Canadian Paint and Coatings Association

Association canadienne de l'industrie de la peinture et du revêtement

INSIGHT

PERSPECTIVES

Canadian Coatings Industry **2023** Industrie canadienne du revêtement

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Prince Edward Island
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IN.SIGHT PERSPECTIVES

Creativity. Chemistry. Compliance.
A formulation for Success

The paint and coatings industry is one of the most heavily regulated chemical industries in Canada. As one of Canada's oldest industry associations CPCA's mandate is to advocate fair regulatory development, that is evidence-based, rooted in science, with full consideration of the economic impacts on industry, the environment, and the economy.

CPCA's Annual Guide and Directory — INSIGHT — is Canada's trusted source for 'insights' on regulatory compliance and ongoing regulatory change for the Coatings, Adhesives, Sealants and Elastomers (CASE) industry. The publication addresses regulatory changes over the past year in terms of CPCA's actions and outcomes. It also has insight on what is in the pipeline for chemical regulations in the year or two ahead. **INSIGHT** also features articles on subjects of key interest to the industry: regulatory and operational challenges, technological advances, and sustainability initiatives — all shaping the future of the industry.

The chemical industry in Canada is now on the cusp of stringent legislative and regulatory changes. The federal government's Targeted Review of the Pest Control Products Act (PCPA) is focused on transforming the way biocide preservatives are evaluated. CEPA Reform is the most important federal government commitment to strengthen the Canadian Environmental Protection Act (CEPA) since 1999. Proposed amendments seek to alter the way chemicals are assessed in Canada under Canada's longstanding Chemical Management Plan. This could lead to more outright bans, more restrictions, and alter regulations for many chemicals used in thousands of CASE formulations.

INSIGHT provides a snapshot of regulations and regulatory developments in four critical areas for the CASE industry: Chemicals Management, Air Quality, Product Stewardship, and Environmental Health and Safety.

CPCA's **INSIGHT — Annual Guide & Directory** is provided to all members and sent to more than 3,500 CFCM Magazine subscribers in the paint and coatings industry throughout North America and available to all on www.canpaint.com.

> “I came into my office today to find the recent INSIGHT magazine on my desk and it is EXCELLENT! Great articles and great writing, you and your team are a tremendous asset to the industry.

Joyce Borkhoff, Vice President, Chemicals & Food/Nutrition
Intertek Assuris

CANADA COATINGSHUB™

Enhance Compliance & Mitigate Risk

Compliance Data for CASE Chemicals in Canada

In a world of growing regulations and increasing pressure on manufacturers CPCA understands the importance of advocating strongly on behalf of industry. CPCA's **Canada CoatingsHUB™** is the only regulatory HUB of its kind in Canada, focused only on chemicals used in CASE industry products.

Curated and searchable resources on the **Canada CoatingsHUB™** provide critical insight on government relations and regulatory affairs activities impacting or likely to impact the Canadian coatings industry. Any company manufacturing, supplying, or distributing CASE products in Canada has a **competitive advantage** as a CPCA member with real-time access to critical and current information via the **Canada CoatingsHUB™. Without real-time data do you really know what the impacts are on your CASE business in Canada?**

Know the Status of CASE Chemicals in Canada

Get Updates on All Chemical Regulations

Access Data by Chemical Number

Fully Comply with EHS Regulations

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CPCA Staff
Gary LeRoux, MPA
President & CEO

Lysane Lavoie, M. Sc.
Director of Regulatory Affairs

Peter Mirtchev, Ph.D.
Director of Public Affairs

Melanie Di Tullio, RGD, CDP™
Director of Design & Communications

Fiona Fei, B.Com.
Director of Administration

Writers & Editors
Gary LeRoux
Lysane Lavoie
Peter Mirtchev

Contributors
Marie Mottoul, Ph.D Student
Université Laval

Translation
Dominique Baptiste
Lysane Lavoie

Graphic Design & Advertising
Melanie Di Tullio
Don Burns

Annual Conference Photography
Samuel Tessier

Printing
Maracle Inc.
1156 King Street East
Oshawa, Ontario
L1H 1H8 Canada

Circulation
Mi5 Intelligent Service
1550 Caterpillar Road
Mississauga, Ontario
L4X 1E7 Canada

Canadian Finishing and Coatings Magazine
538 Elizabeth Street
Midland, Ontario
L4R 2A3 Canada

Canadian Paint and Coatings Association
900-170 Laurier Ave. West
Ottawa, Ontario
K1P 5V5 Canada
613.231.3604
cpca@canpaint.com | canpaint.com

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CPCA's Board of Directors are committed to the pursuit of fair regulations that support sustainable product development while sustaining a thriving and competitive coatings industry in Canada.

Darrin Noble, Chair
CPCA Board of Directors

CPCA's Board of Directors is comprised of industry's leading coatings manufacturers, suppliers, distributors and affiliate organizations. Their expertise and knowledge are invaluable in the governance of CPCA and shaping the future of the Canadian Coatings Industry.

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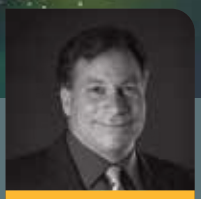
Darrin Noble
Cloverdale Paint

Chair of the Board of Directors



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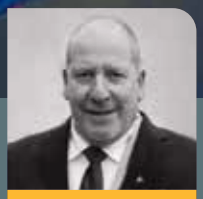

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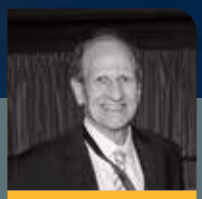

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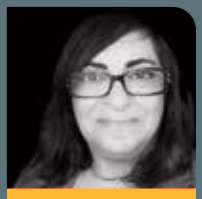


Katie Maljaei
Brenntag Canada

Trevor McDole
Home Hardware

Adil Meziati
Sherwin-Williams

AkzoNobel

Jeff Snyder
AkzoNobel Canada

Chair's Message

As we return from summer and transition to the hectic fall period, I can certainly say that there is no shortage of issues to manage in the coatings industry. Despite over two years addressing pandemic-induced challenges, the industry has weathered the COVID storm relatively well. That is not to say it hasn't been challenging, but the industry adjusted to the crisis and leaned into the storm. Without a doubt, certain coatings industry segments continue to face headwinds of one kind or another, but headwinds will always be with us in a constantly evolving world.

The drive toward net zero emissions and better sustainability continues to ramp up and is now an integral part of business planning. This includes ESG commitments, a focus on the circular economy and continuous improvements to ensure effective product stewardship. These are challenges the industry has proudly embraced dating back to the days of Coatings Care in the 1970s. Supply chain disruptions, although showing signs of easing, are likely to continue into 2023 as are rising consumer expectations for higher levels of service and uncompromised product performance. Throughout this evolving business environment, CPCA will continue to focus on shaping and managing the ever-increasing chemical regulations, which include stricter requirements for the classification, labelling and packaging of products.

In Canada, new chemical initiatives include the federal government 'modernizing' the *Canadian Environmental Protection Act*, the most important Act governing chemical use since 1999. The federal government expects to pass new amendments to the Act by the end of 2022, which are likely to lead to more restrictions under the already mandated chemical assessments for many CASE products now on the market. There is also a move on the biocides front as the federal government is working to 'transform' the *Pest Control Products Act* governing the evaluation and re-evaluation of biocides used in CASE products. Descriptors like 'modernizing', 'transforming' and 'renewing' are widely used by Government officials on such matters, and those terms are often concerning for industry as they usually mean more stringent regulations for industry. Constant vigilance, effective lobbying and a scientific approach are required to counter political agendas brought forward by other groups.

Multiple chemical industry sectors have raised concerns about the current proposed legislative changes impacting chemical industry sectors in Canada. Some of those amendments go

beyond the scope of the federal government's original intent. Industry is not arguing that more cannot be done, but any changes to 'modernize' or 'transform' chemical regulations must be fair, science-based and focused on real outcomes rather than simply introducing more bureaucratic red tape that constrains business growth in Canada, limits consumer choices and increases consumer costs.

The work done by CPCA and its technical committees helps all companies in the CASE sector in Canada to:

- Advance reasonable regulatory requirements by advocating for fact-based requirements for chemicals in CASE products
- Initiate product innovation when ingredient levels are challenged and/or emerge under new chemical regulations
- Fully engage with all stakeholders to advocate for reasonable changes to product formulations while still fulfilling customer needs
- Help companies address important Enterprise Risk Management (ERM) concerns, which is always a concern of every company's management and board of directors

CPCA's work and its many successes have proven that the Association benefits members and in fact everyone doing business in the coatings industry in Canada. This has been true throughout the past 109 years the Association has been in existence and remains a key objective today. The Board's strategic planning efforts, technical committee dedication and CPCA staff support will ensure that this tradition continues to deliver for CPCA members in the years to come.

Thanks to the CPCA board, staff and members who have responded to the Association's many calls for data and other requests in support of strong advocacy when needed. Our work could not be done without our members direct involvement on key files. We are pleased to say that the Association and the entire industry have emerged on the positive end of the scale over the past several years. We are looking forward to the year ahead and will meet whatever comes at us, head-on!

Darrin Noble, CPCA Chair
President and COO
Cloverdale Paint

Canadian Paint and Coatings Association
Association canadienne de l'industrie de la peinture et du revêtement

Plant a Tree Grow Clean Air

With Tree Canada's National Greening Program

CPCA has partnered with Tree Canada to help restore damaged ecosystems and forests. This year through the National Greening Program CPCA will plant 625 trees in areas across Canada 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 an 80 year lifespan a tree can sequester 200kg of carbon dioxide and produce the oxygen we breathe.

CPCA invites our members to join us — plant a tree and grow clean air! Each tree planted supports Canadian ecosystems, helps restore forest cover and fight climate change. Our partnership offers members the opportunity to engage with Tree Canada through their National Greening Program or their Grow Clean Air program for those that want to reduce their carbon footprint.

For more information visit www.canpaint.com

TreeCanada

> Both government officials and CPCA members on the PCWG and CPCA Technical Committees are to be commended for their commitment to EHS and worker safety.

President's Message

We are pleased to provide you with the 2022 edition of **INSIGHT: Canadian Coatings Industry**. It provides an overview and some 'insight' on the work CPCA does with and for its members, and by extension, for the benefit of the entire CASE industry in Canada. This work would not be possible without the firsthand 'insight' provided by our members on the many issues impacting the industry.

In April, CPCA completed a biannual Paint and Coatings Working Group (PCWG) meeting with federal government officials on the current and specific chemicals of concern being assessed under Canada's Chemicals Management Plan (CMP), as required under CEPA. It is a critical discussion forum for the CASE (Coatings, Adhesives, Sealants and Elastomers) sector in Canada to ensure full compliance by members for gathering essential data for the ongoing chemical assessments and the eventual regulations flowing from those assessments. Environment and Climate Change Canada and Health Canada are the primary government departments for the CMP and the PCWG. The fourth phase of the CMP program for chemical assessment secured $500 million in new funding in the 2021 federal budget and prioritization of chemicals to be assessed under the fourth phase of CMP has begun in earnest. There will be several hundred chemicals implicated for assessment in the CASE industry in Canada as there were in the last three phases of the CMP.

The PCWG working group was established by CPCA 15 years ago in collaboration with the federal government. This working group meets twice a year over the course of a day to take stock of where things stand on the issues before the coatings industry. Issues covered include managing and responding to data requirements and how to streamline our respective workflow more efficiently given the mountain of data on both sides. Both government officials and CPCA PCWG members, and CPCA Technical Committees especially, are to be congratulated and thanked for their commitment to product stewardship and the work done for the benefit of the environment, health and worker safety in Canada.

Of course, there are other federal departments and agencies involved with the PCWG such as PMRA overseeing the evaluation and re-evaluation of biocides in CASE products. There is also ongoing liaison with provincial governments related to product stewardship issues, such as paint recycling across Canada. There are other evolving issues related to chemical assessment, which include new VOC limits for CASE products. Then there are numerous occupational health and safety regulations for staff and products of member companies.

All the issues of importance to the industry are fully addressed in CPCA's most important monthly publication, the **Regulatory RADAR** provided to 'members only' to ensure they are fully informed with respect to compliance requirements. All resources addressed by CPCA in various communications are digitally available, curated and searchable on the **Canada CoatingsHUB™** for members only. Members can access all the data at their convenience.

A quick look at what is currently on the federal agenda covered at the recent PCWG meeting for the CASE sector reveals quite a long list.

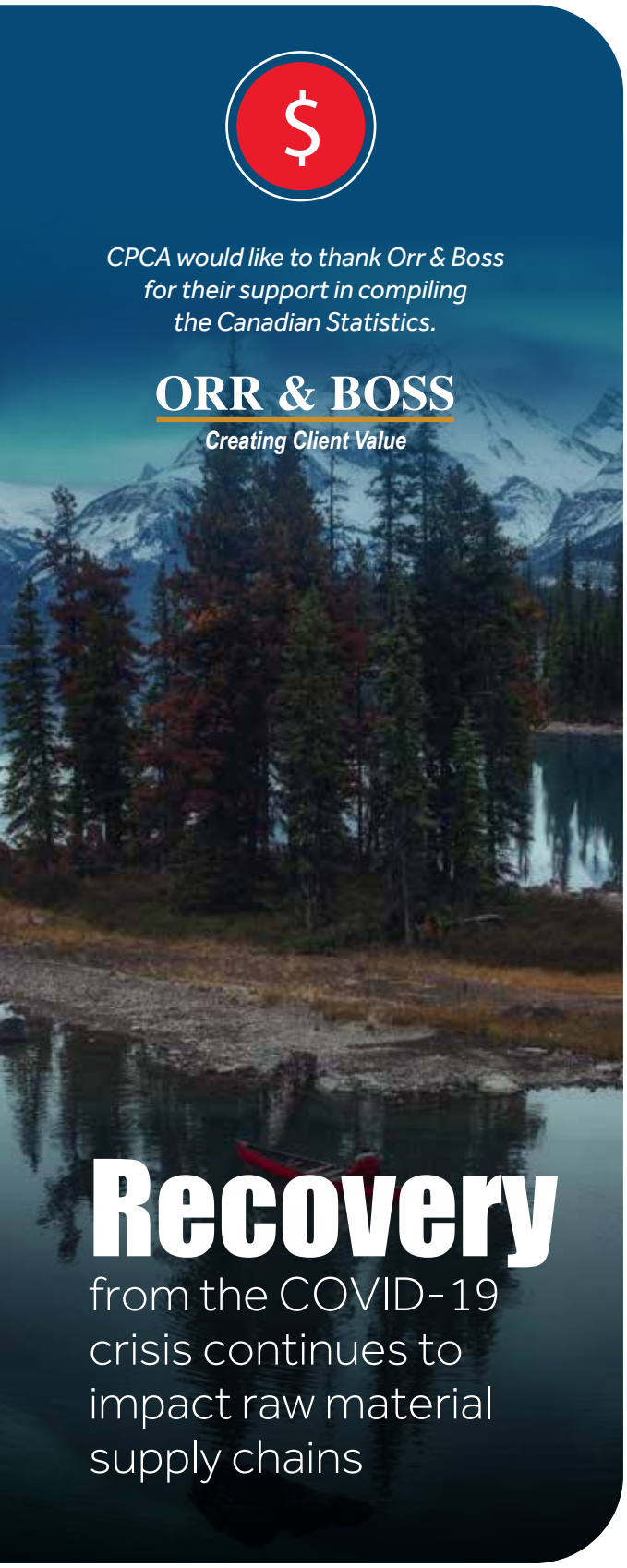
First, there are two pending draft assessments, which 'may' lead to risk management measures such as regulations related to CMP-2 publications for CASE-implicated substances. There are 23 other risk assessment reports and risk management instruments already published covering more than a dozen CASE-implicated substances also designated as 'toxic'. Second, for CMP-3, there are still 24 draft and final screening assessment reports being prepared for groups of substances in the CASE industry such as ketones, flame retardants, esters, alcohols, and furans. These important files move forward simultaneously and often overlap, thus leading to significant industry-government collaboration in terms of time-limited data gathering, formal submissions, personal interactions with members and officials, and the final risk assessment of substances by government officials, if so determined. All must be formally considered by CPCA via extensive engagement with government officials, CPCA members and subject matter experts before a final submission is made to Government.

