



CANADIAN PAINT
AND COATINGS
ASSOCIATION

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ET DU REVÊTEMENT

INSIGHT



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ET DU REVÊTEMENT

HELPING YOU **COVER** THE WORLD

One of Canada's oldest not-for-profit industry associations, founded in 1913, the Canadian Paint and Coatings Association is the **ONLY** trade association advocating for the specific interests of the coatings industry in Canada. CPCA represents Canada's leading paint and coatings manufacturers and their industry suppliers in the primary product categories of architectural paints, industrial finishes and automotive coatings.

The coatings industry is one of the most heavily regulated sectors in Canada's economy. CPCA's core competency focuses not only on high level government policy impacting its members, but also provides proactive approaches on legislative and regulatory development on critical issues such as chemicals management and hazard communication, product stewardship and sustainability, toxics reduction policy, air quality regulations, chemical safety in the workplace, science-based chemical assessment, and improved regulatory alignment.

To learn more about CPCA visit canpaint.com

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*For more information on how to become a CPCA Member.
We're here to help.*

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INSIGHT on What Matters Most to the Canadian Coatings Industry

INSIGHT is CPCA's annual reporting on the many issues impacting the coatings industry in Canada, which require a whole of industry approach. These issues affect the entire Coatings, Adhesives, Sealants and Elastomers (CASE) industry in Canada. Those issues revolve around the massive undertaking by the federal government to **assess all chemicals in commerce** used by industry to enhance both sustainability and product performance for their customers. More than 1600 such substances have been implicated in the coatings industry over the past several years, with more planned over the next five years.

The federal Government also seeks to further **reduce VOC emissions** from CASE products by lowering concentration levels of certain substances. It also seeks to restrict **use levels for biocides** for important antimicrobial control. It regularly focuses on new approaches for **better health and safety in the workplace**. Finally, there is a renewed emphasis on **improving extended product stewardship and sustainability** for all chemicals used in products.

Whatever government seeks to do, industry must be proactive:

- To ensure assessment of substances is based on science first and foremost
- To help prevent unnecessary bans of important active ingredients used in thousands of products
- To help tailor risk management approaches such as regulations or Codes of Practice so they are not overly restrictive and unfair to an already highly sustainable and competitive industry

It pays to be proactive. It pays to mitigate risk.

It's critical to have the information you need to do both.

The CPCA board, staff and technical committees ensure members have that information, all of which is curated on a widely popular digital Canada CoatingsHUB. ***If CPCA does not, who will?***



INSIGHT

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CPCA's annual INSIGHT: Guide & Directory is provided to all members and sent to more than 3000 CFCM Magazine subscribers in the paint and coatings industry throughout North America.



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



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“

The board appreciates the support of CPCA members who make it possible for the association to help the entire coatings industry in Canada remain compliant and mitigate risks as they arise.

CPCA BOARD
OF DIRECTORS

Board of Directors



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Chair's Message

Another year has passed in the pandemic. Our industry was first challenged by the ongoing lockdowns, followed by partial openings and the new curbside reality, and the various waves. Then we saw material shortages and supply chain challenges emerging across all sectors. Our industry continues to cope and find ways to sustain our companies in one way or another for the benefit of our employees and our customers. I look forward to the time when all of us in the coatings industry in Canada and around the world can get back to more normal times.

The association continued its work in support of members at the beginning of the pandemic and that effort continues to ensure members have what they need to address ongoing and changing regulatory requirements. With all that has gone on over the past two years our companies have sought to mitigate risks in many ways and that includes ensuring a focus on maintaining regulatory compliance. CPCA has continued to work with members and the technical committees to ensure that we did not fall behind on providing the necessary data governments need to make informed decisions about chemicals used in our products. I'm glad to see that this INSIGHT publication continues to provide a small glimpse of the ongoing work the Association does to benefit the entire paint and coatings industry in Canada.

I would like to thank the board for its continued support and direction related to the Association's many issues. I would also like to thank a dedicated staff for ensuring that members have what they need to ensure full compliance and to respond to other issues of concern impacting our members' operations. I would also suggest non-members join with us to get even better outcomes. Thank you to our advertisers in INSIGHT this year who help make this annual publication possible. Finally, but not least, I like to thank the CPCA members for their support and understanding as we collectively work on so many issues of importance for our industry resulting in better outcomes.

As we look forward to exiting the worst of the pandemic, CPCA has committed to holding the next Annual Conference and AGM in May of 2022 in Quebec City at the Fairmont Château Frontenac. I look forward to reacquainting with all in the Canadian coatings industry. It will truly be a celebration of the way we were and better times ahead.

Tim Vogel, CPCA Chair
Chair and CEO, Cloverdale Paint

A Year In Review





President's Message

We are pleased to provide you with the 2022 edition of INSIGHT: Guide and Directory. In the one document CPCA prints annually we try to provide 'insight' on the work CPCA does with and for its members, and by extension, for the benefit of the entire coatings industry in Canada. This work would not be possible without the firsthand 'insight' provided by our members on the many issues impacting the industry. The impacts are many. It could be the impact on worker safety addressed in the ongoing revisions and updates to the GHS. Or, impacts on product formulations from proposed VOC changes for 54 architectural product categories. There are many real concerns we hear regularly with respect to potential bans related to lower concentration limits for biocides used as microbial control for in-can and film preservation. Some of these issues addressed over the course of this past year are outlined briefly in this edition of INSIGHT. Further limits on these biocides are not helpful as they will reduce product efficacy for water-based products, but also challenge the highly successful and sustainable paint recycling programs across Canada.

The bottom line for the Association's work all comes down to data and the need for current, scientific data that is readily available within member

companies and provided to government officials, whether they be chemical assessors or risk managers. It is all about vigilance with the use of that data, how it is 'interpreted' per existing toxicological studies, for example, or standards of use that are supported in certain jurisdictions but not in others. There are often variances in the interpretation of data that must be addressed. This seems to be more pronounced in 2021 than ever. CPCA ensures that it is addressed, and more often than not, to the benefit of the coatings industry.

While better data should lead to better outcomes in terms of regulations it is not always the case. Added to that concern is the challenges related to trade flows between the largest trading block on the planet, that is, the highly integrated Canada-United States economies. Efforts continue to advocate for enhanced regulatory cooperation as noted in this edition of Insight on some pressing files.

Of course, when handling data, there is always the question of managing or curating the data. CPCA does that on a comprehensive and structured compliance database, the Canada CoatingsHUB. It cannot be overstated how important that work is, especially in a highly regulated sector like the



CASE industry. The Canada CoatingsHUB includes substantial resources related to chemicals management, VOCs, GHS, product stewardship, EHS and more. CPCA has just added a new biocides database to the Hub covering 1000+ registrations, authorized or denied for use by PMRA. All of those ingredients are used in CASE products and can now be easily accessed digitally on the Canada CoatingsHUB via by chemical substance (CAS-RN). The goal is always to make data available and easily accessible, when members need it. This ensures members are fully aware of what is required for full compliance and risk mitigation.

Thanks to the CPCA staff and members who have responded to our many calls for data and other requests to mount the strongest advocacy effort possible. It could not be done without you. This past year there have been some successes and some challenges, as

always. On balance we are pleased to say we come out on the positive end of the scale.

As in the past, CPCA's INSIGHT: Guide & Directory covers the issues addressed by the Association over the past year. It provides some sense of the challenges faced and the services provided by CPCA related to the strategic plan objectives as determined by the Board of Directors. While there were added challenges this year due to the pandemic, members can rest assured that CPCA did not miss a beat when it comes to the matters of most importance for our members. I would like to thank the Board, the staff and the many members who work on our Committees to get the job done for the paint and coatings industry in Canada.

Gary LeRoux
President & CEO, CPCA



CPCA's 108th Annual Conference & AGM

May 25 & 26, 2022

Fairmont, Château Frontenac
Québec City

CPCA's Conference promises to be enlightening, enriching and entertaining. After two years in hiatus, we have a lineup of esteemed coatings academics, an evening of fine dining and entertainment, and an awards ceremony to recognize the many leaders and innovators in the paint and coatings industry.

**You don't want to miss this event.
Stay tuned for more details!**

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CPCA's 2021 Statistical Data Insight

Paint by Numbers

CPCA releases quarterly statistics for 'members only' on paint shipments as well as import and export figures based on Industry Canada data to help inform members on important industry trends in all coatings sectors in Canada.

The Canadian Paint Industry in 2021 and Beyond

In early 2021, the rollout of vaccines during the COVID-19 pandemic got off to a slow start but has since reached world-leading immunity rates. This should allow for a return to some semblance of normality in all regions of Canada for the latter part of 2021 and into 2022. The third, booster vaccine and passports should also help protect Canadian businesses against further acute negative economic impacts from COVID-19. It is expected to lead to improving economic conditions and increased trade in a wide range of industrial and commercial segments. Economists expect robust economic growth in Canada of 6.7 per cent in 2021 and 4.4 per cent in 2022. There may be ebbs and flows in that analysis. At the time of writing, Canada had already recovered about 80 per cent of the jobs lost during the pandemic recession of 2020 and the manufacturing sector appears to be outstripping the pre-pandemic output gains. Moreover, Canadian manufacturing activities and

exports will likely rise even higher by the opening of North American borders and the economic rebound is expected to exceed 10% south of the border in 2022, resulting from the huge US monetary stimulus.

Canada's economic momentum however could be less spectacular because of Canada's aging workforce, skilled labour shortages and continued challenges for raw materials and finished goods in the supply chain driving up costs. These challenges could have a dampening effect on many industries including the chemical manufacturing sector. Canadian and North American industry and distribution channels need to find ways to deal with continued disruptions, including in the coatings industry, which are expected to continue for several years. Meanwhile, the increased pace of mergers and acquisitions will continue to impact the economy in various ways, both positive and negative, especially with respect to Canadian-based manufacturing operations.

The CASE Industry in 2021 and Beyond

In 2021, the paint and coatings market was expected to grow by nearly 6% worldwide. The decorative coatings segment leads the pack and even expected to soar by as much as 8-9% in 2022. In North America, construction activity, seen as an essential



service, remained particularly strong during the peak of the pandemic and is expected to continue to show signs of vigour in the latter part of 2021 and in 2022. Overall, recent forecasts by Orr & Boss predict that the total NA Architectural paint and coatings market will increase by 7% in 2021 and 4% in 2022. The professional commercial and non-residential Architectural sub-segment is expected to drive growth after reaching a complete recovery in 2022. Meanwhile, the past frenetic activity in Canada's residential construction sector should ease slightly, but highly dependent on how long it will take for the low supply of housing stock to recover.

