

Newfoundland and Labrador Paint Program Annual Report

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Submitted by:

Product Care Association of Canada



productcare.org

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1.0 About Product Care

Product Care Association of Canada (“Product Care”) is a federally incorporated, not-for-profit product stewardship association formed in response to stewardship regulations and governed by a multi-sector industry board of directors. Product Care has managed paint and other household hazardous and special waste industry stewardship programs since 1994.

Product Care has an approved paint stewardship plan with Multi-Materials Stewardship Board (MMSB) under the *Newfoundland and Labrador Waste Management Regulations, 2003 as amended by Regulation 100/10 (O.C. 2010-290)* (“Regulation”) enacted pursuant to the *Environmental Protection Act* (O.C. 2003-226). The Newfoundland and Labrador Paint Recycling Program (“Program”) began in April 2012.

Product Care’s members are the “producers” (manufacturers, distributors and retailers) obligated by the Regulation under the category of architectural paint.

1.1 Reporting Period

This report covers the 2018 calendar year (January 1 to December 31, 2018). All content has been prepared in accordance with section 31.12 of the Regulation.

1.2 Program Summary

The Program offers collection services throughout the Province where consumers can bring leftover household paint. Collection services are offered through retail locations, Green Depots, local government waste facilities and collection events. The Program supplies collection sites and events with standard reusable collection containers (“tubs” and drums). The Program contracts with a hauler to deliver empty collection containers to and pick up full ones from collection sites and events, and consolidate the full collection containers into loads, which are shipped to a processor for recycling. Additional program elements managed by Product Care include revenue management, communications and administration.

The Newfoundland and Labrador Paint Recycling Program Plan (“2012–2015 Program Plan”) was submitted and approved by the Minister in 2012 at the launch of the Program. A new program plan was submitted to MMSB in January 2016. Following consultation with MMSB, revised versions of the Program Plan were submitted in September 2016 and March 2018. The new program plan was approved by MMSB on the 29th November 2018. As a result of the protracted approval, this annual report addresses the performance of the Program in relation to the previous 2012–2015 Program Plan.

Table 1 summarizes the Program’s performance against regulatory requirements and commitments made in the 2012–2015 Program Plan.

Table 1: Summary of Key Performance Indicators

Commitments & Requirements	2018 Performance
Achieve at least a 70% reuse rate	Reuse rate of 75.7% was achieved.
19 permanent collection sites in 17 target communities, by end of year 1	30 permanent collection sites were operating in the 17 target communities.
Collection service in 31 target communities	Of the 31 targeted communities, permanent collection sites were established in or near 19 communities and the remaining communities were serviced through collection events.
Increase recovery rate 0.5% per year	A baseline of 3.8% was established in 2013; the first full reporting year for the program. The program achieved a recovery rate of 4.7% in 2016, 5.1% in 2017 and 4.7% in 2018.

2.0 Brand Owner Information

Program members reported the sale of approximately 3,589,579 litres¹ of Program Products in Newfoundland and Labrador for the reporting period. “Program Products” are defined by the Regulation as *“a tinted or untinted water-based, oil or solvent-based architectural coating used for a commercial or household purpose, and includes stain and the coating’s container,”* or *“a coloured or clear paint or stain sold in an aerosol container and includes the paint’s or stain’s container, but does not*

¹ Sales data is reported to Product Care in units. For the purpose of this report, sales units are converted to litres sold using coefficients based on the volume of the most common container size in each product category.

include coatings intended for marine antifouling or industrial applications...". A detailed list of products accepted by the Program can be found on Product Care's website (www.productcare.org).

3.0 Collection

This section provides a summary of:

- Collection volumes of the Program in 2018
- Overview of the collection network in the Province.

3.1 Total Amount of Post–Consumer Paint Collected

Table 2 and

Table 3 below show the total amount of post-consumer paint collected by the Program for the reporting period, as well as volumes collected by collection site type.

Table 2: Total Amount of Post-Consumer Paint Collected in 2018

	Number of Paint Tubskids²	Number of Aerosol Drums³	Residual Paint Volume (L)⁴	Residual Aerosol Paint Volume (L)⁵	Paint Reuse volume (L)	Total Residual Paint Volume (L)
Amount Collected	1,293	14	163,306	74	5,046	168,426

² Tubskid dimensions (42" x 30" x 48") with a nominal capacity of 108 one gallon paint containers. Tubskids are collected in depots and unpacked into boxes. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

³ Each drum holds approximately 175 aerosol containers.

⁴ Based on a rounded conversion rate of 126.3 L per collection bin derived from the number of tubskids processed and the total residual volume of material generated.

⁵ Based on a conversion rate of 5.25L per drum.

Table 3: Percentage of Post-Consumer Paint Collected by Collection Site Type in 2018

Type of Collection Site	% of Collection
Green Depot	27.9 %
Retailer	20.0 %
Collection Events	3.4 %
Local Government Waste Facilities	48.7 %
Total	100%

Table 4 provides the approximate number of litres of paint sold into the Province, the amount recovered and the Program's recovery rate, calculated based on the volume of paint collected as a function of volume of paint sold in the Province in 2018.

Table 4: 2018 NL Paint Sales, Residual Recovery Volume and Recovery Rate

	Total
Sales (litres)	3,589,579
Residual Recovery Volume (litres collected)	168,426
Recovery Rate	4.7%

3.2 Collection Network

The collection network of the Program is comprised of contracted permanent collection sites and one-time collection events.

3.2.1 Collection Site

The 2012–2015 Program Plan commits Product Care to offer 19 permanent collection sites in 17 target communities identified by MMSB. The Program exceeded the target by 11 sites in 2018 with a total of 30 permanent collection sites in the 17 target communities (see Table 5).

In addition, the Program committed to provide collection services in or near an additional 31 communities. Of the additional 31 communities, permanent collection sites were established in or near 19 communities at the end of 2018. The remaining 12 communities were serviced through collection events hosted by the Program.

As of December 31, 2018, the Program's collection network included 66 collection sites (see [Appendix 1](#) for a complete list).

Table 5: Permanent Sites in the 17 Target Communities at the end of 2018

Community	Collection Site
Bay Roberts	Bay Roberts Green Depot
Carbonear	Carbonear Green Depot
Clarenville	Clarenville Home Hardware
Conception Bay South	1. Handyman Home Hardware 2. RONA Conception Bay
Corner Brook	1. Corner Brook Green Depot 2. Western Regional Waste Management Wild Cove Transfer Station
Deer Lake	Paint Shop Deer Lake
Gander	1. Gander Green Depot 2. Aylwards Home Centre Gander
Grand Falls-Windsor	1. Grand Falls-Windsor Green Depot 2. Paint Shop Grand Falls
Happy Valley-Goose Bay	Happy Valley-Goose Bay Green Depot
Labrador West	1. Labrador West Regional Landfill (Hodge Brothers)
Lewisporte	Pritchett's Building Supplies
Marystown	Aylwards Home Centre Marystown
Mount Pearl	1. Mount Pearl Green Depot 2. RONA Mount Pearl 3. Paint Shop Mount Pearl
Port Aux Basques	Port Aux Basques Green Depot
Port Aux Choix	Hawkes Bay Landfill
St. John's (3 required locations)	1. Paint Shop St John's 2. Paradise Green Depot 3. Robin Hood Bay Facility 4. RONA (60 O'Leary Avenue) 5. RONA 710 (Torbay Road) 6. Smiths Home Hardware 7. Dulux Paints
Stephenville	Stephenville Green Depot

Table 6 sets out the list of 31 communities and the type of collection service offered in each community (permanent collection site or collection events).

