

Newfoundland and Labrador Paint Program Annual Report

May 1st 2020

Submitted by:

Product Care Association of Canada



productcare.org

Table of Contents

1.0	About Product Care.....	2
2.0	Brand Owner Information.....	4
3.0	Collection.....	4
4.0	Processing.....	14
5.0	Promotion and Education.....	24
6.0	Financial Information.....	27
	APPENDIX 1 – Collection Sites as of December 31, 2019	28
	APPENDIX 2 – Collection Site Locator.....	31
	APPENDIX 3 – Print Advertising.....	32
	APPENDIX 4 –Digital Advertising.....	35
	APPENDIX 5 – 2019 Audited Financial Statements.....	39

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. Revisions to the original program plan covering 2012–2015 were approved by MMSB on November 1, 2018. The revised program plan covers the period December 1, 2018 – November, 30 2023 (“2018 – 2023 Program Plan”).

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 2019 calendar year (January 1 to December 31, 2019). 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.

This annual report addresses the performance of the Program in 2019, under the new Program Plan.

Table 1 summarizes the Program's performance against regulatory requirements and commitments made in the 2018-2023 Program Plan.

Table 1: Summary of Key Performance Indicators

Commitments & Requirements	2019 Performance
Achieve at least a 70% reuse rate	Reuse rate of 79% was achieved.
The Program will maintain permanent collection sites in or near the 17 prescribed communities	26 permanent collection sites were operating in the 17 prescribed communities.
Maintain collection service in additional 31 target communities	Of the additional 31 targeted communities, permanent collection sites were established in or near 17 communities, and 6 communities were serviced through collection events.
Average 0.25% annual increase per year from 2016 baseline (4.7%), resulting in a 6.2% annual recovery rate by 2022.	The program achieved a recovery rate of 5.9% in 2019, representing a 0.4% average annual increase from 2016.

2.0 Brand Owner Information

Program members reported the sale of approximately 3,336,969 litres¹ of paint in Newfoundland and Labrador for the reporting period. “Paint” is 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 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 2019 collection volumes and an overview of the collection network in the Province.

3.1 Total Amount of Post–Consumer Paint Collected

Table 2 below shows the total amount of post-consumer paint collected by the Program for the reporting period. Table 3 provides volumes collected by collection site type.

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 2: Total Amount of Post-Consumer Paint Collected in 2019

	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	1,427	39	192,788	205	5,571	198,564

Table 3: Percentage of Post-Consumer Paint Collected by Collection Site Type in 2019

Type of Collection Site	% of Collection
Green Depot	28.5 %
Retailer	15.6 %
Collection Events	6.9 %
Local Government Waste Facilities	49.0%
Total	100%

² Tubskid dimensions (42" x 42" 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 tubskid varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

³ Each drum holds approximately 175 aerosol containers.

⁴ Residual paint volume in each tubskid was calculated by applying a rounded conversion rate of 135.1 L per tubskid derived from the number of tubskids packed into boxes, the number of boxes processed, and the total residual volume. The total collected volume represents 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, NS to Richibucto, NB. This paint was stockpiled until solvent-based paint processing could be resumed.

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

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 2019.

Table 4: 2019 NL Paint Sales, Residual Recovery Volume and Recovery Rate

	Total
Sales (litres)	3,336,969
Residual Recovery Volume (litres collected)	198,564
Recovery Rate	6.0%

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 Sites

Prescribed Communities

As of December 31, 2019, the Program's collection network included 60 collection sites (see [Appendix 1](#) for a complete list). The Program Plan commits to maintain permanent collection sites in the 17 prescribed communities identified by MMSB. The Program has managed to maintain 26 permanent collection sites in 16 of the 17 prescribed communities (see Table 5). The Program originally had permanent collection sites in all 17 prescribed communities, however, the collection site in Clarenville left the Program in February 2019. The Program has since approached multiple retailers, green depots and the local government without success. In 2019, the community was serviced by a collection event as the Program continues to search for a replacement collection site.