In Canada specifically, real time indicators such as mortgage activity trends and existing housing sales, still continue to show positive trends overall. Global raw material price hikes and the lack of availability have been of great concern in a number of industries in 2021 and likely to continue into 2022. The average price increase was reported to be as much as 20% and higher for some raw materials. However, this uncertain situation will likely require CASE (Coatings, Adhesives, Sealants, Elastomers) manufacturers and formulators to maintain a close watch on the supply chain challenges, which include bottlenecks in ocean container traffic at ports of call. Despite these challenges, economists forecast that most industrial paint and coatings markets will continue to expand this year in Canada and are likely to recover or even significantly exceed their pre-pandemic levels in 2022 and 2023. According to Orr & Boss (July 2021), the NA Marine and Protective Coatings markets should experience solid growth in 2022 and 2023 (2-3%), as will Automotive Refinish and Aerospace coatings with road transportation and air traffic returning to pre-pandemic levels and may even exceed current projections (+2.5%).

North American Automotive production will be strengthened in 2022, more specifically the electric segment of this market. The Coil coatings market should also rise by 2-5% due to improved automotive production and strong housing activities. The Antiviral coatings segment is expected to gain some strength in the Canadian market despite Canada's very restrictive regulatory approval process for such products. The NA packaging coatings market will face new challenges related to the regulatory adoption of various regional and national plastic pollution restrictions and zero waste initiatives. However, short term growth is expected to reach and even exceed 3% in 2022.

Current CASE Numbers

By the end of the Second Quarter of 2021 CPCA's statistical sales survey program reported that year-to-date Architectural manufacturing paint and coatings sales rose by 8% in value and 5% in volume compared to the same period in 2020. Sales also rose countrywide and were particularly strong in Ontario. During the same period year-to-date Automotive Refinish paint and coatings sales also showed a huge increase (7-9%) compared to the historical low activity experienced in the thick of the pandemic in 2020. This performance was more closely tied to the second quarter of 2021, as real time indicators of gasoline consumption, total number of kilometers driven and accident rates began to rise as a result of more people travelling or returning to on-site work.

Industrial maintenance and protective coatings and wood coatings consumption, which are all directly tied to strengthened construction activities, displayed positive dollar and volume trends. According to Statistics Canada, total Canadian paint and coatings manufacturing sales rose by 8 percent in all sectors



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in the first half of 2021. Similarly, the latest year-to-date statistical values for Canadian adhesives and sealants manufacturing sales specifically indicated an uptick of 18% in the first six months of 2021 versus the same period in 2020. This stellar performance in sales was mainly experienced in the second quarter of 2021. This will sustain the revitalized performance in CASE sales for the latter part of 2021. The overall rise in raw material prices also pushed total Canadian CASE manufacturing sales up, but the trends in volume of sales also appear to be equally as strong. It should be noted that the total value of Canadian adhesives and sealants manufacturing shipments represents only one-third of the total value of the paint and coatings manufacturing shipments. As for imports, the total value of paint and coatings sales in 2020 decreased by 4% while the total value of adhesives and sealants declined by 7%.

Long Term Considerations

Overall, the ups and downs in CASE markets caused by the pandemic have created significant disturbances in planning and managing operations, which could have long term repercussions, likely until 2030 and beyond. Indeed, Canada will have to struggle to overcome

an abysmal deficit of CAN \$340 billion to keep the economy afloat during the pandemic, which is expected to delay its overall recovery. Over the longer term, emerging economies will continue to gain strength and prominence in global economic activity, and as such, should further exacerbate the ups and downs in Canada's manufacturing trade performance. However, the United States is expected to remain, by far, Canada's biggest and most important long-term trading partner and thus the ongoing need for regulatory alignment in the coatings sector. CASE manufacturers anticipate and are planning for increasing trade in the emerging countries and hope to expand their share of exports and their footing in global trade overall. The North American CASE industry will continue to respond to rising online sales and thus will have to strive to significantly strengthen its robotic/automated production and product delivery resolve while focusing on increasing sustainability and ESG challenges generally in support of a sustainable supply chain for the long-term. One thing is certain, if the pandemic remains under control, with limited restrictions, the coatings industry should return to normal sooner rather than later.



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The Future of Digital Issue Management is Here

Compliance Starts with CPCA

When you're in the business of manufacturing and selling chemical products in Canada, safety and risk mitigation is a top priority. Risks span the gamut in the manufacturing sector including the health and safety of employees, safe transportation of goods, protecting the reputation of your business; all of which underpin the success of a brand and a company. There's a balance required between producing and selling a quality product while fully complying with all regulations at the provincial and federal levels of government.

CPCA developed The Canada CoatingsHUB — the only digital regulatory HUB of its kind in Canada **focused on issues management, government relations, and regulatory affairs for the CASE industry.**

The HUB is a centralized repository of regulatory issues and resources, including a chemical Substance Database with invaluable resources for members. Users have access to a fully customizable dashboard and can manage notifications from their personal profile on issues they need to track for their company.

The HUB provides members **quick access** to industry specific issue updates, **formal position papers and submissions**, pending government-related actions, and the **ability to track a substance** through the Canadian regulatory review process in real-time.

CPCA Digital Substance Database is Expanding

CPCA continues to move forward with digital modernization as we expand and increase functionality of the HUB for the benefit of our members and industry.

In early 2021, CPCA began the development process to expand its substance database to include dozens of biocidal active ingredients regulated by the Pest Management Regulatory Agency (PMRA), used in over 1,000+ registrations by the CASE industry. This recent addition to the HUB of biocides used as preservatives for both in-can and film preservation is crucial given the growing scrutiny and rigorous review of biocides in Canada and around the world. CPCA's chemical substance database created several years ago houses over 1,500 substances under review in the Chemical Management Plan process.

Advocacy on Critical Issues for the CASE Industry in Canada

CPCA Technical Committees

Industry representatives of CPCA member companies are a critical part of CPCA's advocacy conveying the importance of ongoing policy and regulatory development at all levels of government in Canada. It ensures actions taken by governments are based on strong science-based data needed to make informed decisions on product composition.

Paint and Coatings Working Group

The PCWG is a joint and critical working group of CPCA members along with relevant federal government department officials from Environment and Climate Change Canada, Health Canada, Industry Canada, Treasury Board of Canada, Global Affairs as well as representatives of other departments and agencies as required.

Coatings and Adhesive Working Group

This is a joint working group of CPCA expert members and American Coatings Association (ACA) advisors along with several federal representatives and expert assessors from the Pest Management Regulatory Agency. This group supports the approval and continued use of critical biocides in the CASE industry and seeks to align decisions with the US EPA. The newly created CPCA biocides database will function similarly to that of the CMP database and will provide comprehensive and structured data on the group's activities and PMRA initiatives. Following PMRA's review process all chemical substances (CASRN's) will be tracked 'in real-time' and notifications sent to members when critical updates or compliance deadlines are posted. The biocides database will function similarly to that of the CMP database.

CEPA-Industry Coordinating Group

CEPA-ICG is the Industry Coordinating Group for CEPA and comprised of 27 industry associations whose members use chemicals in their products. ICG holds extensive multi-stakeholder consultations throughout the year on the federal government's Chemicals Management Plan (CMP) assessing all chemicals in commerce in Canada. It engages with government officials using a technical, science-based approach to exchange information thereby ensuring officials have the data needed to make informed decisions on both chemical risk assessment and risk management, all based on the 'weight of evidence.'

CMP National Stakeholder Advisory Council

CPCA is one of six national industry associations, along with government and relevant Non-Governmental Organizations (NGOs), engaged in dialogue on the importance of chemical assessment as it relates to human health and the environment under Canada's world-leading and comprehensive Chemicals Management Plan.

World Coatings Council

This group is comprised of paint and coatings associations representing coatings companies in more than 20 countries. It meets regularly to share information and work with global organizations such as the United Nations (UN), the Organization for Economic Cooperation and Development (OECD) and the International Maritime Organization (IMO). CPCA is a founding member of the World Coatings Council.



Cloverdale Paint

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Facts & Figures



77
CPCA Member
Organizations



16
Major Industry
Issues
of Concern



1,877
HUB Resources



423
NEW Resources
Posted in 2021

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The timely, relevant and comprehensive updates on chemical regulations by CPCA ensures companies in Canada can confidently promote safe products to consumers.

G.LeRoux, President & CEO, CPCA



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1,073

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CMP Substance
Database



60+

Submissions to
Governments



100+

Meetings and
Consultations with
Stakeholders



267

Engaged
Committee
Members



90

Member Bulletins
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since 2020

“

CPCA members have
access to all the data they
need, when they need it,
to help ensure regulatory
decisions on chemicals
used in CASE products
remain in commerce.

G.LeRoux, President
& CEO, CPCA



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CPCA Advocacy Efforts Yield Results for Industry

Mitigating Risk & Ensuring Compliance

CPCA manages a wide range of issues on behalf of its members in the Canadian paint and coatings industry, all of which benefit the entire industry in Canada. Key issues addressed by CPCA cover four critical areas for the coatings industry:

- Chemicals Management
- Extended Product Stewardship
- Air Quality
- Environment, Health and Safety

The resources required for effective issue management are curated on the Canada CoatingsHUB, a comprehensive database for 'members only'. Notifications are automatically sent directly to members when new resources are posted for compliance and enforcement requirements. There are monthly regulatory updates for 'members only' called the 'Regulatory RADAR' to ensure members miss nothing! All supplemented by regular special issue bulletins for members as needed.

