

ABIQUIM RESPONSIBLE CARE® CONFERENCE

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Canadian Chemicals Management Plan (CMP) Results and Possible International Implications and Cooperation

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Why CMP? – Expectations & Drivers



Chemistry – a part of everyday life.

Required by Canadian legislation - Canadian Environmental Protection Act 1999 (CEPA)

Improve public confidence in chemicals in a way that:

- Maintains a science and risk basis for chemicals assessment and management
- Is a workable approach
- Provides an alternative to REACH
- Provides a path forward to SAICM
- Could be a model to consider by other countries and regions

Improving Public Confidence in Chemicals Management

This is an international issue

- Already generally resolved for new substances
 - New Substance Notification laws
- For existing substances, different approaches
 - Responsible Care®, Global Charter and Global Product Strategy
 - HPV in US and OECD
 - REACH in Europe
 - Japanese program
 - Categorization and assessments in Canada
 - Chemicals Management Plan

CMP Basic Elements

- Categorize 23,000 Domestic Substances List (DSL) of substances in Canadian commerce
 - What 23,000 “existing” substances need to be assessed for risk?
 - “New” substances already assessed
- Assessments staged in priority batches
 - Already underway
 - Ongoing to 2020
- Risk management
 - Following risk assessment
 - If “CEPA toxic” – risk to health or environment
 - Regulations where needed
- International cooperation

CMP Categorization Results

23,000 existing substances sorted by September 2006
as to whether further assessment is needed

- Environment Canada sorting criteria:
 - Persistence (P)
 - Bioaccumulation (B)
 - Inherent Toxicity (iT)
- Health Canada sorting criteria:
 - Health Hazard (HH)
 - Potential for Exposure (PE)
 - Greatest potential – GPE
 - Intermediate potential – IPE
 - Lowest Potential - LPE
- ~ Approximately 19,000 substances set aside as of no concern / no further assessment needed based on present information. Other CEPA feeder mechanisms are a “safety valve”.

For the ~ 4,000 Chemicals Left to Assess

Some new tools:

Updating 1980s DSL inventory

- Expect inventory update rule to be introduced similar to US

SNAC – significant new activity condition

- Which of the ~ 4,000 chemicals to be assessed are still in use in Canada?
 - If no longer in use, SNAC
 - New Substance Notification, if reintroduced
 - Unclear how trace contaminant levels will be handled
 - could impact exporters to Canada

Re ~ 4,000 Substances Needing Further Assessment



Various levels of confidence, concern and urgency for the 4,000

- 750 of these have now joined the 19,000 set aside of no concern
- 200 substances (PBiT, HH & G/IPE) are of high concern and will be risk assessed over next 3 years with a predisposition they are toxic and need regulating
- ~ 200 substances of high concern, but which a survey showed are no longer in use in Canada will require New Substance Notification, if reintroduced
- ~ 1,200 substances Canada will piggy-back on international work
- ~ 1,000 ? substances that inventory update could find are no longer used in Canada would be subject to New Substance Notification, if reintroduced
- ~ 1,000 to 1,200 substances left requiring assessment in batches to 2020
 - Canada will look for international cooperation

200 Substances of High Concern are Being Addressed Now

High concern because:

- PBiT or
- health hazard and greater or intermediate potential for exposure
- will be risk assessed over next 3 years to determine if they are a risk to health or environment -- CEPA toxic
- and if so, will likely be regulated

A practical process:

- rolling batches of ~ 20 substances per quarter over next 3 years
- risk assessments to be based on available information
- predisposition for CEPA toxic finding (risk to health or environment)
- so essentially reverse onus for industry
- for each batch, 6 months for industry to provide information
 - the substance is managed safely or
 - the categorization decision was wrong (data trumps P, B, iT, HH, PE modeling)
- 6 more months for government risk assessment decisions

Consequences of CEPA Toxic Finding for the 200 Substances

For those that are PBiT (~130 of 200) and man-made and found CEPA toxic after risk assessment

- virtual elimination (VE) required
- little experience with what VE means in practice
- ultimate reduction to no measurable releases policy, but
- in law, regulatory release limits will be set based on socio-economic, technical and risk factors

For others (~80) on list of 200 due to high hazard and potential for exposure and found CEPA toxic

- normal regulatory requirements which can range from ban to controls

Some CMP and REACH Comparisons

- CMP has a much more manageable architecture, numbers and approach
 - no trade distorting registration requirements in CMP
- CMP may engender greater public confidence
 - DSL assessments by government, information provided by industry
 - REACH registration by industry with later regulator evaluation
- CMP may get the job done in less time than REACH
- REACH authorization for PBTs and similar substances seems more clearly associated with substitution and no further use of the chemical
- CMP virtual elimination policy for PBTs is ultimate reduction to no measurable release, but in law release limits are set based on socio-economic, technical and risk factors
- CMP virtual elimination will apply to far less chemicals than authorization
- Both authorization & virtual elimination have market stigma, but the regulatory aspects seem more manageable under the Canadian approach

Can DSL Affect REACH?