Table 6: Collection Services in the Additional 31 Communities at the end of 2018

Community	Collection Site	Status
Baie Verte	White Bay Home Hardware	Permanent Site Established
Black Tickle	Black Tickle/Domino Local Service	Permanent Site Established
Bonavista	Bonavista Fire Hall	Collection Event
Botwood	Botwood Recycling Green Depot	Permanent Site Established
Burgeo	Burgeo Green Depot	Permanent Site Established
Charlottetown	Charlottetown Town Hall	Collection Event
Dunville	Aylwards Home Centre	Permanent Site Established in Placentia (neighbouring town)
Fogo	Fogo Island Home Hardware Building Centre Regional Site - CWMN Norris Arm - Fogo Island	Permanent Site Established
Gambo	Pritchett's Building Supplies Gambo Green Depot	Permanent Sites Established
Glovertown	Glovertown Green Depot	Permanent Site Established
Hopedale	Hopedale Fire Hall	Collection Event
L'Anse Au Loup	Labrador Strait Green Depot	Permanent Site Established
La Scie	La Scie Fire Hall	Collection Event
Makkovik	Makkovik Inuit Community Government	Permanent Site Established
Mary's Harbour	Mary's Harbour Fire Hall	Collection Event
Nain	Nain Inuit Community Government	Permanent Site Established
New Wes Valley	New-Wes-Valley Green Depot	Permanent Site
New World Island	Twillingate Green Depot	Permanent Site Established in Twillingate (neighbouring town)
Pasadena	Pasadena Fire Hall	Collection Event
Port Hope Simpson	Port Hope Simpson Fire Hall	Collection Event
Postville	Sheppard's Skidoo/Variety Shop	Permanent Site Established
Rigolet	Rigolet Fire Hall	Collection Event
Riverhead	Riverhead Green Depot	Permanent Site Established
Robert's Arm	Robert's Arm Fire Hall	Collection Event
Rocky Harbour	Rocky Harbour Fire Hall	Collection Event
Springdale	Springdale Green Depot	Permanent Site Established
St. Alban's	Milltown Fire Hall	Collection Event

Community	Collection Site	Status
St. Anthony	Landfill Subregion 1	Permanent Site Established
St. Lewis	St. Lewis Fire Hall	Collection Event
Twillingate	1. Twillingate Green Depot 2. Paint Shop Home Decorating Centre 3. Regional Site - CWMN Norris Arm	3 Permanent Sites Established

Table 7 below presents the 14 additional permanent sites established outside of targeted communities.

Table 7: Additional Permanent Collection Sites outside of targeted communities

Collection Site	Community
Buchans Junction	Regional Site - CWMN Norris Arm - Buchans Junction Chester Dawe - Fortune (RONA Store)
Davidsville	Regional Site - CWMN Norris Arm - Gander Bay
Fortune	Chester Dawe - Fortune (RONA)
Goulds	Chester Dawe - Goulds (RONA Store)
Grand Bank	Aylwards Home Centre - Grand Bank
Hawkes Bay	Hawkes Bay Landfill
Indian Bay	Regional Site - CWMN Norris Arm - Indian Bay
Labrador City	The Paint Shop Home Decorating Center - Labrador City
Norris Arm	Regional Site - CWMN Norris Arm - North Access Road
Point Leamington	Regional Site - CWMN Norris Arm - Point Leamington
Salt Pond	Burin Peninsula Regional Service Board
St. Lawrence	Aylwards Home Centre - St. Lawrence
Terra Nova	Regional Site - CWMN Norris Arm - Terra Nova
Wabush (Labrador City)	Rona Home Centre - Wabush (Store)

Until 2016, Product Care organized annual collection events in communities without permanent collection sites on a yearly basis. As shown in

Table 9, volumes collected were historically low in these communities. In April 2017, following consultation with the Program’s Advisory Committee, Product Care proposed to MMSB to conduct these collection events on a rotating, biannual basis. Table 8 below presents the collection events held in 2018, and those that will be conducted in 2019.

Table 8: Paint collection events conducted in 2018 and scheduled for 2019

	2018	2019
Charlottetown	X	
Mary’s Harbour		X
Port Hope Simpson		X
St. Lewis	X	
Robert’s Arm	X	
La Scie	X	
Pasadena		X
Rocky Harbour		X
St Alban’s / Miltown	X	
Rigolet	X	
Hopedale		X
Bonavista		X

The six paint collection events, hosted in partnership with municipalities or fire halls, netted a total of 6 tubskids of Program Product in 2018 (see Table 9). The Program collaborated with the “Recycle my Electronics” program operated by Electronic Products Recycling Association (EPRA) for the collection event in La Scie. Promotions for paint collection events included social media (Facebook, Twitter and Product Care’s website) and printed posters or banners sent to fire halls and municipalities in advance of the events for distribution throughout the communities. Despite these active marketing efforts, the volumes collected at each event were low, suggesting little or no demand for paint collection services in some of these communities.

Table 9: Tubskids Collected at Product Care Collection Events in 2015, 2016, 2017 and 2018

Collection Event Location	Tubskids Collected ⁶			
	2015	2016	2017	2018
Charlottetown	0	0	No event	1
Mary's Harbour	1	0	0.5	No Event
Port Hope Simpson	1	1	0	No Event
St. Lewis	0	1	No event	1
Robert's Arm	1	1	No event	2
La Scie*	2	0	No event	1
Pasadena	3	2.5	2	No Event
Rocky Harbour	1	2	2	No Event
St. Alban's/Milltown	0	0	No event	1
Rigolet ⁷	0	0	No event	0
Hopedale	0	2.5	0	No Event
Bonavista	3	0.5	2	No Event
Total	12	10.5	6.5	6.0

* Events held in partnership with EPRA

3.3 Additional Collection Events

The Program also participated in 26 additional collection events conducted by Eastern Waste Management Board (EWMB) as part of their household hazardous waste (HHW) program (see Table 10). PCA provided transportation and processing services for these events, which collected 38 tubskids.

Table 10: Additional Collection Events

	Community Served	Event Date
1.	Adams Cove	02-Jun-18
2.	Bay Bulls	09-Jun-18
3.	Bay-De- Grave	02-Jun-18
4.	Bellevue	15-Sep-18
5.	Carbonear	02-Jun-18
6.	Clareville	15-Sep-18
7.	Colliers	09-Jun-18

⁶ Events with "0" tubskids generally collected a few cans of paint. Generally less than 15 cans collected.

