

A Global Look at Plastic Waste



October 15, 2020

HOUSEKEEPING

Everyone is muted upon entry

- This reduces background noise during the presentations.

Recording

- The slide presentations are being recorded and will be housed on RILA's RCC site for future views; no Q&A portions will be included in the recordings.

Posing a question/commenting

- Please use the Q&A box to pose questions or comments
- Questions and comments posed will go directly to the panelists and moderators.
- Questions will be answered after the conclusion of the speakers' presentation.

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Beveridge & Diamond Speakers



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October 15, 2020



Agenda

- Basel Convention on Trade in Plastic Waste
 - Changes in Rules for Plastic Wastes
 - Implications for Retail Sector
- Other International Trade & Global Treaty Updates
- Round Up of Key National Controls on Plastic Products

The background of the slide features a close-up, slightly blurred image of several clear plastic bottles. The bottles are arranged in a cluster, with some in the foreground and others slightly behind. They have various colored caps: black, white, and green. The entire scene is set against a solid, vibrant green background. The text is overlaid on this background, centered horizontally.

Background on the Plastics Challenge & Impact of Marine Litter Crisis

Plastics Leakage

Manufacturing & distribution



Use



End of life



Wastewater discharge
Accidental release
Loss of packaging at retail

Intended loss
Unintended loss
Accidental release

Littering
Loss from landfills

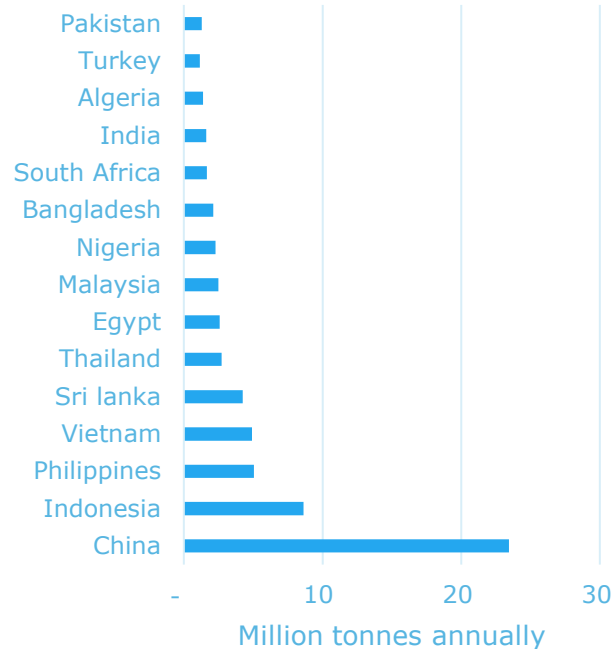
Wind
Stormwater
Direct deposit
Rivers



Economy & tourism
Environment & wildlife
Human health

Sources of Ocean Plastics

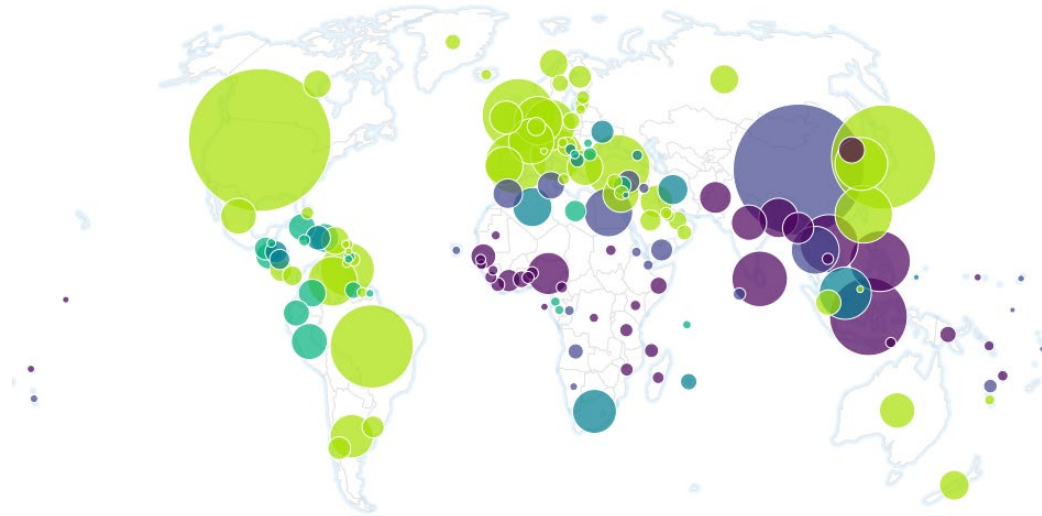
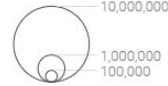
Inadequately Managed Plastic Waste