Table 5: Permanent Sites in the 17 Prescribed Communities at the end of 2019

Prescribed Community		Collection Site
1	Bay Roberts	Bay Roberts Green Depot
2	Clareville	Permanent Collection site closed, service in 2019 provided through EWMB Collection event
3	Carbonear	Carbonear Green Depot
4	Conception Bay South	Handyman Home Hardware
5	Corner Brook	1. Corner Brook Green Depot 2. Western Regional Waste Management Wild Cove Transfer Station
6	Deer Lake	The Paint Shop Home Decorating Center - Deer Lake
7	Gander	1. Broadening Horizon Recycling Inc. 2. Aylwards Home Centre Gander 3. Gander Green Depot
8	Grand Falls-Windsor	1. Grand Falls-Windsor Green Depot 2. Paint Shop Grand Falls
9	Happy Valley-Goose Bay	Happy Valley-Goose Bay Green Depot
10	Labrador West	1. Labrador West Regional Landfill (Hodge Brothers) 2. Labrador West Green Depot 3. Labrador West Landfill (Hodge Brothers)
11	Lewisporte	Pritchett's Building Supplies
12	Marystown	Aylwards Home Centre Marystown
13	Mount Pearl	1. Mount Pearl Green Depot 2. Paint Shop Mount Pearl
14	Port Aux Basques	1. Port Aux Basques Green Depot 2. Western Regional Waste Management - Southwest Coast Transfer Station
15	Port Aux Choix	Hawkes Bay Landfill
16	St. John's (3 required locations)	1. Dulux Paints 2. St. John's Landfill - Robin Hood Bay 3. Smiths Home Hardware 4. Paint Shop Home Decorating Center
17	Stephenville	Stephenville Green Depot

Additional Communities

In addition, the Program committed to providing collection services in or near an additional 31 communities. Of the additional 31 communities,

- 17 communities had permanent collection sites (total of 21 permanent collection sites in the 17 communities).
- One community, Dunville, is serviced by the permanent collection sites established in the neighbouring community of Placentia.
- 6 communities were serviced through bi-annual collection events hosted by PCA, some in collaboration with the EPRA, the electronics stewardship program. The 6 communities that did not receive collection services in 2019, are scheduled for collection events in 2020. In addition, Cartwright will be provided service through a collection event in 2020.
- One community, Postville, did not receive any collection service in 2019. Product Care continues to seek opportunities to provide collection service to this community.

Table 6 sets out the additional 31 communities and the type of collection service offered in each community.

Table 6: Collection Services in the Additional 31 Communities at the end of 2019

Community		Collection Site	Status
1	Baie Verte	White Bay Home Hardware	Permanent Site Established
2	Black Tickle	Black Tickle/Domino Local Service	Permanent Site Established
3	Bonavista	Bonavista Fire Hall	Collection Event
4	Botwood	Botwood Recycling Green Depot	Permanent Site Established
5	Burgeo	1. Burgeo Green Depot 2. Western Regional Waste Management – Burgeo Transfer Station	Permanent Sites Established
6	Cartwright	TBD	Bi-annual collection event. Next event scheduled in 2020.

Community		Collection Site	Status
7	Charlottetown	TBD	Bi-annual collection event. Next event scheduled in 2020.
8	Dunville	1. Aylwards Home Centre – Placentia 2. Paint Shop Home Decorating Center – Placentia	Permanent sites established in neighbouring town Placentia
9	Fogo	1. Fogo Island Home Hardware Building Centre 2. Regional Site – CWMN Norris Arm – Fogo Island	Permanent Site Established
10	Gambo	Gambo Green Depot	Permanent Sites Established
11	Glovertown	Glovertown Green Depot	Permanent Site Established
12	Hopedale	TBD	Bi-annual collection event. Next event scheduled in 2020.
13	La Scie	TBD	Bi-annual collection event. Next event scheduled in 2020.
14	L'Anse au Loup	Labrador Straits Green Depot	Permanent Site Established
15	Makkovik	Makkovik Inuit Community Government	Permanent Site Established
16	Mary's Harbour	Mary's Harbour Fire Hall	Collection Event
17	Nain	Nain Inuit Community Government	Permanent Site Established
18	New Wes Valley	New-Wes-Valley Green Depot	Permanent Site Established
19	New World Island	Regional Site – CWMN Norris Arm New World Island/ Twillingate	Permanent Site Established
20	Pasadena	Pasadena Fire Hall	Collection Event
21	Postville	N/A	Gap community
22	Port Hope Simpson	Port Hope Simpson Fire Hall	Collection Event
23	Rigolet	Rigolet Fire Hall	Collection Event
24	Riverhead	Riverhead Green Depot	Permanent Site Established
25	Robert's Arm	TBD	Bi-annual collection event. Next event scheduled in 2020.
26	Rocky Harbour	1. Western Regional Waste Management – Long Range Transfer Station	Permanent site established and Collection Event

