

New Brunswick Paint Program Annual Report

May 1st, 2020

Submitted by:

Product Care Association of Canada



productcare.org

Table of Contents

1	About Product Care.....	3
2	Brand Owner Sales Information.....	4
3	Collection.....	4
4	Processing.....	9
5	Communication and Education	18
6	Financial Information.....	22
7	Audit of NB Paint Stewardship Program.....	22
	APPENDIX 1 – Collection Site Details as of December 31, 2019.....	23
	APPENDIX 2 – Recycling Locator Tool.....	25
	APPENDIX 3 – PoS and PoR Materials.....	25
	APPENDIX 4 – Digital Advertising Activities.....	27
	APPENDIX 5 – CPCA Insight Print Advertisement.....	30
	APPENDIX 6 – Audited Financial Statements.....	31
	APPENDIX 7 – Report of Independent Auditor	40

1 About Product Care

The New Brunswick Paint Stewardship Program (“Program”) is administered and operated by Product Care Association of Canada (“Product Care”). Product Care, on behalf of its members, oversees the administration, collection, transportation and recycling and management of all regulated post-consumer paints and aerosols.

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 developed and managed paint, household hazardous waste and special waste stewardship programs since 1994.

Product Care’s members are the “brand owners” (manufacturers, distributors and retailers) of “consumer paint products” as defined pursuant to the *Designated Materials Regulation 2008-54* (“Regulation”) under the category of architectural paint.

1.1 Reporting Period

This report covers the 2019 calendar year (January 1 to December 31, 2019). All content has been prepared in accordance with section 45(1) of the Regulation.

1.2 Program Summary

Product Care has had an approved paint stewardship program plan with Recycle New Brunswick (“Recycle NB”) under the Regulation since 2009. The Program Plan was renewed in 2015 for another five years.

Program Products are defined by the Regulation as “*a tinted or untinted water-based, oil or solvent-based architectural coating used for commercial or household purposes, including stain, and includes 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 include coatings intended for marine antifouling, industrial or automotive applications*”. A detailed list of products accepted by the Program is found on Product Care’s website.

The Program is funded by environmental handling fees (EHFs), which are remitted to

Product Care by its paint industry members on sales of Program Products in or into New Brunswick. The fees are used to operate the Program, including collection, transportation, recycling and management of leftover paint, as well as program administration and consumer education.

The Program offers collection sites throughout the Province where consumers can bring leftover household paint. Collection services are offered through redemption centres, retail locations, local government recycling/waste facilities and collection events. The Program supplies collection sites with standard reusable collection bins (“tubskids” and drums). The Program contracts with a hauler to deliver empty collection containers 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 processing. Additional Program elements managed by Product Care include revenue management, communications and administration.

2 Brand Owner Sales Information

Program members reported the sale of approximately 4,660,038 litres¹ of Program Products in New Brunswick for the reporting period.

3 Collection

The following section provides the total amount of post-consumer paint collected in New Brunswick, as well as the location of collection sites.

3.1 Total Amount of Post-Consumer Paint Collected

Table 1 below shows the total amount of post-consumer paint collected by the Program for the 2019 reporting period.

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.

Table 1: Total Amount of Post-consumer Paint Collected in 2019

Item	Number of tubskids ²	Number of Aerosol Drums ³	Residual Paint Volume from tubskids (L) ⁴	Residual Aerosol Paint Volume (L) ⁵	Paint Share ⁶ volume (L) ⁷	Total Residual Paint Volume (L)
Volume Collected	2,525	215	297,879	1,129	700	299,708

Table 2 provides the 2019 recovery rate and the volume of paint collected as a function of the volume of paint sold in New Brunswick in 2019.

Table 2: 2019 Paint Sales, Residual Recovery Volume and Recovery Rate

	Total
Sales (litres)	4,660,038
Residual Recovery Volume (litres)	299,708
Recovery Rate	6.4%

Table 3 shows the total amount of paint tubskids and aerosol drums collected by the individual regions of New Brunswick.

² Each collection bin measures 48" x 42" x 30" with a nominal capacity of 108 one gallon containers. 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 118.0 L per collection bin derived from the number of tubskids processed and the total residual water-based paint volume processed, plus the estimated volume of solvent-based paint processed based on data from previous years. Minimal volumes of solvent-based paint were processed in 2019 due to technical issues with the processor's operations arising as a result of their relocation from Springhill to Richbucto. This paint was stockpiled until solvent-based paint processing could be resumed.

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

⁶ Formerly known as "Paint Reuse", the program changed its brand name to PaintShare as of January 2019.

⁷ PaintShare volume are calculated assuming that containers are 75% full.

Table 3: Collection Containers Collected by Region in 2019

Regional Service Commissions	Paint (tubskids)	Aerosols (drums)
Acadian Peninsula	96	3
Chaleur	111	9
Fredericton	390	21
Fundy	520	35
Greater Miramichi	89	3
Kent	50	3
Kings	100	7
Northwest	91	12
Restigouche	79	7
Southeast	785	108
Southwest	92	3
Western Valley	122	4
TOTAL	2,525	215

3.2 Collection Sites

As of December 31, 2019, 64 collection sites were participating in the Program. See Table 4 for the breakdown of collection site changes in 2019.

Table 4: Collection Site Changes in 2019

	# of Collection Sites	Changes
2019	64	1 site closed, 3 sites opened
2018	62	3 sites closed, 4 sites opened

[Appendix 1](#) provides details on the collection sites, including location and participation in the PaintShare program.

3.3 Collection Site Visits

A Product Care representative visited 52 collection sites in 2019 (see list in Table 5 below), providing in-person support to the collection sites, delivering informational brochures and providing any necessary training.

Table 5: Collection Sites Visited in 2019

Collection Site Name	Date of visit	Municipality	County
Airport General Store	11-Jul	Loch Lamond	St John
Billy's Bottle Exchange	26-Aug	Dalhousie	Restigouche
Betts Home Hardware	27-Aug	Doaktown	Greater Miramishi RSC
BMR (formerly RONA Le Rénovateur #776)	16-Sep	Kedgwick	Restigouche
BMR (formerly RONA Le Renovateur (Store #7200)	16-Sep	St Quentin	Restigouche
BMR Saint-Francois (formerly RONA Le Rénovateur store)	16-Sep	Saint Francois-de-Madawaska	Madawaska
Boyd Brothers Home Hardware	3-Jul	St George	Charlotte
Brooks Redemption Centre	27-Sep	Hartfield	York
Caraquet Home Hardware	27-Aug	Caraquet	Gloucester
Carpet Ranch	26-Aug	Beresford	Chaleur RSC
Clark's Redemption Centre	18-Jul	Chipman	Queens
Centre de Remboursement Bosse Inc.	16- Sep	Saint-Quentin	Restigouche
Centre de Remboursement le Recyclage	16- Sep	Rivière-verte	Madawaska
Centre De Remboursement Shippagan Les Iles Inc.	27-Aug	Savoy Landing	Gloucester
Centre de Transbordement	27-Aug	Tracadie-Sheila	Acadian Peninsula RSC
CSR 1- Cogerno	16-Sep	Riviere Verte	Madawaska
Dupuis Home Hardware Building Centre	5-Jun	Memramcook	Westmorland
G.M.Rioux et Fils Ltee	17-Sep	Grand Falls	Victoria
Grand Bay Redemption Centre	31-May	Grand Bay-Westfield	Kings
Golden Mile Redemption Centre	11-Jul	Saint John	St John
Gorbers Bottle Exchange	5-Jun	Moncton	Westmorland
Heberts Bottle Exchange	16-Sep	Miramichi	Northumberland
Horsman's Bottle Exchange	08-Aug	Salisbury	Westmorland
J&L Bottle Exchange	16-Sep	Edmundston	Madawaska
Keith's Building Supplies	3-Jul	Saint Stephen	Charlottetown
La Société Cooperative de Lamèque Limité	27-Aug	Lamèque	Gloucester
Maison du Tapis	27-Aug	Bertrand	Gloucester
Mapleview Redemption Centre	17-Sep	Weaver	Carleton