Chemicals Management Plan

CASE products heavily implicated in chemical assessment

CMP Assessment Reports Resumed in the Fall 2020 and Winter-Spring 2021

Due to the COVID-19 pandemic Environment and Climate Change Canada (ECCC) and Health Canada (HC) have been releasing assessments and risk management publications in stages given many stakeholders' reduced ability to respond. And, also in an effort to ensure that implicated industry sectors were not negatively impacted by several publications published at the same time. The government also extended the length of the CMP consultation periods to the end of the Government's fiscal year-end (March 2021) and the 2020 backlog of publications accelerated thereafter. Throughout this abnormal period CPCA continued to engage with committee members regarding new information gathering initiatives and new risk management instrument proposals including SNAC provisions and several ministerial conditions imposed by the assessments. **All information is regularly posted on the Canada CoatingsHUB for members and linked to the substance and/or biocide database for ease of access by CPCA members to ensure full compliance.**

CEPA Reform Introduced in Parliament

The Environment Minister issued a Notice of Motion on April 13, 2021, introducing Changes to CEPA (1999), entitled Bill C-28: *"Strengthening Environmental Protection for a Healthier Canada."* [See the Deeper Dive Article on how proposed amendments to CEPA, once approved and implemented, may impact chemical assessment in Canada.](#) The proposed CEPA amendments will set the stage for amending the Toxic Substances Management Policy (TSMP) of 1995, on which chemical assessment is now based, and will likely introduce an "SVHCs List" (Substances of Very High Concern) in Canada as well as develop "Other Toxics List" possibly a "Watch List for Non-Toxics at Current Levels" and an "Openly Safe List." All such actions will have implications for the coatings industry in Canada. The government intends to base its next set of priority substances or groups of substances beyond the Identification of Risk Assessment Priorities (IRAP), which will add increased pressure on the chemical industry to provide the necessary data for evidenced-based assessments. [The Parliamentary Standing Committee on the Environment and Sustainable Development](#) will also study the Proposed CEPA Amendments tabled on April 13, 2021. Plastic waste bans of single-use plastics and CEPA enforcement are also among the high priority issues to be addressed by the Parliamentary Standing Committee. A Private Member's Bill (C-204) banning the export of plastic

wastes is also being reviewed by the Committee and will be addressed in the coming months.

Informed Substitutions & Supply Chain Transparency

The federal government called for a multidisciplinary collaboration with industry to determine appropriate actions towards achieving certain goals contained within the 'Informed Substitution' recommendations. This is an internationally emerging approach to chemical assessment. Supply chain transparency will be a fundamental area of action in Canada in the next phase of the Chemicals Management Plan, Phase 4. Informed Substitution (IS) will involve regulators seeking to frame 'problem formulations' and the use of NAMs (New Approach Methodologies) in the final assessment of suitable, replacement alternatives. The government is also developing a more general - but informative system - to address the circular economy issue related to chemicals of concern. The current use and recyclability of chemicals throughout the supply chain is viewed as a challenge in terms of transparency - or the lack thereof - and the government hopes that it might be addressed via collaborative approaches. However, such an approach must be a two-way street.

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Chemical Assessment is Evolving in Canada

Once again, the government in Ottawa is talking about legislative 'modernization', which usually means tightening the noose around efforts of the chemical sector to deliver highly performing products for customers.

Developments around the anticipated federal amendments to the Canadian Environmental Protection Act (CEPA) were discussed at a recent meeting of multiple chemical industry groups and the views varied, but all agree that the federal government is signaling amendments to CEPA. While it is unclear when action will be taken by government it is very clear that its intent is to broaden the scope of chemical assessment and the related risk management measures including regulations. Industry must continue to advocate for the long-standing risk-based approach for chemical assessment and not accept incessant and unsubstantiated calls for hazard-based approaches that often have no relation to concerns over health or environment and only serve to hamper competition.

'Modernization' will likely lead to eventual amendments that will be of some concern for chemical industries and will include the following:

- Possible changes to confidential business information (CBI), although commercially sensitive, could be tabled for further consideration
- There may also be amendments addressing substances of very high concern (SVHC) to align with actions in Europe, which could alter the way forward on risk assessment and risk management of numerous chemicals across the board
- Data requirements for chemical assessment being widened in scope, entrenching concepts like alternative assessment, informed or problem substitution, vulnerable populations, etc.
- The requirement to subscribe to a new concept on what Government is referring to as "the right to a healthy environment" may be somehow incorporated into CEPA
- Sections of the Act will be changed to allow more input from 'civil society' in support of the existing ENGO efforts to tighten both chemical assessment and risk management in the name of environmental justice, which could irrevocably change the way CEPA is enforced in future
- Possible changes to the current nomenclature, particularly as it relates to substances being designated CEPA-Toxic and the 'lowering' of the bar for such a designation

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CPCA, and other industry groups, must now focus on highlighting the benefits of current chemicals in commerce and how they are often misrepresented in the context of inherent toxicity and other challenges under the heading of 'problem formulations.'

Currently, there is no anticipated change to the risk-based approach by the current Environment Minister but mounting pressures could cause that to change.

Any 'modernization' is of course of grave concern for the Coatings, Adhesives, Sealants, and Elastomers (CASE) industry, as one of the most implicated industries under CEPA with respect to chemical assessment. A broader scope for assessment could mean more bans and more use restrictions than in

the past, which will become problematic for product formulations writ large. CPCA, and other industry groups, must now focus on highlighting the benefits of current chemicals in commerce and how they are often misrepresented in the context of inherent toxicity and other challenges under the heading of 'problem formulations.' Industry must be clear as to 'how' these substances are actually used and 'why' they are critical for product performance in multiple industry sectors. For example, many coatings products ultimately help extend the lifecycle of valuable private and public assets, while at the same time reduces the environmental footprint of the industries they serve. These industry sectors include construction, auto, marine, transportation, aerospace, etc.

The benefits of certain chemical inputs are often not well understood by those who seek to restrict chemical uses and secure more restrictions. Industry must be more direct about the complexity of assessing many chemicals vis-a-vis their specific use profiles. In fact, in many cases, they are not even suited for various risk-assessments and government decision-making

frameworks. It's the job of the paint and coatings sector to point out the enormity of such benefits to those conducting assessments, those amending legislation, and those using the products. As such, industry must up its game on raising awareness as to why chemicals in their products are of critical importance across multiple value chains.

If work on the 'modernization' of CEPA evolves beyond the long-standing and widely respected risk-based approach to chemical assessment, there will be significant fallout for any government. Given the current stir on this file, it will be important for the entire chemical industry to promote and support the existing risk-based approach to chemicals management in Canada. CPCA will be doing what it can in the coming months with outreach to federal Ministers and senior officials on the benefits of coatings and how it supports the government's goal on the environment moving to net zero emissions by 2050.

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CMP Phase 1

Bisphenols

A mandatory Section 71 notice will be launched for certain bisphenols later in 2021, which would include Bisphenol 'S', possibly still used by some paint companies as a substitute for Bisphenol A (Batch 2). A Bisphenol 'A' Performance Measurement Evaluation Report for the Ecological component was published in June of 2021. The report concludes that no further Risk Management action is required. In December 2020, the government launched a technical consultation focused on 34 bisphenols with the potential to exert similar adverse effects as Bisphenol 'A' but those were not identified fully as functional alternatives. The government did find a total of 343 substances with the potential to be categorized as BPA structural analogues and functional alternatives. More will be done in this area in the months ahead.

MEKO Update

The Code of Practice for MEKO used in indoor consumer alkyd paint products expired in 2019. Health Canada conducted a performance assessment and found that all three elements of the Code were not fully adopted by Architectural paint companies. CPCA thought otherwise and made two substantive submissions to Health Canada and met virtually with HC officials, along with CPCA members, seeking changes to the online report that was somewhat misleading. Health Canada did make some changes to their online report to better reflect their view of non-compliance. However, further consultation with risk managers on the current lack of a cost-effective alternative and the development and implementation of a mandatory Risk Management instrument is expected to continue.

Ethylbenzene Update

In the Spring of 2020 officials confirmed at a regular Paint and Coatings Working Group (PCWG) meeting that the government is still aiming for a Significant New Activity Notice (SNAC) for ethylbenzene. It will target specific uses in concrete floor sealers, lacquers, stains, and varnish alkyds (excluding aerosols) that should not exceed the limit of 1%. CPCA is continuing work in this area.

Surface Coatings Materials Amendment

A consultation on the proposed amendment to the Surface Coating Materials Regulations (SCMR) was launched in mid-2019. It was published in the Canada Gazette Part I on April 24, 2021. Its final publication in the Canada Gazette Part II is expected in 2022. Changes to the definition of coatings will exclude solid films that form by means other than drying, such as powder coatings for which the applicable total lead (Pb) limit of 90 mg/kg will not apply. The limit applies once the film has dried and wherein testing of dried samples is then required.

CMP Phase 2

The Final Risk Assessment Report (FSAR) for the phthalate sub-grouping was published in December 2020. The draft risk assessment report (DSAR) proposed that DHEP met several toxicity criteria. This phthalate is not believed to be used in the paint industry. An updated DSAR was published for Certain Flame Retardants in October 2020 proposing three CASE-implicated substances as toxic: TCPP, TDCPP and Melamine. Additionally, two flame retardants (DP and DBDPE) will be added to a list of prohibited substances in Canada in 2022. The FSAR publication will propose as toxic most of the hundreds of substances that are included in Boric Acid, but the Salts and Precursors group remains on hold. In 2020, government officials did not provide an update for the risk management instruments to manage risks of soluble cobalt compounds declared toxic for the environment. The final publication of the September SNAC notice for the internationally classified substance AEEA is expected in the coming months. AEEA is used as a curing agent for epoxy resins as a component of adhesives and sealants in asphalt paving or patching products, and as a component in super glues and corrosion inhibitors.

CMP Phase 3

Final Screening Assessment Reports (FSAR)

CPCA was pleased that many risk assessments published in the Fall and Winter of 2021 confirmed the non-toxicity of several groups of interest for the CASE sector (eg. refined oils group and acid acetic).

NMP

The Final Screening Assessment Report for NMP is postponed to 2022 for a substance widely used in paint thinners. This substance is among the first 10 TSCA priorities identified in the United States for assessment.

Benzophenone

CPCA commented on the FSAR and Risk Management (RM) approach publications in the Spring of 2021. This substance will likely require the development of a Code of Practice. It will affect a very limited number of CPCA members, but their suppliers will be required to phase out some resins in the formulation of 200 to 400 interior and exterior consumer paints. That number of products cannot be reformulated in the absence of a suitable alternative and without significant R&D and investment in testing, which will take several years if a suitable replacement is identified early on when a Code of Practice is established. More focus on this area is clearly of importance to the coatings industry in the months ahead.

Epoxides and glycidyl ethers Group

Last year's Final Screening Assessment Report (FSAR) concluded all substances in this group were non-toxic at current levels, but CPCA members were informed of a notice for a Significant New Activity published for three substances, one of which is implicated in the CASE sector.

Phosphoric Acid Derivatives Group

Three substances were proposed as being toxic. A SNAC was proposed with a possible impact on a CASE-implicated substance contained in one of the phosphoric acid substances.

Ketones

The Final Screening Assessment Report is expected sometime in 2021 for ketones. CPCA submitted comments on the Draft Screening Assessment challenging the toxicity decision for MEK, MIBK, and 2,4-PD, which are used in certain liquid and aerosol consumer paint and coatings products and more widely in allied products (thinners, removers).

Furans

The Final Screening Assessment Report is expected to be published in 2022. CPCA submitted comments with regard to furfuryl alcohol, which was proposed as toxic for its current use in wood strippers with no cost-effective substitute available. Tetrahydrofuran, a common solvent in industrial CASE products, will be proposed toxic and added to Schedule 1 of CEPA.