Community		Collection Site	Status
		2. Rocky Harbour Fire Hall	Collection Event and Permanent site established
27	Springdale	Springdale/ Green Bay North Depot	Permanent Site Established
28	St. Alban's	TBD	Bi-annual collection event. Next event scheduled in 2020.
29	St. Anthony	1. St. Anthony HHW Site, Landfill Subregion 1 2. St, Barbe Landfill	Permanent Site Established
30	St. Lewis	TBD	Bi-annual collection event. Next event scheduled in 2020.
31	Twillingate	1. Twillingate Green Depot 2. Paint Shop Home Decorating Centre	Permanent Sites Established

Table 7 below presents the 10 additional permanent sites established outside of prescribed communities.

Table 7: Additional Permanent Collection Sites Outside of Prescribed Communities

Community	Collection Site
Buchans Junction	Regional Site - CWMN Norris Arm - Buchans Junction
Burin	Burin Peninsula Regional Service Board
Davidsville	Regional Site - CWMN Norris Arm - Gander Bay
Fortune	Chester Dawe - Fortune (RONA)
Grand Bank	Aylwards Home Centre - Grand Bank
Indian Bay	Regional Site - CWMN Norris Arm -Indian Bay
Paradise	Paradise Green Depot
Point Leamington	Regional Site - CWMN Norris Arm - Point Leamington
St. Lawrence	Aylwards Home Centre - St. Lawrence
Terra Nova	Regional Site - CWMN Norris Arm - Terra Nova

Collection Events

Until 2016, Product Care organized annual collection events in 12 of the 31 additional communities without permanent collection sites on a yearly basis. As shown in .

Table 9, volumes collected in these communities have been historically low. 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, 2019, and those that will be conducted in 2020.

Table 8: Paint collection events conducted in 2018, 2019 and scheduled for 2020

	2018	2019	2020
Bonavista		X	
Cartwright			X
Charlottetown	X		X
Hopedale ⁶			X
La Scie	X		X
Mary's Harbour		X	
Pasadena		X	
Port Hope Simpson		X	
Rigolet	X	X	
Robert's Arm	X		X
Rocky Harbour		X	
St Alban's / Miltown	X		X
St. Lewis	X		X

The six paint collection events, hosted in partnership with municipalities or fire halls, netted a total of 22 tubskids of paint in 2019 (see Table 9). The Program collaborated with the "Recycle my Electronics" program operated by Electronic Products Recycling Association (EPRA) for the collection events in Rocky Harbour and Bonavista.

⁶ Despite efforts by PCA to hold an event in 2019, the collection event scheduled in Hopedale did not take place due to delays caused by weather and logistical issues. An event has been scheduled in Hopedale for 2020.

Promotions for paint collection events included social media (Facebook, Twitter and Product Care's website) and printed posters or banners sent to host communities in advance of the events for distribution throughout the communities.

Table 9: Tubskids Collected at Product Care Collection Events in 2015, 2016, 2017, 2018 and 2019

Collection Event Location	Tubskids Collected ⁷				
	2015	2016	2017	2018	2019
Charlottetown	0	0		1	
Mary's Harbour	1	0	0.5		2
Port Hope Simpson	1	1	0		2
St. Lewis	0	1		1	
Robert's Arm	1	1		2	
La Scie	2	0		1	
Pasadena	3	2.5	2		11
Rocky Harbour*	1	2	2		5
St. Alban's/Milltown	0	0		1	
Rigolet	0	0		0	0
Hopedale	0	2.5	0		
Bonavista*	3	0.5	2		2
Total	12	10.5	6.5	6.0	22

* Events held in partnership with EPRA

EWMB-Led Collection Events

The Program also participated in 25 additional collection events conducted by Eastern Waste Management Board (EWMB) as part of their household hazardous

⁷ Events reporting "0" tubskids generally collected less than 15 cans of paint.

waste (HHW) program (see Table 10). PCA provided transportation and processing services for these events, which collected a total of 37.5 tubskids.