⁷ Six cans of paint were collected during the Rigolet event.

	Community Serviced	Event Date
8.	Conception Hr.	09-Jun-18
9.	Fair Haven	15-Sep-18
10.	Fermuse	09-Jun-18
11.	Georges Brook	15-Sep-18
12.	Hants Hr.	02-Jun-18
13.	Hearts Delight	02-Jun-18
14.	Holyrood	09-Jun-18
15.	Long Harbour	15-Sep-18
16.	Mt. Carmel	09-Jun-18
17.	Normans Cove	15-Sep-18
18.	Northern Bite	15-Sep-18
19.	Placentia	15-Sep-18
20.	St. Joseph's	09-Jun-18
21.	St. Vincent's	09-Jun-18
22.	Trepassey	09-Jun-18
23.	Upper Island cove	02-Jun-18
24.	Whitbourne	02-Jun-18
25.	Whiteway	02-Jun-18
26.	Winterton	02-Jun-18

3.1 Collection Site Visits

As part of the management of the collection network, Program representatives visited various collection sites to provide in-person support, deliver informational brochures and provide training about program requirements.

4.0 Processing

This section of the report sets out:

- a) The total amount of post-consumer paint processed or in storage,
- b) The percentage of post-consumer paint collected that was reused, recycled, disposed of in an engineered landfill, recovered for energy, contained, or otherwise treated or disposed of;

- c) A description of the types of processes utilized to reuse, recycle, dispose of, recover energy from, contain, or otherwise treat or dispose of post-consumer paint;
- d) A description of the efforts to redesign paint products to improve reusability and recyclability; and
- e) The location of processing or containment facilities for post-consumer paint.

4.1 Design for Environment

The paint and coatings sector continues to move forward on many fronts seeking improvements in product design for the environment. This section highlights developments in 2018, including innovations in product formulation, assessment and reassessment of chemicals of concern, use of alternative ingredients based on informed substitution, further reductions to VOC emissions, integration of sustainability reporting into business planning, exploring integration of life-cycle and sustainability metrics accounting principles, increasing alignment with international sustainability goals, investment in bio-based alternatives, and advances in the development of Product Category Rules and Environmental Product Declarations . All of these measures continue to produce products that are less harmful and more sustainable.

Canada's Chemicals Management Plan (CMP)

The paint and coatings industry is continually pursuing innovations in product formulations that strike a balance between sustainability, health, safety and product performance. An example of industry's sustainability initiatives includes involvement with the federal government's CMP. This comprehensive federal government initiative assesses chemicals in commerce for all industry sectors, including paint and coatings, and evaluates risks associated with substances contained in products and intended uses or applications of the product. These risk assessments are done with a view to banning highly toxic substances that are considered dangerous to human health and the environment or managing the risks in the ones that are deemed to be less harmful.

The CMP entered its third phase in 2018 and identified 1,550 substances being risk assessed for potential to cause harm to human health or the environment. Over five hundred of those chemicals are implicated in the paint and coatings industry. Canadian Paint and Coatings Association (CPCA) is now concluding formal assessments of these 500-plus substances used in coatings formulations, which will conclude in 2020. Beyond 2020, the federal government will continue to identify new substances and issues to be reviewed related to chemicals in commerce including those used in the coatings industry. As part of the CMP, government and industry associations, including the CPCA, are engaged in formal discussions on how industry might consider 'informed substitution' for more sustainable ingredients to be used in paint product formulations. This will address the issue of removing any remaining 'chemicals of concern' from product formulations and replacing them with more environmentally friendly options.

VOC emissions reductions in the Paint and Coatings Industry

Compared with 2002 levels, the architectural paint and coatings sector has achieved 74 per cent reduction in overall VOC emissions due to lowering of the VOC content in waterborne products and by eliminating most of the solvent borne product lines completely. These industry efforts greatly exceeded the government's own expectations, which was projected to be a 28 per cent reduction.

Over the past ten years VOC emissions have been reduced by an additional 20 per cent for a total of 94 per cent reduction, representing 41 kilotonnes. This is a total emissions reduction equivalent to approximately 380,000 average sized automobiles annually. This has been a major advancement in sustainability of paint.

The federal government under Environment and Climate Change Canada (ECCC) is now engaged in a new study looking at VOC emissions in coatings products beginning April, 2019. The study is proceeding with its broad national VOC Survey for all paint products sold in Canada, except for paint products not covered under Canada's *VOC Concentration Limits for Architectural Coatings Regulations*. The ECCC Products Division's goal is to identify possible amendments to regulations by looking at concentration limits in other jurisdictions while performing a cost-benefit analysis.

Sustainability reporting

Many companies now have sustainability goals and targets with regular sustainability reporting as an ongoing part of their business planning. This allows companies to integrate environmental challenges into their long-term product development strategy.

World Coatings Council: Circular economy efforts aligned with leftover paint

The World Coatings Council (formerly IPPIC) Industry Stewardship Committee will soon proceed with two projects. Firstly, to develop a consensus approach on including life-cycle and sustainability metrics accounting for aspects related to chemical management efforts. Initially this will be for biocides and preservatives, but it will also be used to prepare for additional challenges with key raw material suppliers as part of the overall approach. Secondly, it will seek to align key industry activities with the UN Sustainable Development Goals, and focus on examples that provide real, quantifiable support. It will look at how paint and coatings contributes to the UN's 17 Sustainable Development Goals.

Environmental product declarations for architectural paint

The coatings industry is currently working on enhancing sustainability by establishing Product Category Rules (PCR). These PCRs will help form the basis for products to have Environmental Product Declarations (EPD), which would reflect the properties of various architectural paint products. The documents developed to date relate to the Life Cycle Analysis (LCA) for the specific architectural product category to produce clear environmental product declarations according to ISO 14025 standard. The PCR includes all life-cycle phases for both interior and exterior applications. The scope excludes adhesives and coatings solely for shop applications, original equipment manufacturing, or application to non-stationary structures, such as vehicles, airplanes, ships, boats, and railcars.

The goal of this PCR is to specify the guidelines for developing a Type III Environmental Product Declaration (EPD) in conformance with ISO 21930 and 14025. The goal of an LCA study conforming to this PCR shall be, at a minimum, to identify the potential

environmental impacts of each life cycle phase of the product, or enable product improvement over the full life cycle of the product. It shall be presented in such a way to ensure its relevance to the public or for internal company use.

Governments of Canada and Quebec support growth of CelluForce

The federal government will invest a combined \$6.4-million investment to support CelluForce Inc.'s innovative cellulose nanocrystal facility becoming the world's first full commercial demonstration-scale plant of its kind. This new material can be used in everything including paints and adhesives, and is produced from the cellulose in trees and made from wood that is abundant, renewable and biodegradable.

Worldwide sales of bio-based coating solvents currently account for just over 10 per cent share of the market (less than 13 per cent in the EU alone, or 630,000 tons/5 million tons). However, this niche is expected to gain significant traction in the near future, while permeating key applications such as architectural coatings and industrial equipment coatings.

