Manitoba Household Hazardous Waste Annual Report

2019

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1. Program Outline

The Manitoba Household Hazardous Waste Program ("Program") is operated and managed by Product Care Association of Canada ("Product Care"). Product Care is a federally incorporated, not-for-profit product stewardship association formed in response to stewardship regulations and is governed by a multi sector industry board of directors.

This annual report is prepared in accordance with the requirements outlined in the *Manitoba Household Hazardous Material and Prescribed Material Stewardship Regulation (16/2010R)* ("Regulation") enacted pursuant to the *Waste Reduction and Prevention (WRAP) Act*, and the commitments set out in the Manitoba Household Hazardous Waste Stewardship Program Plan (2017-2021) approved by the Manitoba Minister of Sustainable Development on July 26, 2018 ("Program Plan").

The members of the Program are the obligated "stewards" (manufacturers, distributors and retailers) pursuant to Regulation with regard to the following product categories:

- Paint
- Flammables
- Corrosives
- Toxics
- Physically hazardous materials
- Pesticides
- Fluorescent lighting tubes and compact fluorescent lights ("fluorescent lights")

The Program's first phase launched on May 1, 2012 and included paint and fluorescent lights. The second phase launched on October 1, 2012 and included pesticides, flammables, corrosives, toxics and physically hazardous materials (Program Products). The Program enables consumers to drop off unwanted Program Products at collection sites and collection events across the Province at no charge.

The Program is funded by membership fees, known as Environmental Handling Fees (EHFs), remitted to Product Care by its members based on the volume of sales of designated Program Products in or into the Province. In some cases, retailers recover this expense as a separate visible EHF to consumers. The EHF rates are set by Product Care. Program revenues are applied to the operation of the Program, including administration, communication and outreach, collection, transport and processing of collected Program Products, as well as the maintenance of a reserve fund.

Product Care operates product stewardship programs for paint in seven other Canadian provinces: British Columbia, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland & Labrador.

Product Care also operates programs for household hazardous wastes in British Columbia, and Ontario; lamps in British Columbia, Quebec and PEI; and smoke and carbon monoxide alarms in British Columbia. See the Product Care website at www.ProductCare.org for more information.

2. Educational Materials and Strategies

In 2019, the Program implemented a number of different methods to raise consumer awareness, in accordance with regulatory requirements. The following section provides details regarding communication and public education for the program in 2019, as outlined in the program plan commitments.

Program Awareness

Paint/HHW
In fall 2019, an online survey was conducted among 1,001 residents representative of Manitoba's adult population. The survey revealed that 60% of residents are aware that they can recycle paint in the province, and 58% are aware they can recycle HHW. This is an increase of 9 percentage points over the 2017 awareness level (51%) for paint and 10 percentage points over the 2017 awareness level (48%) for HHW. The next consumer awareness survey will be conducted in 2021.

Website

In January 2019, the regeneration.ca and lightrecycle.ca websites were 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 and lightrecycle.ca, the Product Care site includes the following content for the Manitoba program as outlined as a commitment in the program plan:

- Recycling locator (a map displaying the recycling locations and drop-off events) – see Appendix A
- Recycling location (collection sites) hours and operations
- Lists of accepted and not accepted products
- Program member support centre with news and updates
- Consumer videos showing the product management approach for program products
- Other information (e.g., a description of the PaintShare program, frequently asked questions, etc.)

An estimated 527,307 unique visitors accessed *productcare.org* during the 2019 calendar year. The Manitoba section (including sub-sections for accepted products, fee information, and PaintShare) received 15,445 total page views. In addition, there were a total of 18,829 unique visits to the recycling locator from consumers in Manitoba. Productcare.org was linked to Recycle Manitoba's website, www.recyclemanitoba.ca.

Program Hotline

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

Television

Paint television ads were broadcasted on CBC from July to September 2019, resulting in approximately 10,615,500 impressions.

Corus Advertising Campaign

In 2019, two awareness-oriented direct mail campaigns around keeping lights out of landfill and lights don't belong in the garbage were distributed to nearly 35,000 individuals who were most likely to recycle lighting products at key times of year like after the holidays, for Blue Monday, and around the end of daylight savings time (see Appendix for examples). These mail-outs were complimented by re-targeted digital advertising to the same individuals (see below).

Print Advertising

- A full-page inside cover print ad was featured in *CPCA Insight* Trade Publication (see Appendix). Seven thousand copies were distributed to industry members.
- Spring and Fall full page advertisements were placed in *Municipal Leader*, which was available in print and online, promoting the Program's recycling services to municipalities
- Five general awareness advertisements were distributed to 220,000 Manitobans in five community newspapers published by Canstar Community News

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, HHW, and fluorescent lights ads to provincial residents based on an extensive list of keyword searches relevant to the Program.
   b. Manitoba's ads collectively generated 6,737 impressions and 1,318 clicks.
2. **Google Display Advertising Campaign:** January to December 2019

a. A Manitoba-specific display advertising campaign served paint, HHW, and fluorescent lights related ads to provincial residents.
b. Several iterations of the ads were run, collectively receiving 5.4 million impressions and 30,289 clicks through to the website.
c. Ads were specifically targeted to internet users who performed online searches related to paint, HHW and fluorescent lights purchasing, usage, and disposal in Manitoba. 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 HHW explainer videos were run as pre-roll and skippable in-stream ads on YouTube.
   b. In Manitoba, these ads received a total of 72,595 impressions and 16,507 views.
4. **Facebook Advertising Campaigns:** A Manitoba-specific campaign promoted the paint, HHW, and fluorescent lights recycling programs, targeting Manitoba residents on an ongoing basis. Fluorescent lights coverage coincided with a mail-out sent to Manitoba residents and was targeted using lookalike techniques for 'Eco-Aspirer' and 'Eco-Enthusiast' personas.
5. **Facebook Content Strategy:** Manitoba specific content focused on paint, HHW, and fluorescent light recycling, 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 Manitoba. Topics included specific information on paint and fluorescent light 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 for paint, HHW and fluorescent lights ran on the Weather Network app.
   b. Manitoba's ads collectively generated 1,186,293 impressions and 2,162 clicks

See Appendix for examples of digital advertising activities.

Earned Media

Articles detailing summer collection events were published free of charge online and in printed newspapers. The publications included the Dauphin Herald, Lionness News, Russell Banner, and Souris Plaindealer.

