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Audrey Choi, Chief Sustainability Officer, Morgan Stanley



Canadian Paint  
and Coatings  
Association

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

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*CPCA's cornerstone event provides  
insights on industry advances in R&D  
and technology, business challenges,  
and the economic outlook ahead.*



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## PRESIDENT'S MESSAGE



Canada and a number of EU countries are moving forward in regulating per- and poly-fluoroalkyl substances (PFAS) and non-PFAS alternatives (known as forever chemicals) in all industry sectors including coatings, paints and varnishes (CPV). These chemicals are estimated to be several thousand in number, but their definition still varies among jurisdictions around the world. Much of the recent activity we have seen is purely political and as we have also seen in recent years it will only grow over time if not subjected to rigorous scientific assessment, per all the relevant scientific data before final actions are taken such as regulations. To assess uses of PFAS and their alternatives in CPVs it is necessary to mine the data in sufficient detail to fully understand the function of PFAS in specific applications, rather than generalizing at the sector or market segment level. There will be challenges in this regard and CPCA will be fully engaged in this effort to ensure that this is indeed the case where the coatings industry is concerned.

The initial action now being taken in Canada related to PFAS for a specific drinking water objective targets a minimum of 18 PFAS substances, which could have significant impact on municipalities delivering clean water. Already the actions taken on this file suggests politicization of the process because it is clearly putting the proverbial cart before the horse. Normally one would NEVER ignore the importance of the initial categorization of priorities and the rigorous Risk Assessment process for such actions before moving straight to a Risk Management instrument to address potential impacts on drinking water quality based on 'presumed' PFAS concerns. That is in fact what is now being done in Canada with the 'proposed' drinking water objective. Where did we go wrong in Canada that we continue to flippantly ignore science in public policy decision-making? How long will this continue?

CPCA would argue that rather than moving quickly to keep up with other jurisdictions like the US or the EU on PFAS, it would be best to exercise prudence and follow the CMP assessment process, which most agree is a longstanding and credible evidence-based process. It is a process that has worked well in the past and one that results in science-based outcomes for further action, if needed. Further Risk Management actions via a regulation, code of practice, pollution prevention plan, etc. will be the most efficient way to manage risk, which will serve the interests of all affected parties, even those negatively impacted by them. This will also ensure full compliance with whatever Risk Management action taken. This is all done in the name of regulatory efficiency, which Canada should not move away from as a matter of sound public policy.

It would appear that the EU is suggesting it is treating PFAS restrictions as a technical issue, which is not in fact the case at all. Rather, it actually seems to be a purely political issue in the absence of strong data. As such many in Canada believe that PFAS will not be addressed here as a science-based, technical issue either, but as a purely political matter. As such, it will be important to consider the EU situation as well as current and future actions unfolding in the United States and elsewhere. If Canada wants to do the right thing it should not be guided by those actions, but simply ensure its decisions are informed by them. There are still many concerns with the actual scope of PFAS, the related definitions and risk management measures, both nationally and provincially, that could emerge and impact a number of industry sectors in future. PFAS assessment and regulations will be with us for some time to come and both industry and government have a responsibility to get it right, based on the science.

**Gary LeRoux**

President & CEO





Canadian Paint  
and Coatings  
Association



## Members We Want Your Feedback!

*CPCA's Member Survey is Live!  
All answers and comments are  
completely confidential. Take  
the short survey and tell CPCA  
how we can better serve YOU!*



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### CPCA Members We Want Your Feedback!

CPCA has recently partnered with Flex Survey an independent survey company to conduct a **member satisfaction survey**. **The responses will be included in the report for CPCA by Flex Survey, but your personal responses will remain confidential to Flex Survey.** Your feedback will help CPCA determine the level and type of services of most importance to members.

This survey will take less than 10 minutes to complete. Please keep your eye out for reminders that will come directly to your inbox on **Friday March 31**, and the **first week of April**. Thank you for your attention.

For more information or if you have any questions about this survey **please contact Melanie Di Tullio, Director, Graphic Design & Digital Communications.**



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## Functional Coatings are the Future!

Coatings are **reliable, responsible, and recyclable**. They are also key to **protecting, preserving and providing** for our future. Contact CPCA to share how your coatings product is helping to build back better.