Sustainability underlines contribution of coatings as an enabler for waste reduction

When coatings manufacturers source raw materials, they will have to join forces with their suppliers to sharply increase the share of bio-based materials and recycled content, learning to make better use of such materials. More importantly, brand owners want to offer customers technologies and solutions that enable them to reduce emissions and material use, such as lower curing temperatures, low or zero solvents, and fewer layers. This helps customers reduce their overall environmental footprint, the ultimate goal of sustainability.

Above all, paint use is about better performance, durability and long-term protection of the underlying substrate – wood or metal – and products that reflect heat, reduce fuel use and friction, or create insulating capacity. It's about solutions being non-hazardous and thus enabling the underlying products such as furniture, transport or building materials to be reused and recycled. Coatings are indeed a true 'enabler' of environmental sustainability that prevents products from being turned into waste.

4.2 Post–Consumer Paint Processed

The paint collected by the Program was received from collection sites and collection events and consolidated into boxes at the haulers' warehouse. Boxes of paint were then shipped to the Program's paint processor's facilities, Laurentide Resources Atlantic Inc., in Springhill, Nova Scotia or Victoriaville, Quebec for processing (i.e., opened, sorted, bulked and recycled). Aerosols were sent to Terrapure Environmental's facilities in Saint John's or Foxtrap, Newfoundland for processing and energy recovery.

In 2018, a total of 700 boxes of post-consumer paint were delivered for processing and 471 boxes were processed, including carryover volumes from 2017 (see Table 11).

Table 11: Total Amount of Post–Consumer Paint Processed in 2018

	Number of boxes	Number of Aerosol Drums ⁸	Residual Paint Volume (L) ⁹	Residual Aerosol Paint Volume (L)	Total Residual Paint Volume ¹⁰ (L)
Volume Processed	471	19	104,001	100	104,101

4.3 Management Methods

The following section describes each method the Program used to reuse, recycle, or otherwise treat or dispose of post-consumer paint.

Reuse (Paint Reuse Program)

The Paint Reuse Program, previously "Paint Exchange", makes better quality returned paint available to the public free of charge at participating collection sites. The collection sites record and report the number of containers given away. This is a highly efficient way to achieve reuse as the paint does not require transportation and reprocessing. An estimated 5,046 litres of paint was given away to consumers

⁸ Based on a rounded conversion of rate of 5.25 per drum.

⁹ Based on a rounded conversion rate of 220.8 L per box.

¹⁰ Total residual paint volume does not include paint reuse volumes.

through the Paint Reuse Program in 2018. Paint Reuse was offered at 20 collection sites (15 Green Depots, 1 retailer and 4 local government sites), accounting for 30% of the Program's collection sites. Reuse volumes are estimated by assuming that each container given away is 75% full on average.

Recycling

At the Laurentide Re-sources facility, paint containers were removed from the collection bins, inspected, opened, sorted by type, colour and quality, and poured into shipping containers according to management options. Bulk paint of recyclable quality was then transferred to Laurentide Re-sources, Richibucto storage facility, where it was distributed to an affiliated processor, Peintures Recupérées du Québec (PRQ) in Victoriaville, QC or transferred to other international recyclers. Table 12 provides the quantities of water-based paint and solvent-based paint that were reprocessed and recycled into paint. The diminishing market for solvent-based paint has made it increasingly difficult to recycle. Consequently, while a limited amount of solvent-based paint continues to be recycled, a large portion of the volume is sent for energy recovery.

Table 12: Type and Quantity of Paint Recycled in 2018

Type	Litres	Percentage of Paint Recycled
Water-based paint	68,019	87.7%
Solvent-based paint	9,583	12.3%
Total	77,602	100%

The Regulation requires 70% of paint collected be “reused”, where reuse is defined as a combination of both reused (Paint Reuse Program) and recycled paint. In 2018, the Program surpassed its target, achieving a 75.7% reuse rate.

Energy Recovery

Not all solvent-based paint collected is of suitable quality for paint recycling. In some cases, the paint may be in the form of skins or sludge, of an undesirable colour, contaminated or of the wrong chemistry for paint. In addition, regulations, such as

Federal VOC Regulations, require more stringent limits on certain chemical constituents, which tend to be found in higher concentrations in older paints, making it difficult to recycle. Finally, the market for recycled solvent-based paint is significantly smaller than that for water-based products and demand continues to decline.

Due to the high solvent content of solvent-based paints, these products are suitable for energy recovery. Through the process of fuel blending, solvent-based paint collected by the Program that is not suitable for paint recycling is used as an alternative energy source in applications, such as permitted incinerators. During the reporting period, 5,999 litres of solvent-based paint and paint from paint aerosols processed were blended with other fuels and utilized for energy value at licensed facilities.

Landfill

The sorting and bulking of water-based paint by Laurentide generated 20,500 litres of non-recyclable water-based sludge/solid, which were solidified and disposed of at a landfill.

Incineration

Incineration is typically utilized when solvent-based paint is contaminated with PCBs and therefore not suitable for energy recovery. During the reporting period, no material was contaminated with PCB and hence there was no material sent for incineration.

4.4 Percentage of Post-Consumer Paint by Disposal Method

Table 13 below shows the breakdown of post-consumer paint managed by the different product management methods.

Table 13: Percentage of Post-Consumer Paint by Management Method in 2018

Method	Volume (litres)	Percentage
Reuse – Paint Reuse Program	5,046	4.6%
Reuse – Paint Recycling	77,602	71.1%
Energy Recovery	5,999	18.8%
Landfill	20,500	5.5%
Incineration	0	0.0%
Total	109,147	100%

4.5 Metal and Plastic Containers Collected and Recycled

Metal and plastic containers were managed by two processors contracted by Product Care. D,R, Metal Recycling is a scrap metal recycler, which takes empty metal paint containers that have been baled and mixes them with other metals. Similarly, Rebut's Métaux J P Grégoire Inc, processes the metals from paint aerosol containers. The bales of scrap metals are then sold as a commodity and eventually end up being recycled at a smelter. Laurentide shreds the plastic paint cans, sends them for recycling, and sells the product as a commodity.

Table 14 summarizes the weight and management options for metal and plastic containers.

Table 14: Weight of Metal and Plastic Containers Consolidated by Processors in 2018

Container Type	Recycled (tonnes)	Processor	Management Process
Metal	24.3 ¹¹	D.R. Metal Recycling (Moncton, NB) / Rebuts Métaux J P Grégoire Inc, (Saint-Paul, QC)	Mixed with other scrap metal and sold as a commodity that is eventually sent for smelting
Plastic pails (HDPE 2)	0.98	Laurentide Re-sources Atlantic	Combined and baled with other plastics and managed as a commodity for plastics recycling or sent for reuse
Plastic paint cans (polypropylene)	5.86	Laurentide Re-sources Atlantic	Processed and sold as a commodity for plastics recycling

4.6 Processing and Containment Facilities

The following is a list of all the paint processing or containment facilities used by the Program.