Table 10: EWMB-Led Collection Events

	Community Serviced	Event Date
1.	Admiral's Beach	07-Sep-19
2.	Arnold's Cove	22-Jun-19
3.	Bay-De- Grave	08-Jun-19
4.	Branch	08-Jun-19
5.	Carbonear	08-Jun-19
6.	Clareville	22-Jun-19
7.	Colliers	08-Jun-19
8.	Colinet	07-Sep-19
9.	Fermuse	07-Sep-19
10.	Hants Hr.	22-Jun -19
11.	Heart's Content	22-Jun-19
12.	Long Harbour/Mt. Arlington Heights	08-Jun-19
13.	North Shore (Small Point, Adam's cove, Blackhead, Broad Cove)	08-Jun-19
14.	Norman's Cove-Long Cove	22-Jun-19
15.	Northern Bight	22-Jun-19
16.	Placentia	08-Jun-19
17.	Random West (Elliot's Cove)	22-Jun-19
18.	Riverhead	07-Sep-19
19.	St. Shotts	07-Sep-19
20.	Trepassey	07-Sep-19
21.	Upper Island cove	08-Jun-19
22.	Wabana	07-Sep19
23.	Whitbourne	08-Jun-19
24.	Whiteway	22-Jun-2019
25.	Winterton	22-Jun-19

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 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 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 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. Sustainability reporting can help organizations to measure, understand and communicate their economic, environmental, social and governance performance, and then set goals, and manage change more effectively. A sustainability report is the key platform for communicating sustainability performance and impacts whether positive or negative.

Sustainability reporting can be considered synonymous with other terms for non-financial reporting; triple bottom line reporting, corporate social responsibility (CSR) reporting, and more. It is also an intrinsic element of integrated reporting; a more recent development that combines the analysis of financial and non-financial performance.

In September 2015, the United Nations introduced its 17 Sustainable Development Goals (SDGs), ushering in a new era of global development. World leaders from all 193 UN member states adopted the Sustainable Development Goals (SDGs) to guide global action on the urgent environmental, political and economic challenges facing our planet. The SDGs are a universal call to action to end poverty, protect the planet,

and ensure that all people enjoy peace and prosperity. They set an ambitious target to build a more sustainable, safe, and prosperous world for all humanity by 2030 and many paint companies are basing their metrics on the SDGs.

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

Paint collected by the Program was received from collection sites and collection events and consolidated into boxes at the hauler’s warehouse. Boxes of paint were then shipped to the Program’s paint processor’s facilities, Laurentide Resources Atlantic Inc., in Springhill, Nova Scotia, or Richibucto, New Brunswick, or Victoriaville, Quebec. Boxes received in Victoriaville are then shipped to Richibucto, . Aerosols were sent to Terrapure Environmental’s facilities in Saint John’s or Foxtrap, Newfoundland for processing and energy recovery.

In 2019, a total of 800 boxes of post-consumer paint were delivered for processing and 1,205 boxes were processed, including carryover volumes from 2018 (see Table 11).

Table 11: Total Amount of Post–Consumer Paint Processed in 2019

	Number of boxes	Number of Aerosol Drums⁸	Residual Paint Volume (L)⁹	Residual Aerosol Paint Volume (L)	Total Residual Paint Volume¹⁰ (L)
Volume Processed	1,205	31	214,016	163	214,179

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

⁹ Based on a rounded conversion rate of 177.6 L per box.

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

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 PaintShare Program, previously “PaintReuse”, 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 5,571 litres of paint was given away to consumers through the PaintShare Program in 2019. PaintShare was offered at 16 collection sites (15 Green Depots, 1 local government site), accounting for 25% of the Program’s collection sites. Reuse volumes are estimated by assuming that each container is 75% full on average.

Recycling

At the Laurentide Re-sources processing facilities in Richibucto and Springhill, 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. Both water-based and solvent-based paints were processed in Springhill, while only water-based paints were processed and solvent-based paints were temporarily stored in Richibucto.

Table 12 provides the quantities of water-based paint and solvent-based paint 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 2019

Type	Litres	Percentage of Paint Recycled
Water-based paint	165,518	98.4%
Solvent-based paint ¹¹	2,719	1.6%
Total	168,237	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 2019, the Program surpassed its target, achieving a 79.1% reuse rate (see Table **13** below).

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 them 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, 3,302 litres of solvent-based paint and paint from paint aerosols processed were blended with other fuels and utilized for energy value at licensed facilities.