Community Events and Sponsorships

Product Care attended municipal and community events to promote paint, HHW, and lights recycling in Manitoba. These included:

- "Take Pride Manitoba", held on April 18, hosted a Manitoba Eco Fashion Festival, a province-wide contest, which encouraged students to create striking works of wearable art from everyday materials that would normally meet its end-of-life fate. The fashion festival inspired and ignited passion in students while educating them about the importance of recycling and reusing waste. Product Care hosted a booth to promote the Program and educated 600 schoolchildren about the importance of recycling.
- Product Care sponsored the "MARR" Annual General Meeting Forum on November 26th and 27th, which included a breakout session presentation featuring the Program and a trade show booth with more than 800 delegates in attendance
- Product Care hosted a booth and promoted the Program at the "Association of Manitoba Municipalities" ("AMM") trade shows in Winnipeg and Brandon on March 19th and November 26th/27th, respectively. Each trade show had approximately 1000 delegates in attendance

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

In 2019, Product Care distributed both PoS and PoR materials as requested by retailers and recycling locations. The following materials are available for reorder through the online order form:

- General paint, HHW, and lights program awareness posters
- Return to Retail (R2R) and Return to Product Care posters
- Bifold paint and HHW brochures and a lights rack card detailing accepted products and information on the program (as of January 2020)

Partnerships and Events

Government Partnerships
Product Care continued to participate in ongoing First Nation and remote community waste diversion projects with several government organizations and established committees, including the following:

- Indigenous Services Canada (ISC)
- Green Action Center (GAC)

- Solid Waste Action Team (SWAT) - a collections of Producer Responsibility Organizations (PROs)
- Environmental consultants
- Various provincial/federal government departments and committees

For further details see Pilot Project on page 11.

Product Care is also listed on the Province of Manitoba's WasteWise website.

Events and Meetings

- Meetings with various rural municipality (RM) councils
- SWANA - Solid Waste Association of North America
- SWAT meetings
- Various First Nations communities

Other Stakeholders

Product Care worked continually to keep Program members up-to-date with relevant Program information, such as product clarifications through email and website notifications.

3. Collection System

Product Care does not directly own or manage any collection sites, but rather contracts with existing collection sites. Due to the hazardous nature of some Program Products and limited existing infrastructure, establishing permanent collection sites presents a significant challenge relative to other stewarded products. Typically, collection sites are co-located at facilities with collections for other stewardship programs, such as local government recycling centres (waste disposal ground or waste transfer stations), non-profit societies and private businesses.

As of December 31, 2019, the Program had contracted with 68 permanent, year round municipal and private collection sites and 45 return to retail collection sites, totalling 113, 8 more than 2018. Product Care continues to work on expanding the overall collection system.

As not all collection sites accept the same products, Table 1 provides a breakdown of the different types of collection sites and the number of each in operation. See Appendix C for a detailed list of all collection sites as of December 31, 2019.

Table 1: List of Participating Retail and Private / Municipal Collection Sites in Manitoba

Type of Collection Site	Retail	Private / Municipal	Total
Paint only	10	6	**16**
Lights only	9	1	**10**
Both Paint and Lights	26	34	**60**
Full HHW (All Program Products)	0	27	**27**
Total	**45**	**68**	**113**

Collection sites were typically open during regular business hours.

The Program Plan specifies a performance target of increasing the number of full-service collection sites to 24 by 2021. Table 1 displays that as of December 31, 2019, there are 27 full-service sites.

Product Care also contracted with Miller Environmental to operate a number of one-day household hazardous waste (HHW) collection events to supplement the collection network. Table 2 provides a list of the 15 collection events held in 2019.

Table 2: Household Hazardous Waste Collection Events in 2019

Date	Event Location
April 27	Killarney
May 4	DeSalaberry
May 11	East St. Paul
May 25	Virden
June 1	Brenda-Waskada
June 8	Brokenhead
June 15	North Cypress-Langford
July 6	Russell-Binscarth
August 17	Oakland-Wawanesa
August 24	Souris-Glenwood
September 14	Westlake-Gladstone
September 16	Dauphin
September 17	Ethelbert
October 5	Springfield
October 26	Taché

In addition, Product Care worked with a municipality to provide a one-time clean up and product management. Table 3 lists the municipality serviced, with associated services dates.

Table 3: One-Time Cleanups in 2019

Date	Direct Pickup Locations
August 27-30, October 1	Swan River

Pilot Project

In addition to the development of a Technical Addendum, Product Care worked with a group of stewardship organizations operating in Manitoba in order to sponsor a Pilot Project. The project began in July 2019, and focused on the removal of designated stewardship material from five remote First Nation Communities. The communities involved in the project included: Bunibonibee Cree Nation, God's Lake Narrows First Nation, Garden Hill First Nation, St. Theresa Point First Nation and Wasagamack First Nation. This was a project of substantial undertaking of coordination and timing with limited access to winter road availability. Approximately 55,000 kg of stewardship material was removed from the communities representing material from 6 of the 10 stewardship organizations that participated.

Product Care continues a commitment to supporting the initial remote communities by providing education, support materials and collection containers to each of the five communities to remove and properly manage the end-of-life of designated stewarded material from their environment.

Product Care is actively participating in the initiative with ISC and Green Action Center in developing a sustainable plan to provide designated Household Hazardous Waste diversion for First Nations and remote communities.

4. Management of Collected Materials

The objective of the Program is to minimize the improper disposal of hazardous materials, including paint and fluorescent lights, by providing an effective HHW collection program and ensuring that the collected materials and containers are either recycled or disposed of in an environmentally responsible manner. Product Care strives to manage collected products in accordance with the "pollution prevention hierarchy" as described in detail below. Product management and the application of the pollution prevention hierarchy varies by product.

4.1. Management in Accordance with the Pollution Prevention Hierarchy

The Program continued to encourage consumers to buy the right amount of a consumable product for their needs resulting in less waste and a reduction in the volume of product needlessly purchased. This was achieved by promoting the "BUD" Rule through the Program website and promotional materials, which tells consumers to:

- **B**uy no more than you need.
- **U**se all that you buy.
- **D**ispose of leftovers safely.

Processing and recycling options in Manitoba varied by Program Product as outlined below. Where possible and economically feasible, Product Care managed products according to the pollution prevention hierarchy.

The following section outlines the product management processes employed by the Program for each product category.

4.1.1. Paint

Leftover paint is managed by the Program in a number of ways.

Liquid Paint
Water-based paint was sent to a recycling facility to be recycled into paint and coating products or to be used in the process of manufacturing

cement. Unrecyclable water-based paint was solidified and sent to landfill. Regulatory limits on Volatile Organic Compounds (VOC) and limited demand for solvent-based paints did not make recycling a viable option for this product category. Solvent-based paint was consolidated and blended with other flammable liquids and sent for energy recovery at licensed facilities.

Aerosol Paints
The residual volumes recovered from paint aerosols were nominal compared to recovered liquid paint and represented a variety of product formulations that limited the options for recycling. Paint aerosol cans were punctured and the contents drained. The propellant was absorbed by activated carbon, the residual paint blended with other flammable liquids destined for energy recovery.

