briefing note

Date: November 22, 2013
To: Economic Development Committee
From: Heather Marshall
DeTOx Toronto Campaigner, TEA
Re: Agenda Item ED27.1 - State of Manufacturing in Toronto (Collaborating for Competitiveness - Implementation Action 5)

In order to help Toronto manufacturers remain competitive in a rapidly changing marketplace, Economic Development and Culture should explore technical assistance programs that will help businesses factor pollution prevention into their business plans.

Rather than running to catch up, Toronto should be a Canadian leader in green manufacturing innovations. Toronto needs to ensure businesses can move away from toxic substances in response to market demand, but they may need help to ensure they are not switching to the next less toxic option. Businesses need technical assistance to ensure 'informed substitution' not 'regrettable substitution' of toxic chemicals for the sake of their business, their worker's health and their neighbours. There is no time to waste for Toronto's manufacturers, but fortunately many potential partners are knowledgeable and waiting in the wings, ready to help. To get ahead of the curve, Economic Development and Culture should proactively work in collaboration with City divisions and external groups that are actively working on pollution prevention and safe chemical substitution initiatives in 2014.

Background:

1. **Major brands and retailers are phasing out toxic substances in products**
   On September 12, 2013 Walmart announced that it was phasing out an 'initial list' of 10 toxic chemicals from its cleaning, cosmetic, and personal care products by 2016. The company will require its suppliers to publicly disclose the chemicals found in their products starting in January 2015. This is outlined in Walmart’s new “Policy on Sustainable Chemistry in Consumables”\(^1\).

   This policy is in response to a growing consumer demand for safe products, new legislation, and a growing body of evidence that these substances have significant impacts to human health and the natural environment. Walmart is not the only retailer that has set forth sustainability policies on chemicals management and environmental performance. Another major retailer that recently entered the Ontario marketplace, Target, has publicly committed to eliminate key toxic substances from their products, as has Procter & Gamble.

   When major corporate players set out new rules, a major shift tends to occur throughout their

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\(^1\) Policy on Sustainable Chemistry in Consumables available online at http://az204679.vo.msecnd.net/media/documents/wmt-chemical-policy_130234693942816792.pdf
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supply chains. Toronto companies that manufacture products for major retailers and brands need to be ready to respond to these changing demands.

2. Recent pollution prevention updates from two City divisions

a. Toronto Water’s Pollution Prevention Program

The City of Toronto’s Sewers By-law was noted on Page 23 of the Staff Report as one of the City’s initiatives supporting Toronto’s manufacturing sector. This by-law requires facilities operating in the City of Toronto to comply with prescribed chemical concentration limits as well as develop P2 plans or Best Management Practices for any priority toxic substances that they release into Toronto’s shared sewer system.

Earlier this week, Toronto Water reported to Public Works and Infrastructure Committee on some of the successes of the Sewers By-law and their related Pollution Prevention (P2) Program. TEA urges all members of the Economic Development Committee to read Appendix B² of the Staff Report in its entirety. Of special note are pages 10 - 14 which highlight Toronto Water’s Pollution Prevention Program successes and challenges in the Textile, Printing, Metal Finishing, Manufacturing, Industrial Laundries, and Automotive sectors.

One telling example in Appendix B shows how pollution prevention initiatives can sometimes transcend sector divisions. Before the Sewers By-law, nonylphenol ethoxylates (NPE) was a commonly additive in industrial detergents that were used in a range of sectors. After being listed in the By-law because it is toxic to aquatic organisms in Lake Ontario, the facilities sending NPE down the sewer system had to come up with a solution.

In Toronto Water’s recent report, they showed how NPE was virtually eliminated in certain sectors such as Toronto’s textile manufacturers, metal finishing & printed circuit board industries and industrial laundries. Toronto Water point out that there was an “[e]limination of cleaners containing NPEs by CATCC and Canadian Petroleum Products Institute (CPPI) members” and a “[r]eduction of NPEs in the Industrial Laundry sector by over 60,000 kg annually as a result of NPE elimination by detergent manufacturers” (pp. 9).

The manufacturers that make the detergents, plating chemicals, and other cleaners, responded to customer demand to reformulate their products. Not only did this reformulation help the manufacturer maintain their customer base, it ensured that the companies who used NPE had a safe alternative that would keep them in compliance with municipal by-laws.

b. Toronto Public Health’s ChemTRAC Program

In 2008, the Environmental Reporting & Disclosure By-Law was passed in Toronto, which requires businesses to report on their use and release of 25 known toxic substances found in Toronto’s air at levels of health concern. Toronto Public Health manages the ChemTRAC Program, which publicly discloses use and release data from reporting businesses and provides technical assistance to companies who want to take action on chemicals management. In the last year, the department initiated a ChemTRAC Pollution Prevention Business Panel, which brought together green Toronto manufacturers in collaborate on future directions that could help

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² Toronto Water Staff Report (Nov. 5, 2013, PW27.8), Appendix B: Pollution Prevention “P2” Program Successes.
their sectors get ahead of the curve on Pollution Prevention.

The ChemTRAC Program has developed fantastic resources including Pollution Prevention Guides for a range of manufacturing sectors mentioned in Economic Development and Culture’s Staff Report on the State of Manufacturing in Toronto such as Food and Beverage, Chemical, Printing, Metal Finishing, Automotive, Furniture, and many more.

3. **Toronto’s manufacturers need assistance**

As noted in the Staff Report on the State of Manufacturing in Toronto, small manufacturers or ‘micro enterprises’ with an employee base of 1-4 people are common in Toronto. The reality is that these smaller businesses face difficulties responding to rapid changes in utility costs or material costs as well as market shifts such as the phase out of chemicals by retailers like Walmart and Target. Economic Development and Culture needs to consider these significant factors when developing strategies including investment and assistance programs for manufacturers.

As Toronto Water points out in their Staff Report, businesses need technical assistance for pollution prevention:

“One of the challenges for small and medium sized businesses in Toronto is the required support of a technical and/or financial nature. Until recently a not-for-profit sustainability organization was funded by multi levels of government, including Toronto at one point, and was assisting these businesses in preparing P2 Plans through prequalified sector specific P2 consultants. With the lack of such funding, this resource is no longer available to small businesses which will likely result in poorer quality P2 Plans.”

( pp. 6, Nov. 5, 2013).

Where they have seen the greatest successes, pollution prevention helped companies meet their bottom line and they had assistance from business associations, levels of government, and Pollution Prevention (P2) planning experts.

TEA strongly encourages Economic Development and Culture to collaborate with business associations, non-profits sustainability organizations, and various City departments in 2014 in order to help manufacturers manage their chemical use and achieve other sustainability goals such as energy efficiency, water conservation, materials management, and waste diversion.

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