Hebert's Recycling Inc. 14 Clyde Avenue, Mount Pearl, NL A1N 4S1	Containment Facility
Laurentide Resources Atlantic Inc. 100 Main Street Springhill, NS B0M 1X0	Processing Facility
Laurentide Re-sources Atlantic Inc. 9322 Rue Main Richibucto, NB E4W 4C7	Storage Facility
Société Laurentide Inc. 345 Bulstrode Street Victoriaville, QC G6T 1P7	Processing Facility
Terrapure Environmental 349 Incinerator Rd, St. John's, NL A1H 0B4	Processing Facility

¹¹ Metal weight for aerosol paint cans is calculated using a conversion factor of 35.5 kg per aerosol drum

5.0 Communication and Education

In 2018, Product Care implemented a number of different methods to raise consumer awareness of the paint recycling program in Newfoundland and Labrador, in accordance with regulatory requirements. The following section provides details regarding communication and public education for the program in 2018.

5.1 Program Awareness

In November 2017, an online survey was conducted among 808 residents representative of Newfoundland and Labrador's adult population. The survey revealed that 58% of residents are aware of a recycling program for paint in the province – an increase of 13 percentage points over 2015 awareness levels (45%). The next consumer awareness study will be conducted in 2019.

5.2 Website

ReGeneration.ca, Product Care's former consumer website (replaced by ProductCare.org in January 2019), included the following content for the Newfoundland and Labrador paint recycling program:

- Collection site locator (a searchable map displaying locations of all Newfoundland and Labrador paint recycling locations – see [Appendix 2](#))
- Hours of operations and contact information for collection sites
- Lists of accepted and not accepted products
- Tips for storing and buying the correct amount of paint
- Videos showing the product management approach for paint
- Other information (e.g., a description of the PaintReuse program, frequently asked questions, etc.)
- A fillable form for ordering promotional materials, such as rack cards and floor decals
- Information about the environmental and economic benefits of paint stewardship

An estimated 165,662 unique visitors accessed *ReGeneration.ca* during the 2018 calendar year. The Newfoundland and Labrador section (including sub-sections for

accepted products, fee information, and PaintReuse) received 6,061 page views. In addition, users conducted 6,149 searches for Newfoundland and Labrador recycling locations using the ReGeneration collection site locator.

5.3 Program Hotline

Product Care continued to operate a toll-free, bilingual “hotline” where consumers obtained information about the Program.

5.4 Print Advertising

A full-page inside cover print ad and article were featured in *CPCA Insight Trade Publication* (see [Appendix 3](#)). Seven thousand copies were distributed to industry members.

5.5 Digital Advertising

All digital campaigns listed below reached the entire province.

1. **Google Search Advertising Campaign:** March to December, 2018
 - a) A search advertising campaign served text-based paint ads that show up at the top of internet search results. Ads were shown to provincial residents based on an extensive list of keyword searches relevant to the Program, with the intention of driving clicks through to the Program’s website.
 - b) Newfoundland and Labrador’s ads collectively generated 492 impressions and 93 clicks.
2. **Google Display Advertising Campaign:** June to December, 2018
 - a) A Newfoundland and Labrador-specific display advertising campaign served image-based, paint-related ads to provincial residents based on increasingly refined targeting. These awareness-building ads appear as image boxes embedded within relevant third party websites.
 - b) Two iterations of the ads were run, the first receiving 6,435,700 impressions and 1,337 clicks, and the second receiving 4,696,569 impressions and 6,854 clicks.
 - c) Ads were specifically targeted to internet users who performed online searches related to paint purchasing, usage, and disposal in Newfoundland

and Labrador. Secondary targeting focused on individuals searching for home improvement and DIY-related terms, in order to reach a wider, but still relevant, population.

3. **Facebook Advertising Campaign:** A Newfoundland and Labrador-specific campaign promoted the paint recycling program through News Feed ads proactively targeting the province's residents on an ongoing basis. Audience targeting was broad to allow data collection and analysis on a range of audiences to inform the Program's digital targeting strategy going forward.
4. **Gated Facebook Content Strategy:** Newfoundland and Labrador-specific organic page content (aka unpaid content), available only to province residents who already follow the page, focused on paint recycling, and the recycling community in general. Gating the content ensures that is visible exclusively to residents of Newfoundland and Labrador, allowing for targeted and localized messaging despite the page's national following.
5. **Targeted blog posts:** More than 30 blog posts were targeted at relevant audience members including, but not limited to, homeowners, female heads of households, and environmentally-inclined individuals in Newfoundland and Labrador. Topics included specific information on paint recycling, "do it yourself" ("DIY") content, renovation tips, and sustainability best practices. All posts included a call-to-action to find a recycling location or interact with the brand on social media. Collectively, these posts received 62,141 views.

See [Appendix 4](#) for examples of all digital advertising activities.

5.6 Community Events and Partnerships

Product Care attended municipal and community events to promote paint recycling in Newfoundland and Labrador. These included:

- St. John's Waste Reduction Week event, October 2018. The event promoted waste reduction and diversion to over 300 local residents.
- Portugal Cove St. Phillips Environmental Fair, April 2018. Several environmental vendors and organizations (including Product Care) promoted sustainability and positive environmental behavior to more than 350 local residents.

5.7 Point of Sale (PoS) and Point of Return (PoR) Materials

In 2018, Product Care distributed both PoS and PoR materials to retailers and recycling locations on request. The following materials were available for order through an online order form:

- Rack cards
- Posters
- Floor decals

Signage for recycling locations was also made available throughout the year, free of charge, for participating recycling locations. See [Appendix 5](#) for examples.

6.0 Financial Information

The Program's audited financial statements are provided in [Appendix 6](#) of this report.

