

Principles for Certification of **Post-Consumer Recycled Content**



Introduction

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The Canada Plastics Pact (CPP) PCR Certification Principles provide guidelines for evaluating standards and certification programs for post-consumer recycled content in plastics. Following these ten principles when selecting an appropriate certification program will ensure that CPP Partners choose rigorous programs that are also aligned to international standards.

The CPP is working toward a circular economy for plastics in Canada in which plastic waste is kept in the economy and out of people, animals, and nature. The CPP is guided by four clear and measurable targets driving its activities. More specifically, Target 4 commits CPP Partners to using recycled content, with a goal of integrating 30% average recycled content across all plastic packaging.

Using post-consumer recycled (PCR) content in packaging keeps quality plastic in the value chain, reducing the need for virgin plastic production and driving the demand for packaging that can be recycled, as well as the investments in recycling infrastructure.





TARGET 1

Define a list of plastic packaging that is designated as unnecessary or problematic and take measures to eliminate them.



TARGET 2

Support efforts towards 100% of plastic packaging being designed to be reusable, recyclable or compostable.



TARGET 3

Undertake ambitious actions to ensure that at least 50% of plastic packaging is effectively recycled or compostable.



TARGET 4

Ensure an average of at least 30% recycled content across all plastic packaging (by weight).

Introduction (cont'd)



In Canada, Environment and Climate Change Canada (ECCC) has published its draft <u>Regulatory</u> <u>Framework Paper for recycled</u> <u>content and labeling rules for</u> <u>plastics</u>. Within that framework is a requirement for the use of thirdparty certification programs or third-party compliance verification of internal record-keeping for claims of recycled content.

With over a dozen PCR standards and certification programs available

to the market,¹ the CPP PCR Certification Principles serves as a guide for selecting the most suitable standards and certification programs when sourcing recycled content, and can be considered as a complement to CPP's <u>Guide to</u> <u>Integrating PCR in Plastic Packaging</u>. These PCR Certification Principles include **10 guidelines** that CPP Partners should use when evaluating PCR standards and certification options in order to maximize the

positive impact of integrating recycled content into plastic packaging.

To increase public confidence in recycled content claims and ensure the validity of PCR materials, the CPP recommends that its Partners align with the guiding principles outlined in this document when sourcing and integrating recycled content into plastic packaging. In addition, these guidelines can be followed when CPP Partners are looking to undertake annual reporting against CPP's Target 4, as well as their broader corporate sustainability reporting efforts.

Note that CPP's PCR Certification Principles are based on similar guidance published in the Fall 2023 by the <u>US Plastics Pact</u> to support harmonization efforts across borders.²

¹ Eunomia and Circular Innovation Council, 2021. A Comparative Assessment of Standards and Certification Schemes for Verifying Recycled Content in Plastic Products.

² U.S. Plastics Pact's Certification Principles include a full guideline (15) on the use of the book and claim/credit method. However, the adoption of Extended Producer Responsibility policies across Canada negate the value of the book and claim approach. Furthermore, the CPP has not as yet developed a position on book and claim and therefore will not include it in the PCR Certification Principles publication at this time.

Guidance

Ten guidelines to evaluate PCR standards and certification options



1. Aligned in principle with the CPP



2. Comply with relevant laws



3. Be science-based



4. Align with standardized definitions



5. Include transparency and third-party verification



6. Minimize negative impacts

7. Provide pathways for conflict resolution



8. Include continuous improvement



9. Support chain of custody

resolution



10. Align with rules for mass balance accounting

Guidance (cont'd)



. Aligned in principle with the CPP

The certification programs are aligned with the CPP in principle, including being consistent with the Ellen MacArthur Foundation's (EMF) <u>Global Commitment</u> for a New Plastics Economy by following its vision for a circular economy where plastic packaging is 100% reused, recycled, or composted, and PCR is increased while virgin plastic use is decreased.

. Comply with relevant laws

The certification program is compliant with relevant local, regional, national, and international laws and conventions where they operate.

Be science-based

Standards are developed and revised based on a scientific approach, taking into account current scientific information, data related to plastics recycling, and the use of recycled materials.



Align with standardized definitions

The certification program uses the ISO definitions for recycled materials (i.e., ISO 14021:2016 (EN)):

• **Post-consumer material** is generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product which can no longer be used for

its intended purpose. This includes the return of materials from the distribution chain, such as obsolete materials or damaged goods.

• **Pre-consumer material** (also referred to as post-industrial) is diverted from the waste stream during a manufacturing process that cannot be reclaimed within the same process that generated it. Excluded is reutilization of materials such as rework, regrind, or scrap generated in a process and capable of being reclaimed with the same process that generated it.



