

This primer is intended to provide a common factual foundation for workshop participants. It is not intended to advocate for any specific policy approach or outcome. Participants are encouraged to review the background information and consider how recycled content markets can be strengthened.

1. Workshop Context

Canada continues to explore how to strengthen markets for recycled content while improving recycling performance, supporting investment and domestic capacity, and maintaining affordability and competitiveness. In addition to supporting the environmental objective of reducing plastic waste, the use of recycled resin offers benefits such as lower energy use and greenhouse gas emissions relative to virgin resin¹.

The 2026 Recycled Content workshop, developed by Retail Council of Canada (RCC) with Environment and Climate Change Canada (ECCC), the Association of Plastic Recyclers (APR) and other partners, brings together governments, retailers, producers, manufacturers, recyclers, producer responsibility organizations and other stakeholders to examine avenues to increase recycled content uptake in Canada, including barriers to scale, and practical market and policy approaches.

Discussion will focus on six interconnected areas:

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| 1. Quality and Supply | 4. Level Playing Field and Global Competitiveness |
| 2. Demand, Cost and Incentives | 5. Corporate Governance and Readiness |
| 3. Policy Pathways, Targets and Requirements | 6. Verification |

The objective is to identify opportunities, areas of alignment and differing perspectives on approaches that are technically achievable, economically viable, affordable and competitive. The discussion is intended to remain balanced and open-ended, recognizing different perspectives and operating realities across the value chain and without presupposing a particular policy approach.

Participants are encouraged to share their operational experience: what is working, where barriers remain and what conditions would enable greater recycled-content use.

2. Canada at a glance

- Plastic packaging and single-use plastics make up over 40% of all plastic waste generated in Canada, yet only about 13% of these plastics are recycled, based on an economy-wide estimate covering residential and industrial, commercial and institutional (ICI) sources². The vast majority of plastic packaging and single use plastics end up in landfills or in the environment as pollution after only one use. Rates reported for obligated residential packaging under provincial EPR programs may be higher but are not directly comparable because scopes and methodologies differ.
- Approximately 7.6 million tonnes of plastic were contained in new products produced for Canadian consumption in 2022. Of this, approximately 3.1 million tonnes were attributable to net international trade (imports minus exports)³.
- Canadian recyclers produced approximately 333,000 tonnes of recycled plastic pellets, flakes and fibres in 2022. Approximately 281,000 tonnes, or 84%, of recycled plastic resin output was associated with packaging⁴.
- Approximately 4.73 million tonnes of plastic waste and scrap were disposed of in Canada in 2022. Of the plastic waste and scrap disposed of in Canada, almost 90% was landfilled or incinerated without energy recovery⁵.
- Canada Plastics Pact estimates that 16% of plastic packaging was recycled in Canada in 2022 across deposit-return, residential, and industrial, commercial and institutional (ICI) systems. Recycling rates varied by stream: 60% for deposit-return systems, 16% for residential systems and 11% for the ICI sector⁶.
- The Canada Plastics Pact's 2024–25 Impact Report (based on impact reports submitted by 28 of CPP's 54 Signatory Partners) found that, across participating companies, post-consumer recycled content represented approximately 14% of plastic packaging by weight in 2024⁷.
- Recent industry data point to broader pressures on recycling capacity: North America has lost approximately 25% (230,000 tonnes) of PET recycling capacity over the past 18 months⁸, while Europe has lost approximately 1 million tonnes of plastics recycling capacity since 2023⁹. Moreover, five Canadian plastics recycling facilities have closed in the last year (1 in Nova Scotia and 4 in Quebec) and others across Canada have slowed down operations⁵.

Together, these figures demonstrate both the opportunity of Canada's plastics economy and the challenge of significantly increasing the use of recycled materials.

3. Current Market Context

Achieving the increase in recycled resin use requires alignment between supply and demand. Recycled content markets depend on both reliable supply and reliable demand. Supply issues are increasingly being addressed through policies such as extended producer responsibility for residential sources of plastic packaging waste. Collection and processing capacity, however, need to be matched by markets that can consistently use recovered material. Predictable demand can support investment in recycling capacity, while manufacturers need consistent access to material that meets their technical and commercial requirements. Recycled-content requirements are one policy option often cited that may encourage private investment in recycling systems¹.

Cost differences between virgin and recycled materials, quality and availability, technical and food-contact requirements, measurement and verification requirements, procurement practices, organizational readiness, infrastructure, investment and international trade can all affect whether recycled content can be used economically and at scale. ECCC has previously identified weak markets for recycled plastics, lower-cost virgin resin and insufficient recycling infrastructure among the factors affecting recycled-plastic use⁷.

Canadian manufacturers and retailers also operate within global supply chains. Approaches affecting recycled materials, domestic production or compliance costs therefore need to consider imported materials as well as imported finished products and packaging, while maintaining affordability and Canadian competitiveness.

Increasing recycled content is becoming an important plastics policy issue globally. Five U.S. states have enacted minimum requirements for selected packaging and products¹⁰; the European Union has established recycled content targets of 10% to 35% for plastic packaging by 2030, with higher targets by 2040⁸; and the United Kingdom taxes plastic packaging containing less than 30% recycled content⁹. South Korea¹¹, Brazil¹², India¹³ and Chile¹⁴ are also implementing requirements for selected applications. Information on the environmental and economic outcomes of these measures, as it becomes available, should provide useful insights for Canada.

4. What Has the Federal Government Already Explored?

Recycled content policy is not a new discussion in Canada. In April 2023, ECCC released a Regulatory Framework Paper following earlier consultations on potential recycled content and labelling rules for plastic packaging and certain single-use plastics¹⁴.

The framework paper explored potential minimum levels of post-consumer recycled content in applicable plastic packaging and waste bags, with compliance demonstrated through a mass-balance formula, record-keeping, and certification or verification schemes. The intent of the proposal was to strengthen demand and market certainty for recycled plastic, support a circular economy and reduce plastic waste and pollution¹⁴.

The 2023 framework represented previous policy exploration and consultation, not final government policy. ECCC's published Forward Regulatory Plan subsequently identified the recycled content regulatory initiative as on hold¹⁵. The earlier work nevertheless provides useful background on issues already examined and areas where further stakeholder discussion can add value, including in the upcoming workshop.

References

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