4.1.2. Flammable Liquids

Given the varied nature of flammable products, material mix / composition and limited volumes, it was not economically viable or feasible to recycle flammable liquids. Since many flammable products are sold as fuels, leftover flammable liquids were blended and sent for energy recovery. Flammable aerosols were evacuated and the flammable liquid and propellant treated in the same manner as paint aerosols.

4.1.3. Corrosives

Neither reuse nor recycling are currently options for corrosive materials. Corrosives were neutralized, treated and stabilized with concrete for landfill. Corrosive aerosols were evacuated, the propellant absorbed by activated carbon, and the corrosive liquids were neutralized and stabilized.

4.1.4. Toxics

Due to the nature of toxic materials, there is no reuse or recycling option available. Toxic liquids were fuel blended and sent for energy recovery. Toxic solids were incinerated at high temperature in a government regulated and permitted incinerator.

4.1.5. Physically Hazardous Material (Fuel Cylinders)

Fuel recovered from fuel cylinders was either recovered and reused in fuel cylinders, or sent for energy recovery.

4.1.6. Pesticides

Due to the nature of pesticides and aerosol pesticides, there was no reuse or recycling option available. All pesticides were incinerated at high temperature in a government regulated and permitted incinerator.

Pesticide aerosols were evacuated, propellants absorbed by carbon, and residual pesticides sent for incineration.

4.1.7. Paint and HHW Containers

All plastic and metal paint containers were recycled as scrap metal or plastic commodity. Metal HHW containers were either recycled as scrap metal or sent to landfill. All plastic HHW containers were sent to landfill.

4.1.8. Fluorescent Lights

Fluorescent lights were collected and shipped to a processor where they were broken down into their component parts (i.e., mercury / phosphor powder, glass, ceramics, electronic circuits and metals) under a controlled environment. The metal end caps were sent to a scrap metal recycling facility. The glass, ceramics and electronic circuits were further processed and utilized as raw materials in various manufacturing processes. The mercury phosphor powder underwent further processing where it was chemically treated, stabilized, and sent to secure landfill.

4.1.9. Non Program Material

Non-program material that entered the collection system was segregated at the collection and processing stages. Depending on the material type, processing methods for non-program material included landfilling, physical / chemical treatment, energy recovery, and incineration.

4.2. Volume Collected

Residual recovery volume represents the estimated liquid volume, measured in litres, of liquid Program Products recovered by the Program. Table 4 shows the estimated residual recovery volume of paint, flammable, toxic and corrosive Program Products collected in 2019. Table 5 shows the number of units of pressurized Program Products collected. Table 6 shows the units of fluorescent lights collected in the same year.

Table 4: Residual Recovery Volume of Paint, Flammable Liquids, Toxics and Corrosive Products Collected in 2019 (Litres)

Product Category	Total (litres)
Paint (non-aerosol)[1]	280,110
Flammable Liquids (incl. Gasoline)[2]	70,626
Toxics (incl. Pesticides)[2]	14,480
Corrosives[2]	21,750
Total	**386,966**

Table 5: Number of Pressurized Program Products Collected in 2019 (Units)

Product Category[3]	Total (units)
Paint Aerosol	86,975
Other Aerosol[4]	50,225
Physically Hazardous	14,298
Total	**151,498**

Table 6: Residential Fluorescent Lights Collected in 2019 (Units)

Product Category	Total (units)
Compact Fluorescent Lamps (CFLs)	46,441
Fluorescent Tubes	144,965
Total	**191,406**

[1] Paint volume based on conversion rate of 93L per collection bin processed.
[2] Aerosol portions of flammable liquids, toxic and corrosive products are comingled during processing and therefore those products have been subsumed under the "other aerosol" category in Table 5. The residual recovery volume is calculated by taking the weight of materials provided by the processor and removing container weights (based on standard container weights determined by Product Care). The weight of the material is multiplied by the average estimated density of the specific materials obtained from SDS specifications. For example, 100 kg of flammable material is collected in 1 drum. 21 kg (tare weight) is removed netting 79 kg of flammable material. The 79 kg is multiplied by the material density (1 kg = 1 litre), which is estimated given the variability of the composition of the waste flammable liquids, yielding 79 litres collected.
[3] Paint aerosol, other aerosols and physically hazardous material categories are based on average units per drum.
[4] "Other aerosol" includes flammable, corrosive and toxic aerosols.

As a performance target the Program Plan specifies a 10% increase of total paint collection volumes by 2021, as compared to 2015 volumes. As the Program does not have direct control over the amount of residual paint left in the collected paint containers and the Program also accepts already empty paint containers, a more appropriate measure of Program success would be the number of tubskids[5] collected, as opposed to residual volume. Table 7 shows total paint collection volume for 2019, as compared to 2015 in residual volume and by number of tubskids.

Table 7: Paint Volumes Collected in 2019 compared to 2015

Year	Paint (Residual litres)	Change from 2015(%) (Residual Litres)	Paint (# Tubskids)	Change from 2015(%) (Tubskids)
2015	235,175	-	2,123	-
2019	280,110	19%	3,009	41.7%

As a performance target the Program Plan specifies a total volume increase of 20-28% for collection of fluorescent lights by 2021, as compared to 2015 volumes. Table 8 shows total collection units of fluorescent lights for 2019 versus 2015.

Table 8: Residential Fluorescent Lights Collected in 2019 compared to 2015 (Units)

Category	2015 Volume (units)	2019 Volume (units)
Fluorescent Lights	96,589	191,406
Percentage Change	-	98.2%

4.3. Product Sales

The quantity of Program Products sold annually varies according to market conditions. Tables 9 through 11 show the quantities of Program Products sold in 2019. For table 9, volumes were calculated using typical container size volumes.

[5] A tubskid is a collection container used for collecting and transporting paint. It 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.

Table 9: Approximate Sales Volume of Paint, Flammable Liquids, Toxics and Corrosive Program Products in 2019 (Litres)[6]

Product Category	Litres Sold
Paint (non-aerosol)	6,221,185
Flammable Liquids[7,8]	1,130,247
Toxics[7]	287,048
Corrosives[7]	180,841
Pesticides	53,384
Total	**7,872,705**

Table 10: Sales Volume of Pressurized Program Products in 2019 (Units)

Product Category	Units Sold
Paint Aerosol	952,569
Physically Hazardous	197,715
Total	**1,150,284**

Table 11: Sales of Residential Fluorescent Lights in 2019 (Units)

Product Category	Units Sold
Compact Fluorescent Lamps (CFLs)	108,126
Fluorescent Tubes	228,445
Total	**336,571**

4.4. Recovery Rates

Recovery rate represents the volume collected as a function of the volume sold in that year. It is important to keep in mind that the recovery rate is affected by factors outside of the Program's control. Since the recovery rate uses the volume of products sold in a year as the denominator, fluctuations in the volume of products sold affect the recovery rate, which can easily change depending on economic conditions.

