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Howard Schultz, CEO of Starbucks

PRESIDENT'S MESSAGE



October 2023

CPCA and its member companies have been engaged with the PMRA on Canada's approach to biocide assessment since the OIT ban in 2018, which happily PMRA reversed shortly thereafter. To prevent that from occurring again CPCA worked with PMRA officials to create a substantive Coatings and Adhesives Working Group to better engage on future risk assessment and most importantly the need to align with our largest trading partner, the United States. Unfortunately, that could have worked out better as PMRA moved forward with bans and use restrictions for six critical biocides used for in-can and film preservation late last year. CPCA and individual members have reached out over and over with these concerns, but frankly engagement over the 2 years leading up to the most recent bans and use restrictions was less than robust.

It seems that Canada is now following Europe's lead over the past dozen years. Our friends in Europe, in the association representing all of Europe, CEPE, have gone through and are still going through grueling challenges related to biocides that are so critical for paint preservation. CEPE made a strong case over the past 10 years that, "Biocide preservatives are absolutely essential to preserve both water-based paint in the can as well as in-can preservatives and outdoor coatings after application with dry-film preservatives." Without one or both, the paint is rendered useless as are the substrates to which they are applied. Those substrates include assets of every imaginable kind from floors, walls, decks, private

very slim. And, with recent cancellations and use restrictions imposed by PMRA, there will be less product choice because many products will not be free from microbial contamination and a lot of paint spoiled. In fact, many have argued that with less preservation due to the lower levels permitted for preservation, there will be more health issues not less. Over the past number of years biocides for paint preservation have been reduced from 45 to now only 13, and counting. This is especially concerning in the case of water-based products, more naturally prone to potential biocontamination, which now constitute the lion's share of architectural products on the market in Canada.

Compounding these concerns is the recent federal Government crack-down on squirts of biocide preservatives in paint, effectively now 0.02 to 0.20% of the paint product. Regulations will be published in the *Canada Gazette, Part 1* very soon, further reducing the VOCs contained in architectural paint. That will lead to more frequent painting due to lack of product performance as Canada has a much colder climate than California. Combining that with fewer effective biocides we will experience even more products removed from commerce in Canada. In fact, removing VOCs from AIM products will require even higher concentrations of biocide preservatives, not less. Plus, any paint that remains on the market will be much more prone to contamination and spoilage, which could also cause more – not less – health issues. Finally, when paint succumbs to microbial damage it is no longer recyclable, which means it will more likely end up in landfill than recycled back in the can, so to speak, and on the wall. The 22 million kilograms of waste paint recycled in Canada last year will likely end up down the drain or in landfill as the can of paint will be crawling with microbes shortly after opening or before, depending how low the biocide concentrations go.

It must be noted that the US Government has not regulated to the same degree for the same biocides noted above and the preservatives recently cancelled in Canada will still be available to companies in the US. However, these companies will still be prevented from shipping products to Canada. That means competition will be reduced as will consumer choice, all of which leads to higher consumer costs ultimately. Canada is doomed to follow the road of Europe for biocides as noted by CEPE:

"With the implementation of the EU Regulation N° 528/2012 on biocidal products (BPR), we are increasingly concerned about the future availability of effective preservatives. Biocides are products defined as additives for paints used in small amounts and the review program in the EU is expected to fail ... because of the very heavy and costly requirements, the extremely complex ever-changing guidelines and the conservatism based on the precautionary principle, the addition of new criteria such as endocrine disruption, the need to get through harmonized classification, the lack of resources and/or competence in national ministries, the necessary renewal of active substances and products, the need to discuss issues with mutual recognition, etc."

We are already on the same path in Canada, despite the fact that both Canada and the US are highly integrated economies representing the largest trading block in the world.