Thirdly, more than a dozen CASE substances of interest are being monitored for significant 'new uses' of those substances (SNAc). Several other initiatives are under consideration related to risk assessments for nanomaterials including titanium dioxide and zinc oxide nanoforms. Officials are looking at how to effectively assess literally thousands of PFAS substances known as 'forever chemicals' and how to ensure more supply chain transparency for chemicals in commerce. **The outcomes of all of these will impact the CASE sector in one way or another in terms of data gathering and new use levels and/or bans as concluded by Government**.

Without the substantial data and insights provided by CPCA members, government assessors would not be able to do their job as well as they do. Additionally, product stewardship would not be well served in terms of the impacts on both the environment and human health. It is clear the risk-based approach employed under Canada's Chemicals Management Plan is indeed working. Anything to subvert what is arguably the best practice approach to chemicals management, widely lauded by other countries, would do a disservice to what Canada has achieved to date for the protection of human health and the environment. More importantly, it could compromise and delay similar achievements for a healthy environment for all Canadians in future. The federal government is now seeking to reform the *Canadian Environmental Protection Act* (CEPA, 1999) via Bill S-5. CPCA has urged the Government to consider the potential for unintended consequences should those amendments go beyond the scope of the current Bill. **From a legislative and regulatory standpoint CPCA's agenda is a heavy one, and heavier than most**.

I would like to thank the Board for its ongoing support and guidance as we trudge through some heavy lifting on many files. All CPCA's work hinges on the work and critical insight provided by CPCA members and most importantly the technical committees. **Finally, CPCA staff must deal with a heavy load of substantive detail on a daily basis, which few associations have to contend with; and on which members must depend for the best possible outcomes**. And, finally, thanks to our member companies who continue to stand with the Association and make it possible for CPCA to do its work for the benefit of the CASE industry in Canada.

Gary LeRoux
President & CEO, CPCA



Paint by the Numbers in Canada

2023 Forecast

CPCA releases quarterly statistics on paint shipments as well as import and export figures based on Industry Canada data on key industry trends in all coatings sectors in Canada.

The gradual recovery from the COVID-19 crisis is still lingering and continues to limit trade with economies hard-hit by the war and other political conflicts. The global economy has faced multiple headwinds and the Canadian economy in 2022 is also overheated, which has led to recessionary impacts and tighter monetary policy. Rising interest rates and inflation will continue to slow growth over the next several months and the difficult Canadian economic situation is expected to be resolved in 2023. The prevailing wisdom is that supply chain disruptions will abate, most notably in the manufacturing sector. The federal and provincial debt levels peaked at 55+% of GDP in 2022 leaving Canada more vulnerable should other global crises emerge. Pandemic-related effects on consumers and international trade are likely to fade over the projected horizon in 2023 given the availability of vaccines against future COVID-19 variants or other diseases. Canada's economy will continue to struggle somewhat due to unpredictable variables such as higher interest rates, sagging financial markets and higher housing costs. At the time of writing, GDP was revised downward from 3.5 percent in 2022 to 1.75 percent in 2023 and 2.5 percent in 2024. Inflation is now at the forefront of every economic outlook. Inflation in Canada is anticipated to decrease to roughly 3 percent by the end of 2023 and return to the more normal 2 percent target by the end of 2024, at the latest.

Businesses have had to pass cost increases on to consumers, leading to increasing inflationary pressures, while raising the risk that elevated inflation will become entrenched in Canada. The labour market is also tighter than ever, and labour shortages may become increasingly concerning for some organizations including manufacturers. As baby boomers retire, job rates are rising for working age Canadians supporting solid wage growth and wage push inflation, which could further affect the economy and consumer consumption.

According to Orr & Boss, North American interest rate increases are slowing the housing market and are having an impact on decorative and other building & construction markets. Current North American forecasts call for a decline of existing home sales of 10-15% in 2022 and in 2023. Housing resale market is cooling,

and housing starts could be down 2-4% this year and 10-15% next year even though the major cities in Canada have a large housing shortage with several major cities requiring more than 100,000 new homes over the next 10 years. Industrial production is running 4% higher than 2021 levels but is slowing as the economy slows. Raw material availability is gradually improving but still not back to normal levels. Inventory positions of paint & coatings companies are still 13% below pre-pandemic levels and it will likely remain there until the first half of 2023 when raw material supply is expected to normalize.

Canadian Paint & Coatings Market

Industry Canada data shows that net imports of paint and coatings were 40% of the total sales in 2019. (*See Figure 1*) Assuming that the 40% value still holds for 2021, this would mean production of paint and coatings is approximately $2.2 billion or half the total sales in Canada.

The CASE (Coatings, Adhesives, Sealants, Elastomers) Industry in 2021-2022

The largest drivers of the Canadian paint & coatings market are GDP, building & construction, automotive builds, and industrial production. After a decline in 2020, the Canadian economy rebounded strongly in 2021. The overall expectation is that 2022 will still be a fairly good year with GDP growth just under 4%.

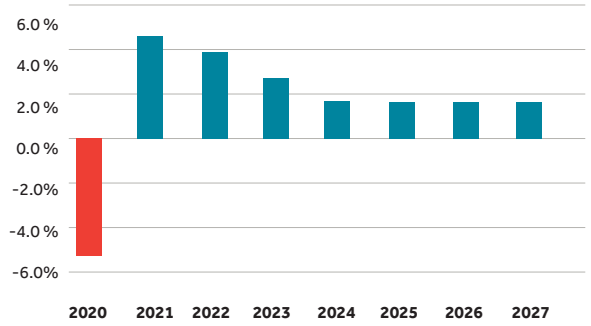
The Canadian paint & coatings market was estimated to be $3.7 billion and 476 million liters in 2021. From 2019 to 2022, volume has remained flat or decreased while value increased from $3.446 billion to $4.190 billion. Architectural coatings experienced volume growth while in 2021 auto OEM, auto refinish and a few other segments showed declines. In 2022, modest volume results in the order of 1% or even below 1% are still expected, but value growth should remain significant in many paint sectors (in the order of 5-10%). Some industrial segments will

Canadian Paint & Coatings Market

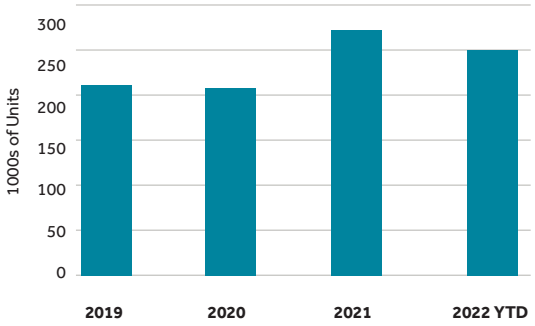
Industry Segment	2019	2020	2021	2022F	2019	2020	2021	2022F
Architectural	271	283	291	285	$1,715	$1,838	$2,011	$2,227
Auto OEM	36	25	21	23	$344	$250	$199	$240
Automotive Refinish	14	12	11	12	$317	$255	$313	$395
IM & PC	32	28	27	28	$227	$208	$206	$247
General Industrial	36	32	33	34	$221	$202	$223	$256
Industrial Wood	35	33	34	35	$202	$196	$212	$247
Coil	16	15	16	15	$134	$130	$185	$201
Powder	18	16	16	17	$103	$94	$110	$132
Packaging	16	17	17	17	$72	$75	$86	$99
Other Transportation	8	7	7	7	$80	$63	$95	$111
Marine	2	2	2	2	$31	$31	$31	$37
Total	**483**	**470**	**476**	**477**	**$3,446**	**$3,342**	**$3,670**	**$4,190**

Figure 1

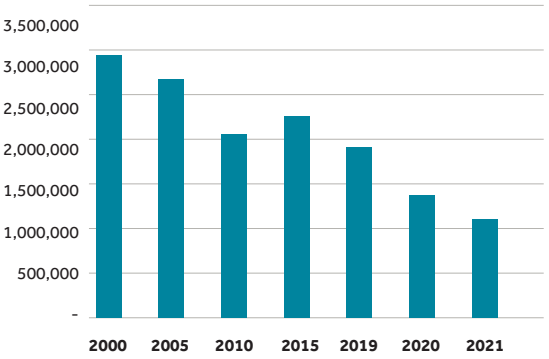
Canada GDP Growth
Source: IMF



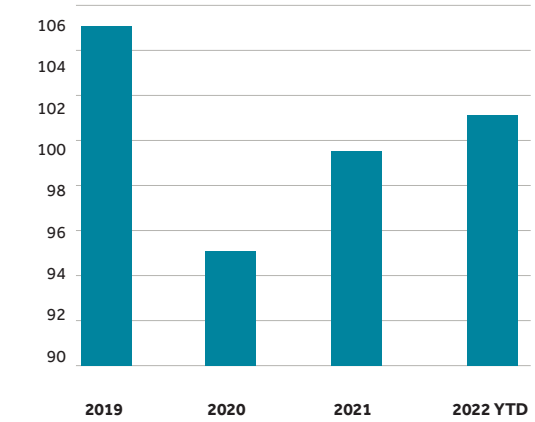
Canadian Housing Starts
Source: Stats Canada



Canadian Automotive Builds
Source: OICA



Canadian Industrial Production
Source: OECD



experience less value growth such as architectural, general industrial and coil. The automotive paint manufacturing, industrial maintenance and protective coatings, powder coatings and packaging market values should remain fairly significant as well. According to Industry Canada, the net imports of manufactured paint & coatings exceeded 55% of the total shipments in 2019, 2020 and 2021. Similarly, the manufacturing sector of adhesives and sealants also showed imports exceeding total manufacturing shipments by around 60-70%.

The overall paint and coatings manufacturing market was relatively stable in 2021 in terms of volume while showing an increase in value in the order of 5%. This year, another year of stable or slightly negative volume trend is expected and growth in the order of 3-5 percent in value. The biggest issues the manufacturing paint and coatings sector faced in 2021 was raw material supply shortage — a daunting experience for formulators. Going forward, although supply and availability of paint and coatings raw materials is expected to gradually improve, it will take some time to completely return to normal. Therefore, 2022 and the first part of 2023 could continue to be challenging in certain sectors.

Non-energy investment levels in paint and coatings manufacturing will remain subdued in 2022-2023. Machinery and equipment and capital stock, which is closely tied to productivity growth, steadily declined during the pandemic. This will persist until mid-year due to factors such as the availability of labour, high energy costs, taxes, increasing regulatory pressures, and sustainability trends. Also, an aging workforce, weak investment, and poor productivity in most sectors will not only limit the rebalancing of government finances but the ability of Canadian manufacturing businesses to compete and export products, including the paint and coating industry. Global and North American merger and acquisition activity will also continue to forge ahead at a significant pace in the global CASE manufacturing industry, which may impact the overall performance and contribution of this segment to Canada's industrial GDP, which is weakening on a national scale.

The bottom line is the future appears to be more predictable than the immediate past in terms of business operations and planning in general as paint manufacturers and suppliers have proven they can be nimble and resilient.

The CASE for a Sustainable Future Starts Here

Azelis Canada connects you with the leading technologies available locally and from around the globe, to help drive innovative solutions for our customers and their markets.

Learn about our product portfolio of **sustainable products**, our technical expertise and how this combination can provide you with an innovative and sustainable solution.

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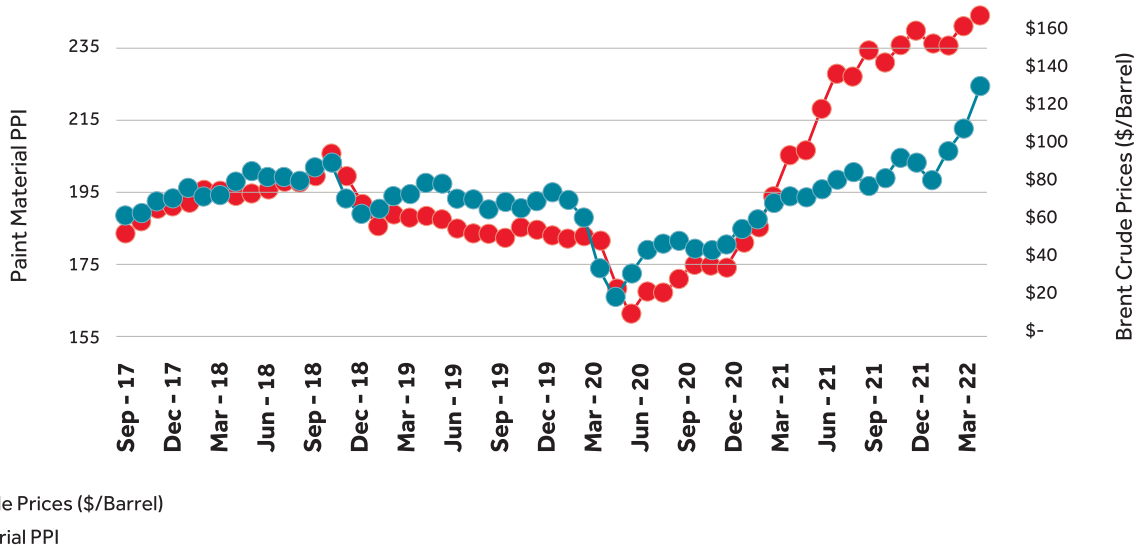
Innovation through formulation

Paint & Coatings Raw Material & Oil Prices
Source: ACA and Federal Reserve Economic Data



Fast Facts

CPCA has over **2500 LInkedIn** followers, and **700 Newsletter Subscribers**.

