



PRESIDENT'S MESSAGE

In April the federal government tabled proposed amendments to CEPA seeking to alter the way chemicals of concern are assessed, which currently is a scientific, risk-based approach under Canada's Chemical Management Plan. CPCA members were fully briefed on those proposed amendments and highlighted several concerns to be considered as the government moves forward on those amendments. Many believe that an election could be called before those amendments are fully considered by a Parliamentary Committee. Surely, those around that table will have to give some credence to the importance of a science-based approach for risk assessment and risk management. That approach has served Canada well for the past fifteen years with several thousand substances fully assessed, all based on science.

Recall that early in this federal Government's mandate they touted the importance of evidence-based decision-making related to their policy and programs. It's now hoped they will return to that professional approach soon. However, they ignored many problems associated with their own scientific assessment of plastics, as pointed out by multiple industry groups, and proceeded with adding 'manufactured' plastic to Schedule 1 of CEPA anyway.

This unprecedented approach on plastics could have grave implications for the economy, including the coatings industry. The government added "plastic manufactured items" to Schedule 1 of CEPA, which gives a 'toxic' designation for substances listed on Schedule 1. CEPA's focus has been on chemical 'substance' assessment, not 'manufactured' products. This was done ostensibly to follow through on bans for certain single-use plastics already identified as the initial targets of this government. However, it overlooks the negative impact this will have on a valuable resource that can be recycled in a circular economy, rather than designated toxic and banned outright.

It may have other far-reaching implications given that it could also target other 'manufactured' products and the chemicals that make up those products. This decision was made despite the fact that 171 groups, both associations and corporations, filed a formal Notice of Objection to halt such an action, while only 17 groups filed comments supporting the action. The latter were mostly ENGOs.

The lack of strong scientific data combined with minority support for a policy seems to rule the

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problem in many jurisdictions, but it is a recycling problem, not a toxic problem. Plastic and many other products have been dealt with successfully via a circular economy approach to valuable resources with legislated EPR programs to recycle various materials, including paint and coatings. These programs exist under provincial jurisdiction and many Provinces have been successful in achieving positive environmental outcomes under such programs. It's unclear as to why the federal government now wishes to ban plastics rather than focus on recycling them for the valuable resource they clearly are.



For industry insights, articles, and updates on current issues follow or connect with me on LinkedIn!



Gary LeRoux, President & CEO, CPCA

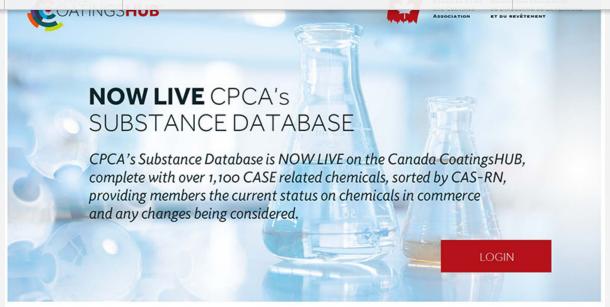


WELCOME **NEW MEMBER!**



Quadra is a leading North American distributor of ingredient and chemical products, specialized services, and innovative solutions. Founded in Montreal and Toronto in 1976, Quadra has steadily grown ever since and ranked 7th in the 'Top 100 Chemical Distributors in North America' by the CPI Purchasing Magazine in 2015. In 2015, Quadra earned the platinum status in '50 Best Managed Companies in Canada'. In 2016, Quadra expanded to create Quadra Chemicals Inc. USA. Quadra is proud to have exclusive partnerships with the world's best manufacturers and has also earned preferred-supplier status with Canada's most successful and companies. National infrastructure ensures the company offers coast-to-coast market coverage, from densely populated cities to remote locations. Quadra offers a broad range of products for the CASE (Coatings, Adhesives, Sealants, Elastomers) market. Their specialized sales team, market knowledge, and logistical expertise enable Quadra to provide unique products and services aimed at meeting CPCA members' business requirements. Quadra provides solutions to challenges in the coatings industry including in Architectural/Decorative/Industrial/Protective, Wood Finishes, Coil Coatings, Powder Coatings and Polyurethane Protective Coatings; and offers a wide range of raw material products for the formulation of Polymer Emulsions, Hot Melts, Pressure Sensitive Tapes, Reactive Systems, Flooring/Tile and Sealants/Caulkings.