% of inadequately managed plastic waste

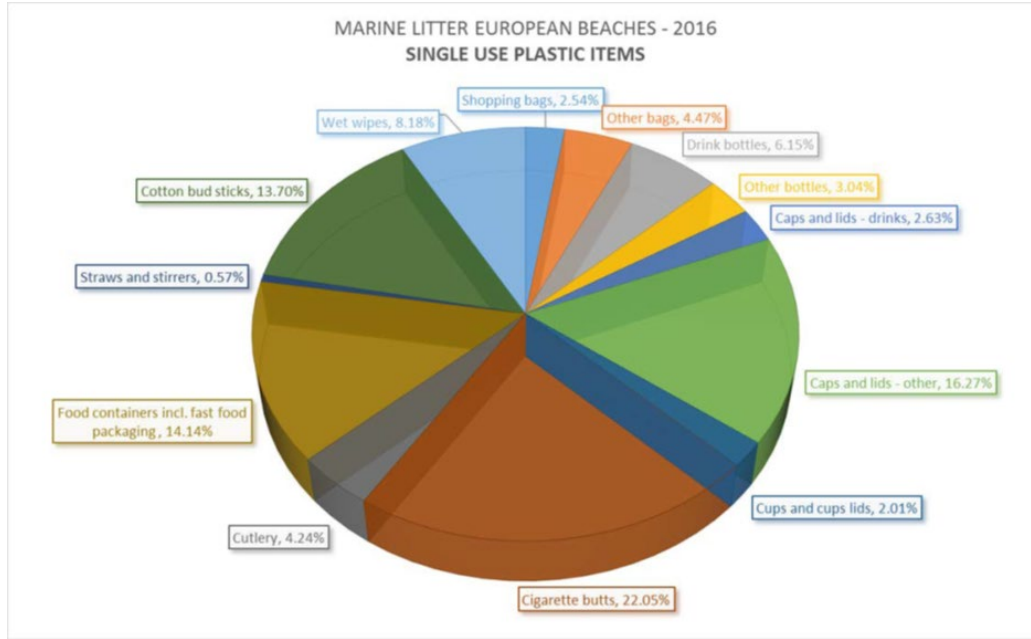
A horizontal color scale ranging from 0 (light green) to 80 (dark purple), with intermediate values at 20, 40, 60.

Tons of plastic waste generated annually



<https://www.unenvironment.org/interactive/beat-plastic-pollution/>

Most Common Ocean Plastics



European Commission, JRC Technical Reports: Top Marine Beach Litter Items in Europe (2017)