YOUR Digital Database for the CASE Industry in Canada

As 2022 draws to a close, industry cannot ignore the ongoing challenges with raw material supplies and the negative impacts on business from ever changing regulations. As always, the CASE industry in Canada has coped well. CPCA continues its work on the never-ending churn of legislation and regulation for which Canada is well known. **Any changes to regulations for CASE chemicals can have a significant impact on the Canadian coatings industry**. As such, it could directly impact product formulations, R&D, innovation, product stewardship, product performance, etc.

Chemical Assessment: Key chemicals in commerce, including many for the CASE sector, have been undergoing extensive risk assessment over the past 15 years. The federal government **has budgeted $500 million to continue that assessment over the next five years** under the Chemicals Management Plan. The **chemical prioritization plan** to determine which chemicals will be assessed over the next five years is still being developed.

Biocide Re-evaluation: There is the ongoing re-evaluation of critical biocides used in coatings and this remains a real concern as there are so few remaining for in-can and film preservation.

New VOC Limits: Amendments to VOC regulations are also on the new federal agenda for Architectural, Automotive, and Industrial coatings as we move forward.

Worker Safety: There are a number of regulations for worker safety in Canada, as there should be, but the continued effort to globally align those regulations under GHS remains increasingly challenging.

With **information on more than 1200 chemicals in commerce in Canada**, members can search the details and status of each chemical on the Canada CoatingsHUB™. Search by chemical number (CAS-RN), including the status of chemicals being assessed to determine if they can remain in commerce in Canada, are restricted or banned outright. **Changes also include updates to the Hub's dashboard related to compliance alerts, resources, menu structure, and placement within the platform interface**.

The most substantive of the HUB changes is the addition of the **NEW 'Biocides Substance Database'**. It is a comprehensive database with over 1,800 different registrations sorted by CASRN. The database details status of all active product registrations related to these biocides; and more importantly, the status (Step) of the biocide evaluation or re-evaluation in PMRA's regulatory review process. This data is provided on a 'proprietary' digital information platform **specifically for CPCA member companies only**.

Specific feedback from members over the past two years allowed CPCA to further refine the structure of the CoatingsHUB™ using data visualization, improved icons, content blocks, and other tools to enhance the aesthetics, flow and curation of data posted for CPCA members' convenience. **All member companies should ensure staff activates their Hub account to stay abreast of developing regulations impacting their company in Canada**.

CPCA's main advocacy focus is to ensure those who are responsible for adding or changing chemical **regulations in the CASE sector base those decisions on the available scientific data**. That data for the paint and coatings industry is provided by CPCA members, who are mandated by government to provide the data under CEPA. This process, while onerous, has worked well for CPCA members in the past. Any efforts to change the widely lauded risk-based approach must avoid any unintended consequences this could cause for the protection of human health and the environment.

Fast Facts

The Canada CoatingsHUB houses **2195 industry resources** and a substance database with over **2947 chemicals** used in CASE products.

> "CPCA has something now that no other coatings association in the world can even begin to boast of as companies are extremely interested in regulatory information.
>
> **Juergen Nowak**
> **[Vincentz Network]**

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CPCA member companies play a critical role in our advocacy efforts. Their data helps inform decision-makers with real-world science which in turn provides the necessary information to produce better regulatory outcomes in Canada.

Gary LeRoux
CPCA President & CEO

CPCA is committed to fostering trust, transparency, and accountability with all stakeholders. It understands the intricate connection between government regulations and business performance, which informs the advocacy work we do on behalf of industry in Canada.

Advocacy Report

Compliance Starts with CPCA

CPCA is your partner in compliance. We understand the intricate connection between policy and business performance, and we advocate for fair regulatory development that takes into consideration the impacts on **industry**, **economy**, and the **environment**.

Our advocacy efforts are laser focused and rooted in **evidence-based data backed by science**. Our team of experts are seasoned regulatory affairs professionals with strong chemistry backgrounds, who understand the industry, the issues, and the potential impacts on industry from Government actions.

We work **collaboratively** with our membership, industry, and governing bodies to ensure regulatory development does not overlook all facets of an issue or ensure that all critical regulatory and legislative decisions are based on science.

CPCA **manages a wide range of issues** on behalf of its members in the Canadian paint and coatings industry, with positive outcomes benefiting the entire CASE industry in Canada.

The main issues addressed by CPCA cover four critical areas of concern:

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

The **resources** required for effective issue management are curated on the Canada CoatingsHUB™. **Notifications are automatically sent** directly to members when new resources are posted to ensure full compliance. No company wants to tarnish its brand with **non-compliance**. Monthly regulatory updates are provided for 'members only' in the **Regulatory RADAR** ensuring members do not miss anything that matters.

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Chemicals Management

CEPA Reform (Bill S-5)

On April 13, the Minister of the Environment issued a Notice of Motion to introduce changes to CEPA (1999) in the Senate, entitled Bill S-5 – "***Strengthening Environmental Protection for a Healthier Canada***". CPCA and other industry groups collectively supported the adoption of Bill S-5 before extensive amendments were proposed by Environmental NGOs. When the Bill went to the relevant Senate Committee, members of the Committee were sympathetic to the vast majority of NGO amendments despite the fact that they largely went beyond the scope of the Bill, and without much grounding in science **on which amendments must be based**. Government officials and several industry associations including CPCA appeared as witnesses before the Senate Committee. All urged the full Senate to ignore many of the 60-plus amendments eventually adopted by the Senate. Industry and certain government officials will continue to urge the House of Commons to reconsider the worst of the new amendments via the Committee in the House of Commons, which will begin reviewing Bill S-5 in the fall. It is hoped that cooler heads will prevail and that the elected representatives will retain the original 'Government' amendments and **remove those outside the scope of the Bill**. Should the House of Commons not reverse the outlandish amendments in the Senate, the outcome is likely to be extensive litigation as those amendments will have **very negative impacts on a wide range of chemicals in products for both manufacturers and distributors in Canada and countries exporting to Canada**. It is important for both industry, government and especially customers who rely on such chemicals in products daily, that all chemical risk assessments be based on credible science, and managed by capable government officials. The process must not be politicized by unelected Senators with a specific agenda, often based on weak or little data provided by environmental NGO lobby groups.

Government May Restrict 189 Structural Analogues and Functional Alternatives to BPA

Bisphenol A (BPA) was back on the federal government's agenda in March 2021 along with a long list of BPA structural analogues and functional alternatives. Bisphenol 'S' is known to be used as a BPA substitute in coatings, adhesives, sealants, and elastomers (CASE) sold in North America. Other BPA structural analogues may also be included and **CPCA members and non-members alike were encouraged to review the full list of 189 substances in this class of compounds**. CPCA strongly encouraged industry members to respond to the survey

appropriately within the comment period, especially for the many uses of the 189 substances. Recall that BPA was one of the first substances declared toxic well over ten years ago in the first phase of Canada's Chemicals Management Plan (CMP). Given the commercial status, industrial processes (e.g. facility releases), downstream use of some of the BPA structural analogues, and functional alternatives, it is expected to be prioritized for additional risk assessment and risk management in the next phase of CMP. **The data gathered in the survey will help government officials determine if, and how far, that assessment will go. The CASE industry was required to report if they manufacture, import or use more than 10 kg of the 189 BPA structural analogues and functional alternatives**. The survey was time consuming. However, when industry does not respond on such matters, while these substances are still under review, it could result in unfortunate outcomes for industry due to lack of data. **CPCA and industry writ large must monitor the situation closely and be fully engaged when and as needed on the relevant data required for better outcomes for the CASE industry in Canada**.

Substantiating Environmental Claims on Products Exported to the EU & Enhancing Supply Chain Transparency

Environment and Climate Change Canada (ECCC) is now researching industry attitudes on substantiating claims for the environmental footprint of products and services exported to the EU. This is intended to help the Canadian government better understand the state of play across industry sectors and eventually develop programs to support Canadian companies who export to the EU. Or is it? The review is now in the final transitional phase following the completion of pilot projects in 2018. At the last industry-government meeting of the Paint and Coatings Working Group, CPCA obtained preliminary feedback on the consultant's report on this matter. **There is concern that this could lead to additional labelling burden for the CASE industry when exporting to the EU. All this comes at a time when amendments to CEPA may also require more labelling, as though labelling was the answer to everything, when all know that it is not**. Last spring, the government signaled its intent to enhance chemical ingredient transparency throughout the supply chain and to strengthen mandatory labelling for cosmetics, cleaning products, and flame retardants in upholstered furniture. These were part of the discussions on the proposed amendments to CEPA per Bill S-5. A series of 'policy lab' workshops will be conducted in the fall of 2022 on this matter. Meanwhile government officials will continue to support the development and testing of three blockchain projects related to supply chain information sharing on products. This is also expected to conclude in 2022.

Increasing Federal government Action on Plastics

Two major developments on plastics are still playing out in Canada. First was the "*Consultation on the Proposed Regulation to Prohibit the Use of Six Single-Use Plastic (SUP) Items*" and the "*Pre-consultation on New Regulations to*

Set Minimum Recycled Content Requirements in Plastic Manufactured Items." The SUP Regulations will prohibit the manufacture, import, and sale of six categories of plastics, which include retail plastic bags. The prohibition of SUP manufactured and imported plastics come into force at the end of 2022 but take effect one year later for sales. As part of the federal "Zero Plastic Waste Strategy", the government also published a notice of intent to propose regulations that list plastic manufactured items requiring a prescribed minimum amount of recycled content by 2030. The Government's target is 50% recycled content, which has been approved by the Canadian Council of Ministers of the Environment (CCME). **This will impact CPCA members manufacturing paint products sold in rigid plastic paint containers**. The vast majority of plastic paint containers in Canada originate from the United States or other countries. Many of these already contain 10% recycled content. CPCA submitted member comments in a formal submission in March 2022. **CPCA argued that actions taken must be adapted to the market dynamics of the industry and its capacity to actually deliver. CPCA also recommended incentivizing suppliers of equipment and other available tools on the market, which will be necessary for production of recycled plastic resins**. This would help ensure the prices of such items remain low compared with those made of pure resin. CPCA also encouraged the implementation of a certification/accreditation system for recyclers. **The federal government is likely to proceed with a phased-in approach for the recycled content target of 50%, which 'may' not be imposed during the 7-year period. The proposed regulations are expected in the Canada Gazette, Part I at the end of 2022**.

Microplastics and Paint

At the last CPCA Paint and Coatings Working Group meeting with members, federal officials noted they would rely on their nano risk assessment approach for existing nano TiO_2 and nano zinc oxide forms based on 2014 data. They will no longer need to proceed with a national mandatory survey on the use of microbeads/microplastics in CASE products and other mass consumption products to complete their assessment. **The comment period for the published Risk Assessment Framework for Nanomaterials ended in August 2022**. The framework seeks to increase predictability and transparency in the Government's decision-making on the assessment of nanomaterials and its conclusions under section 64 of CEPA. **Industry must remain vigilant on how this plays out in the coming months for nano forms of TiO_2 and zinc oxide**. In 2019 and 2020, CPCA provided ECCC and Health Canada with additional data gathered by CEPE/WCC and other sources on the content, use and management of microplastics in paint products. Canada's Screening Assessment of Plastic Pollution published in early 2020 addressed the issue of macroplastics, which degrade into microplastics since both plastic manufactured items and microplastics are now declared toxic in Schedule I of CEPA. The EU has been moving fast on some form of regulation for microplastics, which will set a precedent and is now on the radar in Canada and other countries. **Overall, there is still no scientific consensus of any negative environmental or health impacts of intentionally added microplastics from paints or inks**.

UV-328 Stabilizer Moving Closer to POP Listing by UN Stockholm Convention

UV-328 stabilizer was assessed in the first phase of Canada's Chemical Management Plan (CMP) and was not found 'toxic.' However, today it is moving closer to a designation as a Persistent Organic Pollutant (POP) per the UN Stockholm Convention, to which Canada is a signatory. This common paint additive used as a stabilizer, also called BDTP, is used worldwide in large volumes by some CPCA members. More recently international chemical experts in the EU adopted a 'draft risk profile' for the persistence and transboundary risks associated with UV-328. There are five steps from nomination to final adoption before a substance is listed under the Convention. The January 2022 decision approving the draft risk profile means the nomination will now move on to its final stage, the risk management evaluation. This must be done before it can go forward to the 184 parties affected by a global ban. The POPs review committee has established an intersessional working group to prepare a risk management evaluation that includes an analysis of possible control measures for UV-328. **The earliest this substance could be listed as a Persistent Organic Pollutant is Spring 2023**. UV-328 absorbs radiation, which prevents the degradation of plastics and other materials. Any further regulatory actions will likely impact many products in commerce today. For example, the Global Automotive industry warned that any such actions by the UN Convention would necessitate five years or more for them to find a suitable substitute for UV-328.

DRAFT Screening Assessment Report (DSAR) Publications

DSAR Publications for Flame Retardants (FR), Phenol, Methylstyrenated (MSP)

In the fall of 2021 serious concerns were raised for MSP use in CASE products and a proposal made for several CASE flame retardants being designated as toxic and added to Schedule 1 of CEPA. Unfortunately, the MSP Draft Assessment proposes to 'ban' MSP use in Canada. It is used 'extensively' in a small number of industrial coating and adhesive applications such as on marine

vessels in Canada's robust shipbuilding/retrofitting sector, the Canadian Navy/Ferry Fleets and on structural steel infrastructure such as water pipes, bridges, tanks, etc. The proposed addition of MSP to Schedule 1 of CEPA is based on environmental toxicity, but it does 'not' meet the criteria for 'human' health concerns. The 'Final' Screening Assessment is expected to be published in the fall of 2023. **Canada's ban appears to be unique as there is no such ban in other jurisdictions like the EU or the US. CPCA filed a submission in early March of 2022 underlining the misalignment with other jurisdictions for certified products containing MSP used globally**. This is being done in the absence of clear alternatives while ignoring the negative socio-economic impacts if a ban were to be adopted in Canada alone. CPCA also suggested the substance be addressed via a 'problem formulation approach' that would engage international expert risk assessors and formulators at the IMO level.