Anthraquinones

All 7 substances in this group are known or suspected of being used in various paint and coatings products. Only Solvent Violet 13 (CASRN 81-48-1) is proposed toxic for addition to Schedule 1 of CEPA. The RM approach targets the use of Solvent Violet 13 in cosmetics. However, follow-up activities may be considered in the future to track the commercial status or identify new uses of the remaining six substances.

Copper

The FSAR has been delayed to the winter of 2022. Many substances in this group are used by CPCA members, such as in antifouling paint. CPCA made a formal submission on copper as a result of the DSAR, which proposed to declare all 37 substances toxic for the environment and to add them to Schedule I of CEPA. Although the paint sector is not the government's primary focus for restricting the environmental releases of copper compounds, CPCA has sent follow-up comments on the risk management approach they may take regarding the concentration limit for effluents and wastewater treatment facility systems. This may have some indirect effects on future uses in colorant dispersions, architectural/industrial paint and in antifouling paint. At a recent PCWG meeting CPCA was told this latter category will receive close attention from risk assessors and managers in 2021-2022.

Phenol-formaldehyde Resins Group

The FSAR published at the end of 2020 confirmed the non-toxicity of all substances in this group. Clearly, this final decision shared with all members came as a relief as virtually all substances were CASE-implicated and used in a variety of CASE markets including inks.



Petroleum Coal Tars Group

The final screening assessment (FSAR), RM approach, and proposed Order adding six coal tars and their distillates to Schedule 1 of CEPA were published in 2021. The FSAR concludes the six substances are all CEPA-toxic while the RM approach targets the presence of these compounds at steel mills and coal-tar refining facilities only. The proposed instruments include a Regulation that would prohibit the import, manufacture and sale of coal tar-based sealant products in Canada and a Pollution Prevention Planning Notice for emissions from coal tar refining. CPCA submitted early comments enquiring whether the proposed RM objectives target wider prohibitions on all types of coal-tar-based sealants or epoxy products in Canada or just those specified in the RM approach, which may not impact the coatings industry as heavily. There will be a consultation document on a proposed approach published in Fall 2021 for public comment and CPCA continues working with officials on this matter. This document will provide more details and provide an opportunity for stakeholders to submit additional information in order to better inform future decisions.

Other FSAR Publications Pending

Several other CASE-implicated FSARs were published in 2019-2020 including the following groups of interest to CASE:

Zinc and its compounds: The FSAR is delayed to later in 2021. The DSAR proposed to declare toxic all 64 substances in this group (in their soluble forms) on the basis of environmental concerns. Although the paint sector is not specifically targeted in the DSAR and risk management scope there could be some indirect impact, such as restricted uses imposed by Health Canada or PMRA on a common US paint biocide (zinc pyrithione), which may still be present in treated articles shipped to Canada. Although it is not yet registered with PMRA for use in Canada this DSL substance may be present in consumer treated articles or domestic paint products with no biocidal effect intended. An additional risk characterization document in support of the DSAR was published in July 2021 to support the FSAR. CPCA will monitor the Risk Management approach closely going forward as all paint companies will need to be fully informed.

Resins and Rosins: The FSAR is delayed to later in 2021. CPCA submitted comments when the DSAR proposed that only one substance (CTO or tall oil)

was toxic per environmental concerns. Although the risk management scope did not specifically target other CASE-related substances in the group, it is hoped that the non-toxic status of these substances will remain unchanged.

Aromatic Amines: The FSAR is postponed to the Summer of 2022. Dimethylaniline is proposed as toxic. Exposure to this substance occurs from the use of certain consumer automotive products including a 2-component adhesive, body filler and spray paint primer.

Many DSARs were expedited in the Fall of 2020 and in 2021. Among those CPCA brought to members' attention were two groups for which CASE-implicated substances are proposed as non-toxic: **the piperazine and ethers group**. CPCA will be watching closely for the final decisions regarding these CASE-implicated groups in the coming year.

Benzotriazoles and Benzothiazoles

The DSAR was published on July 29, 2021. The nine benzotriazoles do not meet the toxicity criteria, but MBT (CASRN 149-30-4) and its derivative benzothiazoles are proposed as CEPA-toxic per environmental concerns. This proposal also targets an extended list of fourteen benzothiazole derivatives that may also contribute to the release of MBT as shown in the DSAR. It appears as though some CPCA members, and others in the industry, may be using several of these substances. Although the proposed risk management objective for MBT and all benzothiazoles derivatives is unlikely to impact coatings, sealants or adhesives products much, CPCA will follow the FSAR and risk management approach and the development of these instruments.

Aliphatic Amines group

Nine (9) long-chain substances are proposed harmful for the environment under CEPA. These substances are found in furnishing care products, paints and coatings, and building and construction materials. Comments are due by May 5, 2021. CPCA members have expressed no particular concerns with the substances being targeted, however, CPCA will monitor the FSAR publication in 2022.

Hexamethylenetetramines

The DSAR was published in March 2021. It proposed two of the substances in this group as toxic for human health and dermal concerns. However, their presence



in CASE products is not targeted for risk management at this time.

Upcoming DSAR publications in 2021-2022

CPCA will be watching the outcome of DSARs for several CASE-implicated substances expected to be published in the fall of 2021, namely, Phenol, methylstyrenated, Acid and Bases, Substituted Phenols and Alcohols.

Titanium Compounds (including TiO₂ status in Canada)

The DSAR for titanium compounds is postponed to the Spring of 2022. Health Canada and Environment and Climate Change Canada have not confirmed their intent with respect to TiO₂ but the DSAR will be published precluding the need for certain information gathering and further discussions with stakeholders, including industry. This substance was never categorized and tracked in any previous mandatory information gathering initiative. In the EU, the final decision declaring TiO₂ as a "possible carcinogen for humans" is now in effect, establishing a mandatory hazard classification under the EU's Classification, Labelling and Packaging Regulation (CLP). The Titanium Dioxide Manufacturers Association (TDMA), the European Council of the Paint, Printing Ink and Artists' Colours Industry (CEPE) and the World Coatings Council (WCC), along with several of its Association members including CPCA, increased efforts over the past several years to scientifically and politically challenge this very unfair classification and will continue to do so.

Upcoming DSAR Publications in 2022 Microplastics and Paint

Federal officials are planning a new national mandatory survey on the use of microbeads/microplastics in CASE products and other mass consumption products

in 2021-2022 timeframe. In 2019 and 2020, CPCA provided government officials additional information gathered by CEPE in the EU and the World Coatings Council, on the content, use and management of microplastics in paint products sold in Canada. In Europe, ECHA's proposal on microplastics is focused on intentionally added microplastic restrictions seeking to eliminate "polymer" use from consumer and professional products. This followed a definition of microplastics that created an enormous scope, which includes polymer dispersions by covering small, less than 5mm synthetic polymer particles that resist (bio)degradation. The industry was largely against this EU myth of "go polymer-free" approach that has been widely supported globally, including in Canada. Overall, there is still no formal scientific proof in the environment of intentionally added microplastics from paints or inks and there clearly must be if the final EU restrictions for paint products to have any meaningful contribution. This should be the case in all other countries including Canada if the science is the basis of decision-making.

CPCA attended several consultation meetings on the *Proposed Federal Integrated Management of Plastics Strategy* and made a formal submission. CPCA learned more about the government's plans at one of regular Paint and Coatings Working Group meetings. CPCA provided serious concerns, as did other groups, questioning the relevance and need applying a toxicity declaration to microplastics in Schedule I of CEPA. CPCA further challenged inconsistencies in the definition of microplastics, the shortage of standardized analytical methods for microplastics, the specific case of paint additives, and recommendations for the continued strict adherence to risk-based CMP assessment process, not political considerations related to recycling of plastics, which is NOT the purview of the CMP.

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Will the Politics of Plastics Hurt Industry?

On the surface, the recent federal ban on several single-use plastics is positive given that such products cannot be recycled and should not end up in landfill for the next 500 years. However, a previously published federal government report in the Canada Gazette called the "Science Assessment of Plastic Pollution" may not be as positive, including for the Canadian coatings industry. It goes too far with respect to macroplastics and microplastics vis-à-vis the environment and human health. It is widely believed that the Report is not a realistic basis for action under existing federal environmental legislation, that is, the Canadian Environmental Protection Act (CEPA). The Draft Report suggests the intention is to assess plastic products, resins, types of packaging and the related polymers implicated in such an assessment, many of which are used in paint and coatings as well as adhesives and sealants, and 'many' other manufactured products.

Prior to the report published by the federal government microplastics had garnered significant interest in regulatory agencies worldwide, especially in the European Union. CPCA has been monitoring developments in the EU over the past several years in concert with the World Coatings Council. It is critically important that governments, including the Canadian government, establish a clear definition of these materials and recognize the absence of standardized methods and analytical techniques for their assessment, which thankfully their own Science Report acknowledged. Without such a clear definition one cannot accurately quantify microplastics in the environment and thus governments cannot take evidenced-based regulatory action, which the current government has always maintained is the foundation on which regulation must be based.

CPCA believes that a more thorough assessment of the related risks would also be necessary before the federal government can develop effective risk control measures for both macroplastics and microplastics pollution. The current societal risks associated with the use of macro- and microplastics do not warrant immediate regulatory action. **There is no objective**

scientific evidence that indicators of environmental health such as air and water quality or biological diversity have been impacted by macro- or microplastics in a way that would necessitate the need for the Report's recommendations to be carried out as regulatory actions. Generally speaking, a much more robust scientific evaluation of the risks associated with plastic materials would be needed first before any regulation is considered vis-à-vis the impacts.

The federal Government's report states that, "Plastics are often defined by their size, with macroplastics being larger than 5 mm and microplastics being less than or equal to 5 mm." **This Canadian definition of microplastics, extracted from various studies, appears to create an enormous scope for these materials, as it seems to include all polymer types and their dispersions which all fall under the 5 mm limit.** The Canadian Government may wish to consider the pitfalls of such a broad scope as evidenced by the EU experience. An initial ECHA working definition in the EU included solid and semi-solid particles and did not distinguish between synthetic (i.e. artificial),

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It is critically important that the federal government adhere to the long-established risk and science-based chemical assessment process (CMP) for macroplastics and microplastics, which has served Canada well over many years

naturally occurring or modified naturally occurring polymers (e.g. cellulose) and between water soluble and water insoluble polymers. Clearly, naturally occurring polymers are inherently biodegradable in the environment and therefore the ECHA definition eventually evolved and those polymers were not considered as microplastics. Non-solid polymeric particles in liquid emulsions were also not considered microplastics. This points to the difficulty in finding a 'reasonable' working definition that can be used in developing effective risk assessment approaches and eventual regulations in this area.