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## ADVOCACY REPORT



CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA and Other Chemical Groups Commented on the Recent Proposal for Limiting PFAS in Canadian Drinking Water
- CPCA Engages with Ontario Minister to Address Rising Program Fees for Paint Recycling
- Members Given Last Opportunity to Comment on Risk Management Evaluations for LC-PFCAs and MCCPs Under the Stockholm Convention
- New Initiatives Being Considered for Federal Plastics Registry & Regulatory Framework on Recycled Content and Labelling Rules for Plastics
- CPCA Shares Orr & Boss Update on Economic Trends in the Global Coatings Market

### Ensuring Full Compliance with Canadian Regulations

For more extensive details and actions on all the issues please read the comprehensive bi-monthly **Regulatory Radar** and/or consult the **Canada CoatingsHUB** to search for any issue of interest. The primary goal of the Regulatory Radar and the Canada CoatingsHUB is to ensure **full industry compliance** with all regulations in Canada.

### CPCA Experts Identified Next Steps on Key Issues to Address on Antimicrobial Control for Coatings and Adhesives

The Coatings and Adhesives Working Group (CAWG) meeting with PMRA officials was held earlier this month to discuss various issues raised by the recently published bans and severe restrictions for six paint biocides in Canada. CAWG industry members challenged the new requirements to add a long labelling statement on paint cans for further protecting airless sprayer use and proposed that QR codes be considered and further collaboration with the US EPA with regard to Product Stewardship and labelling requirements. Industry then met and identified a series of meetings and workshops with PMRA officials later this year.

*CPCA and CAWG expert members addressed concerns with the lack of transparency and communication during the paint cluster review, and the lack of coordination with industry during the development of the product stewardship plan/labelling requirements prior to implementation.*

### CPCA and Other Chemical Groups Commented on the Recent Proposal for Limiting PFAS in Canadian Drinking Water

The proposed objective for PFAS in drinking water is 30 ng/L which is the sum of a minimum of 18 PFAS detected. ECCC chose to implement an objective as opposed to a guideline considering the need to quickly address the health and environmental concerns in Canadian drinking water, well prior the PFAS State of the Science Report and related PFAS group assessment soon anticipated for publication. CPCA's comments underlined several technical challenges and high-cost burdens and the lack of any upstream actions for wastewater.

*The coatings industry will be impacted by the publication of the upcoming State of the Science Report on PFAS, which will inform Government's risk assessment and management actions for several thousand PFAS substances as part of the next phase of CMP.*

### CPCA Engaging with Ontario Minister to Address Rising Program Fees for Paint Recycling

Under the current Act, RPRA has complete autonomy over regulatory fees, budgets, and business plans. The Minister of Environment is ultimately accountable for the program and should directly address the exponentially rising regulatory fees that are not supported by increases in waste recovery volumes in Ontario. Over the years paint, and others in the HSP program, tires and electronics producers recommended a free appeal mechanism related to waste recovery in Ontario and that RPRA should no longer maintain its own database, which is duplicative of the waste collection reporting data by PROs as are



*By implementing these recommendations, the Ontario Ministry of Environment can achieve its objectives of effective recovery and recycling for end-of-life products while reducing administrative burden for producers and unnecessary costs to consumers.*

### **Members Given Last Opportunity to Comment on Risk Management Evaluations for LC-PFCAs and MCCPs Under the Stockholm Convention**

Members had another opportunity to comment directly to the Stockholm Convention Secretariat regarding draft Risk Management Evaluations under review for LC-PFCAs and MCCPs before their final POP listing. Any CPCA member that *might* still be using these substances were previously alerted on the draft risk profiles which have now been adopted. Certain members can still comment at the draft risk management stage to inform socio-economic considerations for possible exemptions before the 19th meeting of the POP Review Committee in the fall.