Collection Site Name	Date of visit	Municipality	County
Marina Bottle Exchange	26-Aug	Athoville	Restigouche
Nepisiguit-Chaleur SWC (REDPINE) (District 3) - CSR3	26-Aug	Allardville	Gloucester
Northside Redemption Centre	18-Jul	Fredericton	York
Norrad's Express & Redemption Centre Ltd.	18-Jul	Sussex	Kings
Pub's Transfer & Bottle Exchange	11-Jul	Saint John	St John
Recyclage Chaleur	26- Aug	Petit-Rocher	Gloucester
Recyclage Beresford Recycling Ltee.	26- Aug	Beresford	Gloucester
Roblynn Home Hardware & Home Furniture	18-Jul	Oromocto	Fredericton
RONA Le Rénovateur	17-Sep	Edmundston	Madawaska
Shediac Redeem Centre	05-Jun	Shediac	Westmorland
Shippegan Redemption Centre (Depot # 734)	27-Aug	Savoy Landing	Gloucester
Southern Valley Transfer Station	17-Sep	Woodstock	Carleton
South West Service Commission	3-Jul	Lawrence Station	Charlotte
Southside Redemption Centre	18-Jul	Hanwell	York
Tediche Home Hardware Building Centre	05-Jun	Cap-Pele	Westmorland
Tri-R Redemption Centre - Oromocto	18-Jul	Oromocto	Fredericton
Vail's Bottle Exchange	17-Sep	Woodstock	Carleton
Valley Glass Recycling	05-Jun	Babin	Westmorland
Valley Glass - Collishaw	05-Jun	Moncton	Westmorland
Valley Redemption - Toombs	05-Jun	Moncton	Westmorland
Valley Redemption Centre	23-Aug	Quispamsis	Kings
Watson's Store Ltd.	3-Jul	Harvey	Southwest NB
Wheaton's All-In-One	05-Jun	Sackville	Westmorland
Wiebe's Home Hardware	17-Sep	Centreville	Carleton

3.4 Regional Service Commission Events

According to information available to Product Care, 56 household hazardous waste (HHW) collection events were held in 2019 by the Regional Services Commissions (RSCs) (see Table 6); 50 of them were held by the Southeast 360 Mobile Eco Depot. The Program managed all post-consumer paint collected from these events.

Table 6: HHW Collection Event Locations and Dates in 2019

Location	Date
Alma	Jan (29,30)
Alma	Apr (22,23)
Alma	Jun (24,25)
Alma	Oct (21, 22)
Beaubassin-est	Mar (11,12)
Beaubassin-est	Jul (8,9)
Beaubassin-est	Nov (12,13)
Cap-Pele	Feb (12,13)
Cap-Pele	June (10,11)
Cap-Pele	Oct (7,8)
Dieppe	Feb (5, 6)
Dieppe	Jun (3,4)
Dieppe	Sep (30) Oct (1)
Doaktown	Sep (24)
Dorchester	Jan (22,23)
Dorchester	Apr (15,16)
Dorchester	Jul (15,16)
Dorchester	Oct(14,15)
Hillsborough	Feb (26,27)
Hillsborough	May (27,28)
Hillsborough	Aug (26,27)
Hillsborough	Nov (25, 26)
Keswick Ridge	Sep (21)
Minto	Aug (17)
Mirimachi	May (24)
Mirimachi	Sep (24)
Memramcook	Mar (18,19)
Memramcook	Jun (17,18)

Location	Date
Memramcook	Sep (16,17)
Memramcook	Dec (16,17)
Moncton	Apr (29,30)
Moncton	Jul (29,30)
Moncton	Oct (28,29)
Petitcodiac	Mar (4,5)
Petitcodiac	Jul (2,3)
Petitcodiac	Nov (4,5)
Port Elgin	Apr (8, 9)
Port Elgin	Aug (12,13)
Port Elgin	Dec (9,10)
Riverside-Albert	Jul (22, 23)
Riverside-Albert	Sep (23, 24)
Riverside-Albert	Mar (25,26)
Riverview	Apr (1,2)
Riverview	Aug (5,6)
Riverview	Dec (2, 3)
Sackville	Feb (19, 20)
Sackville	May (20,21)
Sackville	Aug (19,20)
Sackville	Nov (18,19)
Sailsbury	Jan (8,9)
Sailsbury	May (6, 7)
Sailsbury	Sep (2,3)
Shediac	Jan (15,16)
Shediac	May (13,14)
Shediac	Sep (9,10)
Stanley	Jun(8)

4 Processing

This section of the report sets out:

- A description of the efforts to redesign paint products to improve reusability and recyclability;
- The total amount of post-consumer paint processed or in storage;
- The percentage of post-consumer paint collected that was reused, recycled,

disposed of in an engineered landfill, recovered for energy , or otherwise treated or disposed of;

- d) 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;
- 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 with improvements in product formulation with a focus on design for the environment (DfE). This section highlights developments in 2019, including innovations in product formulation, assessment and reassessment of chemicals of concern, use of alternative ingredients based on informed substitution, further reductions in VOC emissions from paint, 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 paint and coatings products that are less harmful and more sustainable with respect to the recycling of those products.

Canada's Chemicals Management (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 2019 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 41,000 tonnes. This is a total emissions reduction equivalent to approximately 200,000 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 Sustainability Projects

The World Coatings Council, of which CPCA is a founding member, is currently developing two projects:

- A demonstration project on using life-cycle-assessments (LCA) and sustainability metrics to support chemicals management. This project would build on current efforts by ACA and CEPE (EU based) to address threatened preservatives for waterborne decorative paints. Expected work product would be a consensus report on valid methodology and a public-facing policy paper and associated infographics detailing the quantitative benefits.
- Develop an expanded profile of how current IPPIC member sustainability projects provide clear and quantifiable support for specific UN Sustainable Development Goals. This effort would avoid any generalizations and not integrate any industry claims that were not clear and quantifiable. This effort is expected to identify additional collaborative projects that the World Coatings Council will develop.

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

All paint collected through the Program is sent to the Laurentide Re-sources Atlantic Inc. facility in Richibucto, New Brunswick for initial processing. Volumes collected but not shipped, or shipped but not processed, are managed in the following program year.

In 2019, a total of 2,444 tubskids of leftover paint (excluding paint aerosols) were delivered to the Laurentide facility in Richibucto, New Brunswick for processing, which includes tubskids collected in 2018 and held at the transporter's (Hebert's Recycling) consolidation facility until 2019. Paint aerosols were sent to Terrapure for processing.

During the reporting period, Laurentide processed (i.e., opened, sorted and bulked into shipping containers) 2,514 tubskids (excluding paint aerosols), which includes tubskids that were in their inventory from 2018.

Table 7 shows the volume of post-consumer paint and aerosols shipped to processors and the volume processed by collection container (tubskids and drums) and by residual volume (litres).

Table 7: Total Amount Post-Consumer Paint Processed in 2019

Item	Number of Tubskids ⁸	Residual Paint Volume (L)	Number of Aerosol Drums ⁹	Residual Aerosol Paint Volume (L) ¹⁰	Total Residual Paint Volume (L)
Volume Shipped to Processor	2,444	288,323 ¹¹	144	756	289,079
Volume Processed	2,514	247,879 ¹²	144	756	247,810

Information on the number of paint containers processed in 2019 at Laurentide Re-

⁸ Tubskid dimensions (48" x 42" x 30") with a nominal capacity of 108 one gallon containers. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

⁹ Each drum holds approximately 175 aerosol containers.

¹⁰ Based on a conversion rate of 5.25L per drum.