Furthermore, the federal government approach with respect to primary versus secondary microplastics pollution must be clearly delineated. It should have been clearly identified as a research priority in the Draft Science Report, but it was not. **Primary microplastics** are intentionally produced with a targeted consumer product or use in mind, while **secondary microplastics** are 'not' produced intentionally, but are the result of the breakdown and fragmentation of larger plastic items. Numerous studies on the environmental prevalence and fate of secondary microplastics have been published. However, they differ widely in how they have been collected, characterized and quantified with respect to sources and pathways of secondary microplastic releases. Thus, there is little consensus on which products are the most likely contributors of releases to the environment and their relative impact on secondary microplastic releases, if any, such as on marine ecosystems and sediments. **The ultimate effect of a well-intentioned effort to protect oceans from plastic must not result in causing irreparable harm to Canadian manufacturing and trade due to mischaracterization of microplastics.**

Paint products contain intentionally-added polymeric forms with a size range of less than 5 mm, such as microbeads, pellets or microfibers, which provide certain desirable performance properties but have no possible pathways of release to the environment or inhalation because they are 'embedded' in the applied coating. Once the paint is applied as a film and fully dried the microplastics in the film are physically bound in a solid matrix. Possible degradation of a paint film occurs due to a number of factors including weathering (UV light, and humidity) and would only be significant when the paint is applied on an exterior surface. In the case of degradation, the paint film breaks down into flakes or dust, many of which are in the size range that would label them as 'secondary' microplastics. However, the breakdown of individual ingredients in a film is extremely unlikely. **Moreover, there is currently no reliable evidence that exterior coatings are a significant contributor to secondary microplastics.**

Based on the foregoing challenges there is widespread industry disagreement with Government references to paint and coatings as a "one of the major contributors of microplastics." There is no evidenced-based rationale for such an assertion. The primary reason for such a belief is the fact that substances or mixtures – and their physical properties – are permanently modified when the substance or mixture is used. At the time of use it no longer falls under the meaning of a microplastic and thus should be excluded from the scope of research on microplastics altogether.

CPCA's main concerns and recommendations with respect to the federal Government's "Draft Science Assessment of Plastic Pollution" can be summarized as follows:

- It is critically important that the federal government adhere to the long-established risk and science-based chemical assessment process (CMP) for macroplastics and microplastics, which has served Canada well over many years
- Data gathering, risk identification and assessment, and appropriate risk management actions must be developed jointly with industry to accurately address specific areas of concern with respect to sources and pathways of concern for microplastic releases
- Much more consideration must be given to a proper definition of microplastics and the distinction between primary versus secondary releases used in all industry sectors
- There must be recognition that there is no scientific evidence that paint and coatings products, and many others, present a significant source of microplastic release to the environment
- For the overall research strategy supporting the government's risk assessment and risk management of plastics, industry must be an integral part of the planning and scoping of projects for risk assessment
- A multi-stakeholder expert advisory committee should be established to assess, evaluate, prioritize and direct any proposed research on plastic pollution with a clearly stated objective

Microplastics is a politically charged subject related to plastic waste in our oceans that has somehow morphed into a potentially negative outcome for the chemical manufacturing sector, including paint and coatings, across a number of critical supply chains. Such an approach serves little purpose if it cannot be scientifically substantiated.





Extended Product Stewardship

Preserving Coatings for More Sustainable Products

Biocides for Coatings, Adhesives & Sealants

First Meeting of the Coatings and Adhesives Working Group (CAWG)

CPCA and ACA jointly met with the PMRA Executive Director and other PMRA officials in 2020 to discuss serious misalignment issues between PMRA and the US EPA on biocides used in coatings and proposed the formation of an expert working group, CAWG. Following that meeting the CAWG was formed with established Terms of Reference and the first meeting held in April 2021 with representation from PMRA and the coatings industry. The ultimate goal is to identify the way forward in the evaluation and re-evaluation of biocides used for CASE products and the need for more consistency, efficiency, transparency, and predictability. Such an approach would lead to greater alignment with Canada's largest trading partner, the United States.

Negative Actions on Biocides in Canada

The OIT Ban was lifted in Canada in the early Fall of 2020, restoring the old CMIT/MIT levels vis-à-vis concurrent US EPA re-evaluation publications for OIT, CMIT/

MIT and BIT/BBIT/DCOIT. CPCA and its members were pleased to learn that the previous use rates for OIT in paint and coatings products had been reinstated by the PMRA after more than a year of strong advocacy. This was greatly helped by registrants' submission of relevant data to inform the final decision. CPCA had formally challenged the final PMRA decision to ban OIT on May 31, 2019. The CMIT/MIT use restrictions for paint/adhesives products dated back to December 2018 and those were also restored with the decision lifting the ban on OIT. However, this whole affair caused significant disruption to the paint industry in both Canada and the United States and every effort is now being made by CPCA to ensure this episode is not repeated and hopefully instructive for the PMRA for future re-evaluations and final decisions.

Last year, there was also several concurrent developments in the US regarding the re-evaluation of several ITAs used for paint preservation. The US EPA adopted a conservative approach on ITAs after considering the results of the Biocides Council peer-reviewed studies. Indeed, the three study results did 'not' remove the remaining and persistent concerns expressed by the US EPA related to general

occupational uses. Several other commonly used PMRA-registered biocides were analyzed by the US EPA in 2020 such as: sodium omadine, carbendazim, folpet and DBNPA. **Unfortunately, the positive findings of US EPA for this latter group of biocides, permitted for use in paint and coatings, are inconsistent with the recent PMRA proposed decisions for paint cluster published in 2020. This continues to be a real concern for the paint and coatings industry in Canada and its many trading partners.**

Paint Cluster Analysis of Six Key Paint Preservatives

In July 2021 the PMRA proposed decisions for six paint biocides (folpet, dazomet, chlorothalonil, diodofon, ziram, sodium omadine). The result is sodium omadine would still be acceptable for use in paint coatings at proposed lower limits that are not deemed efficacious for coatings. Chlorothalonil use would still be accepted in latex and solvent-borne paint, but its registration for use in exterior paint and wood panels will be cancelled. Dazomet would still be accepted in paint with reduced limits, and its annual production volume limited as well. Ziram and folpet's registrations for use in adhesives and paints respectively is to be cancelled. Additionally, painting professionals will be required to wear PPE when using formulations including diodofon, dazomet, and chlorothalonil. Although some of these biocides do not appear to be used frequently by CPCA members the paint industry does not want this critical palette of biocides to be eliminated in Canada. Officials referenced study limitations in the ACC/CBC Panel research studies, which were not previously communicated to the CBC Panel because they were not aware of them or they did not agree. Either way it presents a problem for the coatings industry in Canada. The consideration of these 'apparent' study limitations, or differing policy views, will have a profoundly negative effect on the safety factors PMRA has used in recent assessments. **This is a matter of great concern for the critical alignment needed between Canada and the United States and still unclear how scientifically based approaches used by the US EPA can be so different than the same data used by the PMRA.**

Submission to PMRA on Treated Articles

CPCA provided two sets of comments to PMRA officials in the fall of 2020 and in early 2021. One set related to Export-Only provisions for Treated Articles. The current export-only regime does not allow manufacturers to use non-PMRA registered active ingredients in product mixtures (treated articles) for export only. However, the IMEP is a program that allows Canadian manufacturers to import and manufacture an unregistered preservative for 'export only.' In other words, a concentrated active ingredient may be imported and handled at a Canadian facility to both "manufacture and re-sell" a diluted preservative for 'export only,' but the same concentrated or diluted preservative cannot be used to "treat a final product" also destined for 'export only.' Strangely, the latter treated article is a much lower risk to export than an active ingredient in its pure form or barely diluted form compared to the treated article itself. PMRA was asked to resolve this issue by expanding IMEP to include treated articles. CPCA also filed comments in early 2021 regarding a Pre-consultation on Proposed Regulations Amending the Pest Control Products Regulations (Applications and Imports) launched on November 9, 2020. Comments were also submitted on a particular section related to a possible exemption of Treated Articles not falling explicitly under the PCPA, but as under other Acts such as the FDA and FAFA. CPCA asked for such an exemption to be extended to preservatives that are captured under CEPA.



Deeper Dive!

Biocides: Challenges for Canadian Paint and Coatings

The issue of biocides in paint, and the increasingly tight regulation of them, has been gathering steam in Europe, Canada and the United States. It is among the top issues for the coatings industry. Until now, regulators have long been focused on the review and subsequent regulation for many uses in crop protection, sanitization, etc. It has recently become clear that the more restrictive evaluation of uses for paint and coatings has not been well understood by regulators and thus challenging for the paint and coatings industry. CPCA's extensive advocacy efforts continue to address this urgent matter.

The most recent evidence of those challenges was the ban of a very common biocide for paint and coatings use in Canada in 2019, OIT. The ban was reversed a year later in 2020. However, it is unclear why the same data used to restore both OIT as well as use levels for CMIT/MIT in Canada, produced a different decision for both. CPCA never understood why the ban occurred given the fact there was strong scientific data provided for the re-evaluation and approval of OIT at existing label use rates in Canada. While the ban reversal was positive, it had already caused unfortunate disruption for the coatings industry and the formulations for many product lines we see on store shelves today.

There is currently a cluster of critical biocides that protect paint products under re-evaluation in Canada. Final decisions for those biocides are imminent and will have severe use restrictions imposed on most of them including two outright bans. As such, those critical ingredients will be taken out of the mix of options for paint formulation in Canada and will affect product performance, consumer choice and ultimately price. Yet, they will still be available to manufacturers and consumers in the United States. It is unclear why this re-evaluation - using the exact same science - produces much different results in Canada.

Often overlooked by evaluators is the fact that biocides used in paint and coatings are very good examples of how microbial control technology is used effectively to preserve a material itself, stabilizing paint throughout its production, transportation and storage - before application. It also provides stability after application by protecting the structures on which it is applied such as wood coatings. Today there is a growing demand for paint with lower VOC emissions. This has led to the removal of solvents in architectural or decorative paint with very low to near Zero VOC water-based paint widely used by consumers. However, these products also require more intensive care to protect the integrity of the waterborne product in its final form, which can

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only be provided by biocides in the absence of solvents. In the process this has reduced low-level emissions from coatings substantially! Paint related emissions in Canada have been greatly reduced by more than 41 kilotons over the past 15 years. **That is the equivalent of taking 3,280,000 cars of the road annually.**

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The move to water-based paints, due to huge company investments in innovation, has further contributed to the sustainability of paint and coatings. Such technology advances has led to the paint industry's impressive success in paint recycling across Canada.

