

# PRIME TIME NEWS

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“ The climate emergency is a race we are losing, but it is a race we can win. ”

UN Secretary-General António Guterres



Canadian Paint and Coatings Association

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

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## PRESIDENT'S MESSAGE



(CASE) industry to ponder in Canada in terms of new legislation and regulations flowing from the federal Government. There are some serious concerns and questionable outcomes with certain regulations that will be finalized over the next two years.

Recent amendments to the Canadian Environmental Protection Act (CEPA 2023), which greatly impacts the CASE industry, will be given life as officials work on determining the best way to implement the amendments and how the new provisions will impact regulated parties and government-intended outcomes. The hope is there will be more clarity in terms of how the new regulations will be administered. Lack of clarity will not encourage regulatory compliance.

The same thing can be said about the proposed lower VOC emission limits for architectural (AIM) coatings in 49 categories. Stricter or lower VOC limits may appear to be positive for the environment, but there will be unintended consequences if the limit is lowered to the point where the product is taken off the market and other products with higher limits used, but more effective. Or, products that may be technically able to stay on the market at lower limits (eg. down to 150 g/L from 300 g/L), but may be used twice as much or more to achieve the same performance causing higher emissions. This is what happens when an industry like paint and coatings has achieved an impressive 42 kilotonnes of VOC emissions reduction over the past 16 years and now asked to get 7 kilotonnes more. One might say there is only so much water one can add to the wine and still be called wine!

As noted in past comments, there is a big rush to address concerns with PFAS compounds used in many industry sectors including coatings, on which CPCA formally submitted substantive comments a few weeks ago. The Government wants to assess 4,700 PFAS compounds, or as many as 10,000 without fully grasping the intent or impacts on multiple industry sectors and jumping the gun on risk assessment/risk management. Moreover, neither Government nor industry has the resources to get that work done fast in terms of gathering and studying the data, engaging with government and stakeholders, and then diving into the regulatory process. It all takes time and money. Hurrying up on anything leads to unintended consequences. And, one might say a scattergun approach often misses the target!

Phase 4 of the Chemicals Management Plan is now rolling along and has prioritized substances for assessment with a thousand identified and more to come. As we learned from the CMP chemical assessment process to date, 38% of the 4,300 substances assessed were used in the CASE sector. Phase 4 of the CMP will run over the next five years and will require significant engagement with CPCA members to provide the necessary data for Government officials to make informed risk assessment decisions and then regulate if needed. In fact, industry is 'mandated' to provide the data required for assessment. The federal Government funding for that effort exceeds \$500 Million and multiple industries will also incur significant costs on the chemical assessment of their products going forward. It is worth the cost for industry to have informed risk assessment of the inputs used in their products. Industry has the most substantive data on which to make informed regulatory decisions for often complicated substances used in multiple products, in multiple sectors. But, it must be done if better outcomes are expected for the benefit of both the environment and human health. One might say this will prevent testing the old mantra, garbage in/garbage out.

Enjoy what remains of the summer!

**Gary LeRoux**

President & CEO



# 36<sup>th</sup> Biennial Western Coatings Societies Symposium and Show

October 15 - 18, 2023

Paris Hotel and Convention Centre

Las Vegas, Nevada



## The Wonder of Connecting In Living Color

The show includes a three-day technical program, a two-day tabletop exhibition, and opportunities for socializing and networking. Purchase a tabletop, Become a sponsor, or Register to attend at [www.westerncoatings.org](http://www.westerncoatings.org)

Be introduced to new concepts, strategies, innovations, knowledge, resources and so much more. Information can be found at [www.westerncoatings.org](http://www.westerncoatings.org).

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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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## WELCOME NEW MEMBERS



