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Canadian Paint
and Coatings
Association

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

Happy Holidays

*CPCA extends warm wishes
for the Holiday Season.*

“ The last ten years of IT have been about changing the way people work. The next ten years of IT will be about transforming your business. ”

Aaron Levie, CEO of Box

PRESIDENT'S MESSAGE



December 2023

Taking Stock at Year-end

CPCA members represent 85% of the total volume of CASE products sold in Canada. As many know, it has been one of the most heavily regulated sectors in Canada over the past decade. For example, of the 4,300 substances prioritized for **Chemical Management** over the past 15+ years 1,545 are used in thousands of CASE products. As we know the risk assessment of those chemicals required significant resource commitment by member companies operating in, and shipping products to, Canada. But it is nothing like it is today with the flood of regulations we have seen over the past two years. The CMP is now ramping up prioritization of chemicals to be assessed over the next four years with about a 1000 already prioritized.

the coming years and that too will be a burden on industry in terms of responding to calls for data and extensive engagement. Recent amendments to the *Canadian Environmental Protection Act* (CEPA, 1999) in June 2023, now called the *Strengthening Environmental Protection for a Healthier Canada Act*, could drastically change the way chemicals are assessed for years to come. The federal Government is now consulting widely with stakeholders until June 2025 to lock down the new provisions in the Act. It's safe to say there will be 'more' administrative burden not less. **The entire CASE industry must be at the table!**

While the industry has had good success over the past 10-15 years in complying with these massive federal requirements the approach to new regulations are now being reset by the federal Government. It has essentially doubled the workload for our member companies. Moreover, it be more difficult for the CASE industry to keep highly functioning products in commerce, products used by companies in multiple industry sectors. The fact is in many cases these products help reduce the environmental footprint of those companies as it extends the lifecycle for both renewable and non-renewable resources used in these high functioning products.

Then there are challenges related to **Air Quality and Environment** with regulations currently proposed for lowering VOC limits in 49 product categories for *Architectural and Industrial Maintenance* coatings. These will likely go to the end of the line in the Canada Gazette toward the end of 2024. It is also moving forward on new VOC regulations for *OEM and Automotive Refinishing* coatings as well as for *Industrial Commercial Adhesives & Sealants*. CPCA has been consulting with Government on these new limits, some of which will be difficult to meet if the regulations are adopted. The federal Government wants to adopt CARB limits, which even many jurisdictions in California have yet to adopt, but now *Canada* is expected to meet them? Some Northeast states have not even adopted their OTC II regulations, let alone CARB. Some of these new limits will be especially challenging for exterior products. **So much for the Federal Government Cabinet Directive on regulations, which some of these proposed regulations reference, but ignore. The directive makes it clear that regulations must be fair, consider the economic impact especially on SMEs, ensure trade alignment with key trading partners, etc.**

It's unclear as to why the CASE industry has been targeted for more reductions when it has already achieved impressive VOC reductions of more than 90% in architectural coatings exceeding 44 kilotonnes over the past 16 years. That was confirmed by the federal Government's own study several years ago.

Then there are **Health and Safety** regulations for the classification of hazardous products with more regulations coming to increase transparency and labelling, ongoing GHS revisions, and new microplastics and plastics regulations. For some reason governments believe labelling is the answer to everything, when most know that it is only one tool and likely not even the best in a digital age. And, of course hugely more costly!

Then there are many challenges under the heading of **Product Stewardship**. At the top are concerns related to biocides used in paint preservation. These have come under increasing scrutiny in the past number of years with critical antimicrobial ingredients subject to more bans and use restrictions. This is a challenge especially for waterborne products and made worse if the proposed lower VOC limits become a reality in 2024. This is happening while the US has not banned or restricted the same uses of active preservative ingredients as Canada has, with no plans to do so anytime soon. **There is a clear contradiction with the federal Government wanting more sustainable water-based products while restricting the active ingredients necessary to preserve them so they can be used.**

Proposed government actions take time to progress to final decisions, which allows some time for industry to engage before new regulations become law. But the CASE industry is now close to final decisions on so many issues. **It is certainly time for a 'whole of industry'**

multiple consultations, and provided copious amounts of information to improve regulatory outcomes in the sector. **However, it is clear the next several years is likely to be much different than the past if industry doesn't act decisively, sooner than later.**