¹¹ Minimal volumes of solvent-based paint were processed in 2019 due to technical issues associated with relocating the processor’s operations from Springhill to Richibucto. Paint was stockpiled until solvent-based paint processing could be resumed.

Landfill

The sorting and bulking of water-based paint by Laurentide generated 42,640 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 2019

Method	Volume (litres)	Percentage
Reuse - Paint Reuse Program	5,571	2.5%
Reuse - Paint Recycling	168,237	76.6%
Energy Recovery	3,302	1.5%
Landfill	42,640	19.4%
Incineration	0	0.0%
Total	219,750	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, Aim Metal, NB, MetroBec, 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 2019

Container Type	Recycled (tonnes)	Processor	Management Process
Metal	33.9 ¹²	D.R. Metal Recycling (Moncton, NB) / Aim Metal, NB, MetroBec,	Mixed with other scrap metal and sold as a commodity that is eventually sent for smelting
Plastic pails (HDPE 2)	2.6	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)	15.8	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.

¹² Metal weight for aerosol paint cans is calculated using a conversion factor of 35.5 kg per aerosol drum

Table 15: Processing & Containment Facilities

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 & Processing 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

5.0 Promotion and Education

In 2019, 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 2019.

5.1 Consumer Awareness

In fall 2019—per the commitment outlined in the program plan—an online survey was conducted among 800 consumers representative of Newfoundland and Labrador's adult population. The survey revealed that 67% of residents are aware that they can recycle paint in the province. This is an increase of 9 percentage points over 2017 awareness levels (58%). The next consumer awareness survey will be conducted in 2021.

5.2 Website

In January 2019, the regeneration.ca website was replaced with the new Product Care website, productcare.org. The new website reflects a refreshed, consolidated brand

focused on an improved user experience for consumers, industry and members. Similar to regeneration.ca, the Product Care site includes the following bilingual content for the Newfoundland and Labrador paint recycling program, which is one of the commitments in the program plan:

- Recycling locator (a map displaying the recycling locations and drop-off events)
- Recycling location hours and operations
- Accepted and not accepted products
- Program member support section with news and updates
- Consumer videos showing the product management approach for paint
- Other information (e.g., a description of the PaintShare program, frequently asked questions, information about buying and storing paint)

An estimated 527,307 unique visitors accessed ProductCare.org during the 2019 calendar year. The Newfoundland and Labrador section (including sub-sections for accepted products and fee information) received 3,818 total page views. In addition, there were a total of 15,552 unique visits to the recycling locator from consumers in Newfoundland and Labrador.

5.3 Program Hotline

Product Care continued to operate a toll-free, “hotline” for consumers to obtain information about the Program.

5.4 Television

Television commercials aired on CBC from July to September 2019, resulting in approximately 25,340,000 impressions.

5.5 Print Advertising

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

5.6 Digital Advertising

All digital campaigns (excluding tactic targeted blog posts and organic social media posts via Product Care Recycling Facebook, Instagram, and Twitter feeds) reached 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. Newfoundland and Labrador's ads collectively generated 927 impressions and 169 clicks.
 - 2. Google Display Advertising Campaign:** January to December, 2019
 - a. A Newfoundland and Labrador-specific display advertising campaign served paint-related ads to provincial residents. Several iterations of the ads were run, collectively receiving 9.4 million impressions and 34,632 clicks through to the website.
 - b. 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, 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. In Newfoundland and Labrador, these ads received a total of 56,032 impressions and 22,629 views.
 - 4. Facebook Advertising Campaign:**
 - a. A Newfoundland and Labrador-specific campaign promoted the paint recycling program, targeting Newfoundland and Labrador residents on an ongoing basis.
 - b. Ad campaigns were also run for collection events, specifically targeting the communities where the events were taking place. These campaigns collectively received 148,064 impressions.
 - 5. Facebook Content Strategy:** Newfoundland and Labrador -specific content focused on paint recycling, special waste and the recycling community in general.
 - 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 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 45,568 views.

7. The Weather Network Display Campaign: July to September, 2019.

- a. Display ads ran on the Weather Network app.
- b. Newfoundland and Labrador’s ads collectively generated 941,170 impressions and 1,521 clicks.

See Appendix 4 for examples of digital advertising activities.

