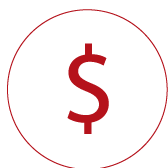


PRIME TIME NEWS



— A Brief Look Inside Canada's Coatings Industry —



ECONOMIC IMPACT



CANADA CoatingsHUB



ISSUE MANAGEMENT



ADVOCACY



BLOG

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NOVEMBER 2020

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ACTUALITÉS PRIME 
HEURE

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“

To successfully work with other people, you have to trust each other. A big part of this is trusting people to get their work done wherever they are, without supervision.

Sir Richard Branson

CPCA'S LATEST ADVOCACY EFFORTS

- Canadian Paint Manufacturers Found Fully Compliant with 2-butoxyethanol Regulations
- Use of OIT Reinstated in Paint and Coatings Products in Canada
- Member Input Sought on Proposed Decisions for Six Paint Preservatives
- PMRA Accepts Terms of Reference for Start of a New Coatings and Adhesives Working Group
- ACA and CPCA Urge RCC to Resolve U.S. - Canada Paint Biocides Misalignment
- Final PMRA Decision to Cancel All Uses of Pentachlorophenol and its End-use Products in Canada Expected Next Year
- US EPA Could Ban or Further Restrict the Use of Important Paint Preservatives (DBNPA, Sodium Omatine, ITAs)
- CPCA Participates in Series of Consultations on Integrated Management Strategy for Plastic Products
- CPCA and ICG Risk Management Sub-committee to Submit Comments on Integrated Management Strategy for Plastic Products
- Members Consulted on Significant Changes to the Amended Explosives Regulations
- Members to Participate in Webinar Supporting Viable Supply Chains for Critical Minerals in the US and Canada
- Government of Canada Investing in New Research Projects to Improve Safe Transportation of Dangerous Goods in Canada
- CPCA Continues to Update Members on National and Provincial COVID-19 Measures
- Members to Participate in Next Paint and Coatings Working Group Virtual Meeting with Government Officials

PLEASE NOTE: Should members require further information on any of the above or other items included in this newsletter they can search them on the CoatingsHUB or contact CPCA directly.



INSIGHT
CANADA'S SOURCE FOR
INDUSTRY INSIGHTS IN
THE PAINT & CASE SECTORS

*CPCA'S Annual Guide & Director for 2021
will soon be available. Complete with market
updates, the latest on industry issues, and more...*

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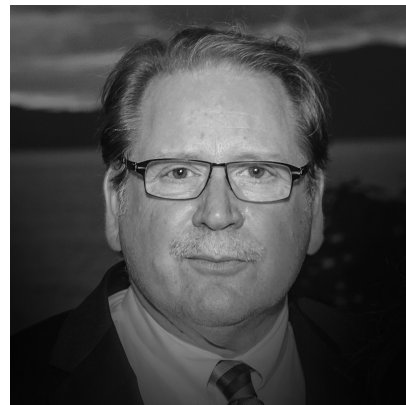
AND COATINGS
ASSOCIATION

DE L'INDUSTRIE DE LA PEINTURE
ET DU REVÊTEMENT

INSIGHT
CPCA'S ANNUAL GUIDE & DIRECTORY 2021

PRESIDENT'S MESSAGE

As you will see in the sections of this newsletter, our industry is facing increasing challenges as the federal Government takes a hard left turn on a green new deal or government reset, whatever that means. It seems to mean the chemical industry and all the downstream products on the shelf could be in for a rough ride. If so, that means manufacturing jobs and trade will be severely and negatively impacted. This is the message now being delivered to the federal government not only by many companies and groups in Canada representing the manufacturing sector, but by many in the United States as many sectors are intertwined and integrated with Canada across the largest trading block in the world. The big question is, will the concerns being raised be heard as the current federal government seeks to 'modernize' the Canadian Environmental Protection Act (CEPA), which many have now interpreted as imposing more restrictive regulations on the chemical sector. This is being done despite the recent approval of a new trade agreement, the USMCA, and despite the fact that the pandemic will require years for those companies to get back on their feet. It is time for all those affected to speak up. It's no secret that the environmental groups have been pressing for this approach for a long time and has now secured a willing partner in this federal government. What that will mean in terms lost opportunity, jobs and cost has yet to be calculated.