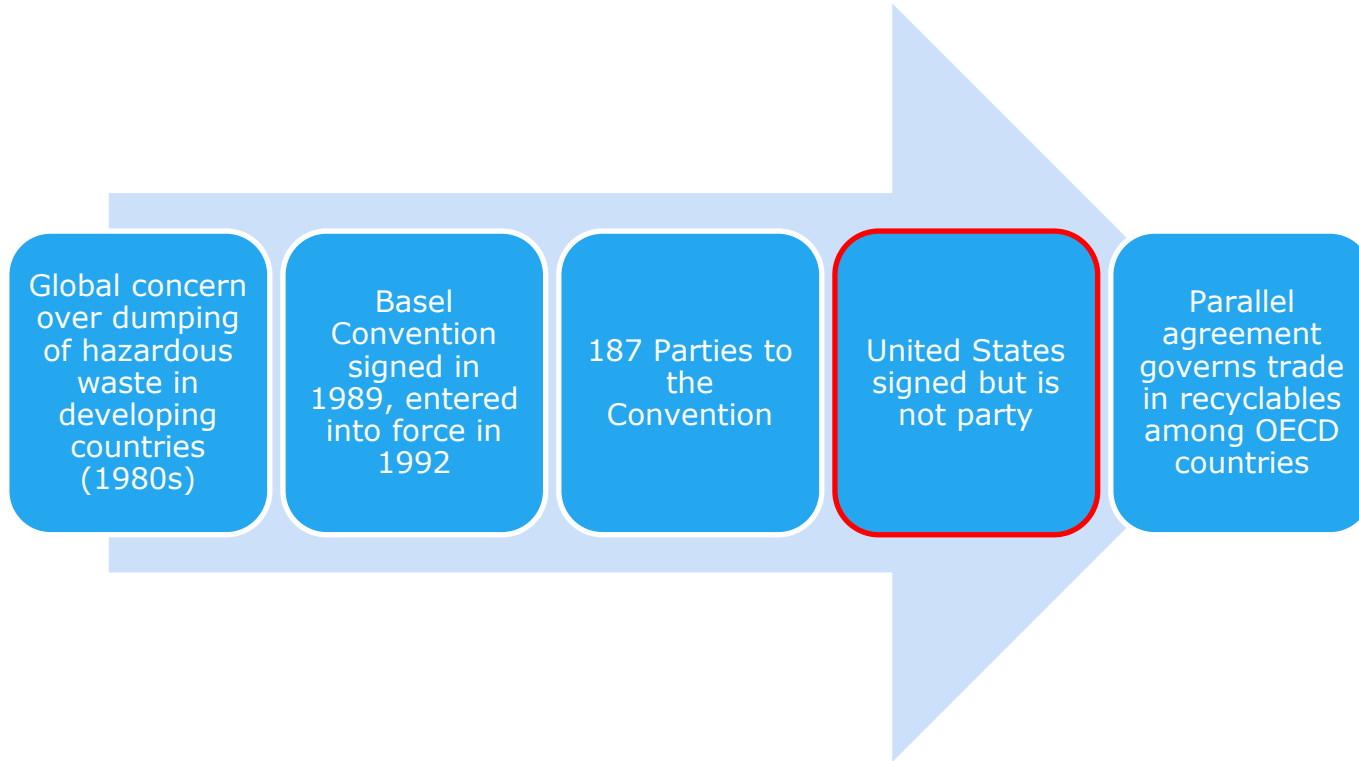


Ocean Conservancy and International Coastal Cleanup, Building a Clean Swell (2018)