CEPE has plainly stated in recent documents that the biocide issue must be addressed: *"The official aim is to improve the functioning of the internal market while ensuring a high level of safety for human health and the environment. The less official objective is to eliminate or reduce as much as possible the use of biocides. It further maintains that this is the case because the BPR lies in unbalanced regulatory hands and this has been the case for over 20 years. We are operating in a highly political environment."* One might say Canada is now in that very same boat.

What to do next is the question CEPE asked in the EU and CPCA is now asking as well in Canada. It would appear CEPE has made some progress on that front, while it remains a struggle for CPCA. CEPE states that: *"It has taken us over eight years to have decision-makers accept that there is, indeed, an issue and that it needs to be solved and to get the European Commission to propose a solution for paints. The proposal aims at maintaining*

reclassifying substances are following a conservative approach nowadays by setting very low specific concentration limits for the isothiazolinone substances (ITAs). CEPE is expecting the EC to adopt this position in implementing its regulation approving BIT, which will set a precedent for other skin sensitizers."

Will Canada do the same? CPCA and other groups continue to engage with whomever will listen in getting more understanding of the complexity of biocides used in literally thousands of CASE products. Many in the field say they want to understand more about that complexity, but it is unclear if understanding will lead to a point where the industry can retain the few critical biocides remaining in Canada, or add more.

CEPE contracted a study on a socio-economic impact assessment for both in-can and dry-film preservatives, which is very revealing. The overall conclusions are as follows:

"Overall, considering all market segments, this study indicates that reduced availability and use or non-use of priority biocides are likely to result in the closure of up to 31 percent of the businesses surveyed and the partial closure of up to 47% of businesses resulting in the loss of thousands of jobs in Europe. The socio-economic costs of the four theoretical restriction scenarios, intermediate and worst case for key biocides, range between 115 million Euros and 3.55 billion Euros, with many companies struggling even more in the worst-case scenarios than in the intermediate scenarios. Additionally, issues associated with reduced lifespan, product quality and infeasibility of biocide free alternatives may have significant impacts on the livelihoods of industrial workers, professional painters and artists, as well as cultural heritage, visible social inequality between those who are able to afford professional decorators and those who cannot alongside severely reducing the product range available for consumers."

We are waiting to see if there is a way forward that will account for the complexity of risk assessing CASE-related biocides in Canada. Canada must consider the relevance and proportionality when taking decisions to address human health or environmental concerns vis-à-vis the contribution to sustainability from coatings that extend the life-cycle of thousands of materials requiring less harvesting of both renewable and non-renewable resources and generating less waste. And, also consider the negative health effects from handling unsuccessfully treated paint using biocides that cannot effectively prevent microbial contamination.

Thus, in Canada such a regulatory approach is a triple threat: 1) **loss** of effective microbial control for functional products; 2) **loss** of protection from negative health effects with ineffective microbial control; and 3) **loss** of business and jobs with higher cost for consumer products in Canada.

Gary LeRoux

President & CEO



Canadian Paint and Coatings Association

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

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CPCA's Board of Directors Christmas Luncheon



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



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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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CPCA Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA Distributes New Environment and Climate Change Canada Survey on VOC Emissions from Automotive Refinishing Coatings
- CPCA Welcomes Health Canada's Intent to Explore True Copy Label Requirements in the Workplace Hazardous Products Program
- PMRA Officials Discuss Modernization Program's New Continuous Oversight Policy with Industry
- Yukon to Approve Extended Producer Responsibility (EPR) Regulations
- World Coatings Council to Provide Updates on Global Initiatives and Policy Position
- CPCA Insight to Include Orr&Boss Canada's Economic Forecast

CPCA Distributes New Government Survey on VOC Emissions from Automotive Refinishing Coatings

The Environment and Climate Change Canada (ECCC)'s survey on VOC emissions from Automotive Refinishing coatings was launched on October 17, 2023. It will collect information on six categories of products (primer sealers, adhesion promoters, truck bed liner coatings, single-stage coatings, surface cleaners, as well as plastic part cleaners and wax/grease removers) supplied on the Canadian marketplace in 2022. Government understand the potential for further VOC emission reductions from these products and evaluate the cost impact.