[6] 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.

[7] Excludes gasoline sales.

[8] Includes aerosols.

In addition, Program Products can be stored for long periods of time and most are designed to be fully consumed.

Table 12 shows the volume collected, volume sold and recovery rate of Program Products, excluding lights.

Table 12: Volumes Collected, Volumes Sold and Recovery Rates - Program Products in 2019

2019	Paint	Paint Aerosol[9]	Flammable Liquids (incl. Gasoline)[10]	Toxics (incl. Pesticides)[9]	Corrosives[9]	Physically Hazardous[8]
Litres Collected	280,110	86,975	70,626	14,480	21,750	14,298
Litres Sold[11]	6,221,185	952,569	698,604	306,601	169,626	197,715
Recovery Rate	5%	9.1%	10.1%	4.7%	12.8%	7.2%

[9] Recovery rates for paint aerosols and physically hazardous materials were calculated as units recovered / units sold.

[10] Aerosols containing flammable, toxic, and corrosive liquids were not included in recovery rate calculations because these products were comingled during processing.

[11] Does not include aerosols unless otherwise specified

5. Environmental Impacts

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 2018, 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.

The World Coatings Council of which CPCA is a founding member, is currently developing two sustainability-linked 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 US 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.

WORLD COATINGS COUNCIL: CIRCULAR ECONOMY EFFORTS

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

ENVIRONMENTAL PRODUCT DECLARATIONS FOR ARCHITECTURAL PAINT

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

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

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

GOVERNMENTS OF CANADA AND QUEBEC SUPPORT GROWTH OF CELLUFORCE

The federal government will invest a combined $6.4-million investment to support CelluForce Inc.'s innovative cellulose nanocrystal facility becoming the world's first full commercial demonstration-scale plant of its kind. This new material can be used I 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.

Fluorescent Lights

Lighting product producers continue working to reduce the environmental impact of lighting products through innovative product design and technology. New design and technology has addressed environmental concerns by reducing material use, increasing lamp life, increasing energy efficiency and increasing recycling rates. For example, efforts in this area have resulted in the development of smaller diameter fluorescent tubes now readily available in the marketplace and prevalent in new construction and renovations. These products can provide the same

or more light with fewer material resources, such as a decrease in the amount of glass used in the products. The amount of mercury contained within fluorescent lights has also been decreasing with most lamps now containing less than 5mg of mercury, representing an 80% to 90% reduction.

Life cycle management is also playing an important role in reducing the environmental impact of lighting products. For example, producers are focusing their attention on increasing product energy efficiency. This has resulted in a substantial increase in the lifespan of fluorescent lights in the last decade, with some lamps now having a life of more than 30 000 hours, reducing the cumulative environmental impact associated with these products.

The advancement of LED lighting technology is having a significant impact on the lighting market as a whole. Manufacturers are focusing most of their efforts in this area and no longer spending research energy on expanding the CFL product line. Acceptance of LED technologies is increasing as prices decrease. In fact, the acceptance and adaptation to LED technology has been much more rapid and widespread than most industry experts would have forecasted some years ago.

Due to the significantly longer lifespan of LED lights, sales have decreased for other traditional lighting technologies, such as halogen, incandescent and fluorescent lights. A review of lamp sales trends from the past 3 years reveals declining sales in all lamp categories, with the exception of LED lamp categories. According to members of Product Care's Light Recycling Advisory Committee, it can be expected that declining sales trends will continue for mercury containing lamps. In particular, sales of CFLs have experienced a decline at a faster rate than anticipated. The Advisory Committee foresees that CFLs will likely be eliminated from the market within the next 3 to 4 years. Furthermore, it is anticipated that fluorescent tubes will follow CFLs and likely be eliminated from the market in the next 5 to 10 years. As older lighting technologies are eliminated from the market, the Advisory Committee expects that they will be replaced by LED lamp technologies. LEDs contain no mercury and have an even longer life of about 15 000-20 000 hours. Most CFLs, in comparison, only have an average life of 10,000 hours. It is expected that we will also likely see more and more integration of LEDs into fixtures.

The shift to more energy efficient and longer lasting lighting technology is clear. Most LED lamps are more than 50% more efficient than CFL lamps, reducing electricity use and reducing pollution from power generation[12]. These changes all help to decrease the impact on the environment, with longer life lamps helping to reduce waste, make lamps less hazardous and reducing the size of lamps thereby reducing the amount of materials required to manufacture them and minimizing waste.

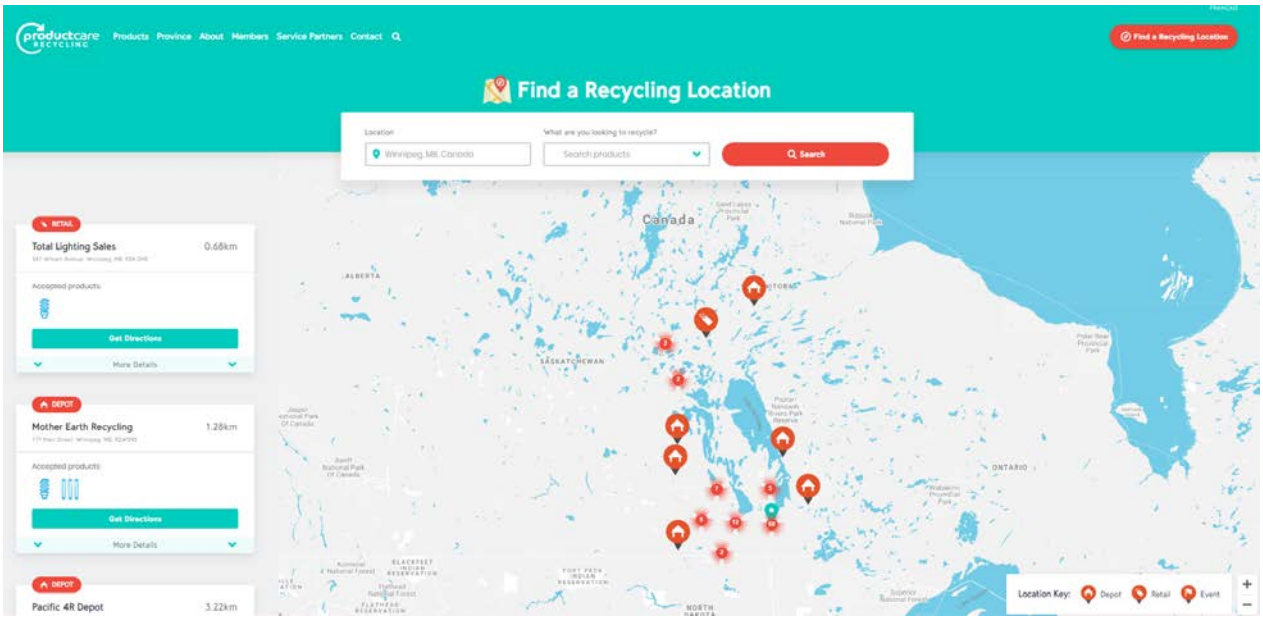
[12] Personal Communication with representative of GE

6. Financial Information

Product Care's independently audited financial statements for the Program's revenues and expenses can be found in Appendix D.