Six substances in the Flame Retardants group (TPHP, BPDP, BDMEPPP, IDDP, IPPP, and TEP) are proposed as being toxic. The main concerns are dermal effects resulting from exposure in certain consumer and/or children's products and articles. TPHP is used in a wide variety of industrial and consumer products. All are used as additives/pigments in paints and coatings and two (IPPP and TEP) in adhesives and sealants. IDDP and TEP are also used in food packaging. **Strangely, one of the substances in the FR group, PIP (3:1), which has been proposed for prohibition in various applications in the United States, is not among the substances proposed as potentially toxic in Canada**. CPCA also submitted comments on the Flame Retardant draft assessment to ensure that no industrial and commercial CASE products and/or raw materials are conclusively prioritized for risk management in the final assessment report expected to be published at the end of 2023 or early in 2024. **CPCA also took this opportunity to oppose any future FR assessments — and other CMP priority assessments — that would impose mandatory labelling of flame retardants in consumer products**.

The Draft Screening Assessment for the Esters Group

Several substances in the Esters Group are primarily used as solvents, including methyl acetate, propyl acetate, isobutyl acetate, methyl dodecanoate, dimethyl glutarate, triacetin, and 2,2,4-trimethyl-1,3- pentanediol diobutyrate. **In March 2022, the Draft Assessment only identified 'methyl acetate' as potentially toxic since it can break down into methanol**. The assessment proposes limiting exposure of the general population to methyl acetate, particularly its uses in aerosol adhesives, paint and coating stripper products related to the 'potential' for causing developmental toxicity. Regulatory and/or non-regulatory measures are being considered to help reduce consumer inhalation exposure to methyl acetate and follow-up activities are underway for another substance, 2-methoxypropyl acetate. A widely held view is that this will not lead to a toxic designation given the huge amount of existing and relevant data, thus calling into question moving forward with such an approach.

CPCA members do not use methyl acetate in aerosol adhesives or in paint/stain removers. Furthermore, methyl acetate is listed as a VOC-exempt compound in the three VOC regulations adopted in Canada, which has led to 'substantial' emission reductions in the VOC content in various other product categories over the past 10-20 years. For aerosol paint and industrial adhesives, in all forms, the federal government 'may' develop specific VOC regulatory limits in future, according to the recently released Federal VOC Agenda 2022-2030. **Any future industrial aerosol, adhesive and sealants regulatory restrictions will open the door to increased use of methyl acetate due to its negligible photo-reactivity over a 3-8 year horizon. The use of this substance at higher concentration levels in CASE products could also be helpful in meeting low VOC limits imposed on aerosol adhesives in the *Third VOC Regulations for Certain Products*, coming into effect in January 2024. There would appear to be more benefits in retaining the current designation of Methyl Acetate as is**.

Draft Screening Assessment for the Alcohols Group Proposes 1-butanol, Methanol and Benzyl Alcohol as Toxic

These three substances are used in consumer CASE and allied products extensively, especially 1-butanol. The Risk Management Scope implicates specific CASE products containing the first two substances due to human health concerns for inhalation, but **no CASE products are of concern for benzyl alcohol specifically**.

For methanol: The assessment pointed to undue short-term indoor inhalation exposure originating from consumer paint/varnish remover products containing 10 or 35% methanol concentrations. The estimated mean concentration of methanol in bathtub resurfacing products also raised concerns.

For 1-butanol: The short-term inhalation exposure scenario confirmed neuro-developmental and developmental risks associated with consumer lacquer products containing more than 1% used by adults in the home.

The proposed regulatory and non-regulatory risk management actions are focused on reducing inhalation exposure to methanol from paint/varnish remover products available to consumers and from lacquers for 1-butanol. The risk management scope document indicates there are no known alternatives for methanol and 1-butanol, except for benzyl alcohol, which is also to be designated toxic. **CPCA submitted extensive comments on this proposal and is still gathering more information regarding the socio-economic impacts on Canadian and US companies selling or reselling these types of products and highlighted the need for more evidence to substantiate such a decision**.

Final Publication of Risk Assessment and Risk Management Approaches

Proposed Ban for All Coal Tar Based Sealants in Canada

The final screening assessment (FSAR) and Risk Management (RM) approach recommending the addition of six coal tars to Schedule 1 as CEPA-toxic was published in June 2021. The proposed RM instrument added a broader scope for sealants products, which goes well beyond just the use of coal tar based pavement sealants, as originally intended. Members informed CPCA that some substances in the group are still found in various types of sealants for metal protection against corrosion and in marine coatings/sealants. **CPCA submitted formal comments in 2021 urging the government to narrow the scope of the proposed prohibition to pavement sealers and roofing sealants only. These comments led the government to launch a consultation on the proposed regulatory ban at the end of 2021 that ended in early February 2022. The consultation is meant to gather more information on the remaining uses of these substances in the CASE sector**. Certain CPCA members have since decided to move away from their remaining coal tar based sealant products prior to the regulatory ban; however, they need a 2-3 year sell-through period after the ban

takes effect. At the last Paint and Coatings Working Group Meeting in April 2022, the federal government confirmed that the pending regulations would still prohibit the use, manufacture, and import of ALL coal tar-based sealants into Canada. **CPCA was advised there will be follow-up discussions with stakeholders during the development of these regulations, which are expected in 2023**. CPCA requested more information from Government on the list of all suitable alternatives in order to avoid any regrettable substitution since coal tars are considered to be substances of "*Unknown or Variable Composition Reaction Products or Biological materials*" (UVCBs). **Government officials' only response was that all substitutes "are widely known", with apparently no intent to further identify suitable alternatives**.

Final Risk Screening Assessment Report for Benzophenone

In January 2021, the federal government concluded that benzophenone was toxic for human health for both inhalation and dermal exposure in certain products, including interior and exterior paint and coatings as well as stains. The risk management objective was to reduce the levels of exposure from products. For paint and coatings and stains, a Code of Practice limiting the concentration of Benzophenone to 0.1% w/w will soon be proposed, which may include a recommendation for additional labelling. **Health Canada intends to publish the risk management instrument this year or early in 2023 at the latest. A working group has been established to ensure a collaborative and effective development process for the Code of Practice for benzophenone**.

Additional Risk Management Actions Coming on the Phthalate DEHP

The final screening assessment for DEHP was published in December 2020. The proposed risk management measures were to amend the *Prohibition of Certain Toxic Substances Regulations* (2012) to add DEHP to prohibit the manufacture, use, sale, offer for sale, and import of DEHP and products containing it above a maximum concentration of 0.1% (w/w). **A socio-economic impact study was recently conducted for the federal government on the impact of a proposed regulation to prohibit this substance. A consultation and formal report will be produced later in 2022. The report found 9 paint manufacturers confirming uses of DEHP at 10-100 tons/annum and these uses have increasing by 27% between 2016 and 2020 amounting to 7.6% of total DEHP uses in Canada. Therefore, government enforcement activities will be focused on the use of DEHP in the CASE sector. CPCA formally questioned the singular ban approach, which is at odds with other jurisdictions including Europe**.

CMP Phase 4 Update

Government of Canada's Annual Inventory Workplan for CMP 2022-2024

The federal government will launch its next chemical assessment 'Inventory Update' later in 2022, through a Section 71 (mandatory) survey **comprised of 1,000 substances**. The annual quantity threshold will be 100 Kg/year and the concentration threshold will be greater or equal to 0.1%. **The government intends to give industry 6 months to respond to the inventory update**. Additionally, a notice for targeted information gathering is expected to follow the 6-month period for completing the information gathering. The Section 71 survey 'form' will be modeled on the more complex survey for 189 BPA structural analogues, which turned out to be a very costly and time-consuming exercise. It was even more onerous than for any Section 71 survey published in the past for a much larger number of substances. Yet, another Section 71 survey containing another set of a thousand substances will be launched in mid-2023 followed by a notice for targeted information gathering, after 6 months.

The government now appears to want 'Inventory Updates' done annually, at least for the next two years. The larger the company the more work the Inventory Update implies. It is still a very significant workload regardless of company size. **CPCA urged the government to further prioritize substances to ensure a more manageable workflow and to share the list of substances as soon as possible, well ahead of the Section 71 publication so that companies can be more prepared for this extensive information gathering exercise. Maintaining a narrower focus on 'priority' substances ensures greater predictability for all.**

Federal government Plans Restricting Remaining Uses of PFAS

In April 2021, the federal government published a Notice of Intent (NOI) to address a broad class of 4,700 substances under the PFAS grouping. At the last CPCA Paint and Coatings Working Group held on April 26, 2022, officials informed CPCA members of their intent to publish their ***State of PFAS Report*** in the spring of 2023. **PFASs consists of a fully (per) or partly (poly) fluorinated carbon chain connected to different functional groups, which include PFOS, PFOA and Long Chain PFCAs and these are already targeted for prohibition in Canada**. The proposed regulations prohibiting the uses of PFOS,

PFOA and Long Chain PFCAs were **published in May 2022. More regulatory development for the large class of PFAS include continuing investment in research and monitoring; collecting and examining information on PFAS to inform a class-based approach; and reviewing policy developments in other jurisdictions globally**. Other PFAS substances are used in a wide range of products such as surfactants, lubricants, water, and grease repellents because of their unique properties. **As PFAS are used in paint and coatings additives and many CPCA members may not have a true understanding of their actual product exposures to PFAS at this time, more emphasis will need to focus on those in the coming months**.

Proposed Prohibition of Certain Toxic Substances Regulations Published in 2022

These proposed regulations would further restrict the manufacture, use, sale and import of three groups of oil and water repellents including perfluoro-octane sulfonate (its salts and its precursors); PFOS; perfluorooctanoic acid (its salts and its precursors); PFOA; and long-chain perfluoro-carboxylic acids (their salts and their precursors); LC-PFCA; hexabromocyclododecane (HBCD); polybrominated diphenyl ethers (PBDEs); and two additional flame retardants (Dechlorane Plus (DP) and decabromodiphenyl ethane DBDPE (and products containing them). **There will be a limited number of exemptions remaining for all of them**. It appears that the two flame retardants were confirmed some years ago as being used in some adhesives and sealants. **Over the past few years CPCA regularly warned members about the upcoming prohibition of these two substances and other families of substances. For most of them, the prohibition did not raise any concerns among CPCA members except for the two flame retardants, which raised significant concerns among US manufacturers and users of these substances**.

Fast Facts

The Canada CoatingsHUB had more than **423 NEW resources** posted in 2022 responding to multiple industry issues.

CEPA REFORM

The Good, Bad and the Ugly!

We are getting very close to the federal government concluding their 'modernizing' of the *Canadian Environmental Protection Act* (CEPA, 1999) under the recently tabled Bill S-5 in the Senate. The plan is for the amendments to be finalized by year-end 2022. Modernizing effectively means seeking more stringent requirements in the assessment of chemicals, which will likely lead to more bans and more use restrictions. That would be fine had recent events playing out in the Senate of Canada not been completely politicized leading to amendments that were not based on science. Bill S-5 was first introduced in the Senate in an unusual move that did not provide Senators with enough time, as they admitted openly, to study and comment on what is a very complicated piece of legislation. This led to Senators being fed talking points and proposed amendments by Environmental NGOs seeking to move the Bill even further from the risk-based approach, which has served Canada well over the years, to something beyond the scope of the Bill.

The Bill will now be reviewed by the House of Commons and then sent back to the Senate for Royal Assent and passed into law. The government stated that this reversal of procedure was done because the House agenda was full. However, many have speculated that it was done to provide an opportunity for Environmental NGOs to get more amendments to the Government's Bill. It seems they were right as the Senate passed more than 60 proposed amendments including a majority coming from the ENGO lobby, many of them not supported by the Government and most without rigorous scientific data backing them.

The coatings industry, and all chemical industries in fact, cannot ignore what has happened. Final amendments under this Act are expected to be completed by the House of Commons in the Fall of 2022. CEPA is the main piece of legislation imposing significant compliance requirements on chemicals sold, used and released in Canada. It is very clear that there is a strong desire by some to increase bans and place new use restrictions on chemicals in commerce today, often without scientific data to justify them. It seeks to do so without concern for what the science dictates with respect to managing the risks of chemicals in commerce. As such, it will add to the 50,000 chemical regulations in Canada, which already ensures chemicals in products are safe to use.

If the 60 amendments proposed in the Senate prevails in the House of Commons, it will signal a sad day for evidence-based chemical assessment, and Canada's highly regarded risk-based approach to chemicals. The respect for Canada's risk-based approach for chemical assessment over many years from around the world will cease. It all sounds familiar coming from the lobby criticizing every federal environmental and health decision taken of late. However, one would never have expected that a new hazard-based approach would be applied to government decision-making in Canada versus the current comprehensive peer-reviewed, risk-based approach grounded in science, which ensures chemicals are safe in Canada. **Instead, many of the recently proposed amendments to CEPA in the Senate go well beyond what the government intended, and most are based on limited scientific data in support of an environmental activist agenda.**

Thus far, the federal government's approach to the modernization of CEPA has shown little acknowledgment of what the chemical industry has achieved over the past 20 years in terms of product stewardship and sustainability. It seems as if time has stood still, or no one bothered to look. The advocacy groups with a very specific agenda promotes the idea that chemicals are bad, getting worse and the current regulations are not working. They are wrong. Everyone knows chemicals used by consumers 'must' be regulated and handled with care, subject to countless regulations and standards to ensure that it has very low or no acceptable impact on human health or the environment. In fact, a recent report done by a widely respected research organization (PWC)

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> The CASE industry alone contributes more than $20 billion in economic impact annually, with good jobs for Canadians

— and acknowledged by the federal government — noted that a number of the 50,000 chemical regulations in Canada are outdated and/or redundant with many nothing more than red tape. Those who work in the chemical industry know first-hand that these regulations cover many facets of chemical management related to worker safety, transportation and storage of chemicals, product stewardship, product labelling, air quality, and the list is long! **Thus, the chemicals in commerce in Canada today are safe to use**. Moreover, the federal government continues to assess thousands of chemicals, in close collaboration with industry, to ensure that they continue to be safe based on the latest scientific data.

Besides being fully compliant, the CASE industry has advanced greatly with respect to product stewardship and sustainability over the past 20 years. Yet, there is no acknowledgment of the great strides made in chemical assessment by those now seeking to arbitrarily ban or restrict chemicals. One need only look at the sustainability reports of coatings companies around the world to see what they have achieved and the ambitious environmental goals they are committed to at the highest levels of their organizations. Many of those efforts relate to the UN's ESG goals and their company's commitment to move toward net zero over the next decade in some cases. They also include initiatives to become carbon neutral, use more renewable energies, increase use of biobased materials, increase recycling initiatives across the board, and 'many' more focused on a circular economy approach to business.