¹¹ Based on a rounded conversion rate of 118.0 L per collection bin derived from the number of tubskids processed and the total residual water-based paint volume generated, plus the estimated volume of solvent-based paint based on data from previous years. Reuse volume is not included in calculation.

¹² Volume of paint reported here includes water-based paint only. Minimal volumes of solvent-based paint were processed in 2019 due to technical issues with the processor's operations arising as a result of their relocation from Springhill to Richibucto. This paint was stockpiled until solvent-based processing could be resumed.

sources and the percentage of non-program materials collected is found in Table 8.

Table 8 lists the amount of metal and plastic containers recycled in 2019 and their respective processors.

Table 8: Metal and Plastic Containers Collected and Recycled in 2019

Container Type	Collected & Recycled (tonnes)	Processor	Management Process
Metal	45.2	DR Metal Recycling, NB, Nova 4 Metals, NS Aim Metal, NB, MetroBec, QC	Mixed with other scrap metal and sold as a commodity that is eventually sent for smelting
Plastic pails (HDPE 2)	4.8	Laurentide Re-sources Atlantic/ Société Laurentide Inc.	Combined and baled with other plastics and managed as a commodity for plastics recycling or sent for reuse
Plastic paint cans (polypropylene)	18.75	Laurentide Re-sources Atlantic/ Société Laurentide Inc.	Processed and managed as a commodity for plastics recycling

4.3 Management Methods

The following section describes each method the Program used to manage post-consumer paint and the amount of paint managed through each method.

Reuse (Paint Share Program)

The Paint Share Program, previously “Paint Reuse”, makes better quality paint returned to collection sites available to the public to take and use at no cost. Paint Share was offered at 27 collection sites in 2019 (see [Appendix 1](#) for a list of sites offering Paint Share). An estimated 700 litres of paint was given away to consumers through the Paint Share Program. The amount of paint taken through the Paint Share Program is subject to consumer demand. The accuracy of volumes managed through the Paint Share Program is predicated on users completing the reuse tracking form. Improvements were made in the tracking and reporting of the paint offered for reuse in 2019. The 700 litres of paint reported, was a significant improvement over the 196

litres reported in 2018. Paint Share volumes are estimated by assuming that each container is 75% full on average.

Recycling

At the Laurentide Re-sources facility paint containers are removed from collection bins, inspected, opened, sorted by type, colour and quality, and poured into shipping containers according to management options. Bulk paint of recyclable quality is then transferred to an affiliated processor Peintures Recupérées du Québec (PRQ) in Victoriaville, QC or transferred to other international recyclers. Table 10 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 limited amounts of solvent-based paints continue to be recycled, a large portion of the volume is sent for energy recovery.

Table 9: Quantity and Type of Paint Recycled in 2019

Type	Litres	Percentage
Water-based paint	188,378	97.1%
Solvent-based paint ¹³	5,660	2.9%
Total	194,038	100%

*Note: Volumes managed through the Paint Share Program are not included in Table 9.

Energy Recovery

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

¹³ Minimal volumes of solvent-based paint were processed in 2019 due to technical issues with the processor's operations arising as a result of their relocation from Springhill to Richbucto. This paint was stockpiled until solvent-based paint processing could be resumed.

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 that is not suitable for paint recycling is used as an alternative energy source in applications such as permitted incinerators. During the reporting period, 33,506 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 the water-based paint by Laurentide Re-sources generated 47,970 litres of non-recyclable water-based sludge/solid, which were solidified and disposed of at a synthetic-lined landfill cell with leachate collection.

Incineration

No material was incinerated during the reporting period.

Table 10 shows the breakdown of post-consumer paint collected that was reused, recycled, recovered for energy or disposed of in an engineered landfill. Each amount is shown in litres and as a percentage.

Table 10: Post-consumer paint by Management Method

Method¹⁴	Volume (litres)	Percentage
Reuse	700	0.3%
Recycle	194,038	78%
Energy Recovery	5,802	2%
Landfill	47,970	19%
Incineration	0	0%
Total	307,886	100%¹⁵

¹⁴ Minimal volumes of solvent-based paint were processed through recycling and energy recovery in 2019 due to technical issues with the processor's operations arising as a result of their relocation from Springhill to Richbucto. This paint was stockpiled until solvent-based paint processing could be resumed.

¹⁵ Total does not add up to a 100% due to rounding off.

4.4 Location of Processing and Containment Facilities

The following is a list of facilities contracted by the Program to handle and process paint.

Location Address	Facility Type
Hebert's Recycling Inc. 53 Walsh Avenue, Miramichi, NB E1N 3A5	Containment Facility
Laurentide Re-sources Atlantic Inc. 9322 Rue Main, Richibucto, NB E4W 4C7	Processing Facility
Société Laurentide Inc. 345 Bulstrode Street, Victoriaville, QC G6T 1P7	Processing Facility
Terrapure Environmental 17 Jones Court, Sussex NB E4E 2S2	Processing Facility

5 Communication and Education

Section 45(1)(h) of the Regulation requires the Program to report on the types of consumer information, educational materials and strategies adopted by the brand owner. In 2019, Product Care implemented a number of different methods to raise consumer awareness of the paint recycling program in New Brunswick. The following sections provide details regarding the communication and public education for the program in 2019.

5.1 Program Awareness

In November 2019, an online survey representative of New Brunswick's adult population was conducted among 805 residents. The survey found that 80 per cent of residents who purchased paint are aware it can be recycled in the province; 23 percentage points above the 2019 awareness target of 57 percent. The next consumer awareness study will be conducted in 2021.

5.2 Website

Product Care's former consumer website, ReGeneration.ca, was replaced by ProductCare.org in January 2019. The new website includes the following bilingual content for the New Brunswick paint recycling program, as outlined as requirements in the program plan:

- Recycling locator (a searchable map displaying locations of all New Brunswick paint recycling locations – see Appendix 2)
- Tips for storing and buying the correct amount of paint
- Recycling locations' hours of operations and contact information
- The Program's accepted and non-accepted products
- Annual reports and other program information, including details about environmental handling fees, and safe storage and handling of program products. Other information on the website, not required by the program plan includes:
 - A description of the PaintShare program
 - Consumer videos showing the product management approach for paint
 - A fillable form for members, retailers and collection sites to order promotional materials like rack cards and brochures
 - Information about the environmental benefits of paint stewardship

An estimated 527,307 unique visitors accessed *productcare.org* during the 2019 calendar year. The New Brunswick section (including sub-sections for accepted products, fee information, and PaintShare) received 3,297 total page views. In addition, there were a total of 11,227 unique visits to the recycling locator from consumers in New Brunswick. *ProductCare.org* and Recycle New Brunswick's website cross-promoted one another with backlinks.

5.3 Program Hotline

Recycle NB and Product Care continued to operate a toll-free, bilingual "hotline" where consumers obtained information about the Program.

5.4 Television

Television ads were broadcast on CBC Television (CBAT-DT) from July to September 2019, resulting in approximately 3,460,000 impressions.

5.5 Digital Advertising

All digital campaigns (excluding tactic targeted blog posts and organic social media posts via Product Care's Facebook, Instagram, and Twitter feeds) were conducted in both English and French to reach the entire province.