APPENDIX 1 – Collection Sites as of December 31, 2018

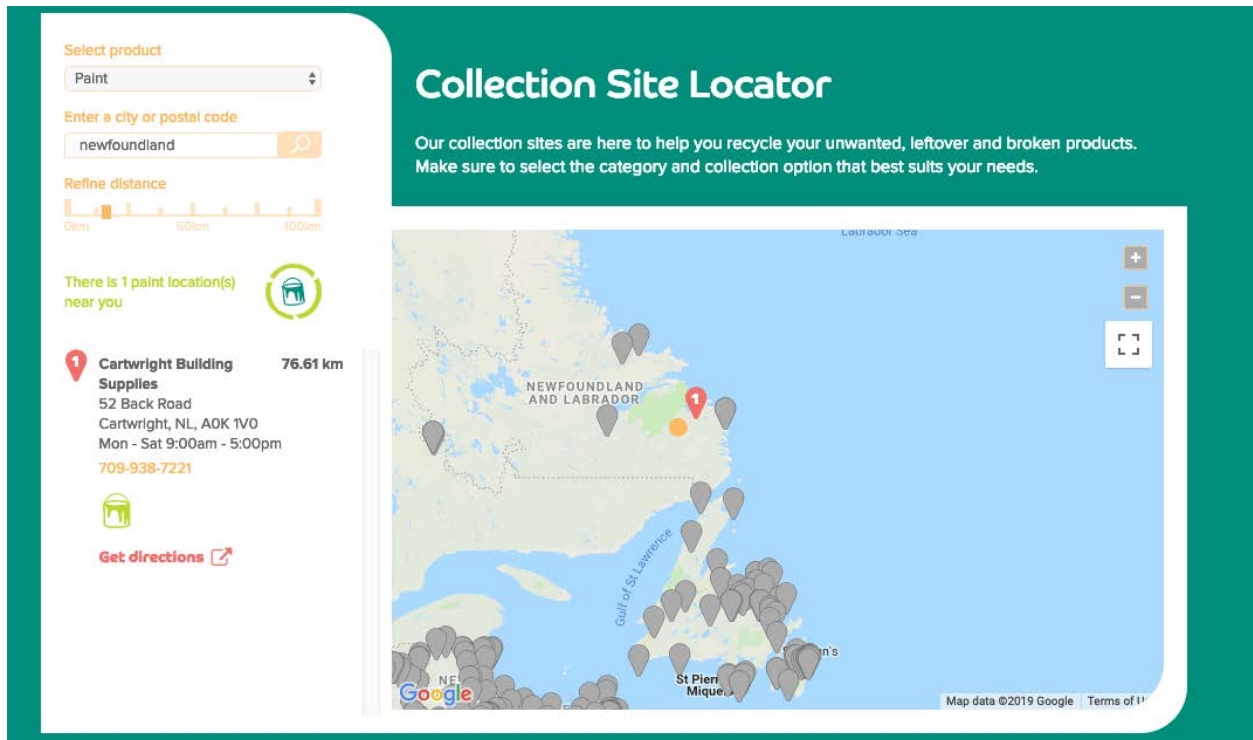
Depot Name	City	Type	Paint Reuse
White Bay Home Hardware	Baie Verte	Retailer	No
Bay Roberts Green Depot	Bay Roberts	Green Depot	Yes
Chester Dawe – Bay Roberts (RONA Store)	Bay Roberts	Retailer	No
Black Tickle / Domino Local Service District	Black Tickle	Government	No
Botwood Recycling Green Depot	Botwood	Green Depot	Yes
Regional Site – CWMN Norris Arm – Buchans Junction	Buchans Junction	Government	No
Burgeo Green Depot	Burgeo	Green Depot	Yes
Carbonear Green Depot	Carbonear	Green Depot	Yes
Cartwright Building Supplies	Cartwright	Retailer	No
Regional Site – CWMN Norris Arm – New Wes Island / Twillingate	Chapel Island	Government	No
Clareville Home Hardware	Clareville	Retailer	No
Chester Dawe – Kelligrews Conception Bay (RONA Store)	Conception Bay South	Retailer	No
Handyman Home Hardware	Conception Bay South	Retailer	No
Corner Brook Green Depot	Corner Brook	Green Depot	Yes
Western regional Waste Management Wild Cove Transfer Station	Corner Brook	Government	No
Regional Site – CWMN Norris Arm – Gander Bay	Davidsville	Government	No
The Paint Shop Home Decorating Center – Deer Lake	Deer Lake	Retailer	No
Fogo Island Home Hardware Building Centre	Fogo	Retailer	No
Regional Site – CWMN Norris Arm – Fogo Island	Fogo Island	Government	No
Chester Dawe – Fortune (RONA Store)	Fortune	Retailer	No
Gambo Green Depot	Gambo	Green Depot	No
Pritchett's Building Supplies – Gambo	Gambo	Retailer	No
Aylwards Home Centre – Gander	Gander	Retailer	No
Gander Green Depot	Gander	Green Depot	Yes
Glovertown Green Depot	Glovertown	Green Depot	Yes
Chester Dawe – Goulds (RONA Store)	Goulds	Retailer	No
Aylwards Home Centre – Grand Bank	Grand Bank	Retailer	No

Depot Name	City	Type	Paint Reuse
Grand Falls-Windsor Green Depot	Grand Falls-Windsor	Green Depot	Yes
Paint Shop Home Decorating Center - Grand Falls	Grand Falls-Windsor	Retailer	No
Happy Valley Goose Bay (HVGB) Green Depot	Happy Valley Goose Bay	Green Depot	Yes
Hawkes Bay Landfill	Hawkes Bay	Government	No
Regional Site - CWMN Norris Arm - Indian Bay	Indian Bay	Government	No
The Paint Shop Home Decorating Center - Labrador City	Labrador City	Retailer	Yes
Labrador Straits Green Depot	L'Anse Au Loup	Green Depot	Yes
Pritchett's Building Supplies - Lewisporte	Lewisporte	Retailer	No
Makkovik Landfill	Makkovik	Government	Yes
Aylwards Home Centre - Marystown	Marystown	Retailer	No
Chester Dawe - Mount Pearl (RONA Store)	Mount Pearl	Retailer	No
Mount Pearl Green Depot	Mount Pearl	Green Depot	Yes
The Paint Shop - Mount Pearl	Mount Pearl	Retailer	No
Nain Inuit Community Government	Nain	Government	Yes
New Wes Valley Green Depot	New Wes Valley	Green Depot	No
Regional Site - CWMN Norris Arm - North Access Road	Norris Arm	Government	Yes
Aylwards Home Centre - Placentia	Placentia	Retailer	No
Paint Shop Home Decorating Center - Placentia	Placentia	Retailer	No
Regional Site - CWMN Norris Arm - Point Leamington	Point Leamington	Government	No
Port Aux Basques Green Depot	Port Aux Basques	Green Depot	Yes
Sheppard's Variety	Postville	Retailer	No
Riverhead Green Depot	Riverhead	Green Depot	No
Burin Peninsula Regional Service Board	Salt Pond	Government	No
Springdale Green Depot	Springdale	Green Depot	No
LVEU - Landfill Site - Subregion 1 (Northern Peninusla Regional Services Board)	St. Anthony	Government	Yes
Chester Dawe - St. Johns #1 (RONA Store)	St. John's	Retailer	No
Chester Dawe - St. Johns #2 (RONA Store)	St. John's	Retailer	No

Depot Name	City	Type	Paint Reuse
Dulux Paints	St. John's	Retailer	No
LVEU – St. John's Landfill – Robin Hood Bay	St. John's	Government	No
Paint Shop Home Decorating Center – St John's	St. John's	Retailer	No
Paradise Green Depot	St. John's	Green Depot	Yes
Smiths Home Hardware	St. John's	Retailer	No
Aylwards Home Centre – St. Lawrence	St. Lawrence	Retailer	No
Stephenville Green Depot	Stephenville	Green Depot	Yes
Regional Site – CWMN Norris Arm – Terra Nova	Terra Nova	Government	No
The Paint Shop Home Decorating Center – Twillingate	Twillingate	Retailer	No
Twillingate Green Depot (and Auto)	Twillingate	Green Depot	Yes
LVEU – Labrador West Landfill (Hodge Brothers)	Wabush	Green Depot	No
Rona Home Centre – Wabush	Wabush (Labrador City)	Retailer	No

APPENDIX 2 – Collection Site Locator

The image below provides a snapshot of the Program's collection site locator tool available at regeneration.ca.