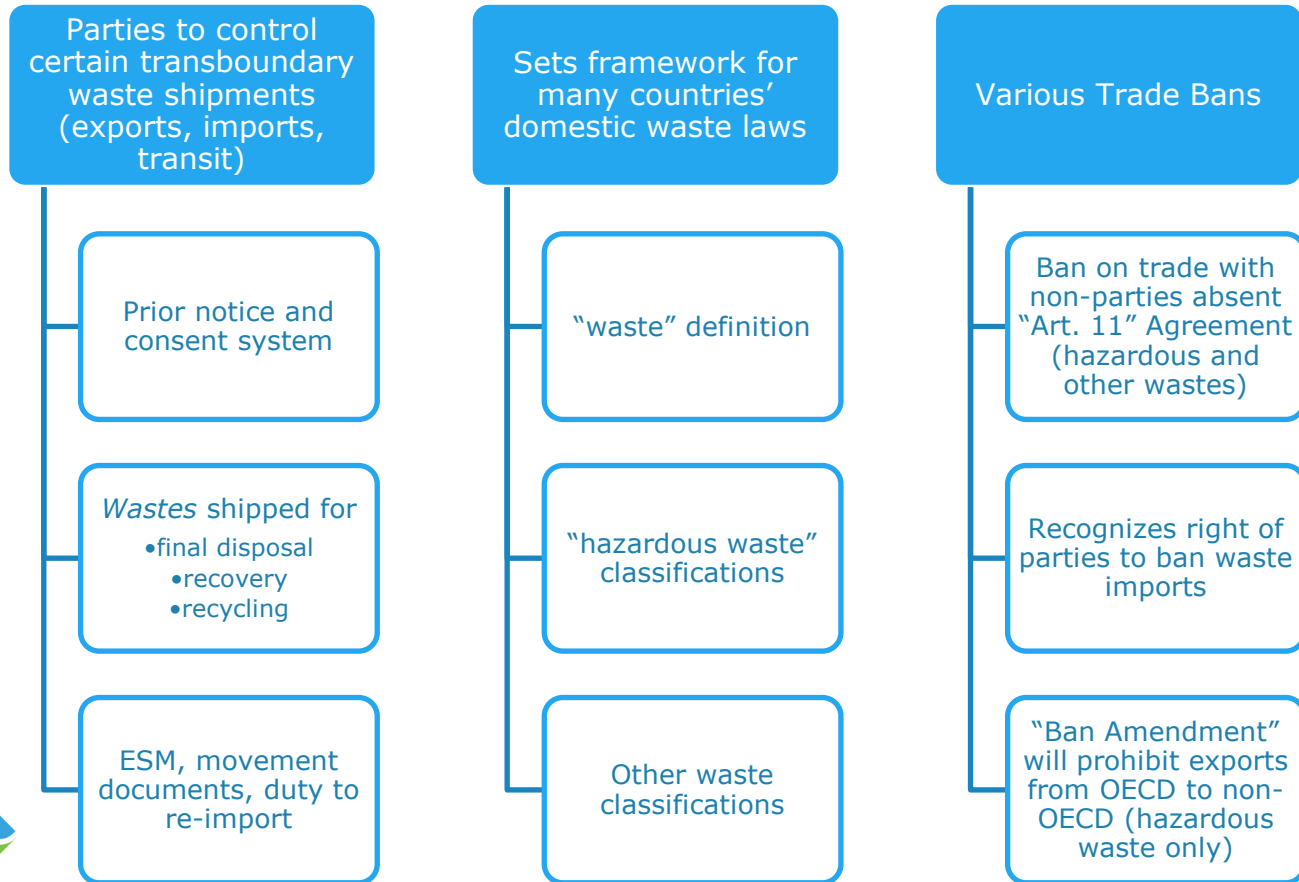
Basel Convention 101



Quick History



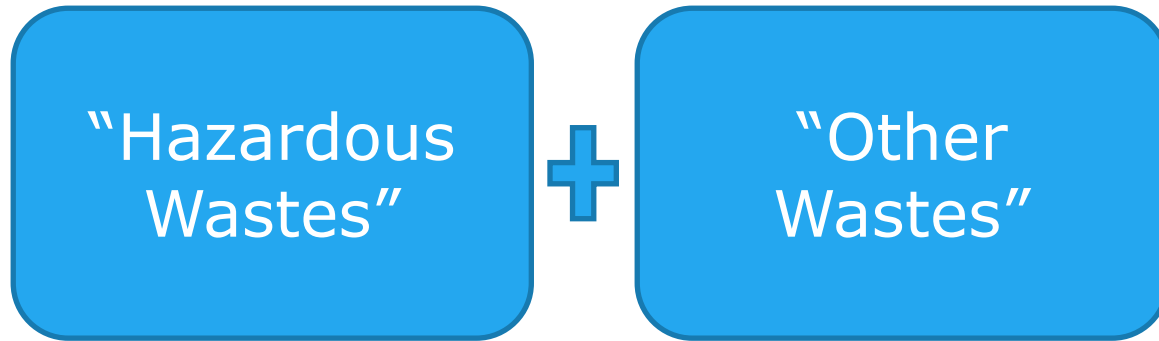
Basel Convention -- Overview



Why Does Basel Matter? Circular Economy!

- Defines controlled trade flows for wastes and secondary materials
- Highly influential for national waste laws (definitions & classifications)
- Cost and logistics for wastes subject to controls
- Party to non-Party trade ban (critical for U.S. as a non-party)
- Business uncertainty and disruption risk – massive delays (>1year) for consents
- Reputational risk – Informs NGO and investor expectations

Scope of Basel-Controlled Waste



What Are “*Other Wastes*”?

