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**2006 Annual Report**  
of  
**Product Care Association**  
to the  
**BC Ministry of the Environment**  
pursuant to the  
**Recycling Regulation (BC Reg. 449/2004)**  
for:

- **Paint category**
- **Solvent and flammable liquids category**
- **Pesticide category**
- **Gasoline category**

***Reporting Period: January 1, 2006 to December 31, 2006***

CONFIDENTIAL:

This report contains proprietary information

## **Introduction**

This is the report required under the stewardship plans filed by Product Care Association with the BC Ministry of Environment, pursuant to the Recycling Regulation B.C. Reg. 449/2004 for the following categories of residuals:

- Paint
- Solvent and Flammable Liquids
- Pesticide
- Gasoline

This reporting period is January 1, 2006 to December 31, 2006

## **A. Consumer Information and Education**

Product Care's communications and education initiatives during the Reporting Period included the following items.

**RCBC Toll-Free Recycling Information Hotline:** Product Care continued its contract with the Recycling Council of BC "recycling hotline" service. The RCBC Hotline is open during normal business hours and now includes Saturday service. It is accessible to all BC residents by a toll free telephone number (1-800-667-4321). RCBC hotline operators provide consumers with a convenient "one stop" contact to obtain information about Product Care programs and any other recycling questions. Through the RCBC Hotline consumers can find out where to take unneeded materials and also where to find needed materials through RCBC's materials exchange program. Product Care promotes the RCBC hotline number through its web page, on its signs, brochures, and other printed material. The RCBC hotline is also listed in the telephone yellow pages.

**Retailer Information:** Program information brochures and signage are provided to all retailers of program products in BC for the information of consumers and are available for re-order at any time by telephone, fax, e-mail or through the Product Care website. Brochures were distributed to over 3000 retailers in 2005.

**Municipal Communications:** Product Care conducted a number of promotional activities in partnership with individual municipalities including:

- advertising in municipal garbage collection/recycling calendars where available.
- distribution of consumer brochures to households with municipal mailings
- participation in Waste Reduction Week activities

**Website:** During the reporting period Product Care's website was updated to improve its usefulness to the public. Within the website are depot locations including maps for many, and an explanation of products accepted by the program, and a list of the eco fees charged. The website report includes a report section that provides program information and statistics for the previous year as well as audited financial statements. The website also contains information for consumers on buying the right amount, storage and handling.

## **B. Product Sold and Collected in 2006**

### **Paint, Flammables and Pesticides:**

	<b>Paint (non aerosol)</b>	<b>Paint Aerosol</b>	<b>Flammable Liquids/Gasoline.</b>	<b>Pesticides</b>
<b>Sales (litres) <sup>1</sup></b>	36,673,940	913,171	4,351,252 <sup>2</sup>	175,702
<b>Recovery (litres)</b>	2,164,437 <sup>3</sup>	15,426	58,516 <sup>4</sup>	10,716
<b>Recovery (elc's) <sup>5</sup></b>	6,727,968	134,978	159,840	38,578

Notes:

1. volumes reported as “Sales (litres)” are estimates calculated by converting units reported using typical container volumes for each eco fee category.
2. flammables “Sales (litres)” figure does not include gasoline. Gasoline sector members do not report sales volumes to Product Care.
3. includes volume recovered via “paint exchange” program
4. represents combined flammable liquids and gasoline collection volumes
5. “elc” means equivalent litre container, and is a measure of original container capacity, not contents.

## **C. Product Care Collection Facilities**

At the end of the Reporting Period, Product Care operated 103 permanent collection depots in the province. All depots accepted paint. Of this number, 43 “Paint Plus” depots also accepted flammables, pesticides and gasoline. See the attached for a list of all Product Care’s permanent collection depots. In addition, Product Care participated in 14 one-day collection events in 2006.

The following are depot changes that occurred in 2006.

<b>Depot Name</b>	<b>Change</b>	<b>Effective Date</b>
Ridge Meadow Recycling	expanded from Paint to Paint Plus depot	Nov. 1, 2006
Penticton Recycling	name change to J&C Bottle Depot	Oct. 1, 2006
Nanaimo Recycling Exchange	relocated to 2477 Kenworth Road, Nanaimo	Dec. 1, 2006
J&C Bottle Depot	relocated to 200 Rosetown Ave, Penticton	Oct. 1, 2006
Starlite Auto Body	relocated to 1408 London Road, Sorrento	Aug. 10, 2006

## **D. Management of Residuals Collected**

During the Reporting Period, paint and other residuals collected at Product Care collection depots throughout BC were sorted and bulked at Product Care’s facility in Surrey, B.C. (except paint given away through the paint exchange program) prior to recycling or other disposal management options.

**Summary of management options for residuals collected:**

	method	Example	paint	flammables	pesticides	gasoline
1	reused	Given to a consumer in original condition through “paint exchange”	4.4%	--	--	--
2	recycled	Reprocessed as paint, used in concrete manufacture, cement manufacture, re-distillation	70.4%	--	--	--
3	utilized for recovery of energy	Fuel blending	25.2%	100%	--	100%
4	Disposal	Incineration due to contamination	--	--	100%	--
5	Landfill		--	--	--	--

References in this chart do not include the management of non program materials. The following is additional information on management options for collected materials.

**Reused: Paint Exchange program:**

Reusable paint is given away at no charge through the Paint Exchange program to members of the public and to non-profit organizations to be used for its originally intended purpose. The Paint Exchange option is offered at most Product Care depots outside the GVRD. Within the GVRD, the paint exchange program is centralized at Product Care’s facility in Surrey. As well as individuals, leftover paint is donated to a wide variety of community organizations, including church groups, community theatres and RCMP anti-graffiti programs.