1. **Google Search Advertising Campaign:** January to December, 2019
 - a. A search advertising campaign served paint ads to provincial residents based on an extensive list of keyword searches relevant to the Program.
 - b. New Brunswick's English and French ads collectively generated 2,230 impressions and 358 clicks.
2. **Google Display Advertising Campaign:** January to December, 2019
 - a. A New Brunswick-specific display advertising campaign served paint-related ads to provincial residents.
 - b. Several iterations of the ads were run, collectively receiving 6.4 million impressions and 24,185 clicks through to the website.
 - c. Ads were specifically targeted to internet users who performed online searches related to paint purchasing, usage, and disposal in New Brunswick. Secondary targeting focused on individuals searching for home improvement, moving house, and DIY-related terms, in order to reach a wider, but still relevant, population.
3. **YouTube Video Advertising Campaign:** June to September, 2019
 - a. During summer months, paint and PaintShare explainer videos were run as pre-roll and skippable in-stream ads on YouTube.
 - b. In New Brunswick, these ads received a total of 35,088 impressions and 13,613 views.
4. **Facebook Advertising Campaign:** A New Brunswick-specific campaign promoted the paint recycling program, targeting New Brunswick residents on an ongoing basis.
5. **Facebook Content Strategy:** New Brunswick-specific content focused on paint recycling, special waste and the recycling community in general. Product Care regularly shared and reposted content from the Recycle NB page.
6. **Targeted blog posts:** Blog posts were targeted at relevant audience members including, but not limited to, homeowners, female heads of households, and

environmentally-inclined individuals in New Brunswick. 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 45,568 views.

7. **Corus Digital Advertising Campaign:** July to September, 2019.
 - a. Our television spots ran as pre-roll video ads on several Corus digital platforms including Global, HGTV, Slice, Food Network and ET Canada.
 - b. Collectively, these ads generated 235,802 impressions and 355 clicks.
8. **The Weather Network Display Campaign:** July to September, 2019.
 - a. Display ads ran on the Weather Network app in French and English.
 - b. New Brunswick’s English and French ads collectively generated 433,430 impressions and 704 clicks.

See Appendix for examples of digital advertising activities.

5.6 Print Advertising

An inside cover print ad and article were featured in CPCA Insight Trade Publication. The full page advertisement focused on paint and coatings member recruitment for Product Care paint programs, with seven thousand copies distributed to industry members (see Appendix).

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

In 2019, Product Care distributed approximately 3,400 PoS and PoR materials (brochures, posters, rack cards, and more) as requested by retailers and recycling locations. The following materials were available for order through the online form:

- Bilingual brochures (English and French)
- Poster

5.8 Recycle New Brunswick Partnership

Product Care continued to partner with Recycle NB in 2019. The two organizations collaborated by sharing in-market promotional strategies with one another to ensure maximum audience reach, synergies, and to avoid duplication of efforts.

6 Financial Information

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

7 Audit of NB Paint Stewardship Program

This annual report was reviewed by an independent auditor. The auditor's report is attached in [Appendix 7](#).

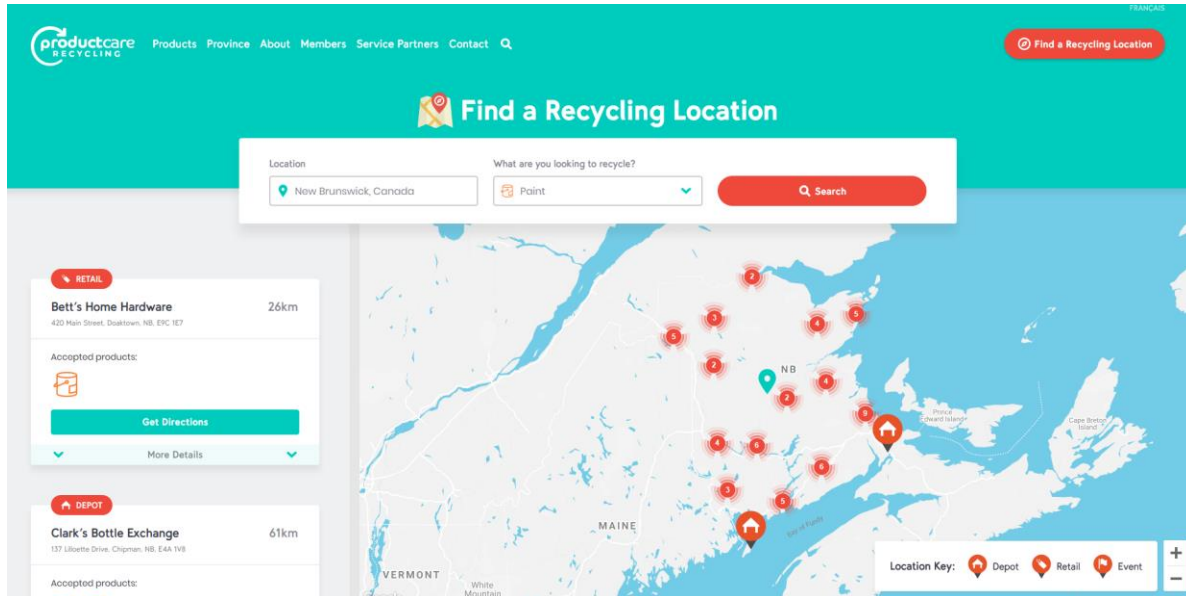
APPENDIX 1 – Collection Site Details as of December 31, 2019

Collection Site Name	City	Paint Reuse
Airport General Store	Saint John	No
Baie Ste Anne Building Supplies / Castle Building Center	Baie Ste Anne	No
Betts Home Hardware	Doaktown	No
Billy's Bottle Exchange and Salvage Shop	Dalhousie	No
BMR D.E Landry (formerly RONA #2125)	Saint-Francois-de-Madawaska	No
BMR Parent - Saint-Quentin (formerly RONA #7200)	Saint-Quentin	No
BMR Parent - Kedgwick (formerly RONA #7786)	Kedgwick	No
Boyd Brothers Ltd.	Saint George	No
Brooks Redemption Center	Hartfield	Yes
Caissie Building Supplies	Rogersville	No
Canadian Tire Oromocto	Oromocto	No
Caraquet Home Hardware	Caraquet	No
Carpet Ranch / Grange a Tapis	Beresford	No
Centre de Remboursement Bossé Inc.	Saint Quentin	Yes
Centre De Remboursement le Recyclage	Rivière Verte	Yes
Centre De Remboursement Shippagan Les Iles Inc.	Shippagan	No
Centre De Transbordement (CSRPA)	Caraquet	No
Clark's Bottle Exchange	Chipman	Yes
CSR 1- Cogerno	Rivière -Verte	Yes
Department of Transportation & Infrastructure	Fredericton	No
Dupuis Home Hardware	Memramcook	No
Fredericton Region Solid Waste Commission (District 11)	Fredericton	No
Fundy Solid Waste - Crane Mountain Landfill	Saint John	No
Gilbert M Rioux et fils Ltee.	Grand Sault	Yes
Golden Mile Redemption Centre Ltd.	Saint John	Yes
Gorbers Bottle Exch. Ltd.	Moncton	Yes
Grand Bay Redemption Centre	Grand Bay-Westfield	No
Greater Miramichi Regional Service Commission	Miramichi	No
Hampton Recycling Centre - Satellite Depot	Hampton	No
Hebert's Bottle Exchange	Miramichi	Yes
Hillsborough Recycling Depot	Hillsborough	Yes
Horsman's Bottle Exchange Inc.	Salisbury West	Yes
Island Waste and Recycling	Grand Manan	No
J&L Warehousing Inc.	Edmundston	Yes
Keith's Building Supplies Ltd.	Saint Stephen	No