The CASE industry alone contributes more than $20 billion in economic impact annually, with good jobs for Canadians. All chemical industry sectors increase that number by a factor of 20! There are often unintended consequences caused by regulation. The standard for any new regulation, as set out by the Government of Canada's own regulatory principles must be heeded, that is: **"Regulatory decision-making is evidence-based: Proposals and decisions are based on evidence, robust analysis of costs and benefits, and the assessment of risk while being open to public scrutiny."** Let's hope the consideration of the proposed amendments to CEPA finally embrace this irrefutable federal government principle, which seemed to have been ignored by the Senate of Canada.

Did you Know?

CPCA's **276 Technical Committee Members** provide critical insight and data for over **70 Government Submissions** per year leading to **better regulatory outcomes for industry**

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Extended Product Stewardship

Growing Regulatory Costs for Paint Recycling in Ontario

The new Hazardous Products Regulation in Ontario significantly increased annual regulatory fees for recycling programs in 2020 by 400% for paint and a 15% increase again in 2022. The Resource Productivity and Recovery Authority (RRPA), while responsible for enforcement and compliance, seems to now be setting fees arbitrarily and determining de facto waste policy for the Ontario Government by 'interpreting' what the legislation or regulation is saying. The MECP Minister seems fine with this approach, though policy is supposed to be 'his' domain and not an independent, unelected 'Authority.' **CPCA is seeking further amendments to the HSP Regulation for paint waste in Ontario due to growing red tape costs with little or no accounting or transparency whatsoever related to better outcomes for waste recycling in the province**. After the HSP Regulation came into force CPCA was fortunate to be able to reduce the accessibility costs by $4 million annually. This was done by calling into question the over-reaching accessibility formula in the regulation requiring unnecessary paint waste return sites, that is, municipal depots and/or events. Much more work needs to be done!

PMRA Coatings and Adhesives Working Group (CAWG)

The first meeting of the CAWG was held in April 2021. Another one will be held in 2022 once the 'targeted review' of the *Pest Control Products Act* (PCPA) is further advanced. This comprehensive review focuses on improving biocide evaluation protocols so that they are more timely, based on the best available data and aligned with our largest trading partner, the United States. **Other key issues for the paint sector include the status of the final decision report related to the Paint Cluster analysis for six paint preservatives; and recent PMRA views on several US EPA decisions to further restrict, but still authorize, the use of two paint and adhesive biocides (propiconazole and diuron) in the United States. These are still not registered for the same uses in Canada**.

PMRA Yet to Publish Final Paint Cluster Decisions for Six Paint Preservatives

In July 2021, PMRA proposed decisions for six paint biocides (folpet, dazomet, chlorothalonil, diodofon, ziram, sodium omadine). **Sodium omadine** would still be acceptable for use in

paint and coatings with lower limits proposed where it is not deemed efficacious. **Chlorothalonil** use would still be accepted in latex and solvent-borne paint, but its registration for use in exterior paint and wood panels would be cancelled. Further consultation with registrants on chlorothalonil was initiated in February 2022. **Dazomet** would still be accepted for use in paint with reduced limits, but its annual production volume will be limited. **Ziram and folpet's** registrations for use in adhesives and paints respectively **are to be cancelled**. The final decision for ziram is expected in September 2022. Additionally, painting professionals will be required to wear PPE when using formulations including diodofon, dazomet, and chlorothalonil. For **diodofon**, a final decision is expected in September 2022. Although some of these biocides do not appear to be used much by members (diodofon, dazomet, ziram, folpet), **the paint industry does not want the current or potential uses of these biocides to be reduced or eliminated in any way. There is still great concern with the way in which the US EPA evaluates ingredients using the same toxicological data but renders 'different' conclusions, which are less severe for the same ingredients used in Canada. Why does the 'same' data points still produce 'different' interpretations and control measures between the two agencies and two countries?** This lack of alignment is not helpful for a highly integrated industry like paint and coatings.

PMRA Transformation Steering Committee's Targeted Review of the Pest Control Products Act

In March of 2022, PMRA published a discussion document for modernizing the *Pest Control Products Act* through a targeted pesticide review process to improve business practices and enhance transparency. **The comment period ended May 20, 2022**. The targeted review seeks to further strengthen the protection of health and the environment while alleviating current pressure on PMRA resources. The Committee has been engaged with industry and NGOs to establish a broader 'transformation agenda', solicit feedback from various industrial sectors, and identify technical issues via expert working groups. The TSC is composed of 60+ organizations. **A preliminary review of the Committee's work by CPCA members raised concerns over the suggested use of so-called "citizen science," which has no basis in formal pesticide evaluations. If it is not based on peer reviewed science as has been the case to date, what kind of science is it?** To ensure direct industry representation CPCA's Gary LeRoux and CPCA member Adrian Krygsman (Troy/Arxada), represents the CASE sector on the Committee with the latter having extensive experience working on similar expert working groups with CPCA, ACA and ACC. Susan Herron of Dow takes part in discussions on the Pesticide Use Technical Working Group. **Meeting notes and related PMRA presentation documents were posted on CPCA's Canada CoatingsHUB™ and timely summaries on the many ongoing TSC and working group meeting discussions continue to be shared with members of CPCA's CAWG. Health Canada intends to publish a 'What We Heard' report later in 2022**.

However, if there are no formal and substantive changes made to the PCPA as a result of this review, the paint and coatings sector will still be challenged by the regulatory review process in retaining uses of critical ingredients for paint preservation. There continues to be misalignment of timelines and decisions with the US EPA and a clear discrepancy for CBI claims versus Confidential Test Data and the management of real data. **Industry must remain fully engaged on this file.**

ONTARIO COSTS

For Paint Recycling are Over the TOP!

CPCA, and other industry associations, remain concerned with the delivery of waste recovery services by a delegated authority like RPRA in Ontario. First and foremost, the MECP may wish to recall the words of Don Drummond in his seminal and highly respected Drummond Report on "Delegated Authorities:"

> *"The legislative assembly* ***retains overall accountability and control over what is set out in the enabling legislation****, and* ***the government retains overall accountability and control over what is set out in the regulations****;*
>
> *The government approves rules covering such matters as the composition of the board of directors, fee-setting process, and conflict of interest,* ***monitors, and remains accountable to the legislative assembly for the overall performance of the DAA Minister.****"*

> CPCA's advocacy led to the reduction of over $4 million in annual costs for waste collection in Ontario

The challenges with accountability and transparency have not been fully addressed by the Ministry of Environment, Conservation, and Parks (MECP) and really cannot or should not be delegated to RPRA per se as Drummond accurately notes. It remains accountable to the 'legislative assembly' for overall performance. **Under the Resource Recovery and Circular Economy Act (RRCEA) the MECP must ensure that RPRA is fully transparent and fully accountable to the producers or 'regulated parties' under the Act**. Many have argued that this has not been the case, given the fact that the Ford Government did not fully address the matter in its last Red Tape Reduction Bill, nor in MECP Minister Piccini's Ministerial Direction to RPRA, dated October 15, 2021. The Minister did however address the need for more transparency and accountability in his last Ministerial Direction Letter to RPRA, dated October 15, 2021. So did the recent Red Tape Reduction Bill of October 7, 2021, which states:

> *"Ontario is taking steps to ensure that the Resource Productivity and Recovery Authority (RPRA) is transparent, accountable, and provides effective oversight for our new producer responsibility model. We are now proposing to make more changes to further increase RPRA's transparency and accountability to the people of Ontario."*

This should also be addressed as it relates to the proposed 'administrative monetary penalties' for regulated parties for waste recovery in Ontario. It should also be addressed with the removal of the highly administrative approach to reporting a paint company's supply data in Ontario, which again only duplicates what is already done by program operators (PRO) who have performed this function admirably for years via an established and credible auditing protocol. **The regulated parties (manufacturers)have proven their commitment to EPR programs in Ontario since their inception**. This is especially true of the paint program with a strong record of success in meeting targets consistently over many years. This will not be the case going forward unless current regulatory approaches 'stop' making it more difficult to deliver better outcomes. Time will soon tell for the HSP program. **In fact, recycling**

programs already under new regulations for more than two years in Ontario have not produced better outcomes despite higher regulatory costs with increased administrative burden.

The MECP is fully responsible for the HSP and other regulations in Ontario, but in fact delegated its fee setting responsibility for the HSP and other Regulations to an outside Authority, RPRA. This too seems to go against this reminder in the Drummond Report: ***"The minister monitors, and remains accountable to the legislative assembly for the overall performance of the DAA."*** The only question is what will that cost be for the manufacturing industry in Ontario? And, more importantly what has the new RRCEA waste regulations achieved in Ontario over the past several years in terms of improved waste recycling outcomes? **No one in Ontario wants to answer that fundamental question, which every business and every Government must. Seems the answer is: Not much, if anything?**

Once again delegating such legislative actions to an authority — without an effective 'appeals process' in place — ensures that 'regulated parties' (Ontario Manufacturers) will have little choice but to accept the penalties and increased regulatory costs whether warranted or not. **The regulatory costs for the paint industry alone increased five-fold in Ontario under the new HSP Regulation, that is, 400% in 2021**. For 2022 the Authority again increased the regulatory costs for paint by 15 percent. Where it will stop nobody knows. There is also the prospect of monetary penalties of up to $1 million, without any real prospect of an expedited appeal process for penalties levied. All this has occurred while the independent Authority for waste in the province increased operating costs by 800% from $2 million five years ago to more than $16 million in 2021 and 10 staff to 70 FTEs at the same time. **Recent business plans reveal this is still trending upward significantly**.

Depsite the foregoing, it is unclear what outcomes are projected and/or expected in the future for waste recovery in Ontario with continued increases in costs of oversight and administration, without any indication of better outcomes for all that cost. In fact, there has been no numbers comparing the waste recovery under previous programs in Ontario with the waste recovery under new RRCEA regulations. Why?

One wonders if the newly elected government in Ontario will demand data from the Authority as to whether the new waste program for non-Blue Box materials has been successful compared to the previous programs in light of the huge increases in regulatory costs for manufacturers.

Air Quality

Federal Agenda Seeks to Further Limit VOC Emissions from Paint and Coatings Products

In April 2021, the federal government issued an updated discussion paper on its "*Federal Agenda for Reduction of VOC Emissions from Consumer and Commercial Products (2021-2028)*." The paper identifies potential measures being pursued at the federal level to achieve further VOC reductions in key consumer and commercial sectors including paint, coatings, adhesives, and sealants. Architectural coatings, industrial adhesives/ sealants, automotive refinish coatings, aerosol coatings, and plastic/rubber/glass coatings were mentioned. CPCA submitted comprehensive comments addressing the proposed approach for each subsector. **At the recent Paint and Coatings Working Group meetings in 2021 and 2022, the federal government confirmed having reviewed and considered CPCA comments for the Federal Agenda Publication (2022-2030) which was in the *Canada Gazette, Part I* published in July 2022**. Government is seeking further VOC emissions reduction focused on portable fuel containers; amending current VOC Architectural and Automotive Refinish coatings regulations. They are also developing new risk management instruments for industrial and commercial adhesives and sealants as well as for printing on plastic packaging. Additional information is now being collected to evaluate potential emission reduction opportunities for the following sectors: pesticides, cars, vans, light trucks assembly and auto parts coatings, as well as plastic, rubber, leather and glass coatings.

Federal government Cost-Benefit Analysis on VOC Emission Reductions

The federal government launched a survey in July 2022 on the VOC content of industrial and commercial adhesives and sealants products for 2021 and it is expected to be completed in November 2022. **The final reports sometime in 2023 will determine potential VOC emissions reduction opportunities and economic impacts of further reductions**.

Upcoming Consultation and Amendment of the Federal Architectural VOC Regulations

The federal government will likely initiate a pre-multistakeholder consultation for new Architectural VOC regulations. According to the Federal Agenda 2022-2030, the newly amended regulations should be published within the next two years. CPCA previously made formal comments and raised technical issues related to the optimistic expectation for increased VOC emission reductions and related economic impacts. **At the last PCWG meeting with**

members in 2021 ECCC officials noted the intent was to adopt CARB rather than OTC II VOC limits. No further confirmation was provided this year, but CPCA will continue to monitor the situation closely.

VOC Agenda 2022-2030 Still Includes a Revision of the Current Automotive Refinish Regulations

Following the pre-consultation on the *Federal Agenda for the VOC Emissions Reduction*, the government was planning to revise Auto Refinish VOC regulations, although minimal emissions reduction was anticipated from this sector. The federal government confirmed its intent to adopt OTC MERR 2011. CPCA members challenged the need to adopt OTC MERR 2011 in Canada. **ECCC stated it was planning to complete a regulatory review of the Automotive Refinish VOC Regulations by the end of 2022. The government recently confirmed its priorities for 2022-2030, which will narrowly focus on revising VOC limits in Canada for Automotive Refinish as well as several new limits for Architectural and industrial/ commercial sealants/adhesives. This will not be favourable for paint and coatings companies given the volume of trade flows in the industry especially from the United States into Canada. It will also mean small amount of AR production in Canada could be negatively impacted**. To date, the coatings industry has exceeded expectations for VOC reductions and will continue to do so for the foreseeable future. As such, the climate variations in Canada versus CARB rules must be fully considered as it remains a cause for concern in terms of the effectiveness of CARB limits in Canada's more challenging climate.

Final "VOC Concentration Limits for Certain Products" Regulations

The *VOC Concentration Limits Certain Products Regulations* were published on January 1, 2022 and the VOC limits "Coming into Effect" date is set for January 1, 2024. These VOC regulations set VOC limits that will impact adhesives, adhesive removers, sealants and caulks, thinners, multipurpose solvents sold in Canada, used by household, institutional and commercial consumers. **No sell-through deadline was set for these products still in commerce after January 2024. CPCA provided members the federal government's data fact-sheet including permit options as part of its compliance promotion efforts**.

COATINGS INDUSTRY
Deserves More Credit!

There are many challenges faced by CPCA member companies in Canada due to the growing number of regulations being added to the already overwhelming number of chemical regulations now at 50,000 and counting, by the Government's own estimate. These regulations ensure that chemicals in products are safe for both human health and the environment. Some have referred to it as the 'firehose' of Canadian regulations. **CPCA has done much work to ensure that current and future regulations impacting the coatings industry remain focused on evidence-based, scientific data**. When that is done the industry is better off. But if the goal posts are continually moved in terms of chemical assessment, it must be based on need and it must ensure improved outcomes.