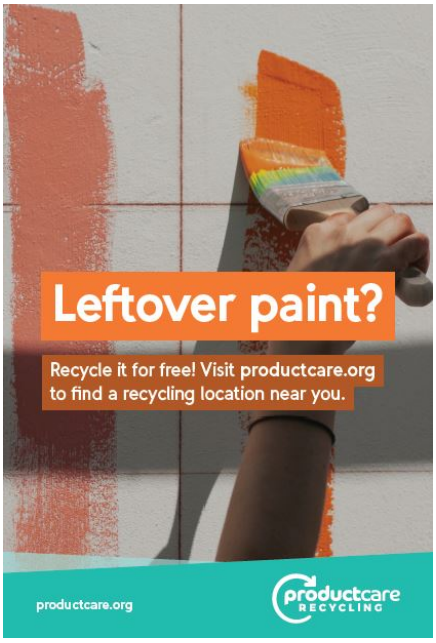
Appendix A –Recycling Locator Tool

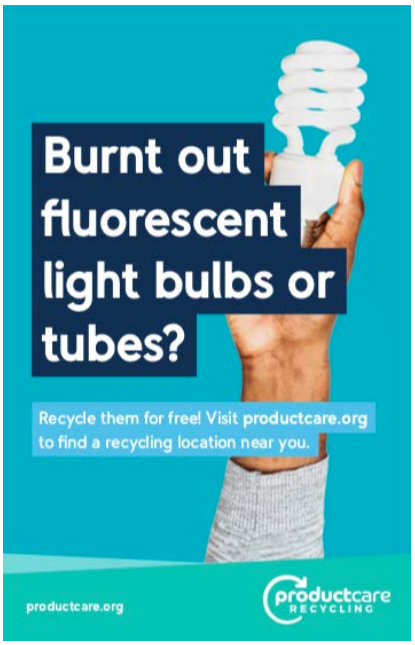
Below is a snapshot of the recycling locator tool found at ProductCare.org:



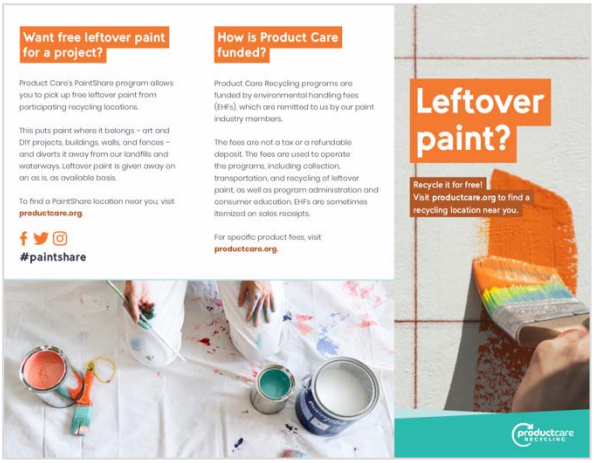
Appendix B – Advertising Materials

PoR/PoS Posters

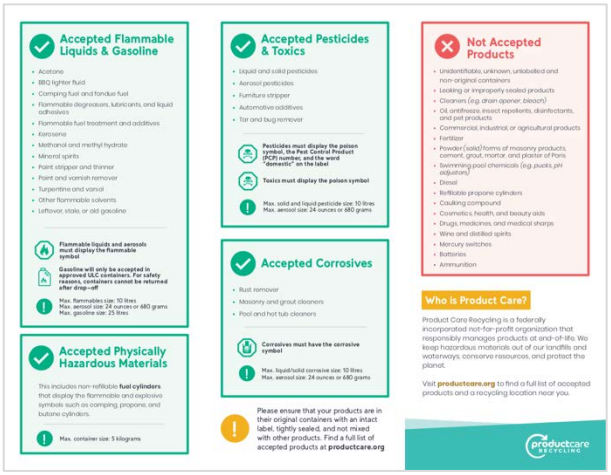




PoR/PoS Brochures and rack cards



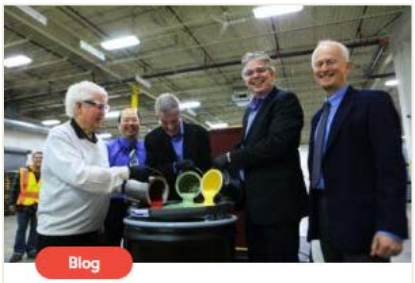

Domestic Pesticide
Leftover flammable liquids, pesticides, or gasoline?
Drop off household hazardous waste for free!
Visit productcare.org to find a recycling location near you.
Drop off checklist
Products must be in original container, with label intact
Container is tightly sealed
Gasoline must be returned in an approved ULC container
Visit productcare.org to find a full list of accepted products and and a recycling location near you.
How is Product Care funded?
Product Care Recycling programs are funded by environmental handling fees (EHFs), which are remitted to us by our industry members.
The fees are not a tax or a refundable deposit. The fees are used to operate the programs, including collection, transportation, and management of household hazardous waste, as well as program administration and consumer education.
EHFs are sometimes itemized on sales receipts. For specific product fees, visit productcare.org.


