Regulatory Essentials – February 19, 2020

Cosmetics Alliance Update

Cannabis Task Force: Scoping & Strategic Engagement Session

'Smoking Out' the Way of the Future

Cosmetics Alliance (CA) Canada will be holding a Cannabis Task Force Scoping & Strategic Engagement Session as a follow-up to the Cannabis Health Products Briefing that we held this past summer. This session will take place on Thursday, February 20, 2020 at <u>SCI Logistics</u> in Mississauga from 13:00 – 16:00 EDT.

The purpose of this meeting is to bring members up to date on developments since the last meeting and to outline the details of the Cannabis Task Force that we will be convening in support of this emerging area.

Objectives:

- Understand the outcomes from the Briefing in the summer
- Provide a summary of meeting with the Deputy Minister of Health at which the topic of Cannabis "health products" was identified as a key emerging area for the Department
- Discuss and establish our industry's key principles, strategic data needs and net direction
- Outline preliminary details, expectations and Terms of Reference for our Cannabis Task Force

Join us for this complimentary CA event intended for members interested in understanding how CA Canada is looking to pursue opportunities to enable a legitimate, regulated marketplace for the introduction of cannabis and cannabinoid derivatives as a functional ingredient in personal care products (including cosmetics and low-risk self-care products) in Canada.

Please note participation is recommended in person. However, we are opening up a phone line for those who will not be able to participate in person.

For CA members based in Montreal, Darren Praznik, President & CEO of Cosmetics Alliance will be providing an update at the next CA's Executive Networking Event on March 24, 2020 in Montreal.

To register please email <u>regulatory@cosmeticsalliance.ca</u> with your name, company and whether you will be attending in person or remotely. Please register by no later than Friday, February 14, 2020.

SCI Logistics Inc. 6580 Millcreek Drive Mississauga, ON

Membership Renewal

We need your involvement and commitment with the 2020 renewal of your company's membership in order to help Cosmetics Alliance advance the collective interests of the cosmetics and personal care products industry.

Renew Your Membership

Health Updates

Nitrosamines in Pharmaceuticals Webinar Update

Below are the highlights from the webinar:

We appreciated the inclusion of Cosmetics Alliance in their collaborations with associations since the issuance of the letter, as this allowed us to confirm fundamental principles, address any technical issues and to prepare us for our engagements with our association membership. However, the communication was an enforcement communication which simply just prompted reaction. We suggested that from the get-go, a collaborative approach with association ahead of these initial communications is appropriate to understand what some of these initial reactions would be prior to dissemination of their materials to get them right.

We highlighted that nitrosamines should not be new to our membership as we have had a prohibition on nitrosamines in cosmetic products on Health Canada's Cosmetic Ingredient Hotlist for a number of years and that there are prohibitions on nitrosamines in cosmetics in Europe as well. We also indicated we have shared tools and technical guidance from our international partners which we recommend our membership consult with along with Health Canada's guidance when performing their investigation and also shared there are a number of international standard methods for the detection of certain nitrosamines in finished good cosmetic products.

Health Canada indicated their Q&A document will be revised and communicated out. CA will update members when the Q&A document has been revised.

Nitrosamines Webinar - EN

CUSMA Update - Sampling and Re-testing & Quarantine

Canada, the United States and Mexico signed the new CUSMA on November 30th on the margins of the G20 Leaders' Summit in Buenos Aires. The next step for the regions is to pass legislation to implement the treaty. The Mexican legislature passed their legislation on December 12th, followed by the United States on January 19th.

CUSMA will come into force on the first day of the third month following the ratification of the last of the three parties, of which Canada is the last. Canadian Bill C-4 was introduced into Parliament on January 29th and has since had its second reading and was referred to committee on February 6th. You can track the progression of the bill at <u>LegisInfo</u>.

As a reminder the Annex 12-B references cosmetic products and includes details on:

- Re-testing and quarantine
- Sampling

along with other considerations for regulatory co-operation concerning INCI labelling, tamperevidence and facts tables.

Sampling

Sampling currently exists as a prohibition in the Food and Drugs Act, and therefore Bill C-4 contains details which insert the allowance of sampling in accordance with the regulations.

Therefore, upon Royal Assent of Bill C-4, regulations related to sampling will need to be published through the Gazetting process.

Health Canada signalled their intent to introduce legislation to implement this initiative at the earliest convenience. Originally slated for publication in Canada Gazette, Part I in the fall 2021 and final publication in Canada Gazette Part II in the spring 2022, however considering CUSMA ratification occurred after the publication of these details, we have re-assurances from officials the publishing in Canada Gazette will occur much sooner than previously communicated. Therefore, until such time regulations on sampling come into force, we are in a status quo position.