CPCA has been busy taking measures to ensure it can act as needed on all the files noted above, and more. CPCA has moved forward on several important initiatives to improve member support as well. These included:

1. A new Board-approved **Strategic Plan** (2024-2026).
2. Enhancing CPCA's regulatory digital database, the **Canada CoatingsHUB** to be formally launched January of 2024 for 'members only';
3. Integration of AI support to enhance functionality for the digital database and to support substantive submissions related to ongoing regulatory challenges; server and file tree upgrades for improved data file management;
4. Improved marketing website to be launched in Q1;
5. Continue work on updating CPCA's **CoatingsTECH** course offerings with 30 e-learning modules rolled out in 2024;
6. A rebranding of CPCA and its new marketing website to be launched in early 2024 highlighting industry's significant success on product stewardship and sustainability to date and plans for the future; and
7. Completion of an independent member survey (Survey Monkey) in 2023 showing strong support for CPCA's member services on a number of fronts, with an overall rating of 4.8 out of 5.

CPCA now urges a '**whole of industry**' approach to ensure final decisions on multiple regulatory challenges are fair and based on scientific data. But the recent round of proposed regulations reveals even more challenges in the pipeline, which will likely mean more reformulations to meet new limits or product lines taken off the shelf. Either way there will be change. There is still time for industry to have an impact on how much change there will be, but not much time.

CPCA extends a heartfelt Merry Christmas and Happy New Year to all its members who have worked hard over the past year on the challenges before the entire CASE industry in Canada. The advocacy on behalf of the industry could not be done without the support of the Board, the many individuals in member companies working on technical issues and committees, and of course, the staff who have to ensure it is all held together and hits the targets.

Gary LeRoux

President & CEO

INSIGHT Drops January - February 2024

Members can expect their copy in the mail.

Online versions will be available in early 2024.



Canadian Paint and Coatings Association

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

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.

[Share my story](#)

ADVOCACY REPORT



For more extensive details and actions on all the issues please read the comprehensive Regulatory Radar and/or consult the Canada CoatingsHUB to search for information 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 Advocacy Efforts Supporting a Stronger Canadian Coatings Industry

- CPCA Alert on Obligations Coming Up in 2024 for Canada's First Supply Chain Transparency Law and Fight Against Forced Labour and Child Labour
- Government Consulting on Its Supply Chain Regulatory Review
- World Coatings Council Member Recent Report Highlighting How Coatings are Essential to Consumers and Industry
- CPCA to Refresh Its Public Website and HUB in 2024
- Registration to the CPCA Conference 2024 Opens on January 1, 2024

Members Alerted on Obligations Coming Up in 2024 for Canada's First Supply Chain Transparency Law and Fight Against Forced Labour and Child Labour

On May 11, 2023, the new Canadian Act known as Fighting Against Forced Labour and Child Labour in Supply Chains Act established a supply chain reporting obligation for businesses that are either: (1) listed on a Canadian stock exchange; or (2) have a place of business in Canada, do business or have assets in Canada and that meet at least two of the three following size requirements based on consolidated financial statements: at least \$20 million in assets; at least \$40 million in revenue; or, employing an average of at least 250 employees. Thousands of companies and a large number of U.S.-based multinationals may have to annually report on their steps to address forced labour and child labour in supply chains. And Canada will create a public database for consumers to review company submissions.

Throughout the year, CPCA has continued to alert its members about this Act, which also amended the Customs Tariff to prohibit the import of goods made with child labour to be in effect on January 1, 2024. CPCA provided legal advice regarding the enforcement powers and liability for failure. The first modern slavery reporting deadline for eligible companies must be made by end of May 2024.

Government Consulting on Its Supply Chain Regulatory Review

The Supply Chain Regulatory Review will examine federal regulations and regulatory practices that better support the movement of commodities and goods in Canada and across the border. Through the review, the government will develop a Regulatory Roadmap, outlining initiatives to improve the federal regulatory system and better support economic growth and innovation. The consultation addresses supply chain efficiency in border operations, transportation and critical minerals for all industrial sectors, including the chemical sector.