Include transparency and third-party verification

The certification program provides transparency with respect to decision-making and public reporting on its certification principles, practices, and criteria. Certification programs must have structured operational guidelines and procedures that are publicly available and are easily accessible through a public website.

Recycled materials and content receive independent, third-party certification and accreditation. Companies providing certification status are independently verified by an appropriately accredited certification body. The certification program should have several certification bodies accredited to avoid perceived or real conflicts of interest.

Guidance (cont'd)

. Minimize negative impacts

At the time of publishing, PCR certification programs do not meaningfully address social, economic, or scope 2 or 3 environmental impacts that may result from plastic recycling processes. However, the certification program should seek to minimize or eliminate negative environmental and/or social impacts that may be created (intentionally or unintentionally) through its program while maximizing the positive environmental and social impacts.

For example, the process of recycling must avoid negatively impacting marginalized communities. As another example, recycling processes must look to minimize environmental impacts, such as minimizing any increases to greenhouse gas emissions and avoiding the release of toxic by-products into the environment from the recycling process.

The certification program should be able to demonstrate how it has taken into consideration potential environmental and social impacts through meaningful and equitable stakeholder participation and consultation/engagement.

Provide pathways for conflict resolution

Certification programs and their administrative bodies have accessible complaint and appeal mechanisms. There must be accessible measures in place for gathering complaints and resolving conflicts at all levels of the certification program.

Include continuous improvement

Certification programs and their administrative bodies are committed to continuous improvement. The certification standards must undergo periodic reviews and reassessments (e.g., every 3-5 years) that reflect lessons learned, the latest scientific research and data, and current legislation and regulation.

. Support chain of custody

Certification programs must provide a chain-of-custody certification, as defined by the ISO 22095 standard. The certification process should start with the reclaimer, who must have good record keeping of all incoming materials. Custody of the PCR may pass across certification schemes as long as the certification schemes use consistent definitions and accounting practices.

The CPP recommends identity-preserved, segregated, and controlled blending models, as they provide more transparency and traceability of the actual PCR in the final product. However, mass balance models are also accepted. Chain-of-custody guidelines are in effect through 2025 reporting and will be reviewed again in 2025 for post-2025 reporting.

Guidance (cont'd)

10. Align with Rules for Mass Balance Accounting

The CPP recognizes and accepts the <u>mass balance accounting</u> model for PCR certification for both mechanically and chemically recycled plastic through the 2025 reporting cycle, with the following conditions:

- The mass balance model may only be used when supported by a chain of custody certification scheme and compliant with the ISO 22095 standard, so that no two parties can claim ownership of PCR at any given time.
- Any mass balance certification must be specific to plastic commodities (e.g., resin types) and chemical precursors.
- Mass balance calculations must reflect actual yield losses in the reclaiming, recycling, and manufacturing processes. Quantities of PCR should reflect the amount (by weight) of actual feedstock that is created.
- Given waste-to-fuel does not meet the CPP's definition of material recycling, mass balance accounting methods for PCR certification must consider fuel outputs as yield losses in the recycling process.
- The CPP recommends proportional allocation or polymersonly accounting methods for mass balance accounting, although it will accept free allocation accounting with a fuel exemption. These accounting methods treat fuel as a

yield loss in the recycling process and ensure that recycled material inputs are not disproportionately allocated to feedstock outputs. Companies should clearly state which accounting method is used in mass balance certification claims, as well as whether the process was mechanical or chemical recycling.

- Mass balance accounting must clearly differentiate preconsumer recycled material from post-consumer recycled material, and reporting should reflect this accordingly.
- Accounting methods must be consistent with historical accounting methods. A separate accounting system that favorably skews values must not be used.
- Reconciliation must be done on a quarterly basis or more frequently.
- The balance of credits in a mass balance accounting system should never intentionally go below zero. If this occurs, supply issues should be rectified as soon as possible. A balance below zero in two consecutive reconciliation periods should not be allowed.
- Mass balance calculations should be independently verified by a third party.



Taking Action

Interested in joining the conversation, learning more or becoming a CPP Partner?



About the Canada Plastics Pact

The Canada Plastics Pact is leading Canada's response to the escalating plastic crisis.

We exist to eliminate plastic waste by accelerating and scaling the solutions that will keep plastics in the economy and out of people, animals, and nature.

Through fostering innovation and collaboration, our 104+ Partners from across the plastics value chain are taking meaningful steps to eliminate unnecessary and problematic plastics, redesign packaging and increase the use of recycled plastic.

CPP is a member of the Ellen MacArthur Foundation's Global Plastics Pact network and is a solution space of The Natural Step Canada in partnership with the Smart Prosperity Institute, whose shared vision is a strong and inclusive economy that thrives within nature's limits.



A full list of CPP Partners is available here.