While CPCA continues advocating for a balanced approach to public policy and regulation it is time to recognize the tremendous success of the industry on the sustainability front. Throughout the world, CPCA members have made great strides in lowering VOC emissions in architectural and other coatings. In the Architectural sector alone, more than 90 percent of VOC emissions have been reduced, which is the equivalent of taking more than 320,000 cars of the road annually. It has achieved impressive success in waste paint recycling with 20 million kilograms of paint recycled in Canada **annually**, 100% of the costs is borne by paint manufacturers. That is the equivalent of painting more than 500,000 homes. Other important advancements include antifouling marine coatings with tremendous eco-efficiency benefits when applied to tankers, bulk cargo, and other vessel types reducing greenhouse gas and other emissions by an average of 9%. This is a large volume when one considers that 90% of all goods sold in the world is shipped by sea, in more than 250,000 ships. This is no small feat since shipping counts for an estimated 2-4% of global greenhouse gas emissions.

Cool roof coatings provide value by enhancing the ability of commercial buildings and homes to regulate temperature, leading to a reduction in energy usage demonstrating energy savings between 10-70%. Corrosion-resistant external coatings for water transport improves pipeline infrastructure for both potable and non-potable water. Automotive monocoat technology results in a more durable paint, uses less energy and water and reduces CO2 and particulate emissions compared with conventional paint processes.

While many have pointed out such impressive characteristics as noted above, it may be time to double-down and take a more proactive approach to shine more light on how far the industry has come on sustainability — and plans to go. **The paint and coatings industry must get more credit for its enhanced R&D efforts on sustainability as evidenced in the 'annual' reporting of many CPCA member companies over the past several years**. They deserve more credit, not more obstacles and ill-advised regulatory pressure, for fully embracing sustainability and incorporating it into their corporate DNA. Their corporate strategy and values now clearly reflect it. And, they are evident for both larger as well as small and medium-sized enterprises. This aligns with the coatings industry's long-standing commitment to worker and product safety, first evidenced in the principles of Coatings Care® many years ago, and often in lieu of regulations. The industry is now embracing more widely the United Nations Sustainable Development Goals of relevance to the coatings industry specifically.

In terms of governance and delivery, the industry's enhanced commitment to sustainability and reporting is real. **This includes increasing commitment from CEOs who are now an integral part of their company's sustainability commitment and oversight**. All senior executives within coatings companies have a stronger role in the development and delivery of more sustainable practices and products. This is the case not only within the company but across supply chains. This is further supported by a commitment to aligning sustainable approaches with credible and recognizable standards organizations such as the Sustainability Accounting

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> The paint and coatings industry must get more credit for its enhanced R&D efforts on sustainability

Standards Board, which also ensures more transparent Environment, Social and Governance (ESG) reporting. **Finally, shareholders are demanding companies and raw material suppliers adhere to sustainable best practices because consumers are now making purchasing decisions based on how companies perform in this regard**.

None of the objectives and goals established by the UN — or elsewhere — are relevant if there is no accounting for the metrics for either the concrete or aspirational targets. Companies are now reporting on sustainability using metrics based on previous years' baseline results such as: percentage of sales from sustainably advantaged products and processes; manufacturing locations with zero waste to landfill; waste disposal sites with no releases; reduced spills; waste and greenhouse gas reductions and more. There is now also reporting on metrics related to land use and biodiversity, water use, adaptation to climate change, product stewardship that includes circular economy recycling, energy use and GHG emissions (including low-level VOC emissions), sustainable approaches to innovation and product development, improved engagement with suppliers on more sustainable inputs, renewed focus on regulatory compliance, and more. **Coatings companies have gone beyond the aspirational to the practical and real**. That said, the aspirational goals will still be important on the road to further sustainability as it all starts with aspiration.

The sustainability approach, and related reporting in the coatings industry is indeed on the right track as shareholders of coatings companies, writ large, continue to invest in the value they see in paint and coatings companies of every size, across multiple product lines. While the coatings industry has faced challenges over the past two years as many others have, the commitment to sustainability and product development has not diminished. It has grown even stronger. It is time those who make the regulations in the name of more sustainability give credit where credit is due. We all need to make sure there is credible collaboration and consultation on new regulations, steeped in science, to ensure that an already innovative and truly sustainable paint and coatings industry can go even further.

Did you Know?

CPCA's membership is comprised of **85% of the CASE Industry Sector** — all manufacturing **sustainable paint products** for Canadians

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Safety First! Industry Complies with All Canadian EHS Regulations

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CPCA Comments on Proposed Regulations to Amend the HPR (GHS, 7th Revision)

CPCA applauded Canada and the United States in moving forward on more alignment with respect to the latest GHS revision. Canada's proposal aligns Canada with other trading partners, such as the EU, Australia, and New Zealand. However, there are still variances between Health Canada's and OSHA's proposals and these differences require further attention. **Health Canada plans to publish the final GHS Rev 7 regulations in December 2022. CPCA also recommended establishing a joint North American planning process between Health Canada, OSHA and the Mexican COFEPRIS to advocate for a true North American alignment of GHS revisions**.

CPCA members identified the Top 5 of 14 variances between Health Canada and OSHA's proposals, which should have been prioritized in follow-up discussions between the two organizations this past summer. CPCA's Top 5 list emphasized the need to minimize variances that would cause significant changes to SDSs as well as any further labelling changes contemplated.

Discussions on Alignment Continues Between Health Canada and OSHA

While discussions for alignment will continue between Health Canada and OSHA throughout the spring and summer of 2022, Health Canada confirmed at the last PCWG meeting that no further consultation with stakeholders will be held on the following variances with stakeholders:

Classification of hazardous products/chemicals: The main concern is that OSHA's proposed amendment will unreasonably enlarge the manufacturer's responsibilities in determining all uses of PMMS and the resulting classifications for downstream activities/reactions. **This could lead to the SDS becoming confusing** related to 'unlimited' possibilities as to the undefined 'foreseeable emergencies' which may 'never' occur.

Required SDS Data Toxicological information for Hazardous Product/Hazardous Chemical: The main concern is this proposal does not provide any added value to the overall hazard communication per se. The SDS is not a risk assessment document, but a 'hazard 'communication document. This would create additional custom data entries in the SDS authoring tool that would need to be translated in multiple languages (English,

French, Spanish, etc.) and extremely cumbersome with no discernible benefit whatsoever. Thus, it would simply be costly administrative burden on companies.

Prescribed Concentration Ranges to Protect Trade Secrets: CBI is already a contentious point between jurisdictions and a constant concern for all industry stakeholders that more stringent concentration ranges would result in less protection for CBI and intellectual property. It is hoped that OSHA will proceed with the use of prescribed concentration ranges aligned with Canada **but not require it to be mandatory**.

Small Package Labelling Provisions for Containers: These provisions would apply to capacity > 3 ml but ≤ 100 ml and of capacity ≤ 3 ml, wherein the label interferes with the normal use of the product. This proposal encourages companies to only support larger sizes. **This in turn increases the production of chemical waste and increases the chances of exposure** since it forces customers to overstock chemicals they have no need of. Use of a pull-out/fold-back label or tag on small containers is an expensive and time-consuming process that typically must be outsourced to a 3rd party printer capable of printing these labels.

Labelling requirements for shipped containers: CPCA members asked that OSHA not proceed with requiring the labelling of a 'date code' on the label of a container when it is released for shipment. CPCA members feel this item can be resolved easily because it does not add anything to protect worker safety on the label and can only cause confusion.

Combustible Dusts Hazard Label: It is unclear as to which products must be labelled per the specific wording of the hazard statement required. OSHA believes this is a "clarification," but it is adding further requirements for classification in Section 2 of the SDS (and label) for "possible" downstream CDs. **Canada does not require this information**. Simply providing a warning that a material has the possibility to form a combustible dust would be more than adequately protect downstream users. Manufacturers do not know the full extent of how downstream users might use/process their chemical. However, offering a hazard statement would allow them to make appropriate future determinations if small particles are generated by further processing or handling of the product.

Consumer Products Exemption Removal Under the *Hazardous Products Act*

In March of 2022, Health Canada finally published a "What Was Heard" report from their online survey and multi-stakeholder workshop on the issue of 'removing' the existing consumer product exclusion in the *Hazardous Products Act*. **This issue has the potential to be extremely costly for industry if the exclusion is removed and all consumer chemical products re-labelled according to the WHMIS standard. And it would also create consumer and retailer confusion with the new SDS/labels**. CPCA met with senior Health Canada officials in November 2021 to raise concerns related to their Position Paper and to reiterate comments discussed with Health Canada earlier. CPCA participated in both forums to advocate for the retention of the exclusion for manufacturers (status quo). Or, as a secondary option, adopt a modified proposal to largely align with OSHA in the United States. In summary, CPCA expects Health Canada to propose a hybrid approach that will partially retain the exemption in the HPA while introducing new provisions taken from OSHA and possibly the EU. **CPCA was assured by Health Canada officials that if an amendment is made to the HPA, there will be a thorough cost-benefit analysis done. CPCA expects a proposal to this effect later in 2022. Depending on the proposal, the timelines for the next steps could vary. And the next steps could include further consultation and a cost-benefit analysis on the impact and burden of a new policy option**.

Proposed Amendments to Section 5.12 of the *Health Products Regulation*

Health Canada conducted a survey of CPCA members and other stakeholders regarding a new proposal raised by industry to update the requirements of safety data sheets and labels when significant new data becomes available for a hazardous product. **CPCA expressed formal concerns to the effect that this HPR requirement is unique to Canada compared to the US and EU and should be withdrawn, as it would still retain this requirement to send a written notice of label/SDS changes**. Tracking sales followed by letters to customers outlining changes to SDSs and labels are cumbersome and extremely time consuming. All members feel that the time and resources spent doing so would be better spent on updating the SDSs and getting those documents to customers as quickly as possible. **Based on the absence of support for such an approach Health Canada will not proceed with the proposed amendment**. However, they could not agree with CPCA's position,

which was to completely remove the significant new data requirement. **Health Canada will not revise any current requirement that might lower worker safety, but it does not have any data showing worker safety would be enhanced by this requirement. Why would Health Canada maintain a requirement without the required evidence-based data demonstrating improved health benefits on which the Government says it always relies on for its decision-making?**

Removal of the True Copy Label Requirement in the *Hazardous Product Act*

The amendment of *Hazardous Product Act* to eliminate the true copy label requirement was not included in Bill S-6 on Regulatory Modernization published in late 2022. Thus, Health Canada's dossier submitted to the Treasury Board was therefore ignored. Despite many calls from industry, including CPCA, it was not included in Bill S-6 and there are no current plans for other modernization Bills this year.

Bill S-6 proposed 46 changes to 29 Acts, yet it is difficult to understand why there was no movement for the removal of the 'true copy label requirement' from the *Hazardous Product Act* despite many industry calls for doing so. **It appears that labour groups, who have been lobbying to retain it without any relevant data to support such a request, have succeeded for now**. CPCA continues to follow up with Health Canada officials on this matter since it is the second time Health Canada confirmed proposing this "administrative only" amendment to the Treasury Board. **CPCA will discuss this issue further with Health Canada as to what exactly prevents this particular amendment from taking place; and, if further information is needed from industry to show the negative impact and cost it would have on the CASE industry and other industry sectors in Canada**.

Surface Coating Materials Regulations

Health Canada published its final publication to the SCMR in the *Canada Gazette, Part II* on July 7, 2022. The newly amended regulations address issues for consumer products by:

a) expanding the meaning of a surface coating material to include surface coating materials that do not "dry" on ap-plication, such as powder coatings that are applied electrostatically;

b) expanding the application for other decorative coating materials that may be applied to products during manufacture to include materials such as stickers or films;

c) expanding the 90 mg/kg total lead limit for applied coating materials to all furniture, not only furniture considered to be children's products;

d) limiting the restrictions on lead, mercury and certain other harmful elements in coating materials applied to parts of products that are accessible;

e) removing an outdated test method for certain harmful elements in applied coating materials;

f) requiring testing to be done in accordance with a method that conforms to good laboratory practices; and

g) ensuring consistency across federal regulations.

CPCA has consulted members on these changes and closely followed the development of these regulations several years before their coming into force now set for December 20, 2022.

Fast Facts

CPCA sends **40 Newsletters** and **90+ Bulletins** annually to its membership.

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MICROPLASTICS

No Consensus on Microplastics in Paint

Efforts around the globe from academic and NGO research to regulatory initiatives are now focusing on microplastics. These are small pieces of plastic, typically less than 5 mm in size, which have the potential to impact the environment and human health. With respect to marine environments, the focus on microplastics has moved from 'primary microplastics,' which are intentionally added to product formulations, to 'secondary microplastics' formed through the degradation and break down of larger plastics into smaller pieces. Secondary microplastics include releases of synthetic fibers from clothing, weathering of macroplastic waste, and the degradation of polymeric exterior surfaces or substrates. Several recent media reports and academic studies have identified paint and coatings as a substantial contributor to microplastic waste in marine environments. Nothing is further from the truth.

These recent publications suggested that levels of paint particles in the marine environment ***may*** be underestimated and that paint particles ***may*** be a significant source of microplastics in the ocean. These findings have all been based on 'qualitative' assessments only. **There have been no 'quantitative' measurements for paint particle emissions conducted and the existing data on such emissions are limited to estimations based on numerous assumptions related to disposal, longevity, rates of removal, retention, and usage**. A 2022 report issued by the U.S.-based NGO, Environmental Action, includes an assessment of the contribution of paint to plastic pollution worldwide, across different paint sectors: architectural, marine, road marking, general industrial, automotive, industrial wood, and others. The report incorrectly 'suggests' that paint is the largest source of microplastic leakage to the ocean and waterways, outweighing all other sources such as tire dust and textiles. However, the authors clearly acknowledged that their estimate of 58% of environmental microplastic leakage associated with the paint sector differs from most previous reports, which have estimated environmental inputs of paint-related microplastics ranging from 9.6 to 21% due to spurious assumptions. Some argue those numbers are unrealistic.

The World Coatings Council (WCC), comprised of 20 national paint and coatings associations, acknowledges that microplastics in the marine environment is concerning and real. However, **there is no clear scientific data supporting how or if there are any impacts caused by paints and coatings**. An extensive literature search was recently undertaken by WCC member, the American Coatings Association (ACA), on the state of the science and available data on microplastics vis-à-vis paints and coatings. The European Council of the Paint, Printing Ink, and Artist's Colours Industry (CEPE), representing 27 EU States, is currently conducting two studies to explore possible human health and environmental impacts from the degradation of architectural and marine paints and coatings. **Any conclusions with respect to impacts of microplastics must be based on scientifically substantiated data, which includes rigorous real-world or field study and relevant contributing factors. To date, there is little data to suggest there is any concern with microplastic impacts from paint and coatings used in marine environments. Published data on the matter suggesting otherwise consists of several articles and studies, which include several problematic assumptions and methodologies.**

Results of the Literature Review conducted by ACA make it clear that **there is limited knowledge on the source, environmental contribution, environmental and human health risks, and impact on wastewater from paint-related microplastics**. There are a number of critical points addressing such limitations, which **underscore the need for further data-driven, quantitative research on microplastics**. These include:

- All the substantive studies available today make it clear that **no quantitative measurements of coatings-related microplastic emissions were identified**. The consensus in the literature is that the data is lacking, due in part to lack of agreement on measurement approaches. **The research demonstrates no quantitative determination of microplastic emissions from paint and coatings sources named; rather, conclusions are drawn based on assumptions regarding disposal, longevity, rates of**

removal, retention, and usage (Lusher and Pettersen, 2021; Turner, 2021; Paruta et al., 2022).