5.7 Community Events & Partnerships

Product Care attended the Portugal Cove St. Phillips Environmental Fair in May 2019. Multiple local and national environmental vendors and organizations (including Product Care) promoted sustainability and positive environmental behavior to more than 400 local residents at this event.

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

In 2019, Product Care distributed both PoS and PoR materials at no cost to retailers and recycling locations upon request. The following materials were available for reorder through the online order form:

- General paint program awareness posters
- Return to Retail (R2R) and Return to Product Care posters

6.0 Financial Information

The Program’s audited financial statements are provided in Appendix 5 of this report.

APPENDIX 1 – Collection Sites as of December 31, 2019

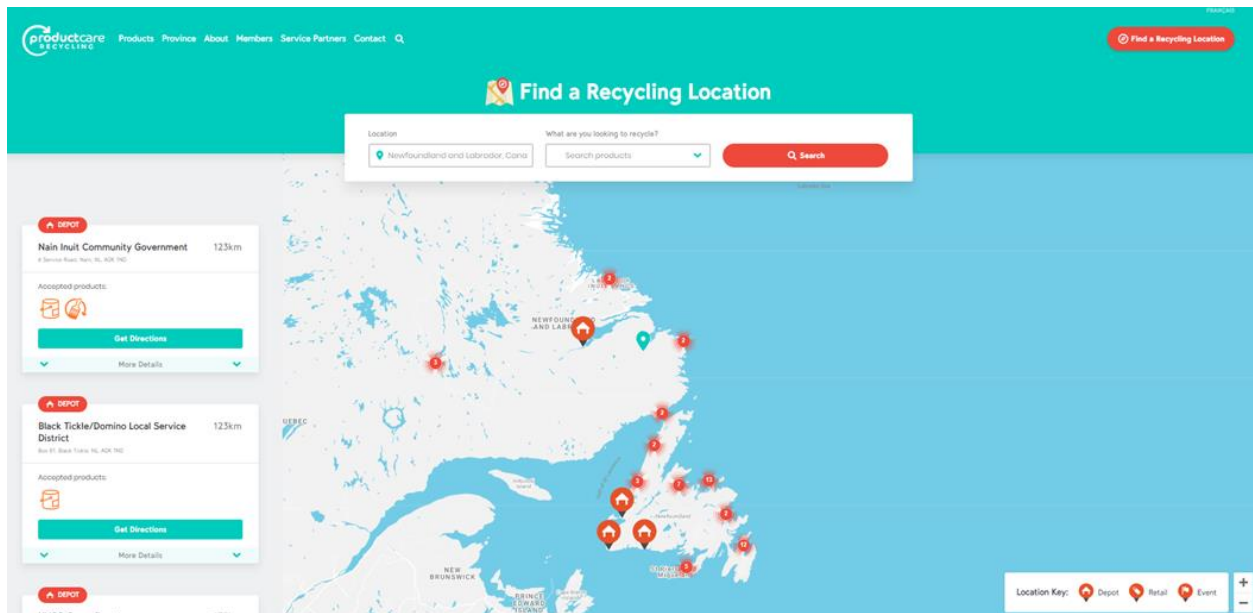
Depot Name	City	Type	Paint Share
White Bay Home Hardware	Baie Verte	Retailer	No
Bay Roberts Green Depot	Bay Roberts	Green Depot	Yes
Black Tickle / Domino Local Service District	Black Tickle	Government	No
Botwood Recycling Green Depot	Botwood	Green Depot	Yes
Regional Site - CWMN Norris Arm - Buchans Junction	Buchans Junction	Government	No
Burgeo Green Depot	Burgeo	Green Depot	Yes
Western Regional Waste Management - Burgeo Transfer Station	Burgeo	Government	Yes
Burin Peninsula Regional Service Board	Burin	Government	No
Carbonear Green Depot	Carbonear	Green Depot	Yes
Regional Site - CWMN Norris Arm - New Wes Island / Twillingate	Chapel Island	Government	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
Aylwards Home Centre - Gander	Gander	Retailer	No
Broadening Horizons Recycling Inc	Gander	Green Depot	Yes
Gander Green Depot	Gander	Green Depot	Yes
Glovertown Green Depot	Glovertown	Green Depot	Yes

