

Brief by TC Transcontinental

**TOWARDS A CIRCULAR ECONOMY
FOR PLASTIC IN QUÉBEC**

**Draft Amendment to the
2015-2020 Residual Materials Management Plan (RMMP)
for Metropolitan Montréal**

Montréal Metropolitan Community (MMC)

May 10, 2019



Executive Summary

In this brief submitted to the Montréal Metropolitan Community (MMC), TC Transcontinental is calling for the creation of a circular economy for plastic in Québec and Canada. In addition, TC Transcontinental outlines its 8 commitments and puts forward 13 recommendations.

The brief reiterates that TC Transcontinental has been an important player in the creation of a circular economy for paper in Canada and that, as a leader in flexible packaging in North America, the company has the resources, the knowledge, the financial capacity and the desire to play this same role to ensure **the transition towards a circular economy for plastic in Québec and Canada.**

In this context, the Publisac bag, currently made of virgin plastic resin, will be replaced as of this fall by **a bag that is made from 100% recycled plastic, thereby creating one of the first models of a circular economy for plastic in Québec.** Furthermore, over the summer, TC Transcontinental will be testing new bag formats in the market that would use 10% to 25% less plastic, as well as paper jacket alternatives.

In order to create this circular economy for plastic, TC Transcontinental favours a **collaborative approach**, with a large number of stakeholders having to do their part: private companies and industry groups, public administrations, sorting facilities, legislators and regulatory authorities, academics and experts, environmental organizations, citizens and citizen groups. In this way, this major project will be realized in a sustainable manner.

This collaborative approach is reflected in TC Transcontinental's joining of the **Ellen MacArthur Foundation's New Plastics Economy Global Commitment.** This foundation unites organizations worldwide sharing a common vision in which plastic never becomes waste. As such, on March 13, TC Transcontinental became the first Canadian-based manufacturer to join this large-scale initiative. TC Transcontinental invites the MMC and its members to do the same. TC Transcontinental pledged, by 2025, for 100% of its plastic packaging to be reusable, recyclable or compostable and to achieve a 10% use of post-consumer recycled content on average by weight across all plastics in its product basket.

Within this framework, TC Transcontinental pledges to work in a concerted manner with players from the plastic value chain to channel investments that will enable better capture of plastic at sorting facilities and better uses of recycled material. TC Transcontinental intends to become a **significant buyer** of residual plastic to be reused in its flexible packaging production. Ultimately, **all post-consumer plastic packaging put on the market in Québec and in Canada should be collected, then recycled** with the goal of giving it a second useful life. The MMC, and the City of Montréal as the party responsible for sorting facilities on its territory, have an important role to play in this regard.

Reduction at source is an important element of 3R-RD residual materials management. This is what TC Transcontinental does with the Publisac by respecting the freedom of choice of citizens

to not receive the Publisac, and by constantly adjusting quantities distributed to demand in order to reduce waste. The Publisac is a useful, responsible and legitimate service. The demand by a small minority of citizens to overturn the Publisac's current business model in favour of a subscription-based model is **the equivalent of asking for the end of the Publisac**. Such a model would not be viable because of its complexity and the prohibitive costs associated with it.

TC Transcontinental believes **that the concept of reduction should be considered in its broader sense, namely reducing the environmental footprint** of a business activity, a product or a service during its entire life cycle. In this sense, judicious use of plastic contributes, for example, to reducing food waste since about 30% of food produced in the world for human consumption gets lost or wasted¹. In most cases, it is estimated that packaging represents only about 10% of a food product's total environmental footprint, while its production accounts for 90% of the footprint (agriculture, production, transportation, packaging, distribution, utilization, etc.)².

In addition, the different types of packaging should be assessed according to their environmental footprint during their entire life cycle, and not only according to their end-of-life. Life cycle assessments (LCA) prove that flexible packaging, due to its light weight and low volume, uses less fossil energy, reduces greenhouse gas emissions and uses less water than other alternatives.

TC Transcontinental invests **many millions of dollars per year in research and development (R&D)** in flexible packaging. It recently won **two awards for its eco-responsible solutions**: in 2019, for its 100% recyclable multilayer barrier pouch, in collaboration with U.S. tea producer Harney & Sons (packaging that was adopted by Les Aliments Jardi in Québec); and, in 2018, for its peanut bag made from certified compostable materials in order to support arenas and stadiums' green initiatives.