- **Research that has focused specifically on paints and coatings as sources of microplastics is still relatively limited**. For example, in 2019, the International Maritime Organization (IMO) conducted a literature review to identify data regarding marine coatings as microplastic sources. Their report concluded: "This review, as well as personal communications with an expert in this field, did not readily reveal any research directly investigating microplastics from anti-fouling systems and/or marine coatings."

- The **long-term environmental impacts of antifouling paint particles remain a substantial data gap and the potential environmental impacts of other coating-related microplastics also have a significant data gap**. The only studies evaluating potential environmental impacts of coatings-related plastics are those associated with antifouling paints. Notably, most of these studies examined short-term toxicity. **More conclusive studies are necessary before any definitive conclusion can be drawn**.

- There is consensus in the current scientific literature that there is **insufficient evidence to assess the risk of primary microplastics — coatings-related or otherwise — to human health**. The lack of evidence has been attributed to difficulties in quantifying human exposures and the inability to associate any observed effects to primary microplastics exposure per se. **Notably, risk assessments conducted by international scientific agencies (albeit based on limited data) have suggested that human exposures to microplastics, or chemicals associated with microplastics, are likely at a low level of health concern** (Lusher et al., 2017; WHO, 2019).

- **Estimates of coating-derived microplastic particles entering the environment rely on the application of various assumptions such as those related to weathering or transport and estimates of paint usage volumes, or extrapolation from small-scale tests. The lack of quantitative measurements** regarding degradation and emission of microplastics (coatings-related or otherwise) into the environment are identified as major data gaps (Galafassi *et al.*, 2019; Lusher and Pettersen, 2021; Turner, 2021; Paruta *et al.*, 2022). For example, Paruta *et al.* (2022) recently estimated environmental inputs of microplastics in paint and concluded: "This study has been performed in a **data-scarce context**, as loss rates are poorly documented both in the scientific or grey literature."

- There is limited knowledge of wastewater treatment and biodegradation of coatings-related microplastics. **Biodegradation of microplastics during wastewater treatment has not been observed and no studies have been identified on the potential degradation rates of coatings-related microplastics**.

The case of antifouling paint

During marine coating removal, best management practices minimize the potential for the release of material. This has been advised and in place for removal of antifouling coatings for over 10 years, via a specific standard (AFS.3/Circ.3) per IMO guidance.

The WCC and its members have actively supported and encouraged. Good "dry-dock discipline" and 'good marina discipline' in the case of leisure boats is highly effective in ensuring waste from ship/boat maintenance and repair activity is appropriately collected and disposed of. In marine harbours, residues from boat hull preparation are controlled and restricted including the physical capture of the debris.

It is important to note that **to ensure commercial availability for use, antifouling coatings must pass a strict risk assessment process demonstrating that they do not cause an unacceptable risk to the environment**.

Antifouling coatings play a key role in protecting the world's climate and oceans by reducing greenhouse gas emissions from shipping and the translocation of invasive species across oceans. Marine coatings manufacturers, the ocean transport industry and WCC members continue to invest in technologies and approaches that reduce the environmental impact of these solutions wherever possible.

The coatings industry supports all efforts on sustainability and product stewardship when decisions taken impacting the industry are based on credible scientific data.

CPCA has two industry and government sectoral working groups, and seven committees. Each committee provides insight and data to support specific industry issues.

Thank you!

Lysane Lavoie
Director, Regulatory Affairs, CPCA

CPCA's work depends on engagement from industry and our volunteer committee members who provide real-world data which is key to fully informed risk assessment of chemicals ensuring better outcomes for all.

Industry Sector Collaboration

The Paint and Coatings Working Group

While all CPCA technical committees are essential to successfully lobby on behalf of the industry, the Paint and Coatings Working Group (PCWG) is unique. It includes CPCA members working on various EHS files of importance to the CASE sector in Canada. The PCWG was struck more than a decade ago to bring together experts from all CASE segments with key government officials responsible for all aspects of chemical assessment and risk management measures, including regulations. This group comes together twice a year, in the Fall and Spring, with often more than 60 people in attendance over a full day. Prior to each meeting a full agenda of current issues is jointly developed by CPCA and government officials. Those issues cover the most pressing EHS matters in the four critical fields for the CASE sector:

1) Chemicals Management
2) Air Quality
3) Product Stewardship
4) Worker Safety

Those issues are of course already being discussed with Government officials directly by CPCA and in countless industry-government bilateral and multilateral meetings throughout the year. As well, formal industry submissions may have already been made by CPCA on key issues with the help of technical committees and with direct input from members.

Those other industry-government meetings include several held by the Industry Coordinating Group (ICG) for CEPA. ICG is comprised of more than 20 chemical associations. The focus of the ICG is squarely on chemicals in commerce being assessed under the federal government's Chemicals Management Plan (CMP). For the CASE industry this has represented more than 1500 of the 4,300 chemicals that were prioritized over the first three phases of the CMP, which began in 2006. The PCWG meetings, however, zero in on what matters to the CASE sector specifically. A large part of that focus is the CMP and the federal government has committed $500 million over five years for the next phase of the **CMP chemical assessment process**. The prioritization of chemicals in the next phase is now ongoing and will include many critical chemical inputs used in thousands of CASE products sold in Canada.

Apart from the CMP there are other issues and regulations of concern to CPCA and its members such as, for example, new VOC limits related to air quality; re-evaluation of biocides used for in-can/film preservation, which is an important ingredient for product stewardship; and ongoing matters related to worker safety that include harmonizing GHS regulations with that of our largest trading partner the United States and other countries. Details related to all of these, and many more, are covered in the INSIGHT Advocacy Report section on page 19.

Given the many chemicals being considered in all four fields of endeavour as noted above, there is much to communicate across multiple federal government departments. As such, the two annual PCWG meetings are important milestones for both industry and Government. It assures that both sides can really take stock of where both industry and government stand on the relevant issues. In many cases it evident that more work is required. For example, additional information may be required by federal officials in their ongoing assessment of a chemical and in others there are reminders that the data is lacking in one way or another. Whatever the case it is time to sort those matters out. **The ultimate goal is to ensure Government officials have the most relevant data to make fully informed final decisions impacting chemicals in products in Canada**. The ultimate goal of government is to protect both human health and the environment from potential or perceived impact of critical chemical inputs or ingredients. It is incumbent upon industry to ensure that 'the' most relevant data is in the hands of those officials making final decisions for those chemical substances.

It is safe to say that the long-established protocols for chemical assessment under the federal government's CMP have worked well for many years given that the vast majority of chemicals in commerce today have been designated as safe for use. What is often overlooked is the huge role industry plays directly — and via their associations — to ensure that whichever chemicals they produce are safe for both human health and the environment, all of which are **based on the most current and best available science**. If they were not, they would not be on store shelves. That standard of assessment must never change and **nor will the important role of CPCA's Paint and Coatings Work Group**.

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 evidence-based data, which government officials need and must have to make informed decisions on product composition.

Paint and Coatings Working Group

A joint working group of CPCA members along with relevant federal government departments including Environment and Climate Change Canada, Health Canada, Industry Canada, Treasury Board of Canada, Global Affairs and representatives of other departments and agencies. The PCWG meets twice a year over the course of a day and this forum has been well regarded by both industry and government officials for its open approach to information sharing and collaboration. The PCWG includes members of all CPCA Technical Committees focused on EHS issues.

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 new CPCA biocides database on the CoatingsHUB functions similarly to that of the CMP database and provides comprehensive and structured data on the group's activities and PMRA initiatives. Following PMRA's review process all the related CASRNs are tracked in real-time and notifications sent to members when critical updates or compliance deadlines are posted on the Canada CoatingsHUB for members.

Multi-Stakeholder Relations

CEPA-Industry Coordinating Group

CEPA-ICG is the Industry Coordinating Group for CEPA and comprised of 30 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.

Canada
CMP National Stakeholder Advisory Council

CEPA•ICG
CEPA-Industry Coordinating Group

CSF
Canadian Association of Surface Finishing

CMC
Canadian Manufacturing Coalition

World Coatings Council
World Coatings Council

AmericanCoatings ASSOCIATION
American Coatings Association

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. 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. The WCC meets throughout the year to discuss global issues of pressing concern to industry.

CPCA extends its sincerest thanks to all our partners and industry stakeholders who support our advocacy efforts and are an integral part of our team.

Canadian Paint and Coatings Association
Association canadienne de l'industrie de la peinture et du revêtement

Save the Date

May 24 & 25, 2023

CPCA's Annual Conference & AGM

Queen's Landing, Vintage Hotels
155 Byron St, Niagara-on-the-Lake

CPCA's Annual Conference & AGM is the association's cornerstone event providing attendees with the latest information on the coatings industry in Canada.

The conference features leaders from across North America, covering topics on regulations, coatings innovation, and sustainability.

Registration opens January 1, 2023
Visit canpaint.com for details

> Conference speakers SPARKED discussions around innovation, sustainability and change with a focus on the future of innovation in Canada, the progress being made by industry to enhance sustainability, and business change through digital transformation.

Gary LeRoux
CPCA President & CEO

Annual Conference & AGM Recap

SPARK — Coatings Change & Innovation

This year CPCA held its first in-person annual Conference and AGM, **SPARK — Coatings Change and Innovation**, since 2019 in Vancouver. It was great to get together again with members and non-members alike! CPCA would like to thank all who came to beautiful Quebec City for the meeting at the renowned Fairmont Chateau Frontenac Hotel. Once again this year CPCA hosted six post-graduate (Ph.D.) students with a focus on chemistry, some with a special interest in the CASE industry. They are the future leaders of the coatings industry in Canada. The students were: Maylis Carrère (Study in biobased latex for exterior applications); Marie Mottoul (Self-healing interior coatings for wood); Sorour Davoudi (Matt UV curable coatings); Vahideh Akbari (Wood densification with biobased coatings); Ingrid Calvez (UV-curable matt coatings, self-mattifying coatings); and Gym Yalli.

CPCA extends a sincere '***thank you***' to Veronique Landry, Professor at Laval University and current head of the *NSERC CanLak Industrial Research Chair* for interior wood product finishes.

Photo: Mark Chan, Strategic Marketing
Industrial and Consumer Specialties North America [Clariant]

The conference did indeed SPARK discussion on important subjects for the coatings industry including a fresh look at the numbers in both the global coatings industry and Canada, with a presentation by the very capable **Dan Murad of the ChemQuest Group**. There was a focus on product stewardship and sustainability, as always, from a strong Quebec-based coatings company, **CanLak Coatings. Vice-President, Eric Vaillancourt**, who talked about CanLak's impressive growth over the past 20-plus years with much of that credit going to investments in R&D and product innovation.

Adrian Krygsman, Troy/Arxada, provided an update on the status of critical biocide ingredients for the industry. One of the most critical aspects of biocide preservatives for in-can and film preservation are the active ingredients preventing product degradation. Now it is even more critical than ever with the prevalence of water-based paint and coatings. As many know, the impressive move to water-based paint has led to extensive VOC emission reduction in paint, removing 42,000 tonnes of emissions from the atmosphere over the past 15 years, the equivalent of more than the emissions of 300,000 cars on the road.

Left to right: Sharon Kelly [Kelcoatings], and Terry Schwartz [Schwartz Chemicals]

Mark Kurschner, President of Product Care Recycling, noted there are still challenges with the level of regulation and red tape for paint recycling in the provinces. Despite those challenges the paint and coatings industry has done well in meeting and exceeding targets, while paying 100% of the cost of paint recovery and recycling right across Canada.

Chris Ellen of Azelis Canada reminded all of the importance of chemical sustainability within critical supply chains. He talked about the need to ensure best practices for the management of environmental, social, and economic growth, which primarily comes from R&D in the lab. Communications related to product stewardship and sustainability are key to ensuring measurable performance.

This year's keynote speaker, **Dan Breznitz, Chair of Innovation Studies at the Munk School of Global Affairs**, provided keen insight on Canada's challenges in meeting innovation targets. His most recent book, "*Innovation in Real Places: Strategies for Prosperity in an Unforgiving World*", shows Canada leading OECD countries in terms of best-educated people, spent the most federal taxes on innovation but remains at the bottom of OECD countries in terms of new businesses and jobs. He provided examples of countries that understand how to convert education and dollars on innovation into economic growth, and how they have transformed their economies while ensuring stable income levels.

Many outside the coatings industry take colour for granted even though it is an obvious part of everything to do with coatings. The colour timeline is a key aspect when manufacturers select a coatings colour as **Catherine Larose of**

Adrian Krygsman
[TROY/Arxada]

Éric Vaillancourt
[Canlak Coatings]

> Canada leads OECD countries in terms of best-educated people and federal tax dollars funding innovation but remains at the bottom of OECD countries in terms of turning these metrics into new businesses and jobs.

Doug Parsons
[Home Hardware]

Duha Group and Colour Hive reminded us. Companies like Duha Group must gauge the emerging colour trends two years or more in advance of them becoming on-trend in other sectors like fashion. Then they end up in paint and coatings products on store shelves.

The final panel of the day focused on a hot button issue, digitization of supply chains, which includes all aspects of sourcing raw materials, transportation and distribution, plant operations, building resiliency, changing customer preferences, staff training, etc. The session was moderated by **Kristin Johansson, Editor-in-Chief of the international Paint and Coatings Industry Magazine** and discussion leads from **EY Canada, Humza Akhtar with Marie Danièle-Ménard**, with industry panelists: **Darrin Noble (Coverdale), Vince Rea (PPG Canada); Christina Thomas (Azelis Canada); and Jean-Francois Tanguay (IMCD).**

Discussion Panelists left to right: Darrin Noble [Cloverdale Paint], Vince Rea [PPG Canada], Humza Akhtar [EY Canada]

Marie Danièle-Ménard
[EY Canada]

Dan Murad
[ChemQuest]

Eunice Leung
[Covestro]

Other discussions revolved around the regulatory challenges faced by the paint and coatings industry in Canada and the current debates in the Senate of Canada amending the *Canadian Environmental Protection Act* (CEPA), Bill S-5. These amendments seek to significantly alter the world-class chemical management system for which Canada has been widely lauded, despite Environment Minister Guilbeault's commitment in the Senate hearings to retain the strong, risk-based system we now have in Canada.