- Annex II -- Wastes Requiring Special Consideration
- Previously:
 - Wastes from households
 - Residues from incineration of household wastes
- Starting in January 2021:
 - Most plastic wastes will now land on Annex II

Regulating Trade in “Other Wastes”

- Almost all Basel control obligations for “hazardous wastes” apply equally to “other wastes”
- Only exception: Basel Ban Amendment
 - EU has extended Ban Amendment to “other wastes” as a matter of EU law

Plastic Wastes Amendment

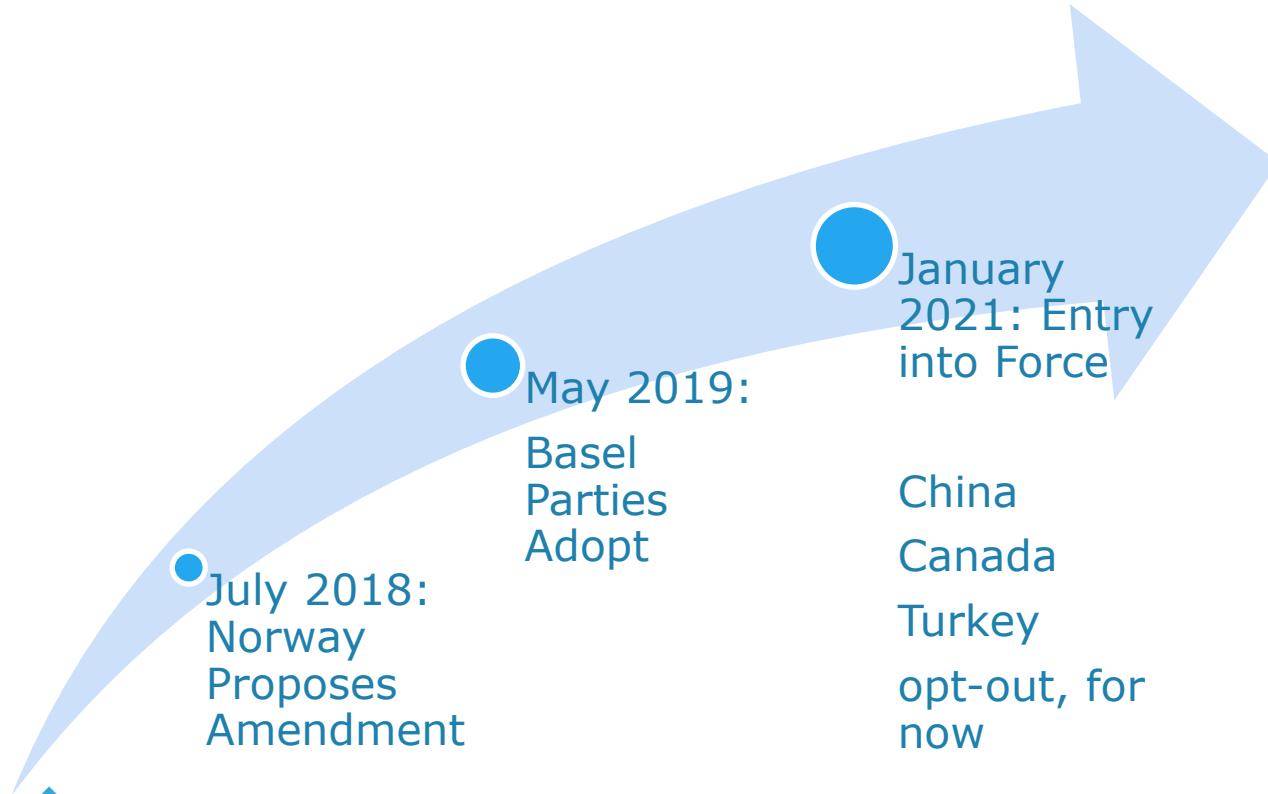


Plastic Waste Trade To Date

- Most plastic waste has been traded as *non-hazardous* waste
 - Outside scope of Basel Convention controls
 - Subject to national import controls



Basel Convention Amendment!



Plastic Wastes After Amendment

Annex II Y48 Other	Annex VIII A3210 Hazardous	Annex IX B3011 Non-Hazardous
All Plastic Waste not in Annex VIII or IX	If meet contain annex I constituent and possess Annex III characteristic	<p><u>Almost exclusively</u> consisting of single polymer, destined for <u>recycling</u>* in an environmentally sound manner and <u>almost free from</u> contamination:</p> <ul style="list-style-type: none">• Non-halogenated polymers (illustrative list)• Resins & thermosets (illustrative list)• Fluorinated polymers (exclusive list - no PTFE or ETFE) <p><u>Mixed</u> waste, only if PE, PP, or PET destined for “separate recycling” almost free from contamination</p> <p>*Recycling defined as R3 operation in Annex IV does not include “use as a fuel”</p>
Controlled	Controlled	Not Controlled

Implications?