Graphite Innovation Technologies (GIT) is a leading Canadian materials engineering firm focused on producing the world's most sustainable marine coatings. Established in 2016 in Nova Scotia, GIT is an R&D Company that develops and produces high quality graphene flakes (GNPs). In May 2023, the company moved to a new carbon neutral 17,000 square foot facility in Dartmouth in order to create and produce new eco-friendly production technologies, as well as to expand further into Europe, Middle Eastern and Asian markets. GIT has also been collaborating with the Canadian National Research Council and Dalhousie University to develop advanced engineered materials for specific applications and technologies. The GIT signature product, XGIT-Fuel, works to improve the performance of marine vessels and is certified to be free of harmful chemicals. GIT offers a full range of graphene-based, sustainable hull and propeller coatings that are EEXI compliant. GIT and its two partners Horizon Maritime Services and Mitacs led the Smart Protective Coatings

number of advantages to marine industries including reduced fuel consumption, non-toxic protection and reduced underwater radiant noise. The impact from this exciting project is a game-changing outcome for the global ocean community. Last June, Eastern Pacific Shipping announced it would be **working with Graphite Innovation & Technologies (GIT) to apply its sustainable coating on 15 vessels in 2023-2024 in order to drive decarbonization**. XGIT-PROP is a graphene-based eco-friendly propeller coating that improves propulsion efficiency while keeping propeller surface smooth and free from biofouling. Another new partnership has also been formed with Albion Marine Solutions, a well-respected global Marine Project Management & Engineering and Naval Architecture company in the shipping industry. Last May, GIT formed another new partnership with Bulutlu Marine, a well-respected distributor in Turkiye regarding the use of **biocide-free XGIT coatings**. GIT continues to propel the global marine sector to a green future.

## ADVOCACY REPORT



### CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA Summarizes Main Developments to Watch in New CEPA 2023 for the Benefit of Members
- CPCA Coatings & Adhesives Working Group Comments on PMRA NOI 2023-01 Proposing Addition of New Requirements on Release of Confidential Data and a New Cumulative Effects Assessment Mandate
- CPCA Bulletin Reminds AIM Members of the Importance of Responding to ECCC's Follow-up Technical Questionnaire on the New VOC Regulations by Mid-September
- Environment and Climate Change Canada to Survey the Automotive Refinish Sector in Paint Industry
- US GHS 10th Revised Edition Now Officially Published
- World Coatings Council (WCC): MEPCA New Coatings Association for the Middle East Manufacturers
- CPCA Provides Members with Paint and Coatings Industry Forecast for 2023-2024

### CPCA Summarizes Main Developments to Watch in New CEPA

On June 13, the new CEPA, now called the *Strengthening Environmental Protection for a Healthier Canada Act* received Royal Assent. It is unclear how the RTHE and new CMP will directly impact industry, nor how much. An implementation framework for the RTHE is expected within 2 years. Members should expect consultations to follow on a new risk assessment approach targeting groups of substances and how to protect vulnerable populations, while undertaking assessments of cumulative effects. The Schedule 1 of CEPA was renamed and divided into Part 1 (substances to eliminate), and Part 2 (substances to control predominantly with Pollution Prevention Plans). Following any addition of substances in Schedule 1, there is now a time-clock obligation of 2 years for the development of adequate risk management instruments. The criteria behind the creation of the new Watch List for chemicals 'potentially becoming toxic in the future' will be defined and discussed. Any obligation to comply with the SNAC provisions for new uses of existing chemicals must now be communicated across the supply chain. Increased CBI requirements are also to be expected.

*Our entire industry needs to be fully engaged and must ensure due consideration is given to the potential impacts of many of these changes as it moves toward more sustainably sourced products, while contributing to Canada's lagging economy.*

### CPCA Coatings & Adhesives Working Group Comments on PMRA NOI 2023-01 Proposing Addition of New Requirements on Release of Confidential Data and a New Cumulative Effects Assessment Mandate

industry, it would be most helpful if PMRA maintained an open and transparent dialogue with the TSC (Transformation Steering Committee) representatives, the CPCA Coatings and Adhesives Working Group (CAWG) members and other industry stakeholders prior to moving to these amendments in the Canada Gazette. The CAWG advised against amendments that would require the submission of information on cumulative effects on the environment since such a methodology is not yet fully developed and recommended closer collaboration with the US EPA in developing such an approach. Regarding the release of Confidential Test Data, CPCA recommended clearly defining the CTDs to be shared, only releasing CTDs to accredited researchers and scientists in the field of pesticides/biocides and to develop a strong accreditation process in collaboration with registrants.