Many participants obtain information about the Paint Exchange program through the RCBC materials exchange program of Recycling Council of B.C. (RCBC). This program provides a central system to connect people with leftover materials, such as paint, with groups and individuals who can use them.

During the Reporting Period, 4.4% of the paint collected by Product Care was reused through the paint exchange.

**Recycling**

Leftover latex paint was used for reprocessing into paint and also as a raw material in the manufacture of concrete and cement products. A portion of the oil-based paint collected was processed through a re-distillation system that recovers the solvents for use in other manufacturing processes such as asphalt production. During the Reporting Period 70.4% of the paint collected by Product Care was recycled in one of these ways.

### **Energy Recovery**

Through the process of fuel blending, a portion of the oil based paint and all of the flammables and gasoline collected by Product Care during the Reporting Period were used as an alternative energy source in applications such as cement kilns. Of the paint collected during the Reporting Period 25.2% was managed in this way, as well as 100% of the flammable liquids and gasoline.

### **Treatment/Incineration/Landfill**

No paint collected during the Reporting Period was disposed of in landfills. 100% of pesticides were incinerated as there is no recycling or reuse option. All incineration is conducted in licensed facilities.

### **Container Recycling**

Emptied containers are recycled where possible. Most metal paint and gasoline containers were recycled as scrap metal. All plastic paint pails (5 gal. size) and plastic gasoline containers were recycled. Plastic (polypropylene), one US gallon size paint cans and plastic solvent containers were utilized for energy value as solid fuel in cement kilns.

## **E. Reformulation and container waste reduction**

Product Care does not have specific information on each of its brand owner members' research and development activities in regards to reformulation and repackaging to reduce residual and container waste. There is a continuing trend in the paint industry to the production of water based latex paint production instead of oil based alkyd paints. Hazardous and volatile substances are increasingly limited by federal regulation. Also, pesticide manufacturers continue to reformulate consumer products to be less hazardous.

## **F. Final Treatment & Processing Facilities**

Product Care only contracts with reputable service providers with a proven record of using established, approved and environmentally sound procedures for the final treatment and processing of residuals that meet all applicable environmental regulations. Aerosol paint cans are recycled at Product Care's Surrey facility. Other products are bulked and shipped to approved contractors.

## **G. Environmental Management System Accountability**

Product Care monitored collection depot operations throughout the Reporting Period.

Operationally, Product Care utilized a due diligence and control system to minimize the possibility of an environmental incident. Some of the tools used included:

- depot "good practices" guidelines for handling and safety requirements
- depot contractual obligations

- monthly depot checklist reports
- regular depot visits/inspections

In addition Product Care maintained a blanket environmental impairment insurance policy for all contracted depots, as well as maintaining an insurance reserve fund.

All transporters carrying residuals from depots to Product Care's Surrey processing facility were reputable firms possessing the appropriate licensing.

Post-consumer residuals arriving at the Surrey facility were resorted, repacked or bulked and tracked through a written and computerized chain of custody documentation, to ensure proper disposal or recycling.

All contractors managing residuals for final processing on behalf of Product Care were required to ensure these were managed, from collection to disposal, according to all applicable environmental regulations. Only reputable companies with proven track records of sound environmental management practices were chosen to provide services to Product Care.

## **H. Reporting on approved plan's performance targets for 2006**

In 2006 the program operated according to the approved program plan filed in 2000. The information in this section responds to the performance criteria in that plan:

- Cost efficiency – In 2006, collection volumes increased by 3.8% while operating costs increased by 4.8%. Administrative expenses were lowered by 5%.
- Program safety –No reportable spills or injuries were reported by the depots serving the Product Care collection system, or by transporters. A fire occurred at one depot but did not arise from PCA operations. PCA continued its program of regular depot visits and inspections.
- Product diverted from the municipal waste stream – A total of 3,529 tonnes were managed in the Product Care program in 2006, and therefore diverted from the municipal waste stream. In order to obtain more information regarding diversion from the municipal waste stream, Product Care participates in selected municipal waste audit studies.
- Progression up the pollution prevention hierarchy – The proportion of paint managed through the "Paint Exchange" program increased by 0.5 % and the proportion of paint managed by recycling increased by 8.5%. Management of gasoline and flammable liquids through energy recovery was maintained at 100%. Composite paint cans (plastic and metal), previously land-filled, were shifted to an energy recovery option.

- Volume returns – The following chart indicates the change in volumes collected by the program in 2006 compared to 2005.

<b>Product Category</b>	<b>% change in volume (container capacity) collected vs. 2005</b>
Paint	4.3%
Paint Aerosol	-11.1%
Solvent/Flammables/Gasoline	11.1%
Pesticides	35.3%
Aerosols Other	<u>81.7%</u>
<b>Total</b>	<b>3.8%</b>

The reduction for paint aerosols of 11.1% may be due to redirection of volumes to the BC Tree Marking Paint Stewardship Program.

Public awareness – Product Care’s public awareness measures in 2006 included:

- Ongoing supply of consumer brochures and materials to depots, retailers and municipalities with brochures
- Participation in 5 municipal calendars covering 215,000 households.
- Participation in RCBC Recycling Hotline which reported a 7.6% increase in calls related to PCA products compared to 2005
- Participation in BC based conferences including Coast Waste Management and RCBC conference.
- Initiation of paint can sticker project with 2 major BC paint retailers, resulting in the distribution of 22,000 program information stickers to local paint retailers

## **I. Annual Financial Statements**

Product Care's audited financial statements from January 1, 2006 to December 31, 2006 are attached at the end of this document. This statement, prepared by an independent auditor, covers the Reporting Period.

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Attached:

- List of Depots as at December 31, 2006
- Financial Statements as at December 31, 2006