The move to water-based paints, due to huge company investments in innovation, has further contributed to the sustainability of paint and coatings. Such technology advances has led to the paint industry's impressive success in paint recycling across Canada. **Last year more than 28 million kilograms of paint was recycled, enough to paint more than 500,000 homes.** More than 94 percent of paint litreage sold in Canada is water-based architectural paint with very low or near Zero VOC emissions constituting a substantial share of those sales. The percentage of waterborne paint used for commercial purposes such as in automotive refinishing has also improved and exceeding more than 30% of total sales in that segment, with more expected in the coming years.

The fact remains that without the use of biocides, also referred to as in-can preservatives, water-based paints would very quickly deteriorate in the can. Without dry-film preservatives, the paint applied to a surface would lack the ability to protect itself and the substrate from attack by fungi, algae and lichens. Latex emulsions and

aqueous bases used to manufacture latex paints provide the ideal breeding ground for microbial growth. Without microbial control products, paint would completely break down during storage and would lose all viscosity, texture and adhesion ability.

It is thanks to modern antimicrobial technology, paint can now last several years and the finished coatings they produce will last much longer, greatly extending the lifecycle of valuable assets. In turn, this extends the time and need to harvest new natural resources thereby **reducing the environmental footprint under a more sustainable approach from 'water-based' products.** Finally, for any leftover architectural paint products in Canada the **manufactures assume full responsibility for paint recycling under provincial legislation, completing the circle in a circular economy approach to paint waste recovery.** Biocides continue to play a critical role in Canada's sustainability.

With the obvious benefits of biocides in paint and coatings it is becoming increasingly concerning to industry, and ultimately consumers, as to why regulatory authorities are evaluating them harshly and differently from one country to the next. For Canada this means a growing lack of alignment with our largest trading partner, the United States. This will only lead to more outright bans or restrictions in Canada that render such ingredients unusable or ineffective in protecting 'water-based' paint. Ultimately, this could also render the paint products useless for those who rely on their performance to extend the lifecycle of their assets, which **help them to also reduce 'their' environmental footprint.** This is not to suggest that these biocides should not be reviewed and controlled, but that the risk assessment methodology and approval process must be more evidenced-based and **must be completed based on consistency with other peer reviewed and expert scientific risk assessments.**

Having critical biocides for paint and coatings put through a rigorous evaluation process and approved for use in one country, while in another country restricted for the same use levels or banned outright, based on the same data, raises serious questions. This is especially troublesome when a company can use a product in the United States for paint preservation, but not in Canada, where the paint applications are similar. And, when that same company has to either reformulate the product for Canada, or take it off the market altogether in Canada, it negatively impacts all in the value chain.

Persistent challenges on critical biocides used in paint and coatings in this country is simply not good for Canada.

Paint Recycling in Canada

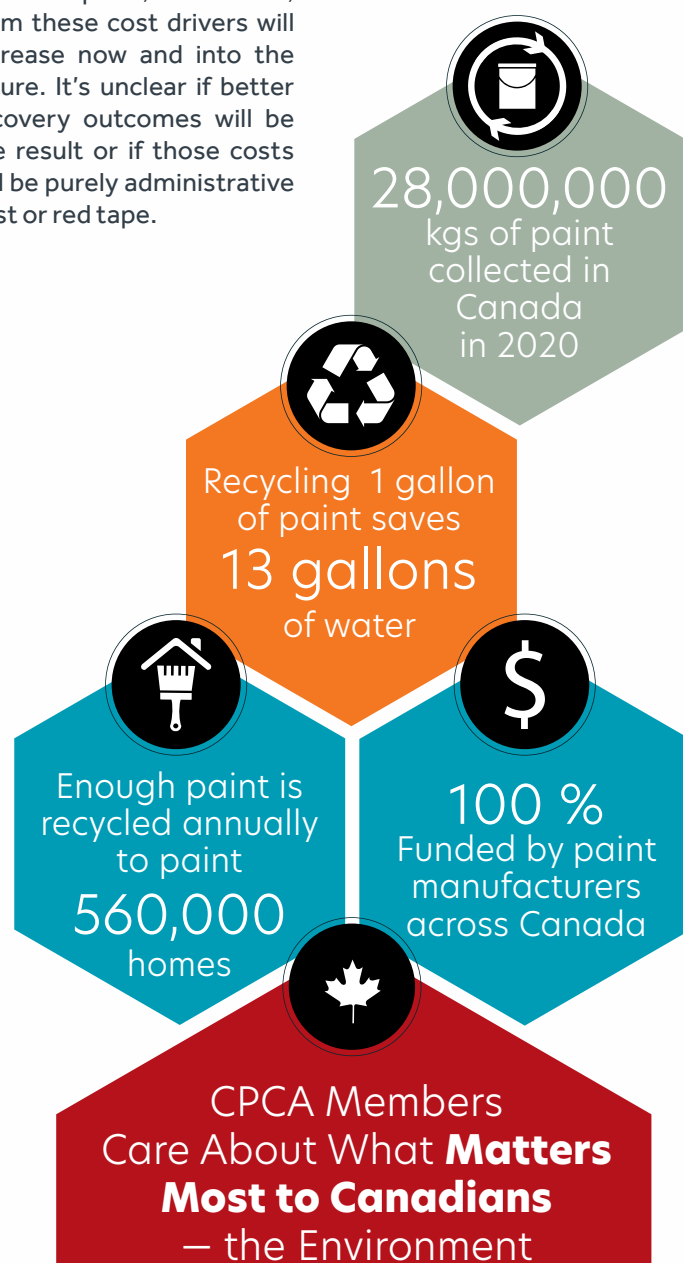
CPCA Challenges Aspects of Ontario's Upcoming Paint Recycling Regulations: The new regulation in Ontario for managing hazardous and special products (HSP) came into force on July 1, 2021. This regulation impacts the paint recycling program in the province, which has been a huge success to date collecting more than 53,800 tonnes of paint and recycling more than 31,000 tonnes of paint as of year-end 2020. The proposed HSP regulation replaces the Municipal and Hazardous and Special Waste (MHSW) program and will rely exclusively on "individual producer responsibility" where producers must manage their own obligations or join an industry stewardship program such as Product Care. CPCA identified several issues of concern to the coatings industry and submitted official comments to the Ministry in late March of 2021. The new accessibility requirements under the new HSP regulation has resulted in a requirement for new collection sites and events with substantial cost to industry. In some cases these additional requirements offer little to no environmental benefit for improved waste recovery outcomes in less populated areas of the province. The current paint recycling program in Ontario is robust and has been operating exceptionally well for CPCA members and Ontarians over the past five years under Product Care. It has consistently met recovery targets, which is often challenging for a 'consumable' product like paint having to meet new administrative burden and red tape requirements without sound business modelling supporting it.

Ontario Non-Packaging Waste Recycling Sector Advisory Group

CPCA initiated the creation of an advocacy group to remove increasing red tape and costs in Ontario waste programs. This group represents materials in the MHSW program, plus Electronics and Tires, representing more than \$150 million in annual environmental costs for obligated producers or manufacturers selling goods in Ontario. It is hoped this effort will address concerns related to the new HSP regulation for MHSW materials, tires and electronics based strictly on the weight of product sold into the market, not what is recovered. Paint is the largest single material in that group at about 40 percent of the total value and the heaviest product in terms of volume sold. There are four cost drivers of concern for this group, as it would be for the Blue Box sector as well, and those are:

1. Continued transition costs under the RRCEA
2. New regulatory costs under the HSP regulation for paint
3. New and much higher registry fees duplicating existing data already provided by stewards via their PROs
4. Increasing RPRA debt and credit lines

All of those costs flow from the RRCEA without the transparency and accountability for those charged with oversight under the Act and without recourse or due process related to fees and enforcement decisions. It is considered a form of taxation without representation. In effect, the industry shareholders who are 'individually responsible' under the Act for operating and paying for Ontario waste programs have little or no input when budgets are determined and fees set. New recurring costs for paint, and others, from these cost drivers will increase now and into the future. It's unclear if better recovery outcomes will be the result or if those costs will be purely administrative cost or red tape.



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Air Quality

A Leading Industry in Lowering VOC Emissions

VOC Emissions

VOC emissions and air quality continue to be a strong focus of the federal government. In 2019, Environment and Climate Change Canada (ECCC) conducted a comprehensive study related to the national VOC limits for 53 categories of Architectural coatings sold in Canada, plus 10 new categories to potentially be added to the Amendment to the Architectural regulations that was enacted in 2009. ECCC's intent is to secure additional emission reductions by aligning the Canadian regulations to California's CARB-2019 and not the OTC Phase II VOC limits being adopted in the North Eastern States. ECCC's consultation paper was presented in the Fall of 2020 with the plan to publish the amendment in the Canada Gazette Part I in mid or late 2021. These timelines have been affected by the pandemic and a federal election.

CPCA recommended avoiding the adoption of any hybrid version of the US CARB rules; acknowledging the significant VOC reduction emissions achieved by the sector in Canada; focusing on changes modelled on OTC (Phase II); significantly deepening and refining the actual technical and cost impact analysis to reflect the Canadian SME situation; and, consider the relevance and importance of performance characteristics associated with very low-VOC water-based products used in very cold conditions.

Last year, CPCA offered to form an AIM working group to further inform ECCC regulators on specific technical feasibility issues. In December, ECCC asked for more detailed information on the technical challenges in the form of a paint industry survey in an effort to address enforceability issues while achieving their goal of additional VOC emissions reduction. Large CPCA members completed the ECCC questionnaire highlighting significant performance and technical difficulties in a Nordic climate for as many as 22 categories. **CPCA will continue to advocate against the adoption of California limits in Canada.**

Third VOC Regulation for Certain Products

In February, 2021, ECCC held a webinar to discuss changes to be provided to the regulatory text based on specific CPCA comments. ECCC acknowledged many of CPCA's formal comments. The final publication in Canada Gazette Part II is still expected to be delayed to late Fall of 2021 and will not come into force before January 1, 2022 followed by a 3-year transition period for final implementation by CASE manufacturers and by limited sell-through.