*CPCA encouraged any of its members to comment just in case LC-PFCAs might still be used in certain surfactants, coatings, fire-fighting foams, textile protectors, semiconductors, automotive waxes, or MCCPs might still be found in certain sealants, caulking, rubber, and paint.*

### **Federal Plastics Registry & Regulatory Framework on Recycled Content and Labelling Rules for Plastics**

Paint and coatings will be part of the reporting requirements applicable to construction in Phase 2 (reporting of plastics reported for diversion or reused: Due June 1, 2026) and Phase 4 (reporting of refurbished plastics, plastics recycled, and plastics recovered for energy: Due June 1, 2028). For the recycled content and labelling rules, the proposal is to include paint cans with a phased-in recycled content amount beginning with 20% in 2026-2027 and increasing to 60% by 2030. Also proposed will be voluntary then mandatory labelling requirements for rigid and flexible packaging by 2030 to align with the implementation of EPR programs for packaging across Canada. Items labelled “compostable” (using green colours labelling, striping, or tinting) would be required to be certified by an accredited third party according to three optional ASTM standards.

*CPCA is gathering comments from members on these two technical papers as they would include requirements for minimum recycled content in certain types of plastics packaging including paint cans.*

### **CPCA Shares Orr & Boss Update on Economic Trends in the Global Coatings Market**

The global market 2023 estimate calls for a 6% volume and a 5.9% value increase. This compares to the January forecast for 1.3% volume growth and 6.2% value growth. There have been several adjustments to growth; most notably the Chinese paint & coatings market is returning a bit stronger than previously anticipated. Globally, decorative coatings are expected to increase 0.9% in volume and 5.3% in value with volume declines in North America and Europe. Non-decorative industrial coatings are expected to be up 2.5% in volume and 6.6% in value. For 2024, Orr&Boss is currently expecting the entire market to be up 4.1% in volume and 5.1% in value with decorative being up 4.1% in volume and 5.2% in value and non-decorative being up 4.1% in volume and 5.0% in value.

*The market is in a state of intermediate flux between positive growth following the pandemic recovery and manufacturing is still being affected by shortages of crucial raw materials.*



from member companies and the individuals responsible for their success. Among the award recipients are members and colleagues who have dedicated their careers to their respective companies and supporting the industry's collective commitment to growing the vibrant Canadian coatings industry over the years. This year, CPCA will be presenting our highest honour, the **Roy Kennedy Award** to **Fred Heitfeld** (Sherwin-Williams) for outstanding contribution to CPCA and for epitomizing Roy Kennedy's dedication to the Association, its members and the industry. Fred has been a crucial contributor to CPCA's advocacy on multiple files including paint preservation, VOCs and GHS, among others. He is a regular participant in the Paint and Coatings Working Group meetings.

**The Industry Achievement Award** will be presented to **Rachel Laberge** (Brenntag); **Diane Nash** (Axalta); **Judy Stevens** (Vibrantz); **Jim Kantola** (PPG); **Joyce Borkhoff** (Intertek); **Tom Snider** (Cloverdale); and **Brent Jamieson** (Axalta). 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** will be presented to **Cathy Currie** (Home Hardware); **David Faherty** (Arxada); **JF Tanguay** (IMCD); **Gary Regulski** (Axalta); and **Jeff Snyder** (Akzo Nobel). These individuals are recognized for their long-term contributions to the Association at the national and/or local level and have since retired or will soon do so. CPCA will also recognize several member companies and related associations who celebrated milestone anniversaries in 2022 or 2023:

- **British Coatings Federation** – 110 years
- **Mapei** – 85 years
- **Behr** – 75 years
- **BYK** – 150 years
- **MF Paint** – 55 years
- **Orr & Boss** – 75 years
- **Cloverdale Paint** – 90 years
- **PPG** – 140 years

### Regulatory Tipping Point for Canadian Coatings Industry

Three new regulatory initiatives signal a new regulatory '**tipping point**' as they will impact the industry significantly in the coming months and years. However, some are still at the 'proposed' stage and this hopefully indicates a willingness by the Federal Government to reconsider the potential for negative 'impacts' on industry compared to the minimal 'benefits' they may achieve.



# Plant a *Tree*. Grow *Clean Air*.

CPCA is a proud supporter of Tree Canada, providing annual donations on behalf of CPCA members, which contributes to reforestation efforts across Canada and helps reduce CO<sub>2</sub> in the air we all breathe.