Accepted Flammable Liquids & Gasoline
Acetone
BBQ lighter fluid
Camping fuel and fondue fuel
Flammable degreasers, lubricants, and liquid adhesives
Flammable fuel treatment and additives
Kerosene
Methanol and methyl hydrate
Mineral spirits
Paint stripper and thinner
Paint and varnish remover
Turpentine and varsol
Other flammable solvents
Leftover, stale, or old gasoline
Flammable liquids and aerosols must display the flammable symbol
Gasoline will only be accepted in approved ULC containers. For safety reasons, containers cannot be returned after drop-off
Max. flammables size: 10 litres
Max. aerosol size: 24 ounces or 680 grams
Max. gasoline size: 25 litres
Accepted Physically Hazardous Materials
This includes non-refillable fuel cylinders that display the flammable and explosive symbols such as camping, propane, and butane cylinders.
Max. container size: 5 kilograms
Accepted Pesticides & Toxics
Liquid and solid pesticides
Aerosol pesticides
Furniture stripper
Automotive additives
Tar and bug remover
Pesticides must display the poison symbol, the Pest Control Product (PCP) number, and the word "domestic" on the label
Toxics must display the poison symbol
Max. solid and liquid pesticide size: 10 litres
Max. aerosol size: 24 ounces or 680 grams
Accepted Corrosives
Rust remover
Masonry and grout cleaners
Pool and hot tub cleaners
Corrosives must have the corrosive symbol
Max. liquid/solid corrosive size: 10 litres
Max. aerosol size: 24 ounces or 680 grams
Please ensure that your products are in their original containers with an intact label, tightly sealed, and not mixed with other products. Find a full list of accepted products at productcare.org
Not Accepted Products
Unidentifiable, unknown, unlabelled and non-original containers
Leaking or improperly sealed products
Cleaners (e.g. drain opener, bleach)
Oil, antifreeze, insect repellents, disinfectants, and pet products
Commercial, industrial, or agricultural products
Fertilizer
Powder (solid) forms of masonry products, cement, grout, mortar, and plaster of Paris
Swimming pool chemicals (e.g. pucks, pH adjustors)
Diesel
Refillable propane cylinders
Caulking compound
Cosmetics, health, and beauty aids
Drugs, medicines, and medical sharps
Wine and distilled spirits
Mercury switches
Batteries
Ammunition
Who is Product Care?
Product Care Recycling is a federally incorporated not-for-profit organization that responsibly manages products at end-of-life. We keep hazardous materials out of our landfills and waterways, conserve resources, and protect the planet.
Visit productcare.org to find a full list of accepted products and a recycling location near you.


Burnt out CFL bulbs or fluorescent tubes?
Recycle them for free!
Visit productcare.org to find a recycling location near you.


Accepted Lighting Products
Compact fluorescent lights (CFLs)
(all types, including pin-type sockets and screw types)
Fluorescent tubes
(all types, including all sizes and shapes)
Accidentally broken CFLs and fluorescent tubes that are sealed in a plastic bag
Return limit at residential sites: 16 bulbs/tubes
Return limit at commercial sites: 1 pallet *
Note: Limits may vary per site
* Have large volumes of burnt out bulbs?
Drop off up to 1 pallet of lights at select recycling locations. More than 1 pallet may qualify for free pick up. To find out, call 1-888-811-6234 or email MBdispatchlights@productcare.org
Not Accepted Products
Light bulbs that are not CFLs or fluorescent tubes, such as incandescent, halogen, LED or HID
Compact fluorescent lights (CFLs) and fluorescent tubes that have been intentionally crushed or broken
Product Care Recycling keeps materials out of our landfills and waterways, conserves resources, and protects the planet, one light bulb at a time.
Visit productcare.org to find a recycling location near you.
productcare.org
1-877-592-2972

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

productcare RECYCLING Products Province About Members Service Partners Contact 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 Ads

Recycle Old Paint Today | Find A Drop-Off Site Near You
Ad www.productcare.org
Keep paint out of landfills - recycle it! Find your nearest drop-off site here
Free Recycling Programs · Find a Recycling Location · Reduce Landfill Waste · Read Our Eco Tips Blog

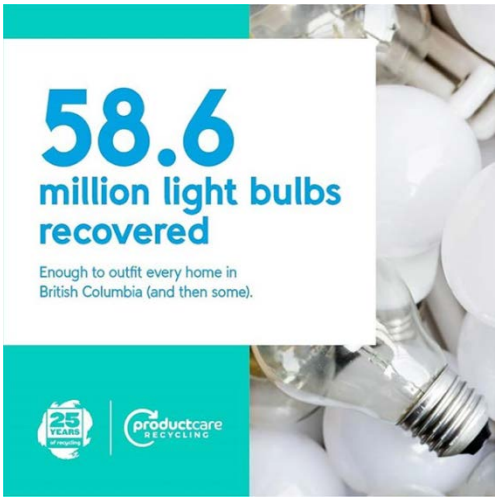
Recycle Old Light Bulbs Today | Find A Recycling Location
Ad www.productcare.org/recycling
Keep used lightbulbs out of landfill - recycle them! Drop them off to us today.
Free Recycling Programs · Find a Recycling Location · Reduce Landfill Waste · Read Our Eco Tips Blog

Drop Off Your Hazardous Waste | Find A Recycling Location
Ad www.productcare.org/manitoba
Do the right thing with your household hazardous waste - drop it off to us today!
Free Recycling Programs · Find a Recycling Location · Reduce Landfill Waste · Read Our Eco Tips Blog