- Stringent cross-border controls: costs and logistical impediments
- More national import bans
- Party to non-Party trade ban (critical for U.S. as a non-party)
- Business uncertainty and disruption risk

Impacts on Retail Sector?

Impacts of New Controls	Who is Affected?
New burdens on trade in plastic wastes	Bulk traders and recycling sector
	Manufacturers who move off-spec or secondary materials further processing
Constraints on easy access to plastic inputs for new advanced recycling facilities	Petrochemical and chemical manufacturers investing in advanced recycling facilities
Limits on availability of recycled plastics	Product manufacturers seeking to increase recycled content

A large number of blue plastic bottles are arranged in rows, filling the frame. The bottles have red and yellow caps. The text "Coming Next..." is overlaid in the center.

Coming Next...

NGOs claim this is not possible for:

1. Plastics that contain hazardous additives
2. Thermosets ("unrecyclable")
3. Fluorinated polymers ("hazardous emissions when thermally degraded")

Annex IX Non-Hazardous

Almost exclusively consisting of single polymer, destined for recycling* in an environmentally sound manner and almost free from contamination:

- Non-halogenated polymers (illustrative list)
- Resins & thermosets (illustrative list)
- Fluorinated polymers (closed list - no PTFE or ETFE)

Mixed waste, only if

- PE, PP, or PET
- destined for "separate recycling"
- almost free from contamination

***Recycling defined as R3 operation in Annex IV – does not include "use as a fuel"**

Not Controlled

OECD Negotiations on Plastics

- OECD Decision serves as “Article 11” agreement under Basel
- How will it reflect changes in plastics?
 - Basel amendments on plastics will not be automatically incorporated
 - U.S. objection and proposal
 - Ad hoc task team and negotiations on alternative listings



UNEA Global Negotiations on Plastic Wastes (and Plastics Generally?)

UNEA 3 (2017):

- Set goal: “Long-term elimination of discharge of litter and microplastics to oceans ... and avoiding detriment to marine ecosystems from marine litter and microplastics”

UNEA 4 (2019):

- Process-focused outcome:
 - Multistakeholder platform
 - Resolution on marine litter
 - Resolution on single use plastics

UNEA 5 (2021):

???

National Import & Export Restrictions

- Several countries have restricted imports of plastic wastes:
 - China
 - India
 - Indonesia
 - Malaysia
 - Vietnam
 - Thailand
- Countries returning illegal plastic waste shipments
- Countries considering banning exports of recyclable plastics

The background image shows a factory environment. In the foreground, there are several light blue plastic bottles with white caps, arranged in a row. Behind them, a large roll of blue material is being processed by a machine. The factory floor is visible with various equipment and structures.

Global Regulation of Plastic Products and Packaging

Regulation of Single-Use Plastics

- Arising from concern over ocean plastics, tourism
- Focus on banning and restricting plastics most commonly found on beaches and in the environment
- Includes products sold or produced by retailers – for example:
 - Plastic bags
 - Candy wrappers
 - Plastic bottles
 - Bags of chips
 - Cutlery, plates, etc.
 - Beverage containers
- Examples:
 - European Single-Use Plastics Directive
 - Chinese restrictions on production, sale or use of certain plastics
 - Canadian action on plastics
 - WRI/UN report on bag restrictions

Regulation of Plastic Packaging

- Focus on extended producer responsibility
 - Product stewardship and take-back
 - Product design mandates
 - Labeling and marking
 - Advanced recovery fees
- With varying breadth; can include all packaging or certain categories
- Could cover packaging for products sold or produced by retailers
 - Potential reporting requirements for retailers
 - In addition to obligations on manufacturers, importers, etc.