It is unfortunate that this is happening while many of the companies affected will be trying to get back on their feet over the next several years and beyond. And, they will be subject to greater levels of taxation to pay for the costs of getting through the pandemic. The latter is to be expected and understood, but kicking an industry while it is down and trying to get back on its feet is quite another thing.

Despite the fact that a former Minister of Finance, three Ministers back, received a report showing that the federal government was over-regulating with more than 130,000

an 'F' for not responding to the report in a substantive way. It noted that dealing with over-regulation remains critical and that "business productivity, innovation and Canada's economic growth depend on it." It can be viewed at: www.regulatesmarter.com. It should be noted that thousands of those regulations are in the chemical sector, and that includes many in the paint and coatings sector of course.

We know that the chemical industry has been undergoing chemical assessment under CEPA for the past 15 years and has been assessing more than 2,300 chemicals in commerce with a view to restricting use and/or banning them based on a rigorous science-based assessment. Industry has supported, and continues to support, that massive effort and has spent literally hundreds of millions of dollars to comply with the assessments and eventual regulations flowing from that process. That is only one program under which the chemical industry must comply with countless regulations in other departments, under other Acts of Parliament. Many of those continue to evolve over time under various departments and agencies. The bottom line is, industry is fully compliant and responsive to the ongoing oversight imposed by those regulations. Industry is fully aware that future assessments of chemicals in commerce will be conducted by the federal government through a narrower lens, which will mean more restrictions and bans.

Given the foregoing, industry is now challenging the Government's recently announced intent to 'modernize' CEPA by adding 'manufactured plastic products' to Schedule 1. As such, it will designate 'manufactured products' as toxic for the first time ever. The use of 'toxic' terminology in Schedule 1 has long been the source of considerable confusion across industry supply chains. But, it has been directed at 'substances' of concern, not 'manufactured products.' It has stopped critical scientific information from getting into the hands of government assessors to make more informed decisions on a chemical composition and the degree of toxicity and related exposure, as defined under CEPA. This has been especially troubling for international suppliers who are often not fully informed about CEPA and its many, and sometimes unique, compliance requirements. As a result, this leads to unnecessary restrictions and bans on substances used in a wide range of products.

What industry needs to be competitive is clearly stated and explicit terminology as to why, where and how exposure to a specific substance is deemed toxic, under certain chemical applications and processes, etc. It must avoid a broad scope application for government assessors when making toxicity declarations. It must 'not' be used to declare a restriction or ban for all "plastic manufactured products." If so, one can only imagine future bans of other 'manufactured' products in Canada. If such a broad-brush approach or scope is meant to cripple the chemical sector in Canada, then government will have succeeded in a major way, if this is the new normal for chemical assessment.

Gary LeRoux
President & CEO



NOW LIVE

CPCA's CMP SUBSTANCE DATABASE

CPCA's Substance Database is NOW LIVE on the Canada CoatingsHUB, complete with over 1,100 CASE related chemicals, sorted by CAS-RN, providing members the current status on chemicals in commerce and any changes being considered.

*To book a training session
contact mditullio@canpaint.com*

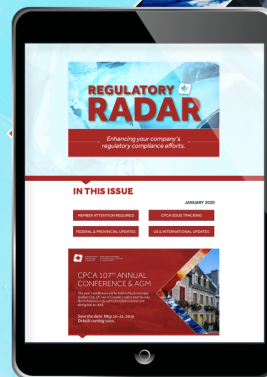


REGULATORY RADAR

WHAT MEMBERS READ TO STAY
AHEAD OF REGULATIONS

The RegulatoryRADAR is Canada's premiere publication for the coatings industry. Get this 'member only' publication for better outcomes for your business.

*To learn more visit canpaint.com or
contact CPCA to become a member!*



CPCA REPORT

Annual CPCA Conference & AGM Postponed to Spring 2022

The CPCA Board Of Directors has decided to postpone the 2021 CPCA Annual Conference and AGM to Spring 2022 in light of the COVID-19 pandemic. The likelihood is that widespread vaccination of Canadians will not be complete until late 2021. Postponing the event is based on the fact that travel restrictions will still be imposed in early 2021 by member companies out of concern over the health of their employees. CPCA regrets this necessary decision and will get back to in-person conferences when it is safe to do so as nothing can replace the need for industry to come together and network, face-to-face, regularly. However, The Board is exploring options for staging a virtual event of some kind in 2021. Members will be informed

