, we would like to express our concerns about the extremely short time stakeholder consultation period given for this proposal. Unfortunately, 30 days did not allow CHFA to meaningfully consult with its members about the proposals. We look forward to the opportunity for additional consultation with respect to these proposed regulatory changes, including the ability to provide comments on the cost-benefit analysis.

At this time CHFA members are managing a multitude of labelling changes from various government departments such as foods, supplemented foods, NHPs and cosmetics, and all which have a cumulative and significant effect on industry from a cost perspective.

II. Recycled Content

3.1 Regulated Parties

CHFA has reservations about the characterization of the term "producer" within the context of the plastics registry due to discrepancies observed both within and between jurisdictions. The The Technical Paper suggests adopting a generic federal definition of "producer" in cases where a provincial or territorial definition is absent. However, it should be noted that the definition of "producer" varies not only among provinces and territories but also within certain programs within them. Therefore, adopting a federal definition may not address the existing inconsistencies and could potentially contribute to additional confusion.

3.2 Application to plastic packaging and SUPs

CHFA would like to express its concerns about the potential challenges arising from the proposed inclusion of e-commerce packaging and ICI packaging. These categories currently lack coverage in several provincial and territorial Extended Producer Responsibility (EPR) programs, placing an additional burden on producers in certain geographical locations. Consequently, some producers may find themselves ad a disproportionate disadvantage having to address these materials for the first time within relatively tight timelines.

4.3 Levels of recycled content required and timelines

CHFA is concerned about the ambitious timelines for implementation of the proposed recycled content requirements. Minimum recycled content requirements for some products begin in 2026-2027, with full implementation by 2030. Further, the minimum amount of recycled content for products across categories increases from as low as 15-20% to as high as 60% between 2026 and 2030. These increasingly stringent requirements may require significant changes to products, which may not realistically be possible within this timeframe.

4.2.2 Sub-categories excluded from recycled content requirements

CHFA is supportive of the proposed exemption for packaging (primary and secondary) for most foods (excl. beverages, and cosmetics regulated under the *Food and Drug Act*. Clarification on if Natural Health Product(NHPs) are included in the exclusion is needed. CHFA supports the exclusion of primary and secondary packaging for NHPs.

4.4.2 Compliance verification

The Technical Paper notes that no single standard or certification has been agreed upon for the purpose of verification of recycled content. CHFA's view is that such a standard should be in place before recycled content requirements are in force to provide clarity to industry members.

III. Recyclability and compostability labelling rules

5.1 Scope

CHFA is supportive of alignment of labelling timelines with the predictable compliance dates of the food labelling coordination policy developed by Health Canada and the Canadian Food Inspection Agency. We note that the consultation indicates "as close as possible" – to clarify, CHFA is supportive of alignment with the established timelines in the food labelling coordination policy which will reduce the possibility of confusion given the significant number of labelling changes in the sector.

The Technical Paper outlines that, in general, labelling rules regarding recyclability and compostability would be applicable to packaging commonly included within the scope of provincial or territorial EPR policies, including single-use plastics. This principle would also extend to e-commerce packaging. However, it is important to note that the specific types of packaging included in EPR policies vary across jurisdictions, and e-commerce packaging is not currently encompassed by a number of EPR policies.

CHFA expresses concerns regarding the notably limited exemptions from the labelling rules. The proposed changes stemming from these rules will impose a significant burden on all businesses, with a particular impact on small businesses within our industry.

5.3.1 Overview of recyclability measurement test

The Technical Paper specifies that regulated parties would need to evaluate the recyclability of an item in each province or territory where it is being sold before introducing it to the market. CHFA has concerns regarding the burdensome nature of this requirement, as well as the uncertainty surrounding the availability of adequate data for such assessments. Additionally, CHFA believes that the proposed 80% recyclability threshold is excessively high and may pose challenges for producers, particularly within the designated time frame.

5.6 Timelines

CHFA CHFA raises concerns about the need for better coordination among various departments of the Government of Canada in relation to the shared objectives of improving plastic recycling and preventing pollution. In particular, there appears to be a lack of alignment between Health Canada and ECCC (Environment and Climate Change Canada). These concerns arise due to Health Canada's recent publication of regulations that would require a significant portion of the natural health product industry to incorporate peel-back labels on bottles to meet new mandatory labelling requirements. The potential impact of these labeling changes on the industry is yet to be fully understood. Moreover, it is worth noting that the industry is currently being invited to provide feedback on the implications of the proposed regulations for these specific packaging requirements.

5.4.1 Recyclability categories

CHFA would like to raise possibility of consumer confusion due to due to the similarity of the proposed symbols for "recyclable," "non-recyclable," and "collected." The resemblance between these symbols raises the possibility of misinterpretation and undermines the effectiveness of the labeling system. To address this concern, CHFA suggests exploring alternative design options for the symbols that are visually distinct and easily distinguishable from one another. This can help ensure clear communication to consumers and enhance the overall effectiveness of the proposed labeling approach.

5.4.2 Recyclability labels

We believe that the labelling requirements proposed are highly burdensome and in numerous instances would likely necessitate packaging redesign. To address this concern, CHFA recommends exploring more flexible approaches to labelling that minimize the need for extensive packaging modifications. By adopting more pragmatic and adaptable labelling measures, the industry can mitigate the challenges associated with extensive packaging redesign while still achieving the desired objectives of effective product communication and consumer information.

5.4.3 QR codes

CHFA members are concerned about the requirements associated with the QR code, especially considering the limited exemptions. The obligation for businesses to collect the necessary information for each product and create a public website is seen as impractical and burdensome. To address this concern, CHFA suggests exploring alternative approaches to QR code implementation. This could involve streamlining the information collection process or utilizing existing platforms for data sharing, reducing the administrative burden on businesses.

5.5.3 Labelling requirements for compostable items

CHFA is similarly concerned about the proposed compostability labelling requirements. The testing and third party certification requirements are onerous, particularly in light of the limited

exemptions, and these requirements will lead to a similar need for packaging redesign on short timelines. The requirement for Price Look-Up (PLU) stickers to be compostable is also a source of concern. The retailer may become responsible for this from a compliance perspective, even if they are not applying the sticker. CHFA expresses concern regarding how the responsible party in a given supply chain will be determined.

CHFA is concerned that the "prohibition" on use of green coloured labelling, striping, or tinting of non-compostable plastic items that are associated with organic wastes (for example food packaging) is unclear. Will this prohibition apply to consumer products such as vitamin and mineral bottles, body wash and other packaging? Green is a frequently used colour for plastic packaging and the proposed prohibition is not clear as to what types of products this will apply to. Furthermore, this change could have significant disproportionate effects on only those brands who use green tinted plastic and could result in products being discontinued for the Canadian market.

5.6 Timelines

CHFA is again concerned about the ambitious proposed timelines. The final regulations are not anticipated until late 2024, but some labelling requirements begin in 2026. This timeline is insufficient given the potentially significant data gathering and packaging redesigned that will be required of producers in our industry. A 5-year implementation timeline would be more appropriate timeline.

We appreciate your efforts in developing regulations around recycled content and labelling rules for plastics. Thank you for considering our feedback as part of your development for draft regulations on plastics packaging. We are hopeful that our comments are given due consideration and are beneficial for industry and consumers alike.

Sincerely,

Ashley Cornell

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