

# Newfoundland and Labrador Paint Program Annual Report

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**Submitted by:**

Product Care Association of Canada



[productcare.org](https://productcare.org)

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## 1.0 About Product Care

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

Product Care has an approved paint stewardship plan with Multi-Materials Stewardship Board (MMSB) under the *Newfoundland and Labrador Waste Management Regulations, 2003 as amended by Regulation 100/10 (O.C. 2010-290)* (“Regulation”) enacted pursuant to the *Environmental Protection Act* (O.C. 2003-226). The Newfoundland and Labrador Paint Recycling Program (“Program”) began in April 2012. 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 2020 calendar year (January 1 to December 31, 2020). 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 (“tubskids” 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 2020.

Table 1 summarizes the Program’s performance against regulatory requirements and commitments made in the 2018-2023 Program Plan. Program performance was impacted by the COVID-19 pandemic for most of the year, which resulted in temporary closures of collection sites, as well as residents avoiding non-essential activities.

**Table 1: Summary of Key Performance Indicators**

Commitments & Requirements	2020 Performance
Achieve at least a 70% reuse rate	Reuse rate of 72% was achieved.
The Program will maintain permanent collection sites in or near the 17 prescribed communities	24 permanent collection sites were operating in 15 prescribed communities. Two prescribed communities, Clarenville and Deer Lake had service gaps.
Maintain collection service in additional 31 target communities	Of the additional 31 targeted communities, 21 permanent collection sites were established in or near 17 communities. Of the communities that have collection events every other year, eight were serviced through collection events in 2020 (including one community, Rocky Harbour, which was serviced by a permanent collection site and a collection event), and four communities are scheduled to host events in 2021 (Bonavista, Mary's Harbour, Rigolet, St. Alban's/Milltown). The three remaining communities (Black Tickle, Cartwright, and Postville) had service gaps.
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 3.5 % in 2020 as compared to the targeted recovery rate of 5.7%. The Program's performance was affected by the COVID-19 pandemic with some depots pausing collections or permanently closing, resulting in lower collection volumes.

## 2.0 Brand Owner Information

Program members reported the sale of approximately 3,904,011 litres<sup>1</sup> 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](http://www.productcare.org)).

As of December 31<sup>st</sup> 2020, 62 Brand Owners were registered under the Newfoundland and Labrador Paint Program (see [Appendix 1](#) for a complete list).

## 3.0 Collection

This section provides a summary of 2020 collection volumes and an overview of the collection network in the Province. The Program's performance was affected by the COVID-19 pandemic, which resulted in

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<sup>1</sup> 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.

temporary and permanent closures of collection sites and negative impacts on collection volumes and recovery rate.

### 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.

**Table 2: Total Amount of Post -Consumer Paint Collected**

	Number of Paint Tubskids <sup>2</sup>	Number of Aerosol Drums <sup>3</sup>	Residual Paint Volume (L) <sup>4</sup>	Residual Aerosol Paint Volume (L) <sup>5</sup>	Paint Share Volume (L)	Total Residual Paint Volume (L) <sup>6</sup>
<b>Amount Collected</b>	1,176	19	136,534	100	1,114	137,748

**Table 3: Percentage of Post-Consumer Paint Collected by Collection Site Type in 2020**

Type of Collection Site	% of Collection
Green Depot	25.7%
Retailer	14.6 %
Collection Events	5.0 %
Local Government Waste Facilities	54.6%
Total	100% <sup>7</sup>

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 2020.

<sup>2</sup> 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.

<sup>3</sup> Each drum holds approximately 175 aerosol containers.

<sup>4</sup> Residual paint volume in each tubskid was calculated by applying a rounded conversion rate of 116.1 L per tubskid derived from the number of tubskids packed into boxes, the number of boxes processed, and the total residual volume generated. The total collected volume represents the total paint volume generated less volumes generated from the previous year stockpile.

<sup>5</sup> Based on a conversion rate of 5.25L per drum.