*CPCA recommended that PMRA ensure an appropriate balance between the enhanced access and transparency and the need to protect CBI and compensable data generated by registrants.*

### **CPCA Bulletin Reminds AIM Members of the Importance of Responding to ECCC's Follow-up Technical Questionnaire on the New VOC Regulations by Mid-September**

ECCC asked CPCA and its members, who have challenged proposed limits in many product categories, some of which to be subjected to the challenging CARB VOC limits in the new regulations. In some cases it would lead to the abandonment of products and in others increased applications in shorter periods thus leading to higher net emissions. Thus more time is provided to gather relevant technical information in early Fall for the architectural sector. This will further help ECCC officials understand the need to prevent unintended consequences from new regulations. The new regulations are targeted for publication in the *Canada Gazette, Part 1* for a 60-day comment period in the spring of 2024. Through this questionnaire, CPCA's and ECCC's goals are aligned and will hopefully ensure that specific technical difficulties related to certain VOC category limits are well understood and addressed with interim solutions prior to publication of the final regulation. But, time is running out.

*CPCA urges all SMEs manufacturing Architectural and Industrial Maintenance (AIM) coatings in Canada to provide additional input regarding specific technical issues anticipated with the proposed CARB limits in Canada, especially given the fact that they are not yet in place in the vast majority of US jurisdictions, included a number in California.*

### **Environment and Climate Change Canada to Survey the Automotive Refinish Sector in Paint Industry**

Canada's Automotive Refinish Paint Regulations imposes Volatile Organic Compounds (VOC) concentration limits in 14 categories of products. In July of 2022, ECCC published the renewal of the *Federal Agenda on the Reduction of Emissions of VOCs from Consumer and Commercial Products*, which indicated possible amendments to the AR Regulations to address administrative issues identified since the Regulations were published. The Government is also considering aligning the VOC concentration limits with those in the OTC Model Rule 2011 - Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Phase II. The government intends to launch a survey next month that will provide an updated status of the AR paint sector in Canada as well as technical & economical information on potential VOC emission reductions, which will be used to design amendments to the AR VOC Regulations.

*CPCA raised awareness among all AR members regarding the upcoming VOC questionnaire and will facilitate its distribution to all paint manufacturers to ensure companies provide substantive data to inform the way forward on any changes to AR regulations.*

**US GHS 10<sup>th</sup> Revised Edition Now Published**

On July 27, 2023, United Nations Economic Commission for Europe unveiled the latest revision of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS Revision 10), which advances new chemical classification and labelling practices such as enhanced precautionary statements. It also incorporates non-animal testing methods.

*Although no countries have yet implemented it, CPCA members have been encouraged to review in further details anticipated on global changes from GHS Rev. 10.*

### **WCC: MEPCA New Coatings Association for the Middle East Manufacturers**

The founding companies include **three CPCA members** (Akzo Nobel, Axalta, PPG) with the backing and support from the World Coatings Council (WCC) and Vincentz Network. MEPCA's work will focus on paints and coatings in all segments – adhesives and sealants, automotive refinish, coil, architectural/decorative, general industrial and OEM, marine, packaging and containers, powder, transportation, machinery and wood.

*MEPCA is proud to be a member of the World Coatings Council.*

### **CPCA Paint and Coatings Industry Forecast for 2023-2024**

According to Orr&Boss, the current global paint and coatings industry forecast for 2023 is +0.3 percent in volume and 4.4 percent in growth value. In 2024, it will grow at a 3.2% volume and a 4.4% value rate. Within North America, all decorative industrial and automotive paint sales will increase by 2.5% in value and decreased by -4.6% in volume in 2023. In 2024, all NA paint sales should rise by 2.5% in value and 0.6% in volume. Within Canada, the entire paint & coatings market is expected to be down 2% in volume and up 5% in value in 2023. More details were shared regarding the performance of Canadian decorative and industrial paint market.

*CPCA provided members with a very detailed economic forecast (2023-2027) including many graphs and charts now available on the CoatingsHUB.*

## CPCA IN THE NEWS



### **CPCA Published an Article in CoatingsWorld on “Coping with Increasing Canadian Regulations”**

Canada's chemical sector is subject to **increasing legislative and regulatory change** more than any other time in the past. If industry wants positive outcomes over the next several years, the time to engage on these changes is now. It requires a **'whole of industry' approach to ensure fair regulations while continuing to deliver functional products for customers**. The work ahead will be time-consuming, challenging, and require significant engagement by industry stakeholders with common interests.

# Mark Your *Calendars!* National *Tree Day*

2023 Planting Sites are available online. Join Tree Canada on Wednesday, September 20th to plant trees in your community.