Plant a Tree



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## GREEN INITIATIVES



### Did You Know?

Coatings have numerous applications for countless substrates on a wide range of manufactured products from automobiles to packaging to road markings. What's remarkable about the **environmental advances** in coatings is that they are **engineered for best-in-class performance** providing **protection** and **superior quality** to the countless finished goods we use every day. This means protection from degradation such as corrosion, abrasion, high or low temperatures, ultraviolet rays, moisture, and microbes. All of these enhance the life-cycle of valuable assets and **improves product stewardship and sustainability**.

### GIT Raises Funds to Reduce GHG Emissions in the Marine Shipping Industry

With ~100,000 commercial vessels consuming ~300 million tons of bunker fuel per year, **decarbonizing the maritime industry** will require systemic industry-wide transformation. Canadian-based coating manufacturer Graphite Innovation & Technologies successfully closed its CAD\$10 million Series A financing round that will help increase fuel efficiency, reduce drag, and optimize a vessels' hydrodynamics and overall performance.

### Dow Launches New Digital Coatings Formulation Platform & EVOWASH™ for High-Quality Recycling of Plastic Resins

Dow's **Paint Vision** platform uses the latest technology to streamline the formulation process, making easy-to-create new solutions in minutes. It connects decades of Dow's lab R&D expertise merged with the latest trends in sustainability and end-user needs. Dow's innovative washing technology **EVOWASH™** supports high-quality mechanical recycling for the production of post-consumer recycled (PCR) resins, while also maximizing the reuse of process water. To ensure high-quality PCR resins, recycled plastics must be cleaned



### AkzoNobel & Philips to Create Anti-fouling Solution for Vessels

Damen Shipyards joins AkzoNobel and Philips to help further develop a pioneering fouling control solution which uses UV-C light technology to keep ships' underwater hulls clean. The technology emits just enough light to provide total prevention of bio-fouling accumulation on the protected area.

### Sherwin-Williams Publishes WhitePaper on How Can Coatings Unlock the Future of Sustainable Packaging

Metal cans are coated with a thin layer that protects the integrity of the cans, enabling them to hold the food or beverage. Without coatings, cans are susceptible to product spoilage and/or metal corrosion. There would not be any sustainability benefits of metal cans without the use of specialized can coating technologies.

### BASF Shaping the Future of the Packaging Industry with Sustainable Solutions

BASF is developing numerous solutions and new projects in the packaging sector with a focus on market-leading products or new technologies for a more sustainable plastics industry. BASF continues its "Plastics Journey" with the three phases "MAKE-USE-RECYCLE" in the life cycle of plastics, such as with BASF's sustainable polyamide Ultramid® Cycled® supporting the use of alternative raw materials from the recycling of plastic waste.

### Green Intelligence: Why Data and AI Must Become More Sustainable

Experts are raising concerns about the environmental costs of computation — primarily data and AI's carbon footprint and greenhouse gas emissions. The MIT reported that the cloud now has a larger carbon footprint than the entire airline industry, and a single data center might consume enough electricity for 50,000 homes.

## MEMBER RECOGNITION



### Société Laurentide – CNETE Won Distinction Award from Réseau Environnement

At the recent 15th edition of Americana, Réseau Environnement presented to a cohort of exceptional members its 2023 Distinctions Awards. Among the list of winners figures Société Laurentide - CNETE for residual materials, which has made a remarkable contribution in Quebec, to the improvement and good management of infrastructures in this field.

### BASF Canada Among the Green Infrastructure Partners Winners of 5-Star Safety Culture 500+ Employees & Dale Witty Won Challenges in a Safe Workplace Culture

BASF Canada among the Green Infrastructure Partners winning the 2023 Best Safety Culture in the Workplace, 5-star Safety Culture 500+ employees. Moreover, Dale Witty, BASF Canada, won the Challenges in a Safe Workplace Culture. "BASF has a global target to reduce its worldwide lost-time injury rate per 200,000 working hours to below 0.1 by 2025. This is a very high bar, and for context, the 2020 Bureau of Labour Statistics gives a lost-time injury rate of 1.8 for US green manufacturing. To meet this target, BASF Canada (with 1,200 employees) cannot have a single lost-time injury. In 2022, BASF Canada's lost-time rate was 0.15," says Witty.