For the 200 high concern categorized chemicals:

- If these are found to be CEPA toxic after risk assessment, will this influence their inclusion on the REACH candidate list and their priority for consideration for authorization?
- If they are not found to be CEPA toxic, could there be a similar positive influence of keeping them off the candidate list or lowering their priority for authorization consideration?
- Working to influence CMP results now, may help with REACH later

For the ~ 1,000 to 1,200 substances that Canada expects to have to assess after the 200 high concern substances:

- Canada expects to rely on REACH registration information, if REACH has progressed that far
 - either through regulators sharing information on CBI basis, or
 - companies who are interested in the substance in Canada providing the Registration information

US HPV Program and CMP

- Starting in 1998, the program has resulted in company commitments to some 2,225 chemicals
 - 1,000,000 pound production or import threshold
 - 1,425 chemicals through EPA
 - 800 chemicals via the ICCA and OECD HPV initiative
- Although commitments to some chemicals are still outstanding, industry's overall performance has exceeded expectations
- Program extended in 2005
 - 575 “new” HPV chemicals
 - OECD “SIDS level” hazard information and screening level information on use and exposure
- Screening data sets provided for 95% of chemicals in commerce by volume
- Will provide information for CMP to use
- Canada working for an agreement with US and maybe Mexico

Montebello “Three Amigos” NAFTA Meeting and CMP



Chemicals Management Included in Agreement

- Canadian CMP
- United States HPV
- Mexico development of inventory
- Emphasizes practical and focused approaches
- Focus on regional cooperation,
- but also aim to convey more coordinated views on practical approaches internationally

Next Steps

- Canada and US will continue to work bilaterally and also with Mexico
 - adjunct to ongoing trilateral meetings on chemical management issues

Specific Commitments in Agreement by 2012

- US assess and initiate needed action on 9,000 existing chemicals produced above 25,000 lbs per year in US
 - Extends HPV program to moderate production volume chemicals (MPV)
 - EPA will use Canadian results as a starting point for US efforts to assess MPV chemicals
 - ACC expects that this will involve using categorization tools to prioritize chemicals for evaluation
- Canada will complete assessments and take regulatory action on Canadian 200 priority substances and initiate assessments on additional CMP substances
- Mexico to develop information system for dangerous materials
- Three countries to work together in a coordinated fashion

Specific Commitments in Agreement by 2020

- Inventories of chemicals in commerce established & updated in all three countries
- Mexico enhance its capability to assess and manage chemicals
- Sound management of chemicals in North America per Strategic Approach to International Chemicals Management (SAICM)

The SAICM Objective

- *“achieve by the year 2020 that chemicals are used and produced in ways that lead to the minimization of significant adverse effects on human health and the environment...”:*
- *SAICM Objectives*
 - Risk Reduction
 - Knowledge and Information
 - Governance
 - Capacity Building and Technical Cooperation
 - Illegal International Traffic
- Also addresses
 - Financial considerations
 - Implementation and taking stock of progress

Key SAICM Chemical Management Principles

- Sound science and risk based decision making
- Precautionary approach as referred to in Principle #15 of the Rio Declaration, 1992
 - somewhat clarifies it applies to human health as well as the environment
- Substitution of uses if risks are unreasonable and not manageable
 - consideration of socio-economic aspects
 - identified specific types of chemicals to prioritize for assessment

SAICM & Montebello Agreement



Chemistry – a part of everyday life.

- SAICM is a Key Element in Montebello Agreement for chemicals
 - Direct reference
 - 2020 timeline
- CMP likely to be Canada's answer to SAICM
- Similarly outcome from Montebello agreement likely to be NAFTA regional response to SAICM

Canadian CMP and SAICM - Many Common Elements



- Improving public confidence in chemicals management
- Developed in partnership
- Workable approach
- Scientifically sound
- International implications
- Risk reduction
- Knowledge and information
- Capacity building and technical cooperation
- Prioritize assessment work

Responsible Care®, Global Charter and Global Product Strategy have similar objectives to CMP

- To improve and enhance
 - product stewardship across the value chain
 - co-operation with other stakeholders
 - knowledge and information
 - exchange of knowledge and information
 - capacity building
 - transparency
- Overall, to meet public expectations

CMP and Brazil?

- Help manage REACH implications?
 - Probably for authorization
 - Maybe for registration and its likely trade barriers
 - Canada is seeking an EU information sharing agreement
- Help provide information in Brazil to improve public confidence in chemicals?
 - The over 19,000 substances set aside as of no concern / no further assessment needed based on present information
 - Ongoing assessment results
- Consider CMP in participating in national / regional approaches to improve chemicals management?
 - Develop smarter more practical alternatives to REACH

Possible Global Action ?

Any global companies interested in the 200 high concern chemicals in Canada should consider providing information on them in the Canadian process

- Provide information on safe management
- Provide information that categorization conclusion was incorrect
 - data trumping modeling re P, B, iT, HH, or PE findings
 - confidence level of PBiT findings
 - 7 higher confidence
 - 75 moderate
 - 45 lower

CCPA is looking for collaborative work with others

Collaboration in these areas needs to be driven by companies and not associations, although the latter can support if companies lead

Some Concluding Observations

- CMP should improve public confidence in chemicals management – will it?
- CMP should remain challenging, but workable – will it?
- Will scientific rigor be maintained in assessments?
- Predisposition for toxicity should only apply for the 200 high concern substances, not the 1,000+ medium priorities for later assessment.
- CMPs biggest weakness is Canada has no policy yet for trace contaminants. A problem for everyone, including for imports.
- Virtual elimination will set stringent release limits, but should not lead to automatic substitution and prohibitions.
- “Learn by doing” mindset for government and industry.
- Will the smarter CMP be replaced by REACH going global?

Where to Find More on CMP



<http://www.chemicalsubstanceschimiques.gc.ca/en/>