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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**.

#### Univar Solutions Recognized for Carbon Footprint Reduction Targets

**Univar Solutions Inc.** announced its recent recognition on the USA TODAY list of America's Climate Leaders. Developed for USA TODAY by market research firm Statista, this inaugural list offers a data-driven recognition of companies that have cut their carbon footprint in recent years, a noteworthy achievement for investors, customers, and anyone who is seeking transparency around these still-evolving measures.

#### Axalta Published its Sustainability Report 2020-2022 and Painted the Innoptus Tenth Solar Team with Its Premium Refinish Brand

In its sustainability report, **Axalta** cited progress on ambitious 2030 goals by announcing ten ESG goals, including a 50% reduction in Scope 1 and Scope 2 emissions by 2030. Axalta was named one of **America's Most Responsible Companies** by Newsweek in 2022 and received multiple other awards for eco-conscious products during the period. The Axalta Refinish Academy in Belgium painted Infinite, the tenth solar car designed and built by a team of engineering students from the Belgian Catholic University of Leuven. Infinite

revolutionary and patented Axalta Fast Cure Low Energy technology, which considerably reduces energy consumption in the spray booth while still achieving the best quality repair. It is the only refinish system that can be dried at lower baking temperatures or air dried at 20oC.

### **AkzoNobel Help Reduce Energy and Further Improve Sustainability in Powder Coating Lines**

The **AkzoNobel** Interpon powder coatings brand has secured its third Environmental Product Declaration (EPD), affirming the company's commitment to the sustainability of its products and its sustainability goals, including a 50% carbon footprint reduction by 2030. An EPD is an independently verified assessment of a product's environmental impact across its whole lifespan, from initial production to end-of-life disposal or recycling. AkzoNobel offers insight on how businesses can **reduce energy and further improve sustainability** from initial line loading and pretreatment, to application and curing.

### **PPG Foundation Invests \$5 Million in Environmental Sustainability Education**

Aligning with **PPG's** 2030 sustainability targets and priorities, the new commitment will strengthen support of the next generation of innovators and maximize the impact within communities where PPG operates.

## MEMBER RECOGNITION



### **PPG Gets Recognition by FTSE4Good Index Series for Its Sustainability & ESG Efforts**

The FTSE4Good Index Series, created by the global index and data provider FTSE Russell, is designed to measure the performance of **companies demonstrating strong environmental, social and governance (ESG) practices**. "We are honoured to be a constituent of the FTSE4Good Index and recognized for our strong focus on sustainability and ESG priorities," said Diane Kappas, PPG vice president, global sustainability. In addition to the FTSE4Good Index Series, PPG has been recognized for its sustainability and ESG efforts by EcoVadis, MSCI, Newsweek Magazine America's Most Responsible Companies, JUST Capital and others.

#### **We want to know!**

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## CANADIAN ECONOMY



### **Manufacturing Sales Fell 1.7% to \$71.5 billion in June 2023**

As 14 of 21 subsectors declined across the board, it was particularly marked for the petroleum and coal product (-8.3%), chemicals and chemical (-6.5%) and machinery (-5.5%) subsectors. Motor vehicle sales rose the most (11.4%). The Core Consumer Price Index (CPI) (excluding food and energy) still grew by 3.5 per cent. The CPI still indicated an inflation rate remaining high at 2.8%, still far from the Bank of Canada's target of 2%.



## Canada's Merchandise Trade Deficit Expanded to CAN\$3.7B in June

Canada experienced **reduced imports and exports**. Imports from the US decreased by 0.7 per cent, while exports fell by 1.2 per cent. The deficit with countries other than the United States reaches an all-time high. Exports of machinery, equipment and parts; basic and industrial chemical, plastic and rubber products **declined the most**. Meanwhile, imports fell for the fifth time in 2023. As a result of a softening global demand and an improved supply chain pressure, a significant decrease of freight rate (- 76%) was reported at the end of July.

## EDC Top 10 Risks: Economic and Geopolitical Risks Appear to Have Become More Pervasive and Interdependent than Ever Before

Each year EDC Economics publishes its views of the **top risks** facing Canadian exporters over the next 12-18 months. **Among the top 10 risks** are a deep global recession, a wave of corporate defaults, a US financial crisis, a sovereign debt crisis, the unwinding of globalization, the supply chain and labour constraints, the escalation of Russia-Ukraine conflict. Moreover, to aggravate the current geopolitical tensions, the BRICS nations are seeking to reduce reliance on the U.S. dollar and promote the creation of a new gold-backed currency.