Imported Finished Product Re-Testing & Quarantine

Unlike sampling, there are no details in the Food and Drugs Act for this requirement. These requirements reside in the Food and Drug Regulations. Cosmetics Alliance has assurance from Health Canada officials that the publishing in Canada Gazette will take place in the winter of 2020. Therefore, until such time regulations on re-testing and quarantine come into force, we are in a status quo position.

Environmental Updates

Information Gathering Plan (2020-2021) Released by ECCC

Environment and Climate Change Canada (ECCC) released on February 5, 2020 <u>the</u> <u>Information Gathering Plan (2020-2021)</u> which is intended to provide stakeholders with an overview of current and potential upcoming information gathering initiatives. The notice does not contain a lot of detail but of importance to CA members is the information gathering initiative for certain substances under the Revised In commerce List. The substances under going information gathering initiative from the R-ICL is not listed.

CA will be monitoring the release of this initiative. Please stay tuned as we will be engaging with members on the release of the initiative from July to September this year.

Environmental Emergency Regulations, 2019

Environment and Climate Change Canada's (ECCC) new <u>Environmental Emergency</u> <u>Regulations, 2019</u> (the Regulations) came into force on August 24, 2019, replacing the previous version of the Environmental Emergency (E2) Regulations (2011). The Technical Guidelines for these Regulations will be revised in 2020. A copy of the existing Guidelines can be found at:

https://www.canada.ca/en/environment-climate-change/services/environmental-emergenciesprogram/regulations/technical-guidelines.html

ECCC is planning on amending existing sections of the Guidelines and adding additional information relating to a number of topics. These include defining container systems, dealing with mixtures that do not have a CAS# in Schedules 1 or 2 of the Regulations, evaluating release scenarios, and exercising Environmental Emergency Plans. All recommendations should be returned in response to <u>ec.ue-e2.ec@canada.ca</u> no later than March 13th, 2020.

Post-Consumer Waste Updates

Quebec to Make Companies Responsible for Reducing, Recycling or Packaging Waste

The Quebec government plans to revamp how recyclable materials are handled by giving manufacturers in the province more responsibility to make sure what they produce doesn't end up in the trash.

Provincial Environment Minister Benoit Charette said the goals are to give companies incentives to make products that are more easily recyclable and to reduce the amount of material at the source. With markets abroad raising the quality standards of the recycled materials they will accept — or refusing the materials entirely — Charette said the priority will be to find local companies to make use of the paper, glass, metal and plastic collected.

An inability to find a buyer for recycled paper was the reason given by TIRU, the company that managed the recycling plant in Montreal and some of those elsewhere in the province, <u>when it</u> <u>announced it was ceasing operations</u>.

The government says it will make \$30 million available over the next three years to upgrade the province's recycling facilities and support innovative ways to process recycling and reduce reliance on single-use plastics.

It plans to begin implementing the new system in 2022 and have it fully in place by 2025.

<u>Government of Canada Supports Small Business Developing Innovative Solutions to Plastic</u> <u>Solutions</u>

At the <u>GLOBE Forum 2020</u>, the Honourable Jonathan Wilkinson, Minister of Environment and Climate Change (ECCC), announced the three winners of the Plastics Innovation Challenges sponsored by ECCC. These Canadian small- and medium-sized businesses will receive \$1 million each to develop prototypes of their new technologies designed to address plastic waste from food packaging and construction.

Axipolymer Inc., based in Montreal, will create a recyclable multi-layer film that can be used for food packaging, GreenMantra Technologies from Brantford, will transform polystyrene insulation waste into new insulation, and MgO Systems from Calgary will use PVC waste from construction to produce new insulating materials.

Minister Wilkinson also announced, on behalf of the Honourable Navdeep Bains, Minister of Innovation, Science and Industry, and the Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade, the launch of six new Plastics Challenges and three Clean Technology Challenges, through the Innovative Solutions Canada program.

These nine new Challenges call on Canadian innovators to develop solutions to:

- Find sustainable alternatives to plastic packaging,
- Reduce plastic waste from textiles,
- Divert end-of-life vehicles' plastic from landfills,
- Reduce e-waste,
- Seek solutions for air purification,
- Monitor microplastics in marine environments,
- Recycling plastic into ceiling tiles,

- Develop waste conversion techniques,
- Develop energy producing window coverings.

The Challenges will be led by Environment and Climate Change Canada, the National Research Council of Canada, Shared Services Canada, and Global Affairs Canada.

The Innovative Solutions Canada program is a key component of the government's <u>Innovation</u> and <u>Skills Plan</u>, a multi-year plan to make Canada a global innovation leader and prepare Canadians to succeed in tomorrow's economy. As a part of the program, the Plastics Innovation Challenge supports Canadian-made clean technologies and Canada's vision of a zero plastic waste future.