Google and TWN Display Ads

YouTube Video Ads

Social Media Assets –Product Care 25th anniversary paint program

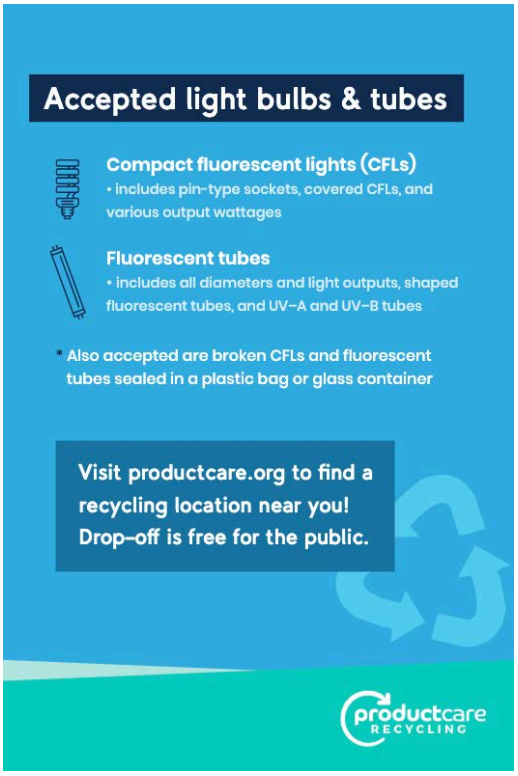


Sample Facebook Ads

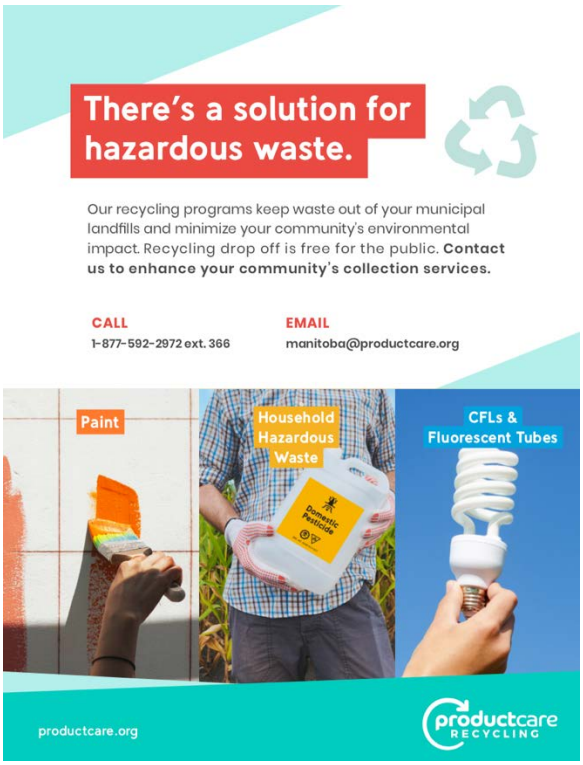
Sample Facebook Post

CPCA Insight Print Advertisement

Corus Direct Mail advertisements



Municipal Leader Print Advertisements



Appendix C – 2019 Collection Sites

Paint	Lights	Full HHW	Collection Sites	City
Y	Y		Argyle RM	Baldur
Y	Y		Ashern Home Hardware	Ashern
Y	Y	Y	B.A.R. Waste Authority Co-op Inc	Arborg
Y	Y		Binscarth Nuisance Grounds	Binscarth
Y	Y		Birtle Waste Disposal Grounds (RM of Prairie View)	Birtle
Y	Y		Bloodvein Community Landfill	Bloodvein
Y	Y		Boundary Co-op Ltd	Boissevain
Y	Y	Y	Brady 4R Depot	Winnipeg
Y	Y	Y	Brandon Eastview Landfill	Brandon
Y	Y		Brandon Home Hardware Building Centre	Brandon
Y	Y		Bristal Hauling Inc.	Niverville
Y	Y		Carman Co-op	Carman
Y	Y		Carman Transfer Station	Carman
Y	Y	Y	Cartwright Roblin Waste Transfer Station	Cartwright
Y	Y	Y	CEWDG – Eriksdale	Eriksdale
Y			Cloverdale Paint (Winnipeg)	Winnipeg
Y			Coca Cola Falls Waste Disposal Grounds	Lac Du Bonnet
Y	Y		Countryside Home Building Center	Fisher Branch
Y	Y		Dauphin Home Hardware	Dauphin
Y	Y		DeSalaberry (RM)	St. Pierre
Y			E.G. Penner Building Centres Inc.	Steinbach
Y	Y		Earl Grey Waste Disposal Grounds	St. Andrews
Y	Y		Edward Landfill	Pierson
Y	Y		Elm Creek Co-op Ltd	Elm Creek
Y	Y	Y	Evergreen Environmental Tech	Minnedosa
Y			Flin Flon Home Hardware Building Centre	Flin Flon
Y	Y	Y	Flin Flon Landfill	Flin Flon
Y	Y		Flin Flon Recycling Centre	Flin Flon
Y	Y		Gilbert Plains Regional WDS	Gilbert Plains
Y	Y	Y	Gimli (RM) (Gimli Industrial Park)	Gimli
Y			Grandview Waste Disposal Ground	Grandview

Paint	Lights	Full HHW	Collection Sites	City
Y			Grindstone Waste Transfer Station	Riverton
Y			Hecla Waste Transfer Station	Riverton
Y	Y		Heritage Co-op Home Centre	Minnedosa
Y	Y		Hillside Transfer Station	Oakbank
Y	Y		Holland Waste Disposal Grounds	Holland
Y			Janzen's Paint & Decorating Ltd	Brandon
Y			Janzen's Paint & Decorating Ltd	Steinbach
Y			Janzen's Paint & Decorating Ltd	Winkler
	Y		Killarney Home Hardware	Killarney
Y	Y	Y	Lac du Bonnet Transfer Station	Lac Du Bonnet
	Y		London Drugs #66	Winnipeg
Y	Y		Lorette Solid Waste Management Facility	Lorette
Y	Y	Y	Louise Integrated Waste Management	Pilot Mound
Y	Y		Lowe’s #3285 South Winnipeg	Winnipeg
Y	Y		Lowe’s #3718 Winnipeg East	Winnipeg
Y	Y		Meleb Waste Disposal Grounds	Meleb
Y			Mid Canada Environmental Services Ltd.	Grande Pointe
Y	Y		Miniota Waste Disposal Grounds (RM of Prairie View)	Miniota
Y	Y		Minnedosa Home Hardware	Minnedosa
Y	Y		Molgat Shopping Centre	Laurier
Y	Y		Morris Home Hardware	Morris
	Y		Mother Earth Recycling	Winnipeg
Y	Y		Municipality of McCreary	McCreary
Y	Y	Y	MWM Environmental	Morden
Y	Y		Neepawa-Gladstone Co-op	Neepawa
Y	Y	Y	North Norfolk - Normac Landfill	MacGregor
Y	Y		Oakwood Transfer Station	Anola
Y	Y		Onanole Waste Management Site	Onanole
Y	Y		OSS Parkland Waste	Dauphin
Y	Y	Y	Pacific 4R Depot	Winnipeg
Y	Y	Y	Panet Road 4R Depot	Winnipeg
Y	Y		Peguis Landfill	Peguis
Y	Y		Pembina Valley Containers	Morden
Y	Y	Y	Pinawa LGD	Pinawa
	Y		Pine Falls Home Hardware	Pine Falls

Paint	Lights	Full HHW	Collection Sites	City
Y			Piney (RM) (Public Works Yard)	Vassar
Y	Y	Y	Portage & District Recycling Inc (PDRI)	Portage la Prairie
Y	Y		Prairie Lakes (RM)	Belmont
	Y		Princess Auto – Portage Ave	Winnipeg
Y	Y	Y	Responsible Electronics Recycling	Selkirk
Y	Y		Reston Landfill & Recycling (RM of Pipestone)	Reston
Y	Y		Rivers Home Hardware	Rivers
	Y		Robinson Lighting	Winnipeg
Y	Y		Roblin / Shell River Waste Disposal	Roblin
Y	Y	Y	Rockwood RM (Teulon Waste Disposal Site)	Teulon
Y	Y	Y	Rockwood RM (Winfield Road Transfer Station)	Stonewall
	Y		RONA Bldg Centre Portage la Prairie #1375	Portage La Prairie
Y			RONA Building Centre – Brandon #2235	Brandon
Y	Y		RONA Building Centre – Gimli #620	Gimli
Y	Y		RONA REVY – Winkler #64670	Winkler
Y	Y		RONA REVY – Kenaston Boulevard #64870	Winnipeg
Y	Y		RONA REVY – Sargent Avenue #64890	Winnipeg
Y	Y		Rossburn Home Hardware	Rossburn
Y	Y		Rosser Transfer Station	Rosser
Y	Y		Russell-Binscarth / Riding Mountain West Nuisance Grounds	Russell
	Y		Selkirk Home Hardware	Selkirk
Y	Y	Y	Selkirk Waste Transfer Station	Selkirk
Y	Y		Shoal Lake Recycling Center	Shoal Lake
Y	Y		Snow Lake Home Building Centre	Snow Lake
Y			Souris Home Hardware	Souris
Y	Y		St. Francois Xavier Waste Transfer Station	St. Francois Xavier
Y	Y		St. Georges Waste Disposal Ground	St. Georges
Y	Y		St. Laurent Home Hardware Building Centre	St. Laurent
Y	Y	Y	St. Laurent Waste Transfer Station	St. Laurent
Y	Y		Ste Anne Builders Supply	Ste. Anne
Y	Y	Y	Steinbach Landfill (City Of)	Steinbach