Automotive Refinish VOC Regulations

According to the latest Federal Agenda for the VOC Emissions Reduction 2021-2028, the federal government plans to revise auto refinish VOC regulations, although it anticipates minimal amounts from this sector. ECCC is still reviewing its assessment of total VOC emission reductions from the sector with the proposed new limits and this study will be finalized in Winter 2022. The current ECCC timeframe is 2022-2025 and ECCC confirms its intent to adopt OTC MERR 2011. CPCA will seek for members' comments on this matter.

More VOC Developments for Industrial Coatings

There has been a major development on VOCs with respect to Canada's Federal VOC Agenda 2010-2020. Its renewal for 2021-2028, which was proposed in March 2021. On April 13 CPCA and its members submitted lengthy comments raising several concerns with respect to the total VOC emissions assigned to AIM coatings and industrial aerosol coatings and the real VOC emissions reduction expected from the new, proposed VOC measures for these sectors. The short- and mid-term focus will be on AIM coatings, AR coatings, Aerosol coatings and Industrial Adhesives and sealants. The federal government will prepare measures for adoption

for categories like cars/vans/light truck/assembly coating/auto parts coatings and plastic, rubber, leather and glass coatings later in the period. It is still unclear if the effort on new VOC levels are warranted based on the limited emissions reduction expected.

VOC-exempt Update

PCBTf, a key VOC-exempt compound in Canada used in industrial paint formulations, was added to Proposition 65 in California as a cancer causing substance last June. Such a decision is expected to gain traction in the rest of the United States based on a National Toxicology Program (NTP) report. VOC-exempt compounds are still available to industry to help reduce existing VOCs in products in Canada. CPCA reminded the federal government of the potential impact of the gradual elimination of PCBTf and TBAC as VOC-exempt compounds, which could force changes to the low VOC limits currently being imposed in California. In the latest publication of the Federal Agenda, the federal government indicated that it will update on an as needed basis the VOC definition that would mirror the list of excluded compounds included in the U.S. EPA VOC definition. This measure will allow further alignment with U.S. regulations and will provide greater flexibility to industry.



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New VOC Limits for Architectural Coatings in Canada

CPCA made substantial submissions on the federal government's intent to change the VOC limits for architectural and industrial maintenance (AIM) product categories sold in Canada. There are several areas which will be technically problematic and could be very disruptive for the Canadian coatings sector. No paint and coatings company in Canada can ignore the upcoming challenges these new limits could impose. As such, CPCA recently consulted with member companies again to update the federal government on the challenges before the paint industry in this country. Earlier this year, CPCA provided members with a questionnaire that included a detailed description of the new VOC limits in the United States for SCAQMD, CARB 2019 and OTC II, and how they compare with the current limits in Canada for all categories.

Early in 2020, the federal government presented the results of a study they had commissioned comparing the actual VOC content in products sold in Canada with CARB 2019, SCAQMD limits, and the OTC Phase II VOC limits. It assessed total VOC emission reductions expected from the AIM sector pursuant to the adoption of either US model. At the time, CPCA recommended a phased-in adoption of OTC Phase II limits to avoid a hybrid regulatory model. It was also noted that adopting US rules in Canada

would mostly impact specialty products that serve specific functionalities in the preservation of public infrastructure, transportation and other critical assets. Canadian SMEs would have a much more difficult time complying with stricter limits than multinationals or US-based companies with extensive research and development capacity for products already destined for the Californian market, under CARB limits. In effect, they would already be compliant.

CPCA was specifically asked to provide more detailed technical information on behalf of the Canadian coatings industry for the categories most likely to be impacted. A questionnaire was sent to all CPCA AIM members in January 2021. CPCA made it clear to government that many SMEs were not fully aware of the impacts of lower limits being applied in Canada because they have not yet had to deal with challenges in complying with OTC Phase II limits, as some larger member companies have in the United States. However, CPCA was able to obtain significant technical feedback on the main categories believed to be of most concern to industry, as well as estimates of what might be acceptable implementation deadlines should government proceed with the new AIM VOC limits.



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One of the key recommendations made by the Canadian coatings industry was the need for the federal government to take into consideration that Canadian SME operations will require more time to cope with new VOC limits and, must account for the already low VOC limits used in the majority of water-based products. This is especially the case for the strict California VOC limits, as well as the time needed to reformulate products to meet new specifications. In light of the obvious challenges for the Canadian economy over the past two years, such an initiative will place greater strain on SMEs who may have to abandon successful product lines or shut down completely. This would not be good for the Canadian economy as it struggles to rebound from a very challenging year and replenish revenues and job losses throughout the pandemic.

CPCA members identified 22 product categories that are particularly problematic should the federal government move forward with new VOC limits based on CARB 2019. Several of these are briefly described below. Significant challenges will ensue for specialty products applied in a Nordic climate especially related to latex and alkyd-based coatings. There must be more attention paid to the lifecycle of products in a Canadian climate, which exposes coatings to low temperatures, salt, high humidity, and degradation by rain and snow. In particular this applies to all solvent-based product categories such as rust preventative coatings, solid stains, primer, floor enamel, driveway sealers, and concrete sealer. They will all be extremely difficult to reformulate under the new limits without losing significant product performance.

The most impactful technical difficulties associated with CARB and SCAQMD limits strongly suggests that Canada should first adopt OTC Phase II limits rather than CARB 2019. CPCA re-emphasized the fact that only six States in the US have adopted OTC Phase II rules as of the end of 2020. Additionally, only four California districts have adopted the 2019/2020 SCM and most of these California district rules include a coming-into-force date of January 1, 2022. The adoption of CARB 2019 limits in Canada would put Canadian companies ahead of the vast majority of US neighbour States, which would cause significant disruptions to cross-border trade. It may also lead to increased cross-border retail trade, i.e., Canadian buyers (consumers, contractors) crossing to US neighbour States to purchase products with higher

VOC limits to achieve the performance characteristics customers have come to expect, especially related to the safety benefits.

In the US, CARB VOC limits have accommodated industry concerns in product categories such as Industrial Maintenance, Zinc Rich Primers, Metallic Pigmented, Rust Preventatives, Concrete Cure, and Graphic Arts coatings. Limits in these categories cannot be lowered any further without negative consequences related to both safety and life-cycle challenges, which will increase emissions somewhat rather than lower them. These coatings are critical to protecting and extending the life of infrastructure exposed to the extremes of Canadian climate such as freezing temperatures, salt spray, and high humidity. The industrial maintenance category is very important for the protection of water and wastewater treatment plants, pipelines, wind turbines, bridges, and high-performance exterior metal surfaces subject to corrosive atmospheres. The proposed 100 g/L limit for the industrial maintenance category is not feasible for these applications. These require high-performance products that cannot simply be switched to water-based technology without sacrificing key performance characteristics that will 'not' decrease users' environmental footprint. Imposing realistic VOC limits, without impacting the performance of the product, will thus lead to 'more' environmental benefits because the substrates that are being coated with a slightly higher VOC product will not have to be re-coated or touched up as often. In the long run this is more sustainable than a lower performing coating developed solely to meet strict VOC limits requiring re-coating more often.

CPCA remains hopeful that industry's efforts to meet and exceed VOC limits, imposed over the last decade, will not go unrecognized. In a period of just over 5 years from 2014-2019, the Canadian architectural sector achieved VOC reductions in the order of 4.3 Kt or nearly 30%, all under the current AIM regulation. Those numbers are based on an Environment Canada study. Industry is puzzled as to why the stricter CARB 2019 limits are now being considered when industry has continued to make excellent progress in Canada.



Environmental Health & Safety

Advancing alignment in worker safety

GHS Compliance Support

CPCA continues to assist members with Health Canada guidance publications, inspector blitzes, hazard database information, and training opportunities.

Hazardous Materials Information Review Act (HMIRA) Modernization

Health Canada plans to implement the exclusion of all CMRs (carcinogenic/mutagenic/reprotoxic) from any CBI claims.

Hazardous Products Act

CPCA's position on the removal of the 'consumer product exclusion' (CPE) from the Health Products Act has always remained the same, that is, Health Canada has failed to provide enough evidence to show that:

- a. Consumer products are being widely used in Canadian workplaces; and
- b. The apparent use of these products is leading to long-term health issues for Canadian workers.

This view is supported by the findings of an independent report for Health Canada on the subject with the overall conclusion recommending further study be done if any consideration is given to its removal. Labour groups have relied on anecdotal

and qualitative information to argue for removing the CPE, which would impose a huge cost burden on industry by requiring companies to re-label all consumer products with WHMIS standards. It would also create misinterpretation and mass confusion among consumers and suppliers since these products would now be regulated under two Acts, WHMIS and the CCCR, 2001. It is unclear how that would improve worker safety. CPCA supports keeping the status quo i.e., retaining the CPE in the HPA with import do not add more red tape for industry. CPCA has also argued that providing WHMIS labels on virtually all consumer products, due to the broad nature of the exemption, will not be aligned with the United States, Canada's largest trading partner.

GHS Revision 7 Status

Earlier this year, the government published a proposed amendment to the Hazardous Products Regulations (HPR) to initiate conversion to Revision 7 of GHS in Canada. This publication was followed by a publication in the US by OSHA to comply with the Revision 7 and possibly some Revision 8 requirements. CPCA submitted extensive comments on the Canadian proposal calling for alignment between implementation timelines in the US and Canada and pointing

out variances. However, CPCA will support members' comments related to a certain number of non-aligned provisions. Following further consultation, CPCA provided Health Canada with a detailed list of Top 5 variances that would most negatively impact business on both sides of the border. Efforts must be made in the future to resolve persistent alignment issues through discussions via the Canada-US Regulatory Cooperation Council. Different countries adopting different versions of the GHS - at different times - leads to a Globally Inconsistent System (GIS), not GHS, especially when they take the opportunity via a GHS update to add non-GHS provisions as it seems to be the case for the US this time around. OSHA is proposing changes that are not included in GHS Revision 7 and also considering adding elements available in GHS Revision 8. CPCA continues to press for a common implementation date for Revision 7 in both countries. In this context, a two-year transition period might not be sufficient and a staggered approach for suppliers-distributors-employers should be adopted.

True Label Copy Requirement

CPCA formally requested an amendment to Section 14.3(1)(a) of the Hazardous Products Act (HPA), regarding the requirement for the true copy of labels as part of the Budget Implementation Act. CPCA estimates that this unique and unjustified requirement introduced in the new Act in 2015 has cost the paint and coatings industry as much as \$18 million. CPCA provided Health Canada officials with a very detailed description of the true copy label burden at every step of the three streams: raw materials supply, manufacturing, and distribution. CPCA submitted a detailed submission to clarify the impact for officials. This document was well received by officials, who could finally get a detailed grasp and understanding of the issue from an industry perspective. Health Canada is still considering the removal of the true copy provision in the HPA but with an extension of the SDS retention period from 6 to 30 years to be more in line with US. The final decision has not been made yet as various government initiatives are being delayed and this amendment is still pending.