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ADVOCACY REPORT

CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- New Developments in Paint Recycling Programs in Four Canadian Provinces
- CPCA Comments Submitted on Canada's Proposal to Adopt GHS Revision 7 in Canada
- CPCA Comments Considered in Final 2021-2028 Federal Agenda on the Reduction of VOC Emissions in Consumer and Commercial Products
- Federal Government Designates Plastic Manufactured Items as Toxic in Schedule I of CEPA
- Members Updated on 2021-2022 Publication Timelines for Substances of Concern in the Chemicals Management Program
- Federal Government Gathering Comments on Proposed Amendments to the *Surface Coating Materials Regulations*

New Paint Recycling Programs to be Implemented in Four Provinces

Ontario, B.C., Alberta, and Québec are in the process of implementing changes to their recycling initiatives. For the foreseeable future, only producers in Ontario will be impacted, but changes in the other three provinces are on the horizon. In Ontario, CPCA is working closely with Product Care and the Ministry of Environment, Conservation, and Parks to challenge problematic aspects of the upcoming HSP regulation. B.C. and Alberta are both moving towards programs that emphasize Extended Producer Responsibility, which could lead to some of the same issues that CPCA has had to deal with in Ontario. As a result, CPCA advised Alberta, which raised the prospect of an Ontario-type oversight agency, to cease and desist immediately as it will only add more costs and red tape for producers in Alberta and increased cost for consumers, with little prospect of improved waste recovery outcomes. It would appear that no changes are anticipated for the current paint recycling program under ARMA in Alberta, as they have done a credible job for paint manufacturers in the Province without excessive red tape. Similarly, a new Québec EPA policy is being rolled out that puts the responsibility on brand owners to meet specific targets, which will likely require industry to invest in collection and processing infrastructure. However, at this point, it does not envision changes to the paint recycling regime as it has been operating well in Québec for many years under Éco-peinture.

CPCA Submitted Comments on Canada's Proposal to the Adopt GHS Revision 7

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proposats and stressed the importance of minimizing them. These included maintaining a very close alignment in the effective date and implementation timelines in both countries, and establishing a joint North American process with OSHA and Mexican's COFEPRIS to help streamline the adoption of any future GHS revisions. GHS Rev 9 will be proposed at the end of 2021 and by the time Health Canada's regulatory amendment comes into force, a proposed Rev 10 will be in the works. CPCA is also encouraged Health Canada and OSHA will adopt more current technological advances in the SDS distribution. Both agencies are expected to embrace technology allowing greater use of QR codes on labels linked to the SDSs.

Plastic Manufactured Items Designated as Toxic Under CEPA

Canada recently published a final Order that added Plastic Manufactured Items under Schedule 1 of CEPA, declaring them as 'toxic'. This was done despite a Notice of Objection to the Proposed Order filed by CPCA and multiple other industry groups, 171 in all. There were only 17 submissions supporting the Order. The Order enables the Government to propose measures for certain plastic manufactured items to manage the potential ecological risks associated with those items when discarded, disposed of, or abandoned in the environment outside a waste management system. As written the Order targets the full composition of chemicals used in any 'plastic manufactured item.'

CPCA Working Group Updated on 2021-2022 CMP Timelines for All Substances of Interest

At the last sectoral Paint and Coatings Working Group meeting in April government officials shared a detailed table of publication timelines for all chemical groups of interest to the CASE sector and also discussed information gathering initiatives taking place later this year, such as Section 71 notices. Several important Final Screening Assessment reports are expected in the fall, such as those for resins and rosins, ketones, and commercial naphthenic acids.

Government Responds to CPCA Comments on Proposed 2021-2028 Federal VOC Agenda

At the last Paint and Coatings Working Group (PCWG) meeting, Environment and Climate Change Canada officials presented a summary of industry comments on the Federal Agenda and informed us that several CPCA comments would be considered. CPCA pointed out the inaccuracy of some data, stressed that colder climate conditions in Canada do not favor aligning with California rules, and emphasized that the Architectural sector's continued and significant performance in VOC emissions reduction s does not justify this sector being the first in line on the Federal Agenda. It was also noted that those significant VOC emissions reduction were all achieved in the absence of further regulatory efforts over the past several years. This compares most favourably to other sectors, which have not contributed any emissions reduction or very little to date. The Federal Government's final VOC Agenda will be published in the Canada Gazette Part I later this year.