CPCA distributed the survey to all Automotive Refinish manufacturer members and encouraged them to respond prior to the deadline of January 19, 2024

CPCA Welcomes Health Canada's Intent to Explore True Copy Label Requirements

Amendments to the *Hazardous Products Act* (HPA) in 2015 included the requirement to maintain true copies of labels as well as to provide them to the Minister or an inspector upon request. CPCA has challenged this burdensome administrative requirement for more than 5 years, by supporting amendments to the Act for the true copy label and a longer document retention period. Recognizing stakeholder interest in reviewing true copy requirements, Health Canada's WHPP will be gathering additional data and consulting with other Federal, Provincial and Territorial partners on these issues later this fall.

Since the "True Copy of Label" amendment was made under Section 14.3.1 of the Hazardous Products Act, it has not been demonstrated to have any obvious direct health benefit or positive outcomes while this requirement remains unique to Canada and unfortunately continues to impose a burden on Canadian industry and foreign companies

PMRA Officials to Discuss Continuous Oversight Policy with Industry as Part of its Modernization Program

PMRA's current program implies the use of planned cycles for the assessment of biocides and therefore, avoids randomized interruptions of evaluation work streams due to a lack of PMRA resources. In contrast, a continuous oversight policy will require more PMRA resources to track and analyze all relevant data. This can only result in publication delays and a lack of predictability for registrants and manufacturers subjected to PMRA's future related decisions and actions. It is also unclear on which criteria the continuous oversight policy will be based. We hope this new decisional policy framework will be limited to priority biocide groupings and that earlier notifications for potential mitigation be provided for industry's full consideration before final decisions made.

other jurisdictions, especially with the US Environmental Protection Agency with whom PMRA expert toxicologists will need to have more regular and timely exchange of 'new' data especially and proceed with similar actions related to common uses of active ingredients.

Yukon to Approve Extended Producer Responsibility (EPR) Regulations

According to Product Care, the regulation approval is anticipated before the end of year and the finalization of the stewardship plans next year. The program implementation should be no later than the end of 2025.

CPCA welcomes any input members may have on this new regulatory program, since the cost will be 3 or 4 times that of other jurisdiction because of weather, lack of population density, and higher costs of operations

World Coatings Council to Provide Updates on Its Global Initiatives and Policy Position

In early November, the American Coatings Association Secretariat of the World Coatings Council (WCC) will give an overview of WCC activities sharing the organization's top policy positions on chemicals management, microplastics, marine coatings, transportation, and sustainability. WCC's goals are to improve communication and coordinate policy on matters of global importance to the national and regional paint and printing inks associations. Governments, including Canada more recently, increasingly impose due diligence programs on companies to ensure that raw materials sourced globally are not produced in a manner that violates human rights such as child labour or forced labour. In fact, ACA and the WCC have implemented and supported since 2017 the Responsible Mica Initiative, a unique approach to assure sustainably produced mica, which is now aiming to eradicate child labour by 2030.

Other noteworthy WCC efforts include the WCC Antifouling Committee activities supporting the development of technically sound regulations and guidelines for antifouling coatings and the management of marine plastic litter around the world. WCC representatives also actively participate in UN Sub-committees of Experts' meetings to monitor, submit and present technical working papers for the Transport of Dangerous Goods and the Globally Harmonized System of Classification and Labelling Chemicals (GHS)

CPCA Insight Magazine to Include Orr&Boss Canada's Economic Forecast for 2024 and 2025

In 2023, Canadian decorative coatings sales trends are expected to rise by 5.2 percent in dollars and drop by -2.7% in litreage. Some other coatings sectors, such as wood, coil, rigid can packaging, and general industrial will experience negative litreage sales trends in the order of 1-7 percent. Automotive OEM and aerospace will experience the most significant sector growth in value (10-12%), and in litreage (+5-6%). In 2024, total Canadian paint and coatings value sales are expected to rise by 2.2% while the volume of sales will increase by 1.0%.