Ban of OIT Reversed in Paint and Coatings, Other Label Rates Increased for Caulks, Sealants, Aqueous Emulsions, and Adhesives

Following extensive joint industry efforts by CPCA leading to the submission of overlooked data provided by CPCA members who are also members of the Center for Biocide Chemistries and the American Coatings Association, the federal government's Pest Management Regulatory Agency (PMRA) reversed its ban for octhilinone (OIT) and reinstated its use in paint and coatings at slightly lower - but sufficiently efficient label rates - in Canada. OIT is a critical ingredient used for the preservation of paints and stains. The decision to ban OIT was based on a final re-evaluation of OIT that came into effect on May 31, 2019. CPCA advocated strongly for this decision to be revised over the past two years and continued pressing for it after the ban took effect. This decision will support industry's ongoing innovation efforts and will ensure consumers can continue to use paint products with the level of performance they have come to expect from strong, recognizable brands sold by CPCA members across Canada. It reaffirms the Canadian paint industry's continued commitment to the safety of its waterborne products and extended product stewardship in a circular economy, with more than 28 million kilograms recycled in Canada in 2019.

Canadian Paint Manufacturers Fully Compliant with 2-butoxyethanol (2-BE) Regulations

The 2-BE Regulations that were published in 2006 set limits on the concentration of 2-BE in many cleaning and paint/coating products designed for indoor use. ECCC undertook a performance study evaluation of this regulation in 2020 and recently shared the results of its evaluation with CPCA. Canada's Architectural paint manufacturing sector is showing full compliance with zero products sold with 2-BE in excess of the limits and 81 percent reduction in products containing any 2-BE whatsoever.

Health Canada Follows Up on Public Comments Received on Turpentine and Turpentine Oil

The CMP draft screening assessment report and risk management scope document for Terpenes & Terpenoids Group 1: Acyclic, Monocyclic, and Bicyclic Monoterpenes were published in March 2020. Turpentine and Turpentine oil were among the five substances in the group to be proposed toxic. Health Canada wants to update its understanding of current commercial activities related to these two substances at hardware/home improvement retail stores and in craft stores/art supply stores in Canada. The lack of information may result in the use of conservative assumptions and risk management measures. CPCA submitted comments last spring providing strong evidence of very little use of turpentines in Architectural paint and paint thinners/strippers sold for consumer consumption in Canada, and by extension, in industrial/automotive paint sectors. CPCA recommended that any future risk management measures clearly target non-Architectural uses for remaining consumer products (i.e. thinners, removers, multipurpose solvents) still containing

Federal Government Updates Draft Screening Assessment Report for Three Substances in the Organic Flame Retardants Group

The updated report proposes melamine, TCPP, and TDCPP to be toxic to human health and recommends their addition to Schedule I of CEPA, 1999. Significant new information recently became available regarding dermal exposure to products available to consumers, specifically foam products (and any textile back coatings) containing melamine, TCPP, and TDCPP. These products are targeted in the risk management scope documents. Melamine is used in the manufacture of melamine-based resins for application in laminates, plastics, and paints and coatings. Meanwhile, uses of TCPP and TDCPP include flexible foam products, paints, and sealants for electrical and mechanical applications. Any CPCA members concerned with the toxicity declarations and proposed additions of these substances to Schedule 1, have been invited to share their comments prior to mid-December.

October Marked Eighth International Lead Poisoning Prevention Week

This prevention week is an initiative of the Global Alliance to Eliminate Lead Paint, jointly led by the UN Environment Programme and the World Health Organization and the World Coatings Council. It intends to draw attention to the need for action on lead paints and other sources of lead exposure.

World Coatings Council Conducts Survey on Sustainability in the Coatings Industry

All members of the [World Coatings Council](#) responded to the survey with the goal to assess and prioritize sustainability issues for the coatings industry in relation to key aspects such as business model and innovation, human capital, leadership & governance, environment and social capital. Among the top achievements stressed by the global industry were employee health and safety, customer satisfaction, product safety and stewardship, and compliance and anti-corruption. The remaining top challenges identified for further action were waste and hazardous materials management and responsible supply chains. It was agreed by all that circular economy and all related concepts are still very new around the world and many governments are just beginning the conversation in an aspirational sense, while many SMEs find it difficult to relate to the topic. The WCC will continue to interview industry representatives and stakeholders, analyze these findings and plan to publish a WCC sustainability report and a best practice database in the summer of 2021.