Depot Name	City	Type	Paint Share
Aylwards Home Centre - Grand Bank	Grand Bank	Retailer	No
Grand Falls-Windsor Green Depot	Grand Falls-Windsor	Green Depot	Yes
Paint Shop Home Decorating Center - Grand Falls	Grand Falls-Windsor	Retailer	No
Western Regional Waste Management - White Bay South Transfer Station	Hampden	Government	No
Happy Valley Goose Bay (HVGB) Green Depot	Happy Valley Goose Bay	Green Depot	Yes
Regional Site - CWMN Norris Arm -Indian Bay	Indian Bay	Government	No
Labrador West Landfill (Hodge Brothers)	Labrador West	Government	No
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
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
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
Western Regional Waste Management - Southwest Coast Transfer Station	Port Aux Basques	Government	No
Hawke's Bay Landfill	Port Aux Choix	Government	No
Riverhead Green Depot	Riverhead	Green Depot	No
Western Regional Waste Management - Long Range Transfer Station	Rocky Harbour	Government	No
Springdale /Green Bay North Depot	Springdale	Green Depot	No

Depot Name	City	Type	Paint Share
Landfill Site - Subregion 1 (Northern Peninsula Regional Services Board)	St. Anthony	Government	Yes
St. Barbe Landfill	St. Anthony	Government	No
Dulux Paints	St. John's	Retailer	No
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
Labrador West Landfill (Hodge Brothers)	Wabush	Green Depot	No

APPENDIX 2 – Collection Site Locator

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



APPENDIX 3 – Print Advertising

PoR/PoS Posters



Program Brochures

Accepted Paint Products

- Interior and exterior water-based (latex, acrylic) and oil-based (alkyd, enamel) household paint
- Undercoat and primers (e.g. metal, wood, etc.)
- Concrete or masonry paint, block filler, drywall or stucco paint, deck and floor coatings/paint (including elastomeric)
- Varnish and urethane (only single components); wood finishing oil, melamine, stain, shellac, anti-rust paint, and stain blocking paint
- Marine paint and wood preservatives (unless registered under Pest Control Products Act)
- Swimming pool paint (only single components)
- Textured paint
- Wood, masonry, driveway sealer, and water repellent (not tar based or bitumen based)*
- All types of aerosol paint
- Empty containers of accepted products

Max. paint container size: 25 litres

Max. paint aerosol size: 24 ounces or 680 grams

* Tar and bitumen based paints and coatings are accepted in Ontario only

Not Accepted Products

- Unidentifiable, unknown, unlabelled, and non-original containers
- Containers with poor integrity (e.g. badly rusted, leaking, bulging, improperly sealed)
- Non-aerosol industrial paints and finishes (e.g. baked-on, heat resistant, etc.)
- Roof patch and repair, tar or tar/bitumen based products*
- Patching stucco and spackling compounds
- Caulking compound, epoxies, glues, and adhesives
- Non-aerosol traffic or line marking paint
- Non-aerosol craft or automotive paint
- Brushes, rags, and rollers
- Two-part or component paints containing catalyst or activator
- Colourants and tints
- Paint thinner, resins, mineral spirits, and solvents
- Waxes, polishes, sealants, and other household products
- Paint mixed with other products
- Products registered as a pesticide under the Pest Control Products Act (has a PCP registration number on label)
- Paint for skating rinks and curling club floors
- Household cleaners

Note: Some products may be accepted through local household hazardous waste programs (check with your local waste authority)

* Tar and bitumen based paints and coatings are accepted in Ontario only



Have large volumes of leftover paint?

In select provinces, you may qualify for free pick up. Visit productcare.org for more information.

Who is Product Care?

Product Care Recycling is a federally incorporated, not-for-profit organization that responsibly manages products at end-of-life. We contribute to the local economy, keep hazardous materials out of our landfills and waterways, conserve resources, and protect the planet by recycling millions of litres of paint each year.

Visit productcare.org to find a recycling location near you.

productcare.org
1-877-592-2977
In BC: 1-800-667-4321



Want free leftover paint for a project?

Product Care's PaintShare program allows you to pick up free leftover paint from participating recycling locations.

This puts paint where it belongs – art and DIY projects, buildings, walls, and fences – and diverts it away from our landfills and waterways. Leftover paint is given away on an as is, as available basis.

To find a PaintShare location near you, visit productcare.org.

#paintshare

How is Product Care funded?


