

VOLATILE
ORGANIC
COMPOUND
CONCENTRATION
LIMITS FOR
CERTAIN PRODUCTS
REGULATIONS:



WHAT'S HAPPENING

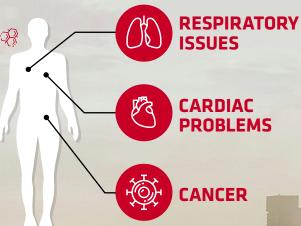
On 5 January 2022, the Canadian Government published the 'Volatile Organic Compound Concentration Limits for Certain Products Regulations (SOR/2021-268)' in the Canada Gazette. This is part of the Canadian Environmental Protection Act, 1999 (CEPA).





VOCs

are a large group of chemicals that vaporize (become a gas) at room temperature, and can lead to the formation of smog (ground-level air pollution). Exposure to smog is linked to an increased risk of premature death, as well as other adverse health effects, including:



Environmental impacts are also a factor, including reductions in:



AGRICULTURAL CROP AND COMMERCIAL FOREST YIELDS



Prior to the Regulations,
Canada did not have legislation
in place to limit VOC emissions
from certain product categories
(listed in the Regulations;
see 'Applicability' section
of this Factsheet).

The Ozone Annex of the United States-Canada Air Quality Agreement, 1 which was added to the Agreement in 2000, was the main way for establishing ozone air quality standards in Canada by reducing VOC emissions from products.



REGULATIONS

aim to protect the environment and human health by setting concentration limits for VOCs in approximately 130 categories and subcategories of products. These products are used by consumers, or in commercial or institutional applications.



REGULATION APPLICABILITY



Any person in Canada who manufactures or imports products containing volatile organic compounds (VOCs) which includes:

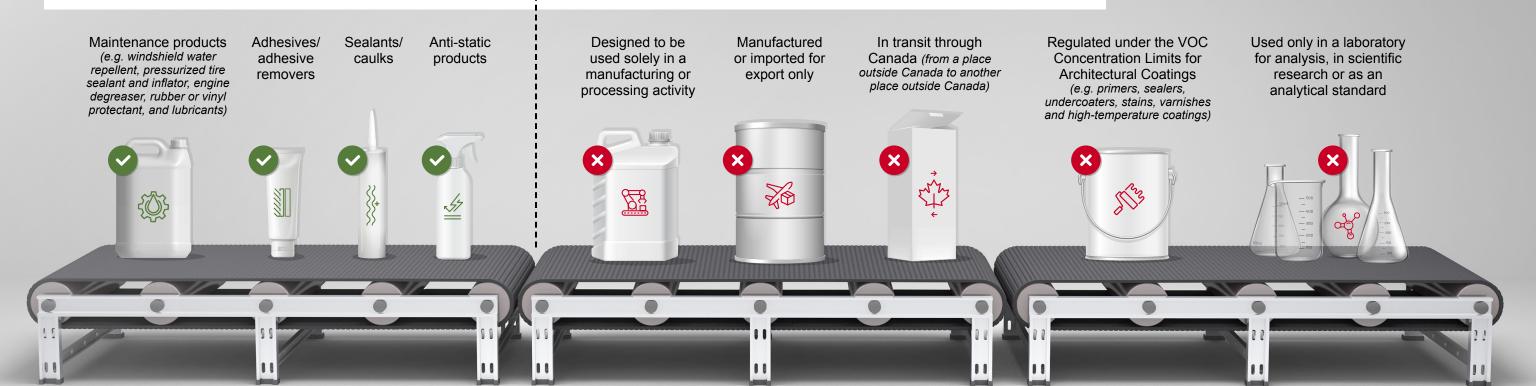


Products that are:



SCHEDULE 1 OF THE REGULATIONS

provides an extensive list of products containing VOCs that are in scope of the Regulations (see 'Useful Links' section of this Factsheet to access the full list)



RELEVANT DATES

• 2022

ZUZ5

ZU 24

2U2:

PUBLISHED5 January 2022

IN FORCE 1 January 2023 **EFFECTIVE** (except for disinfectants products) 1 January 2024

EFFECTIVE(only for disinfectant products)
1 January 2025



PROHIBITION

A person must not manufacture or import a product containing VOCs that meets the following conditions:

The product belongs to a category/subcategory listed in Schedule 1 of the Regulations.

The product has a VOC concentration that is greater than the permitted maximum VOC concentration provided in Schedule 1 of the Regulations.