CPCA has encouraged members to respond to this consultation and intends to submit comments early next year.

WCC Member BCF Publishes Essential Coatings Report That Resonates with CPCA

The British Coatings Federation (BCF) recently urged government to produce an integrated industrial strategy that embraces the 'enabler' industries that have long been the bedrock of the national economy and that empower the success of other manufacturing sectors in the region. This follows the publication of a new government advanced manufacturing plan which focuses on prioritized industries, including green energy, aerospace and automotive. While the plan references 'supply chains', the BCF alleged that more could be done to remember the critical role played by other parts of manufacturing, not just supporting the 'advanced' sectors prioritized in the plan.

Like BCF in the UK, CPCA has always advocated in Canada for the government to provide regulatory and policy clarity and certainty for chemicals, a long-term industrial strategy for

CPCA to Refresh Canada CoatingsHUB Website in 2024

CPCA has advised members that significant changes are pending on the Canada CoatingsHUB site. In Q1, 2024 a refreshed site will be launched and all dormant HUB accounts will be deleted at that time.

Members who would like to ensure their accounts migrate at the launch of the new site should do one of the following; a: login to the Canada CoatingsHUB or b: confirm with CPCA that you need assistance logging in or activating your account.

Canadian Coatings Conference Registration Opens January 1, 2024

The Canadian Coatings Conference is the CPCA's cornerstone event. It is the main source for tracking and addressing regulatory developments impacting the Coatings, Adhesives, Sealants, and Elastomers (CASE) industry in Canada. Members and non-members of the industry are invited to attend. The Conference to be held at the William Gray Hotel, in Old Montreal on May 23-24, 2024. For more information please visit the CPCA website [event calendar](#) or click on the main [landing page](#).

Take advantage of early bird rates between January 1, 2024 and February 29, 2024.





Canadian Coatings Conference

MAY 22 - 24, 2024 OLD MONTRÉAL


WILLIAM GRAY

Registration Opens
January 1, 2024
Visit canpaint.com for details



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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 CO₂ in the air we all breathe.

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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**.*

By the end of 2023, Canadian Graphite & Innovation Technologies (GIT) Will Have Supplied Coatings for over 150 Vessels Globally

There's a lot of legislation to come into effect that will make vessel **owners liable for the CO₂ emissions they are creating**. GIT introduced a new concept that can help vessel owners make that change. In late 2023, GIT had ten graduate students conducting research related to marine coatings. GIT's new plant will produce manufacturing one million litres of paint per year, enough to coat more than 500 large commercial vessels.

AkzoNobel Coil and Extrusion Coatings to Explore Electron Beams for Potential Curing Coatings Alternative & AkzoNobel Powder Coatings Partners with CoatingAI to Explore New Frontiers in Sustainability

AkzoNobel's Coil and Extrusion Coatings business signs a strategic agreement with hi-tech specialists to develop a pioneering process that uses electron beams to cure coatings on metal substrates. E-beam technology could offer significant advantages over conventional thermal curing methods, such as lower energy consumption, increased productivity with

help customers improve the application process and reduce their carbon footprint.

BASF and Three Other Partners Develop Antimicrobial Coating for Textiles & BASF Sets Targets to Reduce Scope 3.1 Emissions by 2030

BASF researchers helped develop new coated textiles that inhibit or even kill pathogens and could be used as antimicrobial curtains in hospitals in the future. The coating process consists of optimizing the concentration, exposure time, processing pressure and drying of an evenly applied benzalkonium chloride-containing disinfectant which can then adhere stably to the textile surface. **By 2030, BASF** aims to reduce its specific Scope 3.1 emissions by 15 percent compared with 2022 across the portfolio – from 1.57 to 1.34 kilograms of CO2 per kilogram of raw material bought.

Dow Canada to Build world's First Net Zero Petrochemical Facility

Dow has chosen Alberta for the world's first net-zero Scope 1 and 2 greenhouse gas emissions integrated ethylene cracker and derivatives site. **Path2Zero** will produce and supply approximately three million metric tonnes of certified low- to zero-carbon emissions polyethylene and ethylene derivatives for customers around the globe.