Product Care Recycling programs are funded by environmental handling fees (EHFs), which are remitted to us by our paint industry members.



The fees are not a tax or a refundable deposit. The fees are used to operate the programs, including collection, transportation, and recycling of leftover paint, as well as program administration and consumer education. EHFs are sometimes itemized on sales receipts.

For specific product fees, visit productcare.org.

Leftover paint?

Recycle it for free!
Visit productcare.org to find a recycling location near you.



CPCA Insight Publication 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

APPENDIX 4 –Digital Advertising


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

Google Search Ad

Recycle Your Empty Paint Cans | Recycling Locations Across NL

Ad www.productcare.org/paint-cans

Empty paint cans don't belong in the trash. Recycle both plastic and metal cans for free. Free drop off at recycling locations across Newfoundland and Labrador. Free Recycling Programs. Find a Recycling Location. Reduce...

[About Product Care](#)

[Donate Old Paint](#)

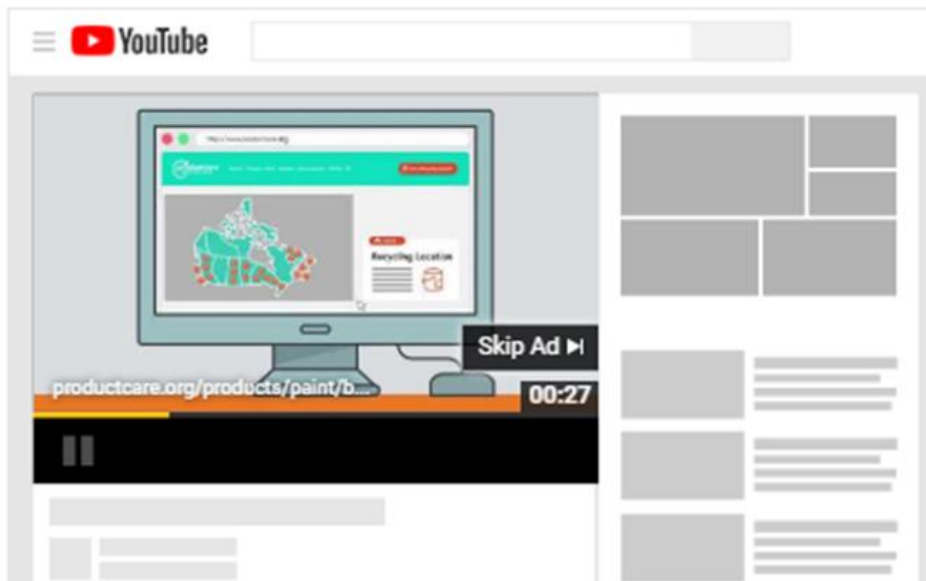
[Recycle Your Paint](#)

[Find A Recycling Location](#)

Google and The Weather Network Display Ads



YouTube Video Ad



Social Media Assets –Product Care 25th anniversary paint program



Sample Facebook Ads



Sample Facebook Post



Product Care Recycling
August 23, 2019 · 🌐

♻️ Responsible recycling tip: Paint aerosols don't belong in the trash!
Recycle them for free at a Product Care Recycling location.

Find one at www.productcare.org/recycling-locator/



APPENDIX 5 – 2019 Audited Financial Statements

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

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

31 DECEMBER 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 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: 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 (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 Newfoundland and Labrador 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 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
25 March 2020

**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 2019

	2019	2018
Revenues	\$ 652,784	\$ 786,455
Program expenses		
Processing	493,728	193,651
Transportation	280,394	238,194
Administration (Note 2(b) & (d))	91,600	57,290
Communications	77,057	14,552
Collection	62,419	71,393
Regulatory	31,654	47,589
	<u>1,036,852</u>	<u>622,669</u>
Excess of revenues over expenses for the year	(384,068)	163,786
Accumulated surplus - beginning of the year	1,485,372	1,321,586
Accumulated surplus - end of year	\$ 1,101,304	\$ 1,485,372

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 2019

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.

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	5 years
-----------------	---------

Included in administration expense is \$1,100 (2018 - \$1,100) of amortization expense related to tangible capital assets.

**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 2019**

2. Summary of Significant Accounting Policies - continued

(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.

(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 \$61,975 (2018 - \$38,741) 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 \$80,767 (2018 - \$234,465) which will be incurred in 2020.