The Annual General Meeting took place during the conference as usual with **Darrin Noble confirmed as CPCA's Board Chair** as were the new terms of the other board members. The chair later handed out a number of deserving awards at the Annual Chair Awards Dinner.

Véronic Landry
[NSERC Chair, Université de Laval]

Ingrid Calvez
[Graduate Student Université de Laval]

Kristin Johansson, Editor-in-Chief
[International Paint and Coatings Industry Magazine]

Recognizing Excellence & Honouring Innovation at The Annual Chair Awards Dinner

Congratulations to all our Award Recipients!

CPCA's Annual Chair Awards Dinner is a culinary experience which includes a Table d'Hôte dinner, entertainment, and honouring those who have excelled in the fields of science, regulatory development, and coatings innovation in the paint and coatings industry. CPCA has a rich history of recognizing excellence. For the past three decades, CPCA has been honouring individuals who have made significant contributions to the Canadian paint and coatings industry. The awards are presented each year at the Annual Chair Awards Dinner. CPCA has made it a priority to acknowledge those who have spent a significant part of their work lives to improve the industry in different ways.

The Roy Kennedy Award went to **Terry Sutherland (PPG Canada)** for outstanding contribution to CPCA and for epitomizing Roy Kennedy's dedication to the Association, its members and the industry. Terry has been a valuable member of key technical committees and working groups over many years and has made significant contributions to countless submissions and consultations for the benefit not only of PPG, but the entire industry.

The Industry Achievement Award was presented to **Normand Guidon (Canlak); Larry Lozinski (Cloverdale); Jake Jevric (Lorama Group); Adrian Krygsman, (Troy); Patrick Rodrigue (Peinture Micca); and CPCA's very own Micheline Foucher** who has served CPCA and its membership for 47 years. This award is presented to individuals who demonstrate exceptional achievement in advancing the interests of the industry and/or the Association.

The Industry Distinction Award was presented to **Eric Bos (Sansin); Sharon Kelly, (Kelcoatings); Pierre Chapdelaine (Peintures MF); Michele Stauffer (BASF); and Dan Goldberg (Chromaflo)**. These individuals are recognized for their long-term contributions to the Association at the national or local level and have retired or are soon to do so.

CPCA also recognized several member milestones with anniversaries: **Debro, Rust-Oleum and Tnemec** who recently celebrated 100 years in business; **Société Laurentide** for their 70th year in business; and **Clariant** for 25 years in business.

Terry Sutherland [PPG Canada]
Roy Kennedy Award Recipient

Last, but certainly not least, CPCA extended a warm thank you to the **past Chair, Richard Tremblay (Laurentide)**, formerly of Benjamin Moore, with the Chair's Recognition Award recognizing him for his service and support of CPCA both as Chair and long-time board member.

CPCA also thanked its sponsors who helped make the event possible: **Benjamin Moore, Canlak Coatings, EMCO-Inortech, Product Care, Cloverdale Paint, PPG, Azelis, BeautiTone, Chromaflo, Vinavil, and Goudey**.

If anyone in your organization has made a significant contribution to coatings science, innovation, or technology, or you have distinguished employees who are nearing or will be retiring please contact CPCA to nominate them to receive an Award.

Any member company that is celebrating a milestone anniversary and would like to receive an Anniversary Certificate from CPCA in honour of this milestone please contact CPCA.

CPCA Awards Point of Contact
Email: info@canpaint.com

Richard Tremblay [Société Laurentide]
CPCA Chair Award

Normand Guindon [Canlak Coatings]
Industry Achievement Award

Larry Lozinski [Cloverdale]
Industry Achievement Award

Jake Jevric [Lorama]
Industry Achievement Award

Adrian Krygsman [Troy/Arxada]
Industry Achievement Award

Eric Bos [Sansin]
Industry Distinction Award

Sharon Kelly [Kelcoatings]
Industry Distinction Award

Dan Goldberg [Chromaflo]
Industry Distinction Award

Dan Giasante [Rust-Oleum]
Marc Chan [Clariant]
Félix Buisson [Société Laurentide]

Memorable Moments & Tearful Goodbye's

Forty-Seven Years of Dedication & Loyalty

47 years Micheline has worked for CPCA in various roles beginning when the office was based in Montreal and since 2006 in Ottawa. All in all, she has worked out of 8 separate offices. Her first job was as a receptionist and subsequently various roles with more responsibility, but in recent years as Director of Administration. Micheline has decided to move on to the next chapter in her life and many of us in the industry would like to wish her nothing but the best!

As the longest-serving staffer, by far, and most loyal, she will be missed by many. During her time at CPCA, Micheline worked under seven presidents, alongside other regional associations in existence at the time like the Ontario Paint Association, the Winnipeg Paint Association, AQIP in Quebec, and of course the ACA and members of the World Coatings Council (formerly IPPIC). She has helped organize countless committee meetings, annual meetings, and various networking events such as golf tournaments and Christmas luncheons. For most of her career, Micheline has been CPCA's main event planner for events held across Canada including the Annual Conference & AGM, semi-annual Architectural and Industrial Committee meetings, and several World Coatings Council meetings held in Canada. CPCA staff as well as many members and their spouses/partners always knew they could count on Micheline for her dedication to putting on a good show, agility, helpfulness, and jovial personality. She has seen many companies come and go mostly through consolidation and served three generations of several Canadian family-owned paint companies, several of which are still around! Micheline has dutifully ensured all necessary association administration requirements were addressed, while staff continued to serve CPCA members on the many issues before them.

At the Annual Chair's Award Dinner, Micheline was one of the recipients of the Industry Achievement Award. She was honoured by CPCA staff and the membership through a video montage of some historical pictures of Micheline's time with CPCA and warm wishes from the CPCA membership as La Famille Painchaud played for her.

Above: Micheline Foucher [CPCA] Recipient of the Industry Achievement Award


André


Aurelian

COATINGSTECH Online Course

CPCA's three semester online coatings courses are available to anyone who is interested in learning the fundamentals of the coatings industry.

CPCA spoke with one of the Diploma recipients who commented:

"In a technical field one should never stop learning new things. It keeps your work life interesting and contributes towards your personal growth."

Rachna Kaushal, R&D Chemist in the Colorant Division of Lorama Inc.

CPCA's Online CoatingsTECH Courses

Technical Education for the Coatings Community

The coatings industry for as long as it's been in existence has required a high level of education. It takes all streams of STEM learning — Science, Technology, Engineering and Mathematics to achieve success in this industry. CPCA believes that coatings innovation is integral to our future. CASE sector companies spend hundreds of millions of dollars in R&D on new innovative products and processes annually. CPCA encourages members to maximize their learning potential through the CoatingsTECH Online Diploma Course and the Coatings Scholarship Program. Both provide members with opportunity to support their educational pursuits.

CPCA's Diploma in Coatings Technology is available to students in Canada and around the world as a three-semester course. Participants can work at their own pace with easy-to-use e-learning training tools to gain the knowledge needed for career advancement in the coatings industry. The three semesters can be completed in as little as eighteen months, or less, if desired. Participants can choose to take one or all three semesters and receive a Diploma in Coatings Technology once all three semesters are completed.

In 2022 CPCA member organization Lorama, enrolled several of their employees in the program: **Colin McDonald, Jennifer Cruz, Rachna Kaushal, and Rafay Shams, Lorama**. CPCA spoke with Rachna on her educational journey and are happy to say that all four completed three semesters and received the Diploma in Coatings Technology. **Congratulations to all!**

Rachna Kaushal, R&D Chemist in the Colorant Division of Lorama Inc. completed her CoatingsTECH Online Diploma Program in 2022. Rachna immigrated to Canada shortly after she married, with a Bachelor of Science from Kurukshetra University. She continued her studies in the Bachelor of Sciences Program at the University of Toronto, while working full-time and raising her daughters. With over a decade of experience in the field of chemical engineering, Rachna has filled the role of Laboratory Chemist, Quality Control Technologist, and now R&D Chemist for many of Canada's leading coatings manufacturers.

> At the molecular level, the damage done by a scratch can be reversed when stimuli are applied to remove the damage to the furniture on the surface.

Self-healing Properties Add Value to Water-based Wood Coatings

Marie Mottoul, Ph.D Student at Université Laval
NSERC Industrial Research Chair in Interior Wood Finishes: Student Research

Wood is generally a material of choice for furniture due to its warm and noble aesthetic and is the most common in our homes. However, the low hardness is a limitation to the integrity of the wood because it is subject to physical damages like scratches and other wear and tear after extensive use. Much effort has been devoted to developing protective coatings to enhance the properties of wooden surfaces, but scratches remain very difficult to avoid completely because of the extensive use of most wood surfaces. This is a problem for wood manufacturers who have high customer expectations demanding affordable, aesthetically pleasing and long-lasting surfaces.

Scratches are aesthetically unpleasant and can appear quickly, even with high-end, quality furniture purchased at higher price points. Once wood furniture is damaged, it can either be replaced or repaired and both will add increased costs , but repair is the environmentally friendlier option as it does not use fresh resources. One of the goals of the NSERC-Canlak Industrial Research Chair in Interior Wood Finishes , based at Laval University in Quebec City, is to address this problem by developing innovative coatings that are designed to meet the particular needs of the wood manufacturing industry and by extension their retail customers. Long established companies work diligently to provide a coating that protects the wood and the manufacturer's brand reputation. The partnership between Canlak and the industrial chair is focused on doing just that. Part of that includes determining how to develop self-healing properties for wood coatings.

Scratches are even prevalent in high performance coatings used on wood products. The key to solving this problem is adding self-healing properties to the coatings. In other words, if the surface of a self-healing coating is damaged, scratches can be repaired with the help of an adequate heat source. The heat source allows the coating to recover its original appearance and ability to protect the wood surface. One way to achieve this goal is to use monomers that can interact with each other in a reversible way to obtain dynamic interactions between the polymer chains. If those polymer interactions are broken , they can be reformed. As a result, at the molecular level, the damage done by a scratch can

be reversed when these stimuli are applied to remove the damage to the furniture on the surface. Scratch resistant and self-healing coatings add value to the manufactured product as it provides protection from scratches and when scratched it helps return the wood to its original appearance.

When developing self-healing coatings, the first step is to synthesize different kinds of acrylate monomers which are able to form reversible interactions and to polymerize them with commercial acrylates. In effect, these monomers combine chemically to produce a very large chain-like or network molecule, which will form the main matrix of the coating . At first, self-healing solvent-based coatings were developed as it was easier to control the properties of those coatings. Several tests were conducted to select the most promising monomer and to target the best combination between hardness and self-healing characteristics. Through this approach, we were able to successfully obtain a colorless and transparent coating exhibiting a sufficient hardness and self-healing properties triggered after applying heat for one hour at 75 °C.

However, the trend in the industry is to avoid or limit the use of organic solvents in coating formulations in the interests of improved sustainability. As such, the current objective for self-healing coatings is to transfer the coatings from a solvent-based system to a water-based one, which is becoming more widely used by furniture manufacturers. Efforts are underway to develop self-healing latexes (water-based) formed by emulsion polymerization, which is necessary to minimize the amount of harmful products used in the entire process. This will result in a more sustainable coating and address increasing demands by manufacturers, and retailers, who want a final wood product that is protected from scratches while at the same time more environmentally sustainable. It also extends the life-cycle of the wood furniture, which also helps preserve resources thus further contributing to sustainability. Extensive work continues on these types of coatings in both academia and industrial R&D labs worldwide.

Figure 1.0 Self-healing process induced by reversible interactions

CPCA Scholarship Recipients

CPCA values education — for our members, and the upcoming generation of chemists, paint formulators, and business leaders. Our Scholarship Program which is offered to members only is our way of supporting and encouraging the next generation of paint and coatings leaders in their pursuit of an education in science. Scholarships are awarded to students who are pursuing post-secondary education at a Canadian or U.S. University within the Faculty of Science, Biology, Chemistry or Engineering. CPCA congratulates this year's Scholarship recipients, and wishes them the very best in their acedemic endeavours.

Heather Brickman

Ohio State University
Chemical and Biomolecular Engineering

Heather has just started her first year at the Ohio State University studying biological engineering in their honors program. She is part of the Ecological Engineering Society and joined the EMS (Emergency Medical Services) Club and Habitat for Humanity. She enjoys sports, especially Ohio State football and played club volleyball, rugby, softball and tennis. She hopes to contribute to society when she graduates by working to improve ecological and sustainable processes for industry.

Heather Brickman
Student of Ohio State University

Jacintha Groen in 't Woud

Queen's University
Bachelor of Applied Science, Engineering

Jacintha is a first year student at Queen's University in Kingston, Ontario in the Applied Science and Engineering Undergraduate Degree program. She has had a lifelong passion for Chemical Engineering from an early age and enjoys learning inside and outside of the classroom. Amongst a few of her extracurricular and sports clubs, Jacintha is an active member of the "Queen's Rocket Engineering Team." This team builds supersonic rockets that compete internationally in the 30,000 ft category.

Volunteering and giving back to the community has been an important part of Jacintha's life. Since 2016, she has been hand writing numerous amounts of greeting cards for the elderly living in various Nursing/Long-Term Care homes. In addition, she organizes collections of jigsaw puzzles to donate to the elderly as a way to help strengthen their memory. These acts of kindness provide the elderly a feeling of belonging to a community and Jacintha is very passionate about spreading kindness and gratitude.

Upon completion of her studies, Jacintha aspires to become an innovative leader in design and technology for the betterment of society.

Jacintha Groen in 't Woud
Student of Queen's University

CPCA is proud of the work we do on behalf of the Canadian Paint and Coatings industry. We believe coatings matter, and that every member of CPCA is creating the safest and most compliant product offerring for Canadians.

akzonobel.com

albertarecycling.ca

altana.com

basf.com

homehardware.ca

behr.com

clariant.com

cloverdalepaint.com

dampney.com

ecopeinture.ca

emco.ca

farrow-ball.com

kelcoatings.com

korzite.com

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mirapakon.com

orrandboss.com

polynt.com

productcare.org

ppg.com

quadra.ca

sansin.com

schwartzchem.com

sherwin-williams.com

laurentide.co

tnemec.com

Thank you
Merci

Thanks to CPCA members for supporting the important work of the association to sustain a strong and vibrant Coatings, Adhesives, Sealants and Elastomer (CASE) industry in Canada.

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.