Collection Site Name	City	Paint Reuse
La Société Cooperative de Lamèque Ltee	Lamèque	No
Maison Du Tapis	Betrand	No
Mapleview Redemption Center	Weaver	Yes
Marina Bottle Exchange	Atholville	Yes
Nepisiguit-Chaleur SWC (REDPINE) (District 3) - CSR3	Allardville	No
Northside Redemption Centre	Fredericton	No
Norrad's Express and Redemption Centre Ltd.	Sussex	Yes
Pub's Transfer & Bottle Ex Ltd.	Saint John	Yes
Recyclage Beresford Recycling Ltee.	Beresford	Yes
Recyclage Chaleur	Petit-Rocher	Yes
Richibucto Home Hardware	Richibucto	No
Roblynn Home Hardware & Home Furniture	Oromocto	No
RONA Le Rénovateur - Edmundston (Store #8379)	Edmundston	No
Sainte Antoine Home Hardware Building Centre / Ledger General Store	Sainte-Antoine	No
Shediac Redeem Center / Eastern Propane	Shediac	Yes
South West Solid Waste Commission (District 10)	Lawrence Station	No
Southeast ECO 360 Regional Service Commission	Moncton	No
Southern Valley Transfer Station	Woodstock	Yes
Southside Redemption Centre	Hanwell	Yes
Tediche Home Hardware Building Centre	Cap-Pele	No
Tri-R Redemption Centre	Oromocto	No
Vail's Bottle Exchange	Woodstock	Yes
Valley Glass Recycling Ltd.	Dieppe	Yes
Valley Glass - Juniper/Collishaw (formerly Tri Province Enterprises (1984) Ltd.)	Moncton	Yes
Valley Glass - Toombs (formerly Tri Province Enterprises (1984) Ltd.)	Moncton	Yes
Valley Redemption - Quispamsis	Quispamsis	Yes
Watson's Store Ltd.	Harvey York Co	No
Wheaton's All in One	Sackville	Yes
Wiebe's Home Building Centre	Centreville	No

APPENDIX 2 – Recycling Locator Tool

Below is a snapshot of the recycling locator tool found at ProductCare.org:



APPENDIX 3 – PoS and PoR Materials

PoS and PoR Poster (English and French)



PoR/PoS Bilingual Brochure



Produits de peinture acceptés

- Peintures à l'eau (latex ou acrylique), à l'huile ou laque, d'intérieur ou d'extérieur
- Sous-couches et apprêts (pour métal, bois, etc.)
- Peintures pour maçonnerie, coulis pour remplissage des blocs de construction, revêtements pour terrasses et sols (élastomères inclus)
- Vernis à l'uréthane (à composant unique), huiles de finition pour bois, peintures mélaminées, peintures bloque-taches pour plafond, gommes laquées, peintures anti-rouille
- Revêtements pour cloisons sèches et stucco
- Peintures marines et produits de préservation du bois (sauf si homologué en vertu de la Loi sur les produits antiparasitaires)
- Peintures pour piscine (à composant unique)
- Peintures au fini texturé
- Produits scellants ou hydrofuges pour bois, maçonnerie ou chaussée
- Toutes les peintures en aérosol sont acceptées, y compris les peintures résidentielles, industrielles et automobiles
- Conteneurs vides



Peinture résidentielle
jusqu'à 25 litres

Peinture en aérosol
680 grammes ou 24 onces



Ce programme est approuvé par Recycle NB
1-888-322-8473
www.recyclenb.com



Produits de peinture non acceptés

- Conteneurs non identifiables ou sans étiquette
- Peintures entreposées dans des contenants en verre ou des contenants en mauvais état (rouillés, avec fuites, mal fermés)
- Brosses, chiffons et rouleaux
- Peintures et apprêts industriels et finis (ex. cuit au four, résistant à la chaleur, etc.)
- Colorants et teintures
- Produits homologués en vertu de la Loi sur les produits antiparasitaires (doit avoir un numéro d'homologation)
- Peintures pour artisanat (sauf aérosols)
- Peintures automobiles (sauf aérosols)
- Peintures en 2 composants contenant un catalyseur ou activateur
- Produits pour toitures à base de goudron ou de bitume
- Peintures de signalisation routière
- Diluants à peinture, décapants et solvants
- Nettoyeurs pour terrasses
- Produits de cafléutrage, résines époxy, colles et adhésifs
- Autres produits chimiques domestiques

N'oubliez pas la règle « NUD »

Nachetez que ce dont vous avez besoin
Utilisez toute la peinture que vous achetez
Déposez vos restes de peinture pour les recycler

*Product Care Recycling contribue à l'économie locale tout en protégeant l'environnement, un contenant à la fois.

Leftover Paint?

Recycle it for free across New Brunswick.
To find a recycling location visit productcare.org



productcare.org



Accepted Paint Products

- Interior and exterior water-based (latex, acrylic) and oil-based consumer paint (alkyd, enamel)
- Undercoat and primers (e.g. metal, wood, etc.)
- Masonry paint, block filler, deck and floor coating (including elastomeric)
- Varnish and urethane (single-component), wood finishing oil, melamine, stain, shellac, anti-rust paint, stain blocking paint
- Drywall and stucco paint
- Marine paint and wood preservatives (unless registered under Pest Control Products Act)
- Swimming pool paint (single-component)
- Textured paint
- Wood, masonry, driveway sealer or water repellent (non-tar based or bitumen based)
- All paint aerosols including consumer, industrial and automotive
- Already empty paint and aerosol containers



Maximum container size:
25 litres

Maximum aerosol size:
680 grams or 24 ounces



This program is approved by Recycle NB
1-888-322-8473
www.recyclenb.com



Not Accepted Products

- Unidentifiable or unlabelled containers
- Paint in glass containers or containers with poor integrity (e.g. badly rusted, leaking, bulging, improperly sealed)
- Brushes, rags and rollers
- Non-aerosol industrial paints & finishes (e.g. baked-on, heat resistant, etc.)
- Colorants and Tints
- Products registered as a pesticide under the Pest Control Products Act (has a P.C.P. Registration number on label)
- Non-aerosol craft or automotive paint
- Two-part or component paints containing catalyst or activator
- Roof patch and repair, tar or tar/bitumen-based products
- Traffic or line marking paint
- Paint thinner, resins, mineral spirits or solvents
- Deck cleaners
- Caulking compound, epoxies, glues or adhesives
- Other household chemicals

Always Remember the BUD Rule:

Buy no more than you need
Use all the paint you buy
Drop off the leftovers for recycling

*Product Care Recycling contributes to the local economy while at the same time protecting the environment, one can at a time.

Restes de peinture?

Recyclez-les gratuitement partout au Nouveau-Brunswick. Visitez productcare.org pour trouver un dépôt.



productcare.org/fr



APPENDIX 4 – Digital Advertising Activities

Website Blog posts



Blog

7th November 2019

82 million litres of paint recycled: Product Care celebrates 25 years



Blog

3rd December 2019

7 unusual products that can be recycled



[Products](#) [Province](#) [About](#) [Members](#) [Service Partners](#) [Contact](#) [Q](#)

[Find a Recycling Location](#)

It all began with paint recycling

In 1994, British Columbia became the first province to implement an [Extended Producer Responsibility](#) (EPR) regulation for architectural (household) paint. This waste management regulation required paint producers to create a network of drop-off locations for people to bring their leftover paint. Once collected, the paint was then recycled. The industry soon realised a collective approach was the best solution, and not-for-profit organization "BC PaintCare" (now Product Care) was born.



Google Search Ad

Recyclage de peinture au N-B | Comment recycler la peinture ⓘ

www.productcare.org

Nos programmes gardent les déchets dangereux hors des dépotoirs et cours d'eau.

[Trouver un dépôt](#)

[Recyclez votre peinture](#)

Keep Paint Out of Landfills | Recycle Your Leftover Paint | Find a Recycling Location ⓘ

www.productcare.org/

Find a recycling location near you with the map on our website. New Brunswick's paint recycling program is managed by Product Care Recycling.