### PPG Recognized on Newsweek's America's Greatest Workplaces for Women 2023 List

The list ranks the top 600 U.S. companies with at least 1,000 employees. The results are based on a survey of more than 37,000 women on topics including compensation and

**We want to know!*****Your News Stories are Important - Help Us Share Your Successes.***

Please share with CPCA appointments, awards, and special recognition in your company.

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**INSIGHT***Visit [canpaint.com](http://canpaint.com) to view the latest edition of INSIGHT. If you would like a copy shipped to you please contact CPCA.***CANADIAN ECONOMY****Canada's Economic Outlook, March 2023: Stuck in the Doldrums**

**EDC Economics** anticipates a very mild recession in Canada this year, with growth to come to a standstill for the remainder of 2023. A stronger global growth of 1.3-1.8% is anticipated in 2024. The end of the monetary tightening is near, but rates remain high and continue to hit household and corporate finances. The Bank of Canada's policy rate to hold at 4.5% until early 2024, when it will start easing. **S&P Global** ratings expects that the U.S. recession anticipated to start in Q2 could keep a lid on economic activity in **Canada** this year. CPI forecast to lower to 3.7% towards the **end of 2023** and 1.7% in 2024.

**Canadian Manufacturing Sales Update**

**Manufacturing sales** fell by 3.6 Per Cent (m/m) in February. This is the **steepest drop since April 2020**. Manufacturing sales fell in nine provinces. Higher interest rates are starting to wear on manufacturing sales.

**New Canadian Arm of International Sustainability Standards Board**

This **Canadian Sustainability Standards Board** (CSSB) will oversee the adoption of global corporate sustainability standards in Canada. The International Board will soon publish its first frameworks for measuring and reporting climate change risks to be enforced in early 2024. The CSSB will promote the new frameworks among Canadian large companies or SMEs. It will fight back against greenwashing as well as **greenhushing** (defined as underreporting green or environmental initiatives to avoid scrutiny).

**INDUSTRY 4.0: What the Modern Manufacturing Digital Tech Stack Looks Like**

**Industry 4.0** is redefining **manufacturing** with its integration of cyber-physical systems, automation and data exchange through the power of the Internet of Things (IoT), artificial

intelligence, robotics, quantum computing, CPQ software for manufacturing, etc. The future of manufacturing will heavily rely on building data analytics, etc. A recent paper found AI will create an explosive demand for training data and various tutorials.

### CO2PL Sustainable Public Procurement

The CO2PL is considered a “best practice” for low-carbon public procurement by the OECD, the Intergovernmental Panel on Climate Change, and the World Economic Forum. There is an opportunity to use the CO2PL across many countries to stimulate decarbonization through public procurement processes.

### PPG Interviewed on Changes/Trends in the Architectural Coatings Field

As customer values and lifestyles change, **so do their purchasing preferences**. Most recently, customer preferences have shifted away from architectural products that just provide aesthetic benefits to those that provide more functionality. This shift attributed to the pandemic and recent inflationary pressure on maintenance costs has been so prominent that PPG now expects more than a third of its sales will relate to products with multi-functional capabilities.



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## Are You in Step With Regulatory Reform?

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**Better regulations** that may impact your product line.  
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## TECH INNOVATIONS



### Butterflies Inspire Creation of Lightest Paint in the World

The UCF-developed **plasmonic paint** uses the structural arrangement of colorless materials—aluminum and aluminum oxide—instead of pigments to create colours. It is lighter and longer-lasting than traditional paint even offering a cooling effect. As it “reflects or scatters” light rather than absorbing it, this paint provides more stable colours over time and does not need repainting every few years.

### Interface Modulations Graphene Anticorrosion Coatings

A new review analyses the structure optimization of **graphene-based composite coatings** (GCCs) and describes their anticorrosion abilities and advantages with an adjustable interface structure. Their development can be significant for the corrosion protection of marine and aerospace high-tech equipment.

### Novel Method for 1 K Waterborne Polyurethane Clearcoats

A new study presents a **waterborne polyurethane clearcoat** with excellent chemical and physical performance through an encapsulation system, which could be useful and



## ASTM G0224-23 - Standard Practice for Operating UVC Lamp Apparatus for Exposure of Materials

This **first international standard** outlines basic principles for operating test instruments to evaluate the durability of materials exposed to UVC light.



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