Round Table at COP28 Addressed Logistics Emissions

At the recent **COP28**, carriers, freight forwarders, and shippers shared best practices and exchanged highlighted innovative solutions, technologies, and methodologies that can help meet their net-zero targets, such as the Smart Freight Centre's GLEC Framework and ISO Standard 14083. Countries are increasingly set to implement regulations for accurate emissions reporting with such as the EU's Corporate Sustainability Reporting Directive in 2024, with non-compliance resulting in fines.

MEMBER RECOGNITION



PPG Earns Equality 100 Award in 2023 Corporate Equality Index

PPG announced it again received a perfect score of **100 percent on the Human Rights Campaign** (HRC) Foundation's 2023 Corporate Equality Index, a national benchmarking survey and report on corporate policies and practices related to lesbian, gay, bisexual, transgender and queer (LGBTQ+) workplace equality. PPG has been listed on the index for 20 years.

LANXESS First Company to be Recognized under the Supporting Ontario Safe Employers Program

On December 13, LANXESS became the first **Responsible Care®** company to receive recognition under the Supporting Ontario Safe Employers (SOSE) program for RC 14001, meeting the high standards set by the Chief Prevention Officer to prevent injuries and illness in the workplace. SOSE is the first program of its kind in Canada.

PPG Recognized for the Sixth Time Among Foundry's Computerworld 'Best Places to Work in IT in 2024'

PPG ranked No. 15 among large organizations based on the Foundry survey. "It's a great honor to again be recognized for excellence in our IT function," said Bhaskar Ramachandran, PPG vice president and chief information officer. "It reflects our focus on people development, modern technology, and removing barriers to execution."

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.

CANADIAN ECONOMY



Canadian Manufacturing Sales Flop in October

According to Statistics Canada and CBoC, Canadian manufacturing sales fell by 2.8 per cent (m/m) in October:

- Sales grew in 12 of the 21 manufacturing subsectors. Those who grew the most are **fabricated metal products and wood products**.

Bank of Canada Governor Says 2024 Likely to be 'Transition' Year as Economy Slows, Inflation Falls

The effects of past interest rate increases will continue to work through the **Canadian economy**, restraining spending and limit growth and employment.



Changes Are Happening!

The Canada CoatingsHUB will undergo major changes to enhance the user experience and overall performance. Members are encouraged to update their accounts or contact CPCA if they want to create an account.

[Contact CPCA](#)

TECH INNOVATIONS



UMass Startup Develops "Smarter" Paint Additive

XMAs can control or eliminate oxidative stress that causes the breakdown of key cellular structures. They also offer antibacterial properties; protect against UV light, gamma, and X-ray radiation; **exhibit "excellent" biocompatibility**; and do not contain carcinogenic endocrine disruptors.

Greener Building Materials Using Sugar Processing Waste Products

Making cement accounts for roughly **8% of global CO2 emissions**. By swapping some cement with a sugar waste product, precipitated calcium carbonate, it is possible to maintain concrete strength. Additionally, using upcycled concrete aggregate can replace the commonly used sand or crushed stones as aggregates without sacrificing strength.

Mussel Inspired Improvement of Epoxy Resin

Diving Beetle-inspired Slippery Coatings

The unstable topography and chemistry of bio-inspired anti-wetting surfaces affect their durability. But a **diving beetle-inspired omniphobic slippery coating** exhibited easy sliding of liquids and ultra-small droplets, as well as outstanding self-cleaning, anti-fouling, and anti-marking properties.

Cottonseed Oil as Green Alternative

A new study presents an investigation of **cottonseed oil as renewable source** for the development of highly functional UV-curable materials.

Tea Extracts Amplify Silver Nanoparticles' Antimicrobial Power

There is a pressing need for new methods to tackle **antimicrobial-resistant bacteria**. Polish scientists showcased the potential of green tea-silver nanoparticles in combating pathogens like bacteria and yeast, unaffected by traditional antimicrobial agents, such as antibiotics.

Fraunhofer Researchers Develop Drone-sprayable Coating to Protect Rotor Blades against Ice

The spraying system used needs to be highly accurate but lightweight and the drones need to have a high payload and allow for very precise control. **The coating material is made from urea and wax.**



Members Only

STATISTICS and **RESEARCH REPORTS**



Members Only

MERGER and **AQUISITION REPORTS**



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