## Global Affairs Canada: Using Trade Secrets to Sustain a Competitive Advantage in the United States

This article outlines **seven facts** that illustrate why it's essential to understand why and how to protect trade secrets for Canadian companies operating in the U.S.

## Several CPCA members Among the World's Top 10 Coatings Companies Report 2023

**PPG Industries** is #1 followed by Sherwin-Williams (#2) and AkzoNobel (#3). Axalta Coating Systems and BASF Coatings respectively ranked #6 and 7.

## Communicating at Work through Email, Meetings and Chat Consumes 57 Percent of the Average Workday

A survey of **Microsoft 365 users** indicated that productivity takes a hit if communication ends up being an endless chain of distractions and interruptions.



## Are You in Step With Regulatory Reform?

The Canadian Government wants to **build back better**. **Better regulations** that may impact your product line. Keep in step with the **evolving compliance requirements**.

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## New Paint Technologies to Deliver a Wide Ranges of Colours

- **Discover the Future of Coatings: Plasmonic Paint – Lightweight, Energy Efficient, and Heat-Reflective**

Developed by UCF researchers, the plasmonic paint combines structural colour flakes with a commercial binder, resulting in durable paints of various colours. Unlike the less environmentally friendly pigment-based paint, plasmonic paint utilizes only aluminum and aluminum oxides at the nanoscale. By reflecting a larger IR portion of spectrum, surfaces coated with this paint stay 25 to 30 F cooler than those covered with conventional paint.

- **Stanford University Scientists Invented a New Paint Reducing Needs for Heating and Air Conditioning**

Current low-emissivity paints usually have a metallic silver or gray color, the aesthetics of which limit their use. This new paint allows for in a wide array of colours. It has two layers applied separately: an infrared reflective bottom layer using aluminum flakes and an ultrathin, infrared transparent upper layer using inorganic nanoparticles that comes in a wide range of colours. It reduce total heating, ventilation, and air conditioning energy use by 7.4 percent/year.

## New Self-Assembling Structural Colour Paint

**Structural color** is a unique phenomenon inspired from the peacock feather that is nonfading, iridescent, and tunable, which is difficult to achieve with pigments. Assembled into photonic crystal, brush block co-polymers are creating coatings with ultraviolet, visible and near-infrared reflectivity, radar transparency. Cypris Materials will launch a new structural paint product in 2024.

## New Handbook of Corrosion Engineering: Modern Theory, Fundamentals and Practical Applications

**This handbook** combines the science and engineering of corrosion to assist in conducting exact corrosion evaluations in the design and plant management phases, including optimal protection methods.

## Enhanced Properties of a Bio-based Epoxide Coating

As replacements for bisphenol-A, **this study** compares bio-based epoxide-diamine coatings prepared with acyclic and cyclic aliphatic diamines.

## Joint Work to Develop Biosurfactants from Wood Sugars

**Wood residues** will be converted into lignocellulosic sugars and then fermented to develop a new generation of biosurfactants, as an environmentally friendly alternative to conventional surfactants, which are often derived from non-renewable resources.

## Nippon Paint Developing Air-Purifying Coatings

The company has launched a "**Photocatalytic Purification Coating Technology Innovation Platform**" in partnership with two Chinese universities. This cooperative industry-academia model aims to promote innovations and application of photocatalytic purification coating technology using nanocrystalline titanium materials. Recent results showed that that technology used in interior coatings can remove formaldehyde, odours, bacteria and viruses and 80 % of nitrogen oxides effectively in 2 hours.

## Researchers Explore Water as Solvent for Organic Chemistry

**The processes** being explored include engineering enzymes to make specific organic molecules, using enzymes in organic solvents to increase yields, and running organic reactions in and on water by manipulating its acidity or adding surfactants to induce

### New Recycling Method Addresses Challenges of Coloured Plastics

Plastics have been a challenge to recycle effectively due to the presence of additives or colourants. Traditional plastic recycling methods often result in lower quality recycled plastics than the original material. A Cardiff University team tackled this problem by employing a chemical process: depolymerization, which can lead to infinite plastic recycling.



Members Only

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