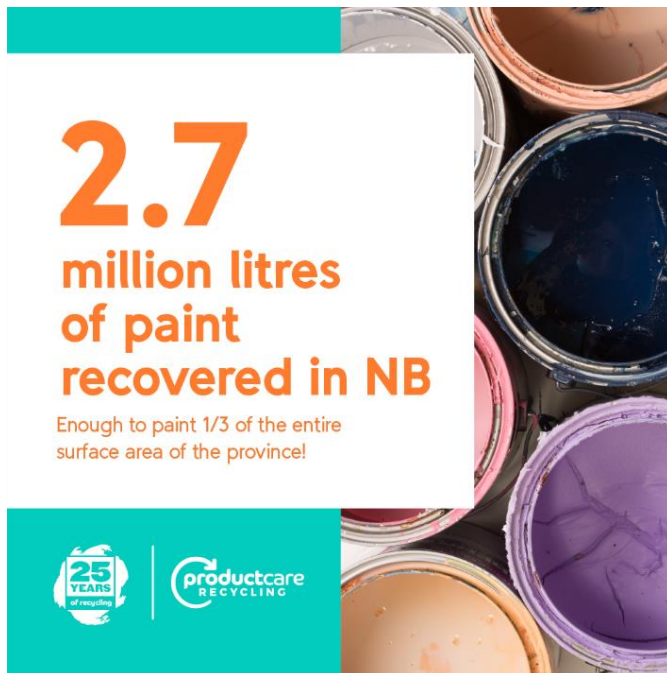
Google and The Weather Network Display Ads



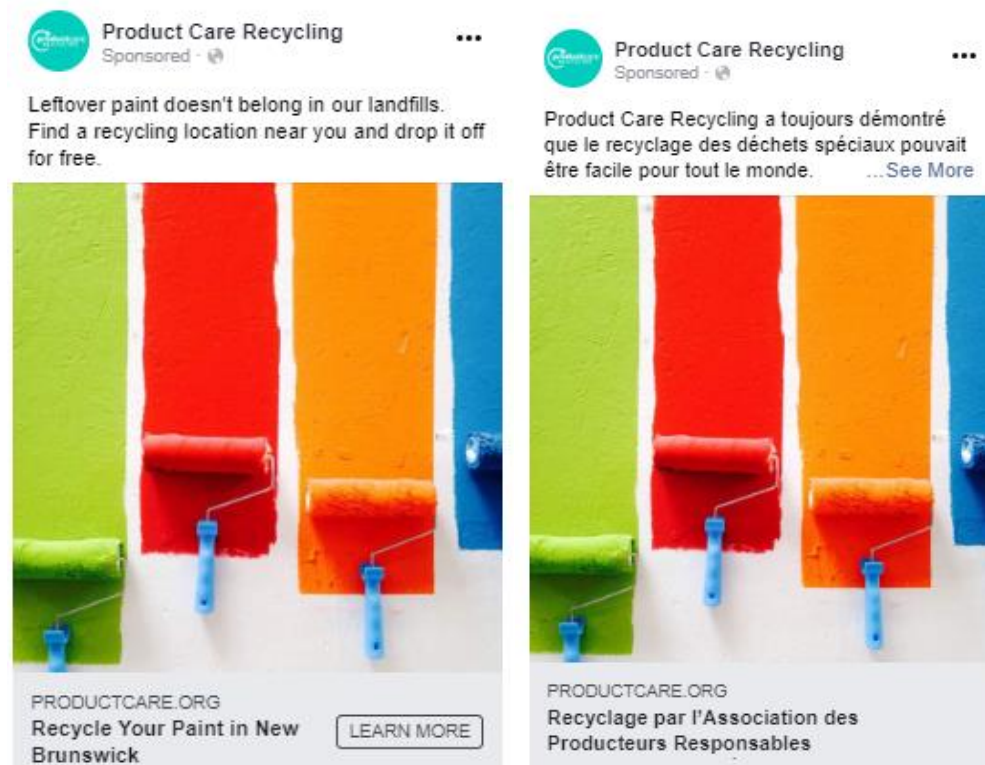
YouTube Video Ad



Social Media Assets – Product Care 25th anniversary paint program



Sample Facebook Ad



APPENDIX 5 – CPCA Insight Print Advertisement



Product Care Recycling
helps the paint industry meet
its regulatory obligations while
protecting the environment

For more information about paint recycling programs
in your province, visit productcare.org

Phone: 604-592-2972
Toll Free: 1-877-592-2972
Email: contact@productcare.org

productcare
RECYCLING

New Brunswick Recycles Web Content (Cross-Promotion)



Recycle NB

HOME ABOUT WHERE TO RECYCLE PROGRAMS RESOURCES WASTE REDUCTION MEDIA RNB ANNIVERSARY LOGIN Q

PAINT RECYCLING PROGRAM

Paint

- [About the Program](#)
- [What Products are Recyclable?](#)
- [What Products Are Not Recyclable?](#)
- [Where Do I Recycle Paint?](#)
- [Why Recycle Paint?](#)
- [Management Plan](#)
- [FAQs](#)

Paint Recycling Program

Recycle NB oversees New Brunswick's Paint Stewardship Program. The paint recycling program, in place since 2009, is industry-led and financed. Product Care Association operates the paint recycling program on behalf of the paint industry. With more than 60 recycling depots across the province, it is easy to recycle leftover paint products and containers.

Thanks to New Brunswickers' recycling efforts, the paint recycling program collected 268,880 litres of paint in 2015. Approximately 70% of the paint collected was recycled into new paint products. A small percentage was reused through paint exchange and 9% went to energy recovery.

APPENDIX 6 – Audited Financial Statements

**PRODUCT CARE ASSOCIATION OF CANADA
NEW BRUNSWICK PAINT RECYCLING PROGRAM**

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

31 DECEMBER 2019

PRODUCT CARE ASSOCIATION OF CANADA
NEW BRUNSWICK PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2019

Contents

Independent Auditors' Report	
Statement of Revenues and Expenses and Accumulated Surplus	6
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 Recycle New Brunswick,

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

Opinion

As required by the New Brunswick Designated Materials Regulation - Clean Environment Act 45(1)(j), we have audited the Statement of Revenues and Expenses and Accumulated Surplus of the New Brunswick Paint Recycling Program (the "Statement") as reported by Product Care Association of Canada (the "Association") for the year ended 31 December 2019 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 New Brunswick Paint Recycling Program for the year ended 31 December 2019 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 Auditor's 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 Recycle New Brunswick. 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 Recycle New Brunswick, 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 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
18 March 2020

PRODUCT CARE ASSOCIATION OF CANADA
NEW BRUNSWICK PAINT RECYCLING PROGRAM
Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2019

	2019	2018
Revenues	\$ 1,195,671	\$ 1,148,995
Program expenses		
Processing	605,059	519,072
Transportation	177,922	168,455
Collection	113,495	98,044
Administration (Notes 2(b) and (d))	111,212	100,451
Communications	48,578	44,457
Regulatory	20,789	82,220
	<u>1,077,055</u>	<u>1,012,699</u>
Excess of revenues over expenses for the year	118,616	136,296
Accumulated surplus - beginning of the year	<u>577,252</u>	<u>440,956</u>
Accumulated surplus - end of year	\$ 695,868	\$ 577,252
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
NEW BRUNSWICK PAINT RECYCLING PROGRAM
Notes to the Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2019

1. Basis of Presentation

The Statement of Revenues and Expenses and Accumulated Surplus (the "Statement") only includes the revenues and expenses related to the New Brunswick 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 New Brunswick. 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.

Members are obligated to remit Environmental Handling Fees for all products sold from the earlier of the Programs' start date or the date when member started selling obligated products. If, for any reason, a member omits reporting and remitting Environmental Handling Fees associated with sold program products, the Association will recognize those Environmental Handling Fees as revenue when the amounts are determinable by the Association.

(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	3 years
-----------------	---------

Included in administration expense is \$19,261 (2018 - \$7,324) 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
NEW BRUNSWICK PAINT RECYCLING PROGRAM**
Notes to the Statement of Revenues and Expenses and Accumulated Surplus
For the year ended 31 December 2019

2. 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 \$64,378 (2018 - \$63,007) of overhead expense which has been allocated to the Program.