The product belongs to more than one product category, the applicable maximum VOC concentration is the lowest of the maximum VOC concentrations given in Schedule 1 of the Regulations.



EXCEPTIONS APPLY IF:

- the product is intended to be diluted before use to a level that is less than or equal to the applicable maximum VOC concentration;* or
- a permit has been issued for the product.

*Instructions must be present on the product's container or accompanying documentation.



product was manufactured or a code should be included on the product container.

belonging to a category/subcategory listed in Schedule 1 of the Regulations that has a VOC concentration less than or equal to 0.10% w/w.

From the respective effective date any person that manufactures or imports a product subject to the Regulations must maintain and keep records for at least five years.



PERMITS

VOC compliance unit trading system:

Any person that elects to participate in the compliance unit trading system may apply for a permit. This allows them to manufacture or import a product subject to the Regulations that may have a VOC concentration greater than the permitted maximum VOC concentration (provided in Schedule 1 of the Regulations).

A report must be submitted to the Ministry of Environment no later than March 1 of each year for any person holding a permit. The report must contain information relating to the preceding calendar year's activities (e.g. generating, trading and using compliance units).

Products whose use results in lower VOC emissions:

Any person that manufactures or imports a product subject to the Regulations may apply for a permit (or renewal), if the product has a VOC concentration greater than the permitted maximum VOC concentration provided in Schedule 1 of the Regulations. This applies if the product, when used in accordance with the manufacturer's written instructions, results in a lower VOC emission that is lower than or equal to another product's maximum VOC limit.*

Permits are valid for up to **four years**, unless renewed at least 90 days before the day on which the permit expires and the application is approved by the Ministry of Environment.

*The other product must belong to the same category and, if applicable, subcategory provided in Schedule 1 of the Regulations.

Technical or economic non-feasibility:

Any person that intends to manufacture or import a product subject to the Regulations on or after the respective effective date (see 'Relevant Dates' section) may apply for a permit (or renewal), if the product has a VOC concentration greater than the permitted maximum VOC concentration (provided in Schedule 1 of the Regulations). This applies if it is not technically or economically feasible for the person to decrease the product's VOC concentration to equal to or less than the VOC concentration limit.

Permits are valid for up to two years, unless renewed at least 90 days before the day on which the permit expires and the application is approved by the Ministry of Environment.



WORTH THE RISK?

Violation of CEPA could result in fines and/or imprisonment. This includes:

- fines of up to \$1 million a day (for each day an offence continues); and
- imprisonment for up to three years.

In addition, the Ministry of the Environment may revoke any permit(s) issued if:

- the permit holder has not submitted the annual report by no later than March 1 of each year;
- the Ministry has reasonable grounds to believe that the permit holder has not compensated for any excess quantity of VOCs determined;
- the product does not bear an appropriate label or is not accompanied by documentation; or
- the Ministry has reasonable grounds to believe that the permit holder has provided false or misleading information.

RISK MITIGATION:



REVIEW

your inventory and determine whether your product belongs to a category or subcategory listed in Schedule 1 to the regulations.



DETERMINE

the Volatile Organic Compound (VOC) concentration of your products.



REVIEW

the Regulatory actions included in this factsheet and take actions accordingly.



SHARE

this factsheet with your supply chain.





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The regulation does not apply to persons manufacturing or importing adhesives and adhesive removers.



This regulation applies to both of those materials as well as an extensive list of other maintenance products. Be sure to review Schedule 1 of the regulation to understand the full list of maintenance materials identified in this rule.

A product subject to the regulation cannot be imported if it has a VOC concentration greater than the permitted maximum from Schedule 1.