Amendments Proposed to Surface Coating Materials Regulations

Health Canada is holding a public consultation to gather feedback on a regulatory proposal to amend the *Surface Coating Materials Regulations* until the end of June. The most noteworthy amendment is the definition of a "surface coating material," which has been changed and now includes coatings applied electrostatically or cured, and does not just "dry", such as powder coatings. CPCA continues gathering feedback from its membership and will be making further comments in the coming weeks. All those who have not submitted comments should contact CPCA for further engagement.

More details on these and other industry issues are available for members on the Canada CoatingsHUB or can be found in the Regulatory RADAR.



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Read CPCA's Latest Article on Regulatory Developments in Canada in Paint and Coatings Industry Magazine

The article addresses the technical challenges associated with adopting California Architectural VOC Limits in Canada, the problematic proposed Paint Recycling regulation in Ontario, PMRA's alignment with the EU for the prohibited uses of Chlorothalonil, and ongoing chemicals assessment of interest in Canada. Moreover, recent Health Canada's CCCR inspection reports confirmed full compliance of consumer paint products in 2019-2020. The coatings industry is to be congratulated for its continued focus on regulatory compliance.

CPCA is a regular contributor to several well recognized industry magazines and news outlets.







Find the Articles in CPCA's Blog!





GREEN INITIATIVES

BASF Continues its Strong Focus on Sustainability

BASF Canada and Bullfrog Power will soon launch a documentary on the circular economy and how it is moving that agenda forward. BASF Canada and Bullfrog Power have partnered to produce *The Afterlife of Waste*, which will launch in Fall 2021. BASF has also joined the "HolyGrail 2.0 for smart packaging recycling." This initiative includes digital watermarks for accurate sorting and high-quality recycling. It aims to increase plastic recycling rates by adding imperceptible digital watermarks to product packaging.

PPG Shares Thoughts on Biobased Paints and Coatings with the American Coatings Association

Biobased coatings still account for a small share of the paint and coatings market—5% in 2018. Several hurdles must be overcome for those products, ranging from access to large volumes of biobased raw materials with consistently high quality. "Biobased coatings are one of the many ways manufacturers can deliver sustainability benefits within the paint sector," says Mary Ellen Shivetts, PPG director of global product sustainability. She notes that many raw material

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produce pio-pased solvents, resins, additives, and pigments, which are all components of coatings. All coatings segments are open to the possibility of biobased alternatives, but in some, additional R&D is needed to ensure product performance.

CPCA and its membership are Proud Sponsors of Tree Canada and participate in the National Greening Program.



treecanada.ca



MEMBER RECOGNITION

Dow Grabs Edison Awards & Tops C&EN's 2020 US Industry Ranking

Dow received five gold awards and one silver award in the categories of: materials science and engineering; manufacturing, logistics & transportation; and sustainability, which were presented at the annual 2021 Edison Awards ceremony. Dow also ranked highest on Chemical & Engineering News' annual list of the US Top 50 chemical companies with \$38.5 billion in sales.

BASF to Receive the German Innovation Award 2021

BASF received the award in the "Excellence in Business to Business Chemical Industry" for an innovative project involving the use of smart Intermediate Bulk Containers (IBCs).

Read CPCA's Economic Impact Study which provides an overview of the real contributions made by the Canadian Paint and Coatings Industry to the Canadian economy.





CANADIAN ECONOMY

Conference Board Economic Outlook

As of March 2021, Canadian economic activity was only about 1 percent below pre-pandemic levels. But lockdowns imposed in April to curb a another surge in COVID-19 infections negatively impacted the following months. However, the rollout of vaccines has ramped up recently and most Canadians should be fully vaccinated by early fall. This will lead to a re-opening of the economy and real GDP should accelerate at a rapid pace in the second half of 2021. The Bank of Canada now expects the Canadian economy to grow by 6.5 percent in 2021, which might see them start hiking interest rates as soon as late 2021.

Inflation Is Back

After more than a decade of low inflation, indicators are starting to show that prices are on the rise. The consumer price index increased to above 2 percent in March. Many businesses are facing higher costs, and are passing the bill on to consumers. Demand for products such as metals and minerals, lumber and agricultural products surged and the pandemic has also created supply-chain bottlenecks, causing further pressure on industrial production costs. But inflation's comeback will likely be short-lived, as it results from short-term or transitory inflationary pressures not from systematic and structural ones. When economies will reopen, consumption preferences and household budget priorities are expected to readjust.