3. Processing Commitment

At year end, the Association had unprocessed program materials on hand related to the Program with an estimated cost to process, transport and recycle of \$25,941 (2018 - \$23,578) which will be incurred in 2020.

APPENDIX 7 – Report of Independent Auditor

New Brunswick Paint Stewardship Program

2019 Program Performance Review

Prepared by
Kim Hughes BSc.
April 28, 2020

TABLE OF CONTENTS

	PAGE
1.0 INTRODUCTION.....	1
2.0 NEW BRUNSWICK PAINT STEWARDSHIP PROGRAM.....	1
3.0 EVALUATION.....	2
3.1 Collection.....	2
3.2 Processing & Recycling	3
3.3 Communications	4
3.4 Operations.....	5
4.0 OVERALL PROGRAM ASSESSMENT & CONCLUSION	6
5.0 EXECUTIVE SUMMARY.....	8

1.0 INTRODUCTION

This report presents the results of an independent assessment of the performance of the New Brunswick Paint Stewardship Program for the year 2019. This assessment is an annual undertaking to satisfy the *Designated Materials Regulation (2008-54) - Clean Environment Act* requiring that the paint stewardship plan shall provide for the assessment of the performance of the brand owner's plan (New Brunswick Paint Stewardship Plan 2016-2021) and the New Brunswick Paint Stewardship 2019 Annual Report by an independent auditor.

Stewardship programs in Canada have been developed on the basis of an Extended Producer Responsibility (EPR) model where the responsibility for the end-of-life management rests with the organization producing the product. The implementation of such product stewardship programs will ensure that the management of the product after its use will include various alternatives such as reuse, recycling, energy recovery and environmentally sound disposal options.

The 2019 review and assessment of the New Brunswick Paint Stewardship Program was carried out by evaluating the 2016-2021 New Brunswick Paint Stewardship Plan and the 2019 Paint Stewardship Program Annual Report which were produced by Product Care Association (PCA), the agent of Brand Owners. The reviewer has also considered additional information collected through discussions with the provincial Product Care Association representative, Recycle NB and the New Brunswick Department of Environment and Local Government in the assessment of the program's performance.

2.0 NEW BRUNSWICK PAINT STEWARDSHIP PROGRAM

The New Brunswick Paint Stewardship Plan 2016-2021 identifies Product Care Association as the administrator acting on behalf of the Paint Brand Owners selling, offering for sale or distributing paint products in the province. Product Care Association is a federally incorporated non-profit industry association incorporated under the laws of Canada. Product Care Association has been administering the Paint Stewardship Program in New Brunswick since 2009 and has been managing paint and other household hazardous waste stewardship programs in other jurisdictions since 1994. PCA is also currently involved in Stewardship and Recycling programs in the Provinces of British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Labrador, Prince Edward Island, and Nova Scotia.

As of December 31, 2019, there were 68 Brand Owners registered under the New Brunswick Paint Stewardship Program. The program was operated through a network of 64 collection sites across the province for the collection of used paints and coatings in liquid and aerosol form as well as empty containers from consumers in the Province. This information is available on the Product Care web page and is linked to the Recycle NB web page.

The New Brunswick Paint Stewardship Program provides a paint reuse component (PaintShare) where better quality paint returned to collection sites is made available for the public to take free of charge. The Program also aims at reclaiming the majority of the collected waste paint to produce new paint. The collected paint is sent to Laurentide Resources Atlantic Inc. facility in Richibucto, NB. The waste paint that is not suitable for manufacturing new paint is considered for

energy recovery or for disposal in an environmentally sound manner. Metal and plastic containers are directed to the appropriate recycling facilities.

The *Designated Materials Regulation* and the New Brunswick Paint Stewardship Plan (2016-2021) identify the reuse and recycling of waste paint as the top options for managing waste paint in the Province.

3.0 EVALUATION

3.1 COLLECTION

Program members reported the sale of 4,660,038 litres of program products in New Brunswick from January 1 to December 31, 2019. The recovery rate is calculated by dividing the volume of waste paint collected by the volume of paint sold in NB. In 2019 the total amount of waste paint collected was 299,708 litres representing a residual recovery rate of 6.4 %. This is consistent with recovery rates attained over the program since its inception in 2009.

Product Care Association offers a comprehensive and robust service that enables recycling of paint products and containers across New Brunswick. Continuing efforts to inform the public through communication and education programs are very effective.

There were 64 collection sites participating in the program in 2019. PaintShare was offered at 25 collection sites in 2019, representing almost half of all sites across the province. The Paint Share program offers better quality returned paint for reuse at no charge to the consumer. In 2019 it was estimated that 700 litres of paint was used by consumers as a result of the PaintShare program. This reflects the efforts that Product Care has put into this part of the program in NB (196 litres in 2018).

It should also be noted that there were 56 household hazardous waste (HHW) collection events held throughout the Province in 2019, along with regular household hazardous waste collection at regional waste management facilities. All waste paint collected at these events was managed by Product Care under the New Brunswick Paint Stewardship Program.

Waste paint is collected and transported in a recovery unit known as a “tubskid” that effectively provides secondary containment to the waste paint from collection to subsequent processing or disposal. In 2019, the program collected 2,525 tubskids of waste paint.

Recommendations:

- Product Care Association and RecycleNB continue to promote the availability of paint recycling locations across New Brunswick.

3.2 Processing & Recycling

Laurentide Resources Atlantic Inc. facility has processed 247,810 litres (2,525 tubskids/ 215 aerosol drums) of leftover paint in 2019, which represents a recovery rate of 6.4 %. This highlights the continued success of the New Brunswick Paint Stewardship Program resulting from the public communication and education programs delivered by Product Care and Recycle New Brunswick.

The ultimate goal of the Paint Stewardship Program is to direct the collected waste paint towards environmentally accepted uses; such as reuse, recycling, and use for energy recovery. The disposal of waste paint in a landfill or its use in incineration is considered as the last means of disposal of waste paint.

In 2019, 200,540 litres of waste paint was reused or recycled. The New Brunswick Paint Stewardship Program managed waste paint as follows;

*	reuse	700 litres
*	recycling	194,038 litres
*	energy recovery	5,802 litres

representing 81% of the volume of paint in the Paint Stewardship Program. The remainder of paint in the program, 47,970 litres was securely disposed of in engineered landfill sites. No incineration of waste paint took place. (The regulated target is 70%.)

Product Care Association continues to achieve a high level of program success in New Brunswick. Recovery rates continue to improve, evidence that paint consumers are aware they can recycle or dispose of unwanted painted in a convenient manner.

In 2019, a total of 45.2 tonnes of empty metal paint containers were collected and sent for metal recycling, 4.8 tonnes of plastics pails (HDPE 2) and 187.75 tonnes of plastic paint cans (polypropylene) were sent for plastics recycling. This represents a total of 237.5 tonnes of metal and plastic that is being recycled and not going to landfill.

Recommendations:

- Product Care should continue its education program for the collection sites operators regarding the proper containers and materials to be accepted under the New Brunswick Stewardship Program.

- Product Care should also focus its public communication and education program towards educating the consumers about the proper containers and materials to be accepted under the New Brunswick Paint Stewardship Program.

3.3 Communications

Product Care continues to carry out the communication and education component of the Paint Stewardship Program in order to reach all those involved with the sale and use of paint as well as those involved with the collection of leftover paint. The partnership between Product Care and Recycle New Brunswick on this component of the program resulted in a collaborated effort in delivering the public communication and education program in the province. The combined efforts by Product Care and Recycle New Brunswick regarding the communication and education program have been effective in increasing consumer awareness of the New Brunswick Paint Stewardship Program.

In 2019, a survey was conducted to determine consumer awareness. This showed that 80% of consumers were aware of the New Brunswick Paint Stewardship Program, an increase of 14 percent over the last survey done in 2017.