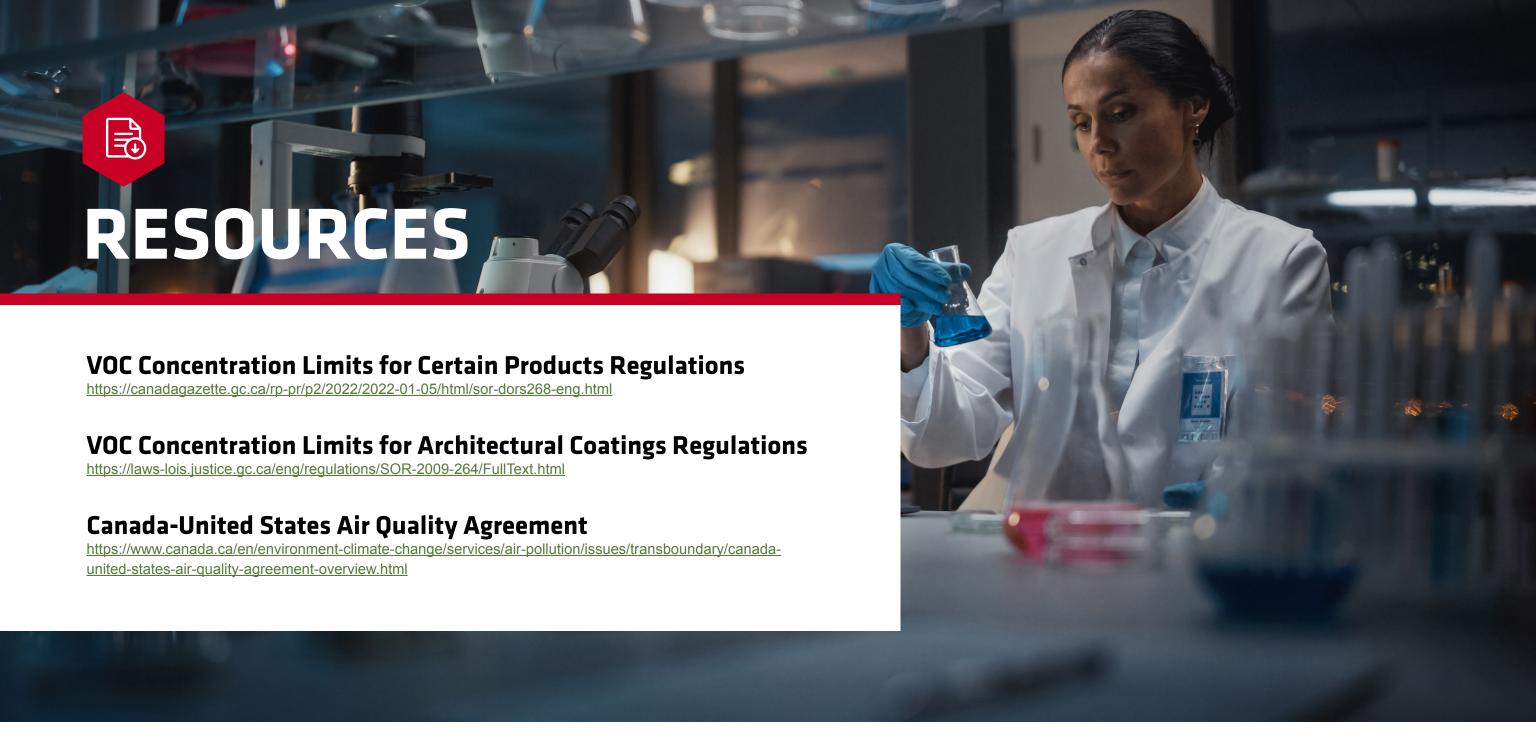
A manufacturer or importer can import a product with a VOC concentration greater than the permitted maximum in Schedule 1, if the manufacturer or importer can prove that the product, when applied in accordance with manufacturers instructions, results in a lower VOC emission or that is lower than or equal to another product's maximum VOC limit in the same category.

Any product belonging to a category/subcategory listed in Schedule 1 of the Regulations that has a VOC concentration less than or equal to 0.10%w/w does not have to meet the defined labeling requirements.



Compliance units generated within the VOC compliance unit trading system are valid for up to two years beginning on January 1 of the year following the calendar year in which they are generated.





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AEROSPACE
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A RECOGNIZED GLOBAL BODY FOR AEROSPACE & DEFENSE

MEMBER COMPANIES

OF GLOBAL AEROSPACE & DEFENSE INDUSTRY ARE IAEG MEMBERS

\$488 COMBINED ANNUAL 2020 REVENUES FOR IAEG (FULL) MEMBERS

5697B TOTAL GLOBAL AEROSPACE INDUSTRY 2020 REVENUES

IAEG Full Members

Airbus SAS

ATR

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Boeing

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De Havilland Aircraft of Canada Limited

Embraer

GE Aviation

GKN Aerospace

Gulfstream

Honda Aircraft Company, LLC

Honeywell

Howmet Aerospace

Huntsman Advanced Materials

Israel Aerospace Industry

L3Harris Technologies, Inc.

Leonardo Company

Lockheed Martin

Meggitt PLC

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DXC Technology

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