APPENDIX 3 – Print Advertising

CPCA Cover AD

This CPCA ad was featured in the CPCA Insight Trade Publication along with an article focused on Product Care paint programs.



The advertisement features a light blue background. In the top left corner, there is a red square containing a white recycling symbol. Below this, two paint cans are shown at an angle. The can on the left is red and white, labeled 'PAINT' in large white letters on the red section, and 'Mandy Red' in smaller black letters on the white section. The can on the right is teal and white, labeled 'PAINT' in large white letters on the teal section, and 'Teal Matte' in smaller black letters on the white section. Both cans have a small recycling symbol on their labels. To the right of the cans, the text 'Caring for your paint products' end of life so you don't have to' is written in a bold, teal font. Below this text is a horizontal red line. Underneath the line, the text 'For more information about our recycling programs available in your province, visit us at productcare.org' is written in a smaller black font. At the bottom of the advertisement, there is a teal banner. On the left side of the banner is the 'productcare' logo, which consists of a white circular arrow icon followed by the word 'productcare' in white lowercase letters. On the right side of the banner, the contact information is listed in white text: 'Phone: 604-592-2972', 'Toll Free: 1.877.592.2972', and 'Email: info@productcare.org'.

Caring for your paint products' end of life so you don't have to

For more information about our recycling programs available in your province, visit us at productcare.org

productcare

Phone: 604-592-2972
Toll Free: 1.877.592.2972
Email: info@productcare.org


APPENDIX 4 – Digital Advertising

Below is a snapshot of the Program's collection site locator tool available at regeneration.ca.

Website Blog Posts

4 EXPERT TIPS FOR CHOOSING PAINT COLOURS IN YOUR HOME

April 30th, 2018 / [Blog](#)




Sunset Orange, Popsicle Dream, or Pumpkin Soup? Renovation decisions ...

[READ MORE](#)

DON'T CAN YOUR EMPTY PAINT CANS—RECYCLE THEM!

June 1st, 2018 / [Blog](#)




It's official: you can recycle paint cans in almost all Canadian ...

[READ MORE](#)

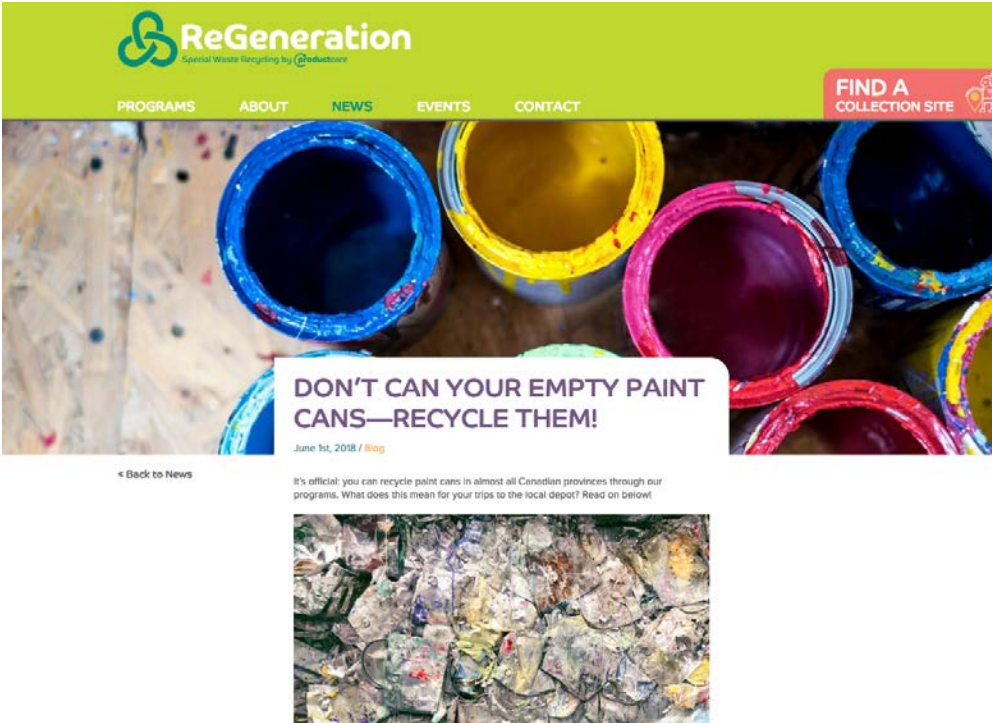
5 ECO-FRIENDLY TIPS FOR HOMEOWNERS

July 30th, 2018 / [Blog](#)



Becoming a homeowner for the first time is very exciting— It's a huge ...

[READ MORE](#)



ReGeneration
Special Waste Recycling by [@reductible](#)

PROGRAMS ABOUT **NEWS** EVENTS CONTACT

FIND A COLLECTION SITE

DON'T CAN YOUR EMPTY PAINT CANS—RECYCLE THEM!

June 1st, 2018 / [Blog](#)

[← Back to News](#)

It's official: you can recycle paint cans in almost all Canadian provinces through our programs. What does this mean for your trips to the local depot? Read on below!

Google Search Ads

Recycle Old Paint Today | Find A Drop-Off Site Near You ⓘ

 www.regeneration.ca

Keep paint out of landfills - recycle it! Find your nearest drop-off site here

[About Product Care](#)

[Products We Accept](#)

[Donate Old Paint](#)

[Recycle Your Paint](#)

Google Display Ad



Sample Facebook Ad



...

Our recycling program keeps millions of litres of paint out of landfill each year. Recycle your leftover paint at locations and events across Newfoundland and Labrador.



REGENERATION.CA/PAINT-RE...
How To Recycle Your
Leftover Paint

[LEARN MORE](#)

 Like

 Comment

 Share

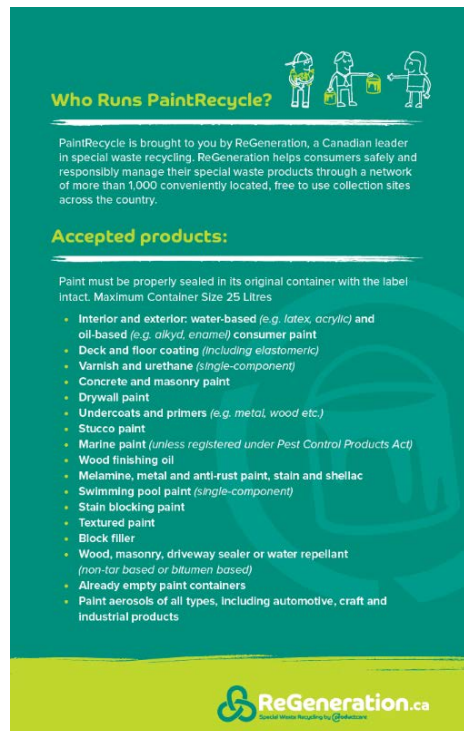
Appendix 5 – PoS and PoR Materials

The following PoS and PoR materials were made available in 2018, including floor decals, posters and collection site signage.