Further details are available for the benefit of all CPCA members in the [CoatingsHUB](#).

CPCA IN THE NEWS



CPCA Published Article in CFCM September/October 2023

Entitled: *Regulatory Overload: A Whole of Industry Approach Needed*

According to [Gary LeRoux, President and CEO of CPCA](#), Canada's chemical sector is subject to increasing legislative and regulatory change, more than at any other time in the

require significant engagement by industry stakeholders with common interests. A **whole of industry** approach is now required with input from all CASE companies selling in Canada.





Canadian Paint
and Coatings
Association

Association canadienne
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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**.*

VINAVIL to Deliver Webinar on Sustainability with Innovative Polymer Emulsions for the Paints and Coating Industry

On November 7, 2023, Vinavil will depict its projects to pioneer and **introduce bio-based & bio-attributed raw materials** and develop new bio-monomers and solutions for reusing industrial waste.

Clariant Launches PTFE-free Texturing Agent for Powder Coatings

Clariant's PFAS/PTFE-free agent with texturing effects for Architectural Powder Coatings complies with the EU REACH legislation. The new additive delivers excellent performance in dark and light colours with no extrudate swelling, and with the ability for gloss and

Univar Solutions Updates Its Science-Based Target Initiatives (SBTi) to Achieve Net-zero Emissions Target

While remaining committed to the Scope 1 and Scope 2 targets, **Univar Solutions** will measure Scope 3 emissions reduction goals outside of the SBTi scope, rather than opting to build a robust roadmap through close collaboration with its supply chain. Univar will also continue its pledge to the 'Business Ambition for 1.5°C campaign supported by the UN Global Compact by setting a target to achieve net carbon neutrality by 2050.

Sustainability for Dow is a Priority for Decades

According to executive **Ana Carolina Felix**, **Dow** has continued to update its sustainability targets since 1995 and is now aiming for net-zero emissions for all three Scopes by 2050. "Our dedication to the principles of the circular economy is complemented by our unmatched expertise in chemistry, toxicology, product stewardship, and R&D capabilities," said Felix.

TÜV Certifies TfS Compliance of BASF's Product Carbon Footprint Calculation Method & The Housing of New Portable Charging for EV Uses BASF's Engineering Plastic

BASF is the first company to align its fully automated method for calculating and reporting the product carbon footprint with the Together for Sustainability (TfS) and was recently certified by the German inspection agency TÜV Rheinland.

Challenges related to the electric battery vehicle boom have pushed LAPP to develop the Mobility Dock, a new portable charging system, where Ultramid® (PA), an engineering plastic from BASF, plays a vital housing role in the charging system.

AkzoNobel Funds Drone Inspection Startup

AkzoNobel's Aerospace Coatings segment recently acquired a stake in aircraft maintenance and inspection company **Donecle**, for the use of its **drone inspection technology**. Donecle's technology helps airline operators tweak their aerospace coatings replacement and maintenance schedules for **individual aircraft**.

MEMBER RECOGNITION



BASF Celebrates 25th Birthday of Ecoflex®, the World's First PBAT Biopolymer

The **biopolymer ecoflex®** (PBAT: polybutylene adipate terephthalate) was introduced on the plastics market in 1998 as the world's first biodegradable and certified compostable polymer. BASF has since continued the development of its biopolymers portfolio which is unsurpassed in the industry.

PPG Receives Top Honours for Product Innovation, Advancing Diversity, Equity and Inclusion at The Home Depot's 2023 Innovation Awards

The annual **Home Depot Innovation Awards** honour products offering extraordinary performance, outstanding value and making projects easier for pros and DIY customers alike. PPG's GLIDDEN® floor paint and concrete stain product line featuring COOL SURFACE TECHNOLOGY™ formulation was named a 2023 Innovation Award winner – second runner up, and PPG was named the Supplier Diversity Tier II Partner of the Year.