Paint	Lights	Full HHW	Collection Sites	City
Y	Y		Strathclair Landfill	Strathclair
Y	Y		Stuartburn RM (Vita Transfer Station)	Vita
Y	Y		Sun Valley Co-op Ltd.	Altona
	Y		Super-lite Lighting Ltd.	Winnipeg
Y	Y		Swan River Waste Disposal Ground	Swan Valley
Y	Y	Y	The Pas & Area Recycling Centre	The Pas
Y	Y	Y	Town of Churchill Waste Transfer Station	Churchill
Y	Y	Y	Thompson Waste Disposal Grounds	Thompson
	Y		Total Lighting Sales	Winnipeg
Y	Y		Traverse Bay WDG	Traverse Bay
Y	Y		Tru Hardware	The Pas
Y			Twin Valley Co-op	Russell
Y	Y	Y	Village of Dunnottar	St. Andrews
Y	Y	Y	Whitemouth-Reynolds Waste Management Facility	Whitemouth
Y			Windsor Plywood – Century Street	Winnipeg
Y			Windsor Plywood – Main Street	West St. Paul
Y	Y	Y	Winkler Public Works Yard	Winkler
Y	Y		Winnipegosis Hardware	Winnipegosis
Y			Wm Dyck & Sons (1993)	Niverville
Y	Y		Woodlands RM	Woodlands

Total Collection Sites

Paint Only	Lights Only	Paint & Lights	Full HHW	Total # of sites
16	10	60	27	113

Appendix D – Audited Financial Statement

PRODUCT CARE ASSOCIATION OF CANADA
MANITOBA HOUSEHOLD
HAZARDOUS WASTE PROGRAM

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 2019

PRODUCT CARE ASSOCIATION OF CANADA
MANITOBA HOUSEHOLD HAZARDOUS WASTE PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2019

Contents

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: Minister of Conservation and Water Stewardship

Report on the Audit of the Statement of Revenues and Expenses

Opinion

As required by the Manitoba Waste Reduction and Prevention Act (C.C.S.M.c W40 (16(1))) we have audited the Statement of Revenues and Expenses of the Manitoba Household Hazardous Waste 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 of the Manitoba Household Hazardous Waste 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 Minister of Conservation and Water Stewardship. 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 Minister of Conservation and Water Stewardship, 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.

INDEPENDENT AUDITORS' REPORT - Continued

- 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.

- 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
26 March 2020

PRODUCT CARE ASSOCIATION OF CANADA
MANITOBA HOUSEHOLD HAZARDOUS WASTE PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2019

		2019		2018
Revenues (Note 5)	$	**1,163,363**	$	1,611,349
Program expenses (recoveries)				
Processing		**550,753**		708,132
Collection		**382,122**		443,715
Transportation		**343,092**		391,783
Administration (Note 2(b) & (d))		**313,128**		300,456
Communications		**111,287**		48,449
Regulatory		**-**		(15,507)
		1,700,382		1,877,028
Deficiency of revenues over expenses for the year	$	**(537,019)**	$	(265,679)

Commitments (Note 3)

Fund transfer - allocation of interim program costs (Note 4)

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

1. Basis of Presentation

The Statement of Revenues and Expenses (the "Statement") only includes the revenues and expenses related to the Manitoba Household Hazardous Waste 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 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 Manitoba. 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 Program's start date or the date when the 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 rate is as follows:

Depot equipment	3 years

Included in administration expense is $31,225 (2018 - $41,967) of amortization expense related to tangible capital assets.

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 $101,635 (2018 - $116,783) of overhead expense which has been allocated to the Program.

3. Commitments

During the 2019 fiscal year, the Association committed $Nil additional funds above the $1,335,000 committed in previous years to be used for the development of collection facilities for the Manitoba Household Hazardous Waste Program. These funds are to be disbursed at the discretion of the Association based on an application process from qualifying organizations. The funds have been disbursed in the form of loans which may be forgiven providing certain performance conditions are met by the borrower.

Balance of funds disbursed as of 31 December 2018	$443,870
New disbursements to qualified organizations during the year	Nil
Loans forgiven during the year	(53,085)
Balance of funds disbursed as of 31 December 2019	$390,785

4. Fund Transfer - Allocation of Interim Program Costs

During the 2015 and 2016 fiscal years at the request of the Ontario Ministry of Environment, expenses were incurred to operate an interim Light Recycling Program for a 12 month period in the Province of Ontario on behalf of the industry. These expenses were recorded as a general and administrative expenses of the Association pending the expected regulation of lighting products in Ontario. During the 2018 fiscal year, the Association's Board of Directors passed a resolution where these expenses would be allocated amongst the other Light Recycle Programs of the Association as the expected regulation to designate lighting products in Ontario had not occurred.

At that time it was determined that these costs were to be allocated over a five year period to each of the Association's Light Recycling Programs proportionally based on the 2017 operating expenses of these Programs. The total amount allocated to the Manitoba Household Hazardous Waste Program for the 5 year period was determined as $27,385. This was to be allocated as a fund transfer decreasing the accumulated surplus (deficit) of the Program in each of the 2018 to 2022 fiscal years in equal amounts. During the 2018 fiscal year, $5,477 was recorded as a fund transfer with $21,908 remaining to be transferred in future years.

On May 9, 2019, the Ontario Ministry of Environment issued draft extended producer responsibility regulations for electrical and electronic products including lighting products. The proposed effective date of the regulation is January 1, 2021. On this basis, the Association's Board of Directors has determined that additional fund transfers from the Manitoba Household Hazardous Waste Program will not take place during the 2019 fiscal year.

5. Revenues

	2019	2018
Environmental Handling Fee Revenue	$ 1,532,896	$ 1,611,349
Refunds	(369,533)	-
	$ 1,163,363	$ 1,611,349

During the year, the Association issued refunds to a member of the Program who had incorrectly remitted Environmental Handling Fees in previous years.