PoS/PoR Floor Decal



PoS/PoR Poster



Recycling Location Signage



ACCEPTED PRODUCTS

- Paints and coatings in containers equal to or less than 25 Litres
- All stains and coatings
- Interior & Exterior: latex, acrylic, water-based, alkyd, enamel, oil based consumer paints
- Deck coatings and floor paints (including elastomeric)
- Varnishes and urethanes (single component)
- Concrete/masonry paints
- Drywall paints
- Paints for stucco
- Primers/Undercoats (metal, wood)
- Marine paints (not registered under Pest Control Product Act)
- Wood finishing oils
- Wood preservatives (unless registered under Pest Control Act)
- Melamine, metal & anti-rust paints, stains, shellac
- Swimming pool paint (single component)
- Stain blocking paint
- Textured paint (ceiling, wall)
- Block fillers
- Wood, masonry, driveway & roof sealers/coatings or water repellents (including all tar based & bitumen based)
- Aerosol paint of all types including Automotive, Craft and Industrial



- Maximum container size is 25 L.
- Aerosol paint spray cans 660 grams or 24 oz.
- Products must be in their original container with label intact
- Container must be tightly sealed
- Do not mix different types of paint products together



NOT ACCEPTED

- Waxes and polishes
- Caulks and sealants
- Paints or wood preservatives that are registered as a
- Pesticide under the pest control act (has P.C.P. Reg # on label) e.g. marine anti-fouling paint, should be treated as a pesticide
- Craft and artistic paint (non-aerosol)
- Automotive paint (non-aerosol)
- Industrial paints & finishes (eg. baked-on, heat resistant etc.)
- Stucco and spackling compounds
- Glues
- Adhesives
- Epoxy
- 2-part or component paints containing catalyst or activator
- Traffic or line marking paint
- Quick drying paint
- Resins
- Paint thinners, mineral spirits or solvents
- Deck cleaners
- Colorants and tints
- Brushes, rags and rollers



ReGeneration.ca
Special Waste Recycling by Productcare

APPENDIX 6 – Audited Financial Statements for the Newfoundland and Labrador Paint Stewardship Program

**PRODUCT CARE ASSOCIATION OF CANADA
NEWFOUNDLAND AND LABRADOR
PAINT RECYCLING PROGRAM**

**STATEMENT OF REVENUES AND EXPENSES
AND ACCUMULATED SURPLUS**

31 DECEMBER 2018

**PRODUCT CARE ASSOCIATION OF CANADA
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses and Accumulated Surplus**
For the year ended 31 December 2018

Contents

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Notes to the Statement of Revenues and Expenses and Accumulated Surplus	7 - 8



ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1090 West Georgia Street
Vancouver, B.C. V6E 3V7
Tel: 604-684-1101 Fax: 604-684-7937
E-mail: admin@rolfebenson.com

INDEPENDENT AUDITORS' REPORT

To: The Multi-Materials Stewardship Board

Report on the Audit of the Statement of Revenues and Expenses and Accumulated Surplus

Opinion

As required by the Newfoundland and Labrador Waste Management Regulations (100/10 (31.12(1(I)))) we have audited the Statement of Revenues and Expenses and Accumulated Surplus of the Newfoundland and Labrador Paint Recycling Program (the "Statement") as reported by Product Care Association of Canada for the year ended 31 December 2018 and a summary of significant accounting policies and other explanatory information.

In our opinion, the Statement presents fairly, in all material respects, the revenue and expenses and accumulated surplus of the Newfoundland and Labrador Paint Recycling Program for the year ended 31 December 2018 in accordance with Canadian Accounting Standards for Not-For-Profit Associations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the Statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter - Restriction on Distribution and Use

This report is prepared on the direction of Product Care Association of Canada's management and The Multi-Materials Stewardship Board. As a result, the report may not be suitable for another purpose. Our report is intended solely for Product Care Association of Canada's management and The Multi-Materials Stewardship Board, and should not be distributed to other parties.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation and fair presentation of the Statement in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITORS' REPORT - Continued

In preparing the Statement, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' Responsibilities

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT - Continued

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
22 March 2019

**PRODUCT CARE ASSOCIATION OF CANADA
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM**
Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2018

	2018	2017
Revenues	\$ 786,455	\$ 755,303
Program expenses		
Transportation	238,194	220,152
Processing	193,651	325,018
Collection	71,393	65,464
Administration (Note 2(b) & (d))	57,290	80,141
Regulatory	47,589	6,685
Communications	14,552	46,290
	<u>622,669</u>	<u>743,750</u>
Excess of revenues over expenses for the year	163,786	11,553
Accumulated surplus - beginning of the year	1,321,586	1,310,033
Accumulated surplus - end of year	\$ 1,485,372	\$ 1,321,586
Commitment (Note 3)		

The accompanying notes are an integral part of this statement of revenues and expenses and accumulated surplus.

**PRODUCT CARE ASSOCIATION OF CANADA
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM**
Notes to the Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2018

1. Basis of Presentation

The Statement of Revenues and Expenses and Accumulated Surplus (the "Statement") only includes the revenues and expenses of the Newfoundland and Labrador Paint Recycling Program (the "Program"), a segment of the operations of Product Care Association of Canada (the "Association").

2. Summary of Significant Accounting Policies

The Statement is prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue Recognition

Environmental Handling Fees are received from members of the Association making sales of designated program materials within the province of Newfoundland and Labrador. The Association recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Environmental Handling Fees revenues are recognized as individual members report and remit them as required by the Association's membership agreement which is at the end of the month following the reporting period that the designated program materials were sold by the member.

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates is as follows:

Depot equipment	5 years
-----------------	---------

Included in administration expense is \$1,100 (2017 - \$1,100) of amortization expense related to tangible capital assets.

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses and disclosure of contingencies included in the Statement. Accounts subject to estimates include revenue accruals, expense accruals, amortization, overhead allocation and processing commitments. Actual results could differ from those estimates.

**PRODUCT CARE ASSOCIATION OF CANADA
NEWFOUNDLAND AND LABRADOR PAINT RECYCLING PROGRAM**
Notes to the Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2018

3. Summary of Significant Accounting Policies - continued

(d) General and Administrative Expenses - Overhead Allocation

A portion of the total general and administrative expenses of the Association, net of expense recoveries, has been allocated to the Program. The allocation of general and administrative expenses to the Program is determined using the percentage of program specific operating expenses as compared to total operating expenses for all the Association's programs. Included in administration expense is \$38,741 (2017 - \$40,766) of overhead expense which has been allocated to the Program.

3. Processing Commitment

At year end, the Association had unprocessed program material on hand related to the Program with an estimated cost to process, transport and recycle of \$234,465 (2017 - \$120,281) which will be incurred in 2019.