The Draft Amendment to the RMMP proposes the adoption of a regulatory framework in Québec in order to achieve the MMC's five main objectives by 2024. Such regulation would notably aim to reduce containers, packaging and printed matter put on the market and then treated by residual material management systems, including plastic reduction and recyclability measures.

TC Transcontinental, which operates in the printing, flexible packaging and print media sectors, invites the different parties, including the MMC and the Government of Québec, **to take its expertise into account** in terms of all the factors outlined in this brief, and to favour collaboration before taking decisions of **amendments to the regulatory framework that could prove to be counterproductive**.

¹ Source: Food and Agriculture Organization of the United Nations : <http://www.fao.org/save-food/resources/keyfindings/en/>
² Source: Sustainable Packaging Coalition

TC Transcontinental's Commitments

1. Play an important role, as one of the leaders in flexible packaging in North America, to ensure **the transition towards a circular economy for plastic in Québec and Canada**.
2. Actively contribute to finding solutions allowing the MMC to **achieve its RMMP objectives** by 2024.
3. Replace, as of this fall, the current Publisac bag made of virgin plastic resin by a **bag made of 100% recycled plastic, that will still be 100% recyclable, thus creating one of the first models of a circular economy for plastic in Québec**; and test paper jacket alternatives this summer.
4. **Use the Publisac** to help the MMC reach its objective of “ramping up **information, awareness-raising and educational activities**” in order to sustain interest among the population in participating in recycling programs.
5. Work in a concerted manner with players from the plastic value chain and other companies so that **all post-consumer plastic packaging is collected, then recycled** with the goal of giving it a second useful life.
6. **Become a buyer of plastic materials** from the sorting facilities in order to reuse these materials in its flexible packaging production activities.
7. As a **signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment**, innovate so that, by 2025, **100% of our plastic packaging is reusable, recyclable or compostable**, and achieve a **10% use of post-consumer recycled content on average by weight across all plastics in our product basket**.
8. Invest **at least \$15 million per year in R&D** (at least 1% of our Packaging Sector's annual revenues) and develop **new eco-responsible flexible packaging**.

Recommendations to the MMC

Printed products:

1. Take into account the importance of print for the economy, democracy and information.
2. Avoid taking decisions that could affect consumers, merchants, as well as newspaper, magazine and book publishers.
3. Respect the fundamental rights of citizens and commercial freedom.

Publisac:

4. Ask the MMC's member cities to refer citizens asking for a pictogram because they no longer want to receive it to Publisac's Customer Service Department.
5. Avoid taking decisions that could endanger this useful, responsible and legitimate commercial activity, to the detriment of households, merchants, distribution of local weeklies and many jobs.
6. Do not infringe on the Publisac's current distribution model, namely door-to-door distribution to all households while respecting the right of those who do not wish to receive it.

Flexible plastic packaging:

7. Contribute to the creation of a circular economy for plastic in Québec by favouring a collaborative approach among stakeholders in order to realize this major project in a sustainable manner.
8. Before regulating plastic packaging too severely, offer the latitude and time needed by companies like TC Transcontinental to develop new eco-responsible solutions and put in place this circular economy for plastic.
9. That the MMC and its members become signatories of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment, like TC Transcontinental.
10. Take into account that flexible packaging, notably for food, is not single-use plastic: it plays its role in preserving the product for weeks, even months, making it one of the key solutions for reducing food waste.
11. Consider the concept of reduction in its broader sense, namely the reduction of the environmental footprint for a business activity, a product or a service during its entire life cycle.
12. Before increasing tariffs on companies for certain types of materials that are currently difficult to recycle or non-recyclable, consider the environmental impact of packaging during its entire life cycle, and not only in its end-of-life.
13. Implement programs that support eco-design.

Overall Conclusion

TC Transcontinental has always favoured a long-term view. The Corporation believes its current good sustainability practices as well as its vision to further limit its environmental impact are adequately aligned with the MMC's aim and will contribute to the realization of its objectives. We would like to collaborate with all stakeholders from the value chain to increase the recycling and composting rates of our products in the communities where we operate, and particularly in Québec.

TC Transcontinental invites the different parties, including the MMC and the Government of Québec, to take into consideration all of the factors outlined in this brief before taking decisions to amend the regulatory framework. The draft amendment proposed by the Montréal Metropolitan Community is a call to action for all partners involved in residual material management towards a circular economy. TC Transcontinental has been an important player in the creation of a circular economy for paper in Canada and, as a leader in flexible packaging in North America, the company has the resources, the knowledge, the financial capacity and the desire to play this same role to ensure the transition towards a circular economy for plastic in Québec and Canada.