EU Single-Use Plastics Directive

- Part of Plastics Strategy under Circular Economy Plan
- Targets the top 10 types of products and packaging most frequently found polluting European beaches (and fishing gear)
- Employs a variety of tools and controls
- Complements recycling and recyclability targets, research investments, packaging directive

EU Single-Use Plastics Directive

Plastics Covered

- Cutlery, plates, straws, stirrers
- Food containers, packets, and wrappers
- Beverage cups and containers
- Tobacco products
- Wet wipes and sanitary items
- Balloons and balloon sticks
- Plastic bags
- Cotton buds

Tools & Controls

- Ban on certain products
- EPR obligations
- Awareness-raising
- Labelling
- National consumption reduction
- Product design requirement
- Collection target

Canadian Action on Plastics

- Declared plastics toxic under Canadian Environmental Protection Act
 - Effects on environment, biological diversity, human life or health
 - No immediate obligations
- With toxic substance designation, proposing:
 - Single-use plastics ban
 - Recycled content requirements
 - National extended producer responsibility system
- Comments on proposed approach accepted through December 9, 2020

Canadian Action on Plastics (Proposed)

Plastics Covered

- Plastic checkout bags
- Stir sticks
- Six-pack rings
- Cutlery
- Straws
- Food service ware made from problematic plastics
- Potentially broadened categories of plastics for recycled content (e.g., all packaging, electronics) and EPR (all major sectors generating large amounts of plastic waste)

Tools & Controls

- Ban or restriction on use on as early as 2021
- Recycled content requirements
- Consistent national EPR obligations

Chinese Restrictions on Plastics

- On January 19, 2020, China Ministry of Ecology and Environment and National Development Reform and Commission jointly issued an **Opinion on Further Strengthening Plastics Prevention and Control**
- Prohibits/restricts the production, sale, and use of some plastic products in certain regions and industries
- Complements import restrictions, EPR promotion, circular economy laws

Chinese Restrictions on Plastics

Plastics Covered

- Ultra-thin plastic shopping bags and non-degradable plastic bags
- SUP tableware, cotton swabs, straws
- Household chemical products containing plastic microbeads
- SUP supplies in the hospitality industry
- Plastic packaging in express delivery
- Plastic products from medical waste

Tools & Controls

- Prohibition or restrictions on production and sale
- Prohibitions or restrictions on use

Looking Ahead



Influence of Global Developments

- U.S. state and federal legislative proposals already reflect European Single-Use Plastics Directive
 - Federal Break Free From Plastic Pollution Act
 - California circular economy bills, ballot initiative
- States increasingly focusing on EPR for packaging
- Bilateral agreement negotiations with Canada

Looking Ahead

Retail industry will continue to be affected by the growing restrictions on plastics.

Single-use products and packaging will be banned, subject to EPR, etc.

Import restrictions may present challenges to meeting PCR commitments

Domestic U.S. legislation may evolve to reflect international trends

International negotiations may drive broader global controls on plastics

Most immediate



Least immediate

Possible Future Challenges

- Expanded scope of regulated products and packaging
 - Additional product categories
 - Broader range of materials
- Focus on exposure to microplastics through food, apparel, consumer goods, etc.

Discussion & Questions



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What Are *Hazardous Wastes*?

Wastes Deemed Hazardous by Convention

- Wastes containing constituents listed in **Annex I**, or listed as Annex I waste stream
- *unless* the waste does not possess hazardous characteristics listed in **Annex III** (e.g., corrosive, toxic)



Wastes Deemed Hazardous Under National Law

- National definitions and testing procedures govern
- Many developing countries have national waste legislation that track Convention

- Wastes listed on Annex VIII are *presumed hazardous*

- Wastes listed on Annex IX are *presumed non-hazardous* –
 - Until now, included “Solid Plastic Wastes (prepared to specification)”

Ambiguities

- Risk of inconsistent party interpretations
- Unclear terms
 - “Almost exclusively” a single polymer – stabilizers/additives??
 - “Almost free from contamination”
 - Single polymer must be destined for only for recycling specified as disposal code R3 in Annex IV. Will that include advanced recycling?
 - Mixed waste in Annex IX must be destined for “separate recycling” – does that include advanced recycling?
 - In an “environmentally sound manner”
- Review of Annex IX listing for resins and “fluorinated polymers” – fresh look at COP in 2021

Basel “Ban Amendment”

- Adopted in 1995
- Entered into force last year
- Prohibits exports from developed to developing countries
- Applies to “hazardous wastes” defined under Art. 1(1)(a) (not to “other wastes”)
- Already implemented by EU and others

QUESTIONS

Submit questions to the Q&A box

RCC UPCOMING WEBINAR



Zoom In, Zoom Out on Compliance

November 5 at 3 PM EDT

THANK YOU