Other communication and education programs in 2019 included:

The bilingual website that is maintained by Product Care, and is linked to the Recycle New Brunswick website, provides the public with relevant information regarding the New Brunswick Paint Stewardship Program such as the location of collection sites, Depot hours of operation, information on the PaintShare program. There were about 527,307 visitors who utilized the website in 2019; while the collection site finder page received about 11,227 page views.

Product Care continued to strengthen its relationship with the New Brunswick Regional Service Commissions during 2019. Regional Service Commission – Solid Waste facilities have played a major role in the waste paint management through efforts directed towards increasing public awareness of the Paint Stewardship Program and through special events held by the commissions to collect household hazardous waste. Regional Service Commission solid waste management facilities have regular household hazardous waste collection services. All waste paint collected at these events was managed by Product Care under the New Brunswick Paint Stewardship Program.

Collection sites visits by the local representative of Product Care continued in 2019, where the local representative visited 52 collection sites (about 81% of all collection sites in the province). These site visits provided a face to face communication with collection site operators and allowed for the training of collection sites operators in order to improve the efficiency of the program. The representative also visited several of the paint retailers throughout the Province to ensure that they have enough brochures and that the brochures are given to the public when buying paint.

The continued efforts of the local representative serves to improve the efficiency of the program and provides a greater understanding of the goals of the Paint Stewardship Program among those using and selling paint, and those collecting waste paint in New Brunswick.

Furthermore, Product Care continued communication with the retailers and collection site operators regarding the distribution of program information to the public. These communication efforts have played a major role in increasing public awareness of the program and have added to the continued progress of the New Brunswick Paint Stewardship Program.

Recommendations:

- Product Care and Recycle New Brunswick should continue to adapt their public communication and education programs to maximize the desired goals of the Paint Stewardship Program across the province.

3.4 Operations

The presentation in the above sections demonstrates that the operation of the program has been successful in 2019. The success of the program's operation is largely attributed to the experience of Product Care Association (national), the provincial representative, and the collection site operators. It is worth noting that Product Care has initiated a program that will provide specific hazardous waste training (TGD) to the collection site staff.

Product Care carries out regular training sessions with collection site operators and follows up on any issues raised in the monthly collection sites reports. Data collection and analysis is carried out by Product Care in order to ensure that the operation of the program is focused on achieving the goals of the New Brunswick Paint Stewardship Plan (2016-2021).

Product Care also conducts regular site visits of collection sites in order to verify the data presented in the monthly reports and to stress the fact that data collection forms a basic element in the success of the program. Product Care strives to improve the overall data collection and analysis in order to ensure that the operation of the program is directed towards achieving the goals of the New Brunswick Paint Stewardship Program.

It has been noted that a number of non-program containers continue to be returned by consumers through the Paint Stewardship program's collection system. These containers have been one of the components of the program that Product Care has been dealing with and trying to minimize the non-program containers ending up at the collection sites. Continued efforts by Product Care representative were directed towards educating consumers and the collection site operators regarding the non-program containers making their way into the collection and processing stream. The non-program containers present a financial cost to the program and a potential risk to retailers and collection sites operators handling the returns. Further to the recommendation contained in Section 4.3, Product Care, Recycle NB, and the New Brunswick Department of Environment and

Local Government should examine opportunities to better manage non-program materials and containers.

The assessment of the 2019 New Brunswick Paint Stewardship Program's annual report indicates that there is a continued improvement in the major components of the program; communications, collection, and processing & recycling.

Recommendations:

- Product Care should continue to carry out regular collection site visits/inspection and operators' training and to continue working with the collection sites operators in an effort to improve their operational effectiveness.
- Product Care should continue and enhance its efforts during site visits to educate the operators about the accepted program containers in order to reduce the volume of non-program containers coming into the program.

4.0 OVERALL PROGRAM ASSESSMENT & CONCLUSION

In 2019, there were 68 Paint Brand Owners registered under the New Brunswick Paint Stewardship Program and a network of 64 collection sites across the province for the collection of used paints and coatings in liquid and aerosol form as well as empty containers from consumers in the Province.

The evaluation and assessment of the performance of the New Brunswick Paint Stewardship Program for 2019 was based on the review of the 2019 Annual Report produced by Product Care.

Since 2009, the New Brunswick Paint Stewardship Program has been operated by Product Care on behalf of Paint Brand Owners selling paint in the Province. It is clear from the review and assessment of the annual report, and discussion with RecycleNB, the provincial Product Care Representative, and the Department of Environment and Local Government, that Product Care had successfully fulfilled the requirements of the *Designated Materials Regulation* 2008-54 under the *Clean Environment Act* and achieved the objectives of the program regarding the collection and utilization of waste paint mainly in paint reuse and recycling; as well as the collection and recycling of paint containers.

Despite the fact that recycling paint containers has been a problematic item in the recycling business, Product Care has been working hard to identify appropriate recycling facilities for empty paint containers collected under the New Brunswick Paint Stewardship Program. The efforts expended by Product Care in this regard are acknowledged in this assessment. In 2019 – 237.5

tonnes were collected and recycled, including metal, plastic, and polypropylene. This also demonstrates the effectiveness of Product Care in its efforts to achieve the goals of the New Brunswick Paint Stewardship Program.

Section 44 of the *Designated Materials Regulation* requires that the reuse rate for waste paint (the volume of paint reused plus the volume of paint recycled to produce paint divided by the volume of waste paint collected) shall be at least 70%. The reuse rate in 2019 was 81% (Reuse 0.3% /Recycle 78% /Energy Recovery 2%) exceeding the requirement of the *Designated Materials Regulation*.

It is worth noting the continued efforts that the paint and coatings industry is undertaking through their “Design for the Environment” initiative that is working towards product innovation that seeks to achieve sustainability in the industry. While these efforts are not part of the New Brunswick regulatory structure they are truly forward thinking and will impact on how this program is delivered in future years.

On the basis of this assessment, the independent assessor concludes that Product Care has successfully managed the Paint Stewardship Program in the province in 2019 with outstanding performance. The efforts expended by Product Care have resulted in satisfying the objectives of the *Designated Materials Regulation*.

Executive Summary

In 2019 the New Brunswick Paint Stewardship Program was successfully managed by Product Care Association and Recycle NB.

It must be noted that 2019 is the tenth year that Product Care has implemented the paint program in New Brunswick and the efforts of Product Care, RecycleNB, and the paint industry continues to support the recycling goals established by the province.

The Program continues to meet regulated and Program Plan objectives. Consumer awareness continues to increase across the province, evidence that the efforts of Product Care are impacting the New Brunswick population.

The Highlights from 2019 are as follows:

- **80% consumer awareness to the program**
- **In addition to television and website notifications, Product Care utilized an extensive digital advertising program in 2019, including Google, YouTube, Facebook, Corus Digital Advertising, the Weather Network, blog posts, and print advertising.**
- **64 waste paint collection sites across the province that provide excellent public access to the waste paint recycling program (62 in 2018)**
- **52 waste collection site visits in 2019 (48 in 2018)**
- **80.3% of waste paint collected was reused, recycled, or used for energy recovery**
- **4,660,038 litres of paint sold in NB in 2019. (4,533,254 litres in 2018)**
- **299,708 litres of waste paint collected in 2019. (303,546 litres in 2018)**
- **700 litres of paint reused by consumers. (193 litres in 2018)**
- **307,886 litres of waste paint processed (includes 2018 residual volume)**
- **5,802 litres of waste paint used for energy recovery (5,802 litres 2018)**
- **47,970 litres of non-recycleable product solidified and disposed at landfill (61,500 in 2018)**
- **237.5 tonnes of metal and plastic containers recycled**

Product Care Association continues to advance the goal of recycling paint in the Province of New Brunswick. The 2019 New Brunswick Paint Stewardship Program was very successful and all program objectives were achieved.