Highlights from Orr & Boss' Monthly Economic Update on Global Coatings Market

The global decorative coatings market is estimated to grow by 2 per cent and Industrial coatings are expected to decline by 5 per cent. In 2021, the global coatings market should increase by 5.4 per cent with decorative coatings increasing by 4.5 per cent and with industrial coatings rising by 6.3 per cent. North American's decorative coatings growth is expected to be 2.5 per cent and non-decorative growth



Please consult the CPCA [Canada CoatingsHUB](#) for more details on each topic.

MEMBER RECOGNITION

PPG Awarded Adhesive and Sealant Council's 2020 Innovation Awards

PPG's PR-2930 is a state-of-the-art structural adhesive technology that provides composite armour systems with unparalleled performance in the harshest operating environments. Through innovative material design, PPG researchers were able to push performance boundaries to achieve high flexibility without sacrificing overall adhesive strength and material's toughness.

Hempel Receives Vestas' Sustainability Award 2020

After a long-term collaboration, [Vestas and Hempel](#) recently extended their relationship to a strategic partnership focusing on developing innovative solutions for surface protection of wind turbines. "To receive this prize from Vestas, a true sustainability frontrunner, is a great honour, and an acknowledgement of Hempel's aspiration of being the trusted sustainability partner for our customers," said Lars Petersson, group president and CEO, Hempel.

Laurentide Wins the Desjardins VERT L'AVENIR Award

The award was presented at the [Gala Distinction 2020](#) put on the by [Commercial Chamber of Shawinigan](#). This award recognizes companies that are very mindful of their ecological footprints and strive to find solutions for environmental problems. The gala ceremony will be held on December 10. In the same vein, Laurentide plans the launch of a new improved brand with an innovative colour system in 2021.

PPG Executive VP Named Among 100 Leading Women in NA Automotive Industry

Rebecca Liebert was named one of the [100 leading women in the North American automotive industry](#) by Automotive News magazine. Liebert joined PPG in 2018 and leads the company's global industrial operations and automotive OEM coatings business, including mobility initiatives. She also oversees the company's business activities in the Asia Pacific region and has functional responsibility for global procurement.

BASF Receives Three Impressive Awards

BASF wins several important awards for products and worker safety, namely, the "[CIIF New Materials Award](#)" and the "[Best Catalyst Technology](#)" & WSIB Award for Best Health & Safety Culture. BASF has received the 2020 "CIIF New Materials Award" focusing on

Technology” for its Fourtune™ FCC catalyst at the 2020 HP Awards. Fourtune is the latest product based on BASF’s Multiple Framework Topology technology, which is optimized to deliver superior butylene over propylene selectivity. BASF Canada was named one of Canada’s Top 100 Employers for the 7th consecutive year.

CPCA Wants to Share your Success Stories

If your company receives an award or special recognition, please inform CPCA!



CPCA Monthly Report on M&A and Distribution Agreements, Available on the Canada CoatingsHUB (Members Only)

A photograph of a sunlit forest with tall trees and sunlight filtering through the canopy. Overlaid on the right side is a green box containing text and logos. At the top right of the box are the logos for the Canadian Paint and Coatings Association (CPCA) and the Association Canadienne de l'Industrie de la Peinture et du Revêtement (ACIPR). Below these is the headline "CREATING CLEANER AIR ONE TREE AT A TIME!". A paragraph follows, stating that CPCA is a proud supporter of Tree Canada, providing yearly donations on behalf of CPCA and the entire Membership to support CO2 sequestration and reforestation efforts. At the bottom of the box are the logos for TreeCanada and ArbresCanada.

CANADIAN PAINT AND COATINGS ASSOCIATION ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA PEINTURE ET DU REVÊTEMENT

**CREATING CLEANER AIR
ONE TREE AT A TIME!**

CPCA is a proud supporter of Tree Canada. Providing yearly donations on behalf of CPCA & the entire Membership which contribute to the sequestering of Co2 and reforestation efforts across Canada.