The 7th Edition of the Bourses Entrepreneuriat Shawinigan to be Held under the Honourary Co-presidency of Société Laurentide Inc.

On November 18, 2023, **André and Felix Buisson**, father and son, president and vice-president of sales at Société Laurentide, will co-preside this event which supports the next generation of entrepreneurs in the region by honouring scholarship recipients

Tnemec Tank of the Year 2023

Tnemec revealed **The Tank of the Year** winner and finalists. Over 320 water tanks were nominated for this year's contest from all across the United States.

President and CEO of LANXESS Retires, Bringing in New Leadership for Americas Operations

Frederique van Baarle has assumed the role of president and CEO for **LANXESS** Corporation following the retirement of Antonis Papadourakis on October 1, 2023.

Sherwin-Williams Board of Directors Elects Heidi Petz CEO Effective January 1, 2024

Heidi G. Petz, president and COO, will assume the CEO duties currently held by Chairman and CEO John G. Morikis.

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CANADIAN ECONOMY



Update on Canada's Canadian Manufacturing Sales in August & Economic Outlook for 2023 and 2024

Canadian **manufacturing dollar sales increased** marginally in **August while volumes declined**. The Industrial Product Price Index rose 1.3% month over month in August while the price increased 3.5%. As for **Canada's overall growth**, it is forecast to be 1.3% in 2023 and 0.6% in 2024, with a healthy 2% rebound is in store for 2025. The Canadian dollar will average US\$0.75 in 2023 and US\$0.76 in 2024. Interest rate cuts will commence later in 2024.

Generative AI to Boost Manufacturing Efficiency

According to ABI Research, revenue added from the use of **generative AI in manufacturing** will reach US\$10.5 billion by 2033.



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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TECH INNOVATIONS



Innovative Biocoating Capable of Capturing CO2

Scientists created an **innovative paint** that contains oxygen-producing bacteria **capable of capturing carbon dioxide** (CO₂) and could be used in extreme environments, such as space stations. Biocoatings are a type of water-based paint that encases live bacteria within layers that can also serve as bioreactors or as biosensors.

Engineers Study Wood Waste for Transparent Coatings

Researchers have developed a newly tested method to **transform scrap wood into thin lignin nanoparticle films** that remain transparent when deposited. This technology could be used in anti-reflection coatings, sensor materials or on glasses and vehicle windows.

Superhydrophobic Sponges for Oil-water Mixture Separation

Superhydrophobic polymer sponges are a **promising solution for oil spills** but their fabrication remains a cost-effective challenge. A new self-stratifying coating enables a facile fabrication of robust superhydrophobic sponges for oil-water mixture separation by dip coating a pre-made commercial sponge in a prepared self-stratifying resin, followed by curing.

Fraunhofer Institute Developing PFAS-Free Coatings for the Design of Large Quantities of Sustainable Finishes

The Institute's **new plasma coatings** are fluorine-free, free of other additives and are suitable for application on enamel, glass, stoneware and porcelain. Some can be used as non-stick coatings, sliding coatings and hydrophobic finishes.

Octopus Skin Inspires New Colour-changing Paint

A component found in the skin of squids and octopuses can be used to **create paints that change color under different lights**. This change could be reversed to its original colour taking five minutes or lasting as long as 24 hours. TiO₂ served as a conductor for the colour change.

Black Coating Mimicking Sea Corals Wins SolarPACES 2023 Innovation Award

By mimicking the morphology in stony corals, Australian researchers and Nano Frontier Technology researchers in Spain/Japan have developed a **surface coating for harvesting solar thermal energy**. It can withstand the concentration of more than 1000 suns and

Oregon Start-up to Open World's First Factory for Humanoid Robots

Agility Robotics will soon open a new factory to produce its **bipedal humanoid robot Digit**. Dubbed RoboFab, the factory will be able to produce more than 10,000 robots per year.



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