Recovery

Artificial intelligence will underpin Canadian innovation and global competitiveness While Canada has established a leading-edge AI research and talent ecosystem, our country has not yet seen adequate investment levels in AI from the Canadian private sector. Learn why and what's needed for Canada to take more of a leading role in this space. See also the Conference Board of Canada's research as to how immigration can fuel Canada's post-pandemic recovery and long-term growth in the next 20 years under four different immigration scenarios: current levels, lower levels, higher levels, and a different composition of incoming immigrants.

Canadian Occupational Safety Offers Free White Paper on Wellness in the Workplace

BSI Group offers a whitepaper to help employers gain important insights and strategies to promoting employee health and wellness through organizational systems and policies.

2021 E-Discovery Trends and Predictions

The question now is: how much of 2020 is here to stay and what's next in 2021? Read some insight on the post-pandemic world, and how the 2020 shift gets the ball rolling.

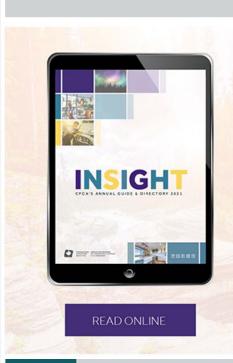
7 Quick Wins to Make Smart Manufacturing Do More for You in 2021

This webinar on-demand provides a good overview of smart manufacturing: Industry 4.0. Digital transformation - Who's smart, smarter, and smartest?

CPCA's Monthly Report covers recent global mergers and acquisitions and various commercial agreements within the CASE industry and multiple sectors.

Members are encouraged to access the Report on the Canada CoatingsHUB.

Read the Monthly Report







Complete with market updates, the latest on industry issues, World Coatings Council and more...



TECH INNOVATIONS

B.C. Researchers Develop New Waterproof Coating

The research team is liaising with SFU's Technology Licensing Office about IP protection and commercialization plans.

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Lufthansa Technik and BASF have succeeded in making AeroSHARK, a surface coating that mimics the fine structure of a shark's skin, is to be rolled out on Lufthansa Cargo's entire freighter fleet from the beginning of 2022, to economically reduce emissions.

New Ecofriendly Paper Coating to Replace Plastic in Food Packaging

Researchers developed an environmentally friendly coating for paper packaging in the "BioActiveMaterials" project. The coating of plant-based proteins and waxes extends the shelf life of food through an easily disposable packaging.

Antimicrobial/Antibacterial Innovations

Antimicrobial and antibacterial innovations are of critical importance to the paint and coatings industry, especially with respect to waterborne products. These innovations take the technology to new levels in a post-pandemic world that will be more vigilant with the use of products.

- TiO2-based Antibacterial Coating to Prevent Implant Rejection
 Scientists presented multilayer antibacterial coatings with a prolonged effect and a universal spectrum of action, based on modified TiO2 and several antiseptics.
- Anti-COVID-19 Coating Protects Transportation Industry

 The coating helps prevent cross-contamination with a layer of polymerized active ingredient that binds to walls, handles, furniture, and other key touchpoints, staying in place for up to 12 months and killing 99.9% of viruses and bacteria.

Wood Coatings Innovations

Wood coating innovations are critical to extending the life-cycle of products on which they are used. R&D in this field is persistent and consistently produces new products that preserve the wood no matter the species or use.

- Fire-retardant and Self-healing Plywood Coatings
- Manufacturing of Robust Superhydrophobic Wood Surfaces
- Biodegradable Coatings in Paper vs Leaf: Carbon Footprint of Single-use Plates Made from Renewable Materials
- Wood, Bark or Straw as a Basis for Novel Materials

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INTERNATIONAL **NEWS**

Market Research Reports

CPCA Monthly Report on International Market Research for Paint and Coatings and Adhesives and Sealants

Now available on the Canada CoatingsHUB for Members Only

CPCA has compiled international market research reports for 2025-2029 in the following market segments: Green a& Bio-solvents markets, global paint and coatings, automotive, antimicrobial coatings, UV adhesives, automotive adhesives, and sealants, and also including several CASE profile reports and a TiO2market study report.

CPCA has compiled international market research reports for 2025-2029 for multiple market segments.



View the Reports



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