TreeCanada ArbresCanada

SUSTAINABILITY

Dow Makes Strides with Introduction of New Substances

Dow recently introduced its **first recycled plastic resin** for shrink film applications in North America and new high performance silicone additives for waterborne wood coatings. The recycled plastic resin, which is designed specifically for retail and logistic shrink film applications, expands Dow’s circular technology portfolio to help more customers and brands achieve their sustainability goals. Dow also introduced three new-generation performance additives based on silicone chemistry supporting high durability, longer-lasting, more sustainable waterborne wood coatings.

PPG Seeks EPA Approval for Antiviral Paint

PPG is working with Corning Incorporated to get EPA approval on a paint that reportedly kills more than **99.9% of SARS-CoV-2, the virus that causes COVID-19**. The

“Cobalt for Development” Project Starts Training for Mining Cooperatives in Congo

The cross-industry initiative “[Cobalt for Development](#)” has started training for responsible mining practices in twelve artisanal mining cooperatives in Kolwezi, Democratic Republic of Congo. This includes mine site management and legal compliance, human rights, health and safety as well as environmental management. BMW, BASF, Samsung SDI and Samsung Electronics had initiated the project.

Experts Interview: Wood Coatings and Sustainability

Wood is seen as one of [the most sustainable building material](#) for all kinds of products. To live up to these expectations, wood coatings have to be as sustainable as possible. For instance, [BASF](#) recently introduced a portfolio for protective wood grain enhancement. The water-based 1K systems protects and highlights the beauty of wood while meeting sustainability needs.

Rice University Researchers Create Graphene from Recycled Plastic

This [ACDC process](#) mixes post-consumer plastic with carbon black, and then processed into turbostratic graphene via times pulses of AC and DC electricity.

Additional Reading

First Structure of Its Kind in the World

Recycled glass is the latest ingredient in the [Darwin Bridge Construction Project](#) on Nuns’ Island in Montreal.

- [Janus Particles Could Hold the Key to More Sustainable Coatings](#)
- [BASF CEO: Chemicals Key for European Decarbonization and to Benefit European Green Deal](#)
- [New eBook from Enel X, “Becoming a More Sustainable Value Chain Partner”](#)
- [Global Forum on Environment: Towards Cost-effective Management Systems for Industrial and Consumer Chemicals, November 3-4](#)

TECHNOLOGY & INNOVATION

Plastic Waste-to-graphene Method Gets an Update

[Rice University researchers](#) have modified an electrical technique to convert plastic waste into turbostratic graphene. The updated method involves using a different sequence of electrical pulses to increase the quality of the graphene, which is used to enhance concrete, composites and other materials.

lighting materials. The balsa wood was treated with a solution to remove lignin and about half of the hemicelluloses and was infused with a solution containing quantum dots. After compressing and drying it, a hydrophobic coating was applied. The result was a water-resistant wood film with excellent mechanical properties and the quantum dots emitted, scattered an orange light under UV light, that spread evenly throughout the film's surface.

New Photosensitive Haptic Coatings for Athletic Footwear

Highly photosensitive coating layers can be developed based on graphene oxide (GO) nanoparticles. The GO-doped haptic layers show high transparency and are nearly colourless. When exposed to natural sunlight or artificial UV light, the GO nanolayers start a chemical reduction process, and dark black reduced graphene oxide nanolayers are produced. By using masking devices, the coating can be partially exposed to UV light, and design patterns can be created by selective UV exposure. It can also incorporate iridescent special-effect pigments.

A 40-year-old Catalyst Unveils Its Secrets

The old "Titanium silicalite-1" (TS-1) catalyst converts propylene into propylene oxide, which is used to make PU. Findings by a team of scientists from ETH Zurich, the University of Cologne, the Fritz Haber Institute and BASF will help catalyst research take an important step forward showing that homogeneous catalysis also applies to heterogeneous catalysis. The hydrogen peroxide is shown to be activated by a titanium pair. The team is convinced that it will help develop new homogeneous and heterogeneous catalysts.

Aluminum Triphosphate-containing Intumescence Flame-retarding Coatings

An easy preparation of flame-retarding coatings using aliphatic waterborne polyurethane as the binder at a dosage (2 wt%) of aluminum triphosphate (ATP) exerts an enhanced flame resistance, increasing E_d from 26.33 to 39.38 kJ mol⁻¹ corresponding to the stage of 95–215 °C.

New Painting Method for All Industry Sectors

The EcoPaintJet applicator increases painting efficiency and offers companies more options when it comes to product design. Overspray-free painting, it applies parallel paint jets using a nozzle plate.

Additional Readings

- US EPA Approves Corning® Guardiant® Antimicrobial Paint and Coatings Killing More Than 99.9% of SARS-CoV-2 in Two Hours or Less
- PPG Introduce Improved Performance Material for EMI/RF Shielding
- Enhanced Weathering Performance of Epoxy/ZnO Nanocomposite Coatings

ECONOMIC NEWS

National Bank's November Economic Forecast

With the second wave of Covid-19 well underway in Canada, **an economic soft patch cannot be excluded** in the near term. Though the curve of new cases in Canada is much more encouraging than in other developed countries, we are not safe from a possible economic downshift. Based on recent monthly indicators on the upside, the growth scenario is upwardly revised for 2020 (-5.5% vs. -5.7% previously). Next year forecast was revised upward (4.3% vs. 4.1% previously) as there is now a light at the end of the tunnel (i.e. vaccines) which could further support business and consumer confidence next year.

COVID-19 Price Fluctuations and Availability for Key Raw Materials in Adhesives and Sealants Industry

The geographic location of the supplier is a key consideration, with China and India being the most challenging. Adhesives and sealants are sensitive to **crude oil prices which have experienced their third price collapse in 12 years**. See specific forecasts for ethylene, propylene, VAM, butadiene, styrene.

New Canadian Privacy Legislation on the Horizon

The government proposed Bill C-11, or the **Digital Charter Implementation**, which includes some hefty fines for companies for violations – up to 5 per cent of their revenue or C\$25 million, whichever is higher. The Act would increase protections for Canadians' personal information by giving citizens more control and greater transparency from companies handling their information. The Act addresses consent, data portability, consumer control over their "online identity" and disposal of personal information, as well as de-identification rules. The Privacy Commissioner would have broad order-making powers, including the ability to force an organization to comply and the ability to order a company to stop collecting data or using personal information.

Publication of the General Industrial Coatings - Canada - 2020 Report

The in-depth 2020-2024 reports focus on the top country markets worldwide for general industrial coatings and include detailed key data points including market shares, product segments, and prices/values. There is one for Canada. The product coverage includes: Coil & Extrusion: Building, appliances, automotive components, cans, etc.; Metal Packaging and aerosols, etc.; Road Markingpaints including thermoplastics.

Conference Board of Canada: How Industry Deals with Technology Change in Pandemic Recovery

The CBoC surveyed 683 IT leaders and practitioners to understand how **Canadian or ganizations are handling the pandemic**.

Green Forum

Minister Wilkinson participated virtually to highlight Canada's commitment to exceeding the 2030 Paris Agreement target and to achieving **net-zero emissions by 2050**. The Milano Green Forum, a free event-lab that take place annually to focus on environmental protection, to share skills, good practices, and solutions and to form and inform through dialogue with different social players.

Canadian Economic Indicators

Standalone Monthly SAAR of Housing Starts Reached 214,875 Units in October, an increase of 3.0 Per Cent from September

The **urban starts increased by 3.5** per cent in October, meanwhile, single-detached urban starts rose by 14.3 per cent.

Total New Light Vehicle Sales Reached 156,095: Slipped by 2.1 Per Cent in October after Briefly Getting Back into Positive Territory in September

But the market is showing signs of stability, compared to the **unprecedented level of sales decrease** witnessed earlier this year.

Additional Readings

- [How to Cut Production Costs of Assembly with Software-Driven Automation](#)
- [How to Rapidly Optimize Warehouse for eCommerce](#)
- [Graphene Nanotube Solutions Expands to Canadian, Mexican Markets](#)
- [ResearchandMarkets' Edition of the Advanced Coating & Surface Technology Opportunity Engine \(Innovations to Self-healing Liquid Crystal and Antimicrobial Coatings and Self-cleaning, Superhydrophobic Products\)](#)



Please visit the CPCA CoatingsHub for additional news in the [Management Information Resource](#).

INTERNATIONAL NEWS



Open the [Monthly Report](#) on International Market Research for the Paint and Coatings, Adhesives and Sealants Industry.

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