<sup>6</sup> Total volume collected includes PaintShare volumes.

<sup>7</sup> Total does not add up to 100% due to rounding.

**Table 4: 2020 NL Paint Sales, Residual Recovery Volume and Recovery Rate**

	<b>Total</b>
Sales (litres)	3,904,011
Residual Recovery Volume (litres collected)	137,748
Recovery Rate	3.5%

## **3.2 Collection Network**

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

### **3.2.1 Collection Sites**

#### **Prescribed Communities**

As of December 31, 2020, the Program's collection network included 57 collection sites (see [Appendix 2](#) 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 24 permanent collection sites in 15 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 and the collection site in Deer Lake left the Program in August 2020. The Program has since approached many potential collection sites including multiple retailers, green depots, and the local government without success. As a means of providing continued service for Deer Lake residents for the remainder of 2020, a collection event was held in nearby Pasadena. The event was promoted in Deer Lake, providing access to Deer Lake residents. The Program has been in discussions with Town of Clarenville on hosting a similar event and an event is planned for first half of 2021. Soliciting help from the local government and community, the Program continues to search for permanent collection sites in Clarenville and Deer Lake.

**Table 5: Permanent Sites in the 17 Prescribed Communities at the end of 2020**

Community #	Prescribed Community	Collection Site
1.	Bay Roberts	Bay Roberts Green Depot
2.	Carbonear	Carbonear Green Depot
3.	Clarenville	No site in 2020.
4.	Conception Bay South	Handyman Home Hardware
5.	Corner Brook	Corner Brook Green Depot
		Western Regional Waste Management Wild Cove Transfer Station
6.	Deer Lake	Site closed in June 2020.
7.	Gander	Aylwards Home Centre-Gander
		Broadening Horizon Recycling Inc.
8.	Grand Falls-Windsor	Grand Falls-Windsor Green Depot
		Paint Shop-Grand Fall's
9.	Happy Valley-Goose Bay	Happy Valley-Goose Bay Green Depot
10.	Labrador West	Labrador West Regional Landfill (Hodge Brothers)
11.	Lewisporte	Pritchett's Building Supplies
12.	Marystown	Aylwards Home Centre-Marystown
13.	Mount Pearl	Mount Pearl Green Depot
		Paint Shop-Mount Pearl
14.	Port Aux Basques	Port Aux Basques Green Depot
		Western Regional Waste Management - Southwest Coast Transfer Station
15.	Port Aux Choix	Hawkes Bay Landfill
16.	St. John's	Dulux Paints
		Paint Shop Home Decorating Center
		Paradise Green Depot
		Smith's Home Hardware
		St. John's Landfill - Robin Hood Bay (LVEU)
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 17 communities). One of these communities, Dunville, was serviced by the permanent collection sites established in the neighbouring community of Placentia.
- Of the 12 communities where Product Care holds biannual events (see section on Collection Events below), eight<sup>8</sup> were serviced in 2020 and four (Bonavista, Mary's Harbour, Rigolet, St. Alban's/Milltown) are scheduled for 2021.
- Three communities, Black Tickle, Cartwright, and Postville, did not receive any collection service in 2020. Product Care continues to seek opportunities to provide collection service to these communities.
- The Program maintained permanent collection sites in another 12 communities not prescribed in the Program Plan.

Table 6 sets out the service provided in the additional 31 communities in 2020.

**Table 6: Collection Services in the Additional 31 Communities at the End of 2020**

Community		Collection site	Status <sup>9</sup>
1.	Baie Verte	White Bay Home Hardware and Furniture	Permanent Site Established
2.	Black Tickle	N/A	Gap Community
3.	Bonavista	Bonavista Firehall	Event was last held in 2019. Event scheduled for 2021.
4.	Botwood	Botwood Green Recycling Depot	Closed in October 2020
5.	Burgeo	Burgeo Green Depot	Permanent Site Established
		Western Regional Waste Management - Burgeo Transfer Station	Permanent