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History of the World Coatings Council

Over the last several years, common issues facing the paint and coatings industry on a global level have increased significantly. While it is always a constant challenge for each individual country to manage the myriad of domestic regulations, it has become increasingly difficult to interpret the potential impact of foreign issues from one country to the next. In 1992, in an attempt to improve communication and to coordinate industry policy on matters of international concern, the World Coatings Council was formed.

At the inaugural meeting of the Council common issues of concern were identified and separated into two categories — “communication” and “action.” Today the council continues to apply this process. Communications cover issues the council deems appropriate on an exchange-of-information basis, such as training and education, or air pollution controls. Issues requiring proactive industry actions include sustainability, product stewardship, air quality, workplace health and safety, chemicals management and more.

Deeper Dive!

Renewed Focus on Sustainability Reporting in the Coatings Industry

The focus on sustainability within the coatings industry has evolved since the idea was first introduced years ago. Today, sustainability matters are routinely considered by all in the coatings industry when performing many, if not all, business operations, while at the same continuing to ensure strong product performance. The focus has expanded beyond reducing volatile organic compounds (VOCs), which has been one of the signature successes of the coatings industry in Canada with more than 94 percent of all architectural coatings now water-based, achieving huge emissions reduction of more than 44 kilotonnes.

The focus now includes energy and resource conservation, waste minimization, process efficiency enhancement, use of renewable materials, and the list goes on. Companies are also looking to impact the entire value chain and considering the societal impacts of their activities. This is happening throughout the coatings industry in Canada, and around the world, from SMEs to large national and multinational companies. This is already evident in the regular annual sustainability reports issued by paint and coatings companies and those have been improving significantly over the past several years.



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It is because of this commitment to sustainability that the World Coatings Council (WCC), comprised of associations like CPCA from around the world, moved forward with a plan to develop the first WCC Global Sustainability Reporting approach.

It is because of this commitment to sustainability that the World Coatings Council (WCC), comprised of associations like CPCA from around the world, moved forward with a plan to develop the first WCC Global Sustainability Reporting approach. An RFP was awarded to a company based in Germany, :response, who has since conducted extensive member surveys and developed key performance indicators (KPI) for more than a year in concert with WCC member associations. Ultimately, the report will become a resource for coatings companies around the world to help facilitate their individual sustainability reporting.

The goal of this initiative is to build on the many sustainability successes of the coatings industry, and there are many. In fact, coatings help many other industry sectors reduce their environmental footprint in so many ways in terms of extending the lifecycle of their products from high

performance coatings, reduced fuel consumption from antifouling coatings, extended product stewardship from recycling leftover paint, etc. The pinnacle of sustainability reporting is the set of Global Goals for Sustainable Development created a number of years ago to provide guidance on sustainability reporting for all industry sectors and organizations in general.

Nine of the 17 goals have been used to develop sustainability reporting guidance for the coatings industry. In recent surveys conducted by :response the order of ranking for those goals in the case of coatings are as follows, from first to last: (12) responsible production and consumption; (11) sustainable cities and communities; (3) good health and well-being; (9) industry innovation and infrastructure; (13) climate action; (6) clear water and sanitation; (8) decent work and economic growth; (4) quality education; and (14) life below water. The remaining sustainable development goals are also important but will not be an integral part of guidance for sustainable reporting in the coatings industry.

With respect to the perceived challenges the topics that were noted for urgent action or concern for major risks included: product design and lifecycle management, waste and hazardous material management; responsible supply chains; community relations and contribution to industrial development; labour rights; customer satisfaction; and economic performance. Many will understand and appreciate how those could be key issues for the coatings sector and some would resonate more than others depending on the country in question and their product lines. The consultant has taken a deeper dive on these variables and KPIs were defined for all, accepted and incorporated into the business metrics for coatings companies. These will help member companies determine how each metric could be reflected in a company's sustainability reporting in future.

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over past
10 years



VOC emissions
reductions
in Canada =
3,280,000
cars off the
road



13 gallons
water conserved
using recycled
paint



94+%
of all architectural
coatings in Canada
are water-based



5,000+
drop-off sites for
paint recycling

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There is only one product category that is consistently well-covered across the country by regulations (either EPR or product stewardship) with programs operating province-wide to divert materials from landfill, and that is used paint.

The Canadian Council of Ministers
on the Environment (CCME)



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Gary LeRoux, President
& CEO, CPCA



\$60 Billion
in fossil fuel
reduction with safe
use of anti-fouling
marine
coatings



20% - 70%
savings in annual
cooling costs when
reflective roof
coatings are
applied



9% to 18%
energy savings
when windows
are coated



28,000,000
kilograms of paint
recycled in 2020



Paint recycled in
Canada is
enough to paint
560,000
homes



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Diploma Recipients for 2021

Congratulations to Nader Sabarjad Shiraz in receiving CPCA's diploma in coatings technology. Nader is a paint professional who has 20 years of experience in the paint and coatings industry. He started his first job in the Quality Control and R&D department of Nippon Paint Iran after graduating with honours in Ph.D in organic chemistry. His noteworthy role in that position was switching solvent-based architectural paints to the waterborne system. To achieve this goal, in addition to reformulating the products, he established a paint academy, and trained more than

10,000 painters countrywide focusing on environment, health and safety. Five years later, as a QA manager he started implementing international standard systems in the company which included: ISO 9001, ISO 10004, ISO 10002, CE and GOST. After successfully establishing new products per the related standards he was promoted to market development manager. In that new position he marketed the company's products to middle east and CIS countries doubling the company's market share within 4 years. He moved to Canada and joined PPG's architectural paint plant in Concord, Ontario as a paint processor where he makes waterborne



architectural paints. His goal is to support revolutionary innovations in the paint industry related to the resources, production and application.

CPCA 2021 Scholarship

CPCA values education for our members and supports the next generation of chemists, paint formulators, and business leaders. The scholarship program is offered to **CPCA 'members only'**. To apply for a scholarship an application must be completed and submitted (link to section on website). Applications can be submitted at any time during the year.

Note: *that successful applicants cannot apply again the following year. Only one scholarship is granted per student.*

CPCA wishes students success in their academic career and a promising career in future.

Jemma deFondaumiere is a university student from Vancouver, Canada. She is currently attending the University of British Columbia in the faculty of science. Her primary focus of study is biology and

cognitive psychology. Jemma wishes to specialize in biological sciences. During her studies, she also works as a swim coach where she develops children's swimming skills and performs first aid measures when necessary. Volunteering at the Special Olympics B.C. Association has enabled her to be able to work with people of all abilities within her community. Her love for children and passion for the sciences led her to decide on a career path related to pediatric medicine. **Congratulations to Jemma as the 2021 recipient of the CPCA Scholarship.**



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ELECTRONICS



PAINT



TIRES



USED OIL

Collaboration for a Better Industry in Canada

CPCA understands that it is not alone on many issues. The Association collaborates with a number of organizations to accurately advocate for the industry on a wide range of issues. Moreover, it is important that CPCA listen to what respected stakeholders have to say — whether they be government, industry associations, standards organizations, non-governmental organizations or the public. Effective stakeholder relations requires CPCA to consider the views and formally stated positions of others in the context of the concerns and aspirations of the coatings industry.



American Coatings Association



World Coatings Council



CMP National Stakeholder Advisory Council



UN Sustainable Development



Canadian Association of Surface Finishing



CEPA-Industry Coordinating Group



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Regulatory RADAR

A core CPCA mandate is helping member organizations navigate the Canadian regulatory landscape with confidence. The

Regulatory RADAR is our premium monthly 'member-only' publication reporting on news of interest to paint and coatings manufacturers, suppliers and distributors. It details comprehensive legislative and regulatory actions at all levels of government in Canada and around the globe. It's a must-read for all involved in the Canadian coatings industry.

Prime Time NEWS

A publicly available monthly newsletter sent to members, stakeholders, and government officials to provide a window into the industry for those with an interest or role in the sector. The PTN showcases members' ongoing innovation and research efforts that make the coatings industry leaders in delivering sustainable products with unmatched performance.

CPCA Bulletins, Press Releases & Government Submissions

CPCA members are informed of new submissions with direct input on actions taken by CPCA's board, technical committees, and staff. This ensures the industry is fairly represented when decisions are made affecting their business.

CPCA INSIGHT — Guide & Directory

This CPCA annual report, guide and directory profiles the industry, provides updates on key issues, and considers future trends and impacts. It is provided for the benefit of all members and sent to 3,000 industry leaders via CFCM magazine's distribution list. INSIGHT provides members with unique advertising opportunities and an overview of the latest news and information in the paint and coatings industry in Canada.

CPCA Awards Program

CPCA has a rich history of recognizing excellence each year at its Annual Conference & AGM. For the past three decades, the paint and coatings industry has been honouring those who have made significant contributions to the Canadian paint and coatings industry.

Webinar Series

CPCA hosts a number of webinars for members throughout the year to ensure members are fully apprised of the issues and to ensure full opportunity is provided for members to provide feedback and suggestions for ongoing advocacy where it may be required.

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Remerciements à tous les membres de l'ACIPR pour leur soutien au travail important que fait l'ACIPR en vue d'assurer que l'industrie CASE (revêtements, adhésifs, obturants et élastomères) demeure vivante et vigoureuse au Canada.

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Support our Forests to Help Fight Climate Change

Join CPCA & Tree Canada and Plant a Tree through the National Greening Program

Every year the atmospheric concentration of carbon dioxide and other greenhouse gases continues to rise causing our earth's climate to change. This change has far reaching effects on human health, ecosystems and our economy.

On behalf of its membership and staff, CPCA has partnered with Tree Canada to help restore damaged ecosystems and forests through the planting of trees. This year 625 trees will be planted throughout Québec in areas that are most in need of reforestation and ecosystem restoration. While growing, these trees will sequester carbon dioxide and produce oxygen. Trees also provide many other benefits such as creating habitat, removing pollutants from the air and regulate storm water. A mature tree can absorb as much as 22 kg per year. It is estimated that over a 80 year lifespan a tree can sequester 200kg of carbon dioxide and produce the oxygen we breathe.

CPCA invites all our valued member organizations to support our Canadian ecosystems, help restore forest cover and fight climate change through tree planting. Our partnership offers members the opportunity to engage with Tree Canada and support their National Greening Program with tree planting projects across Canada or their Grow Clean Air program for those that want to determine their carbon footprint and offset these emissions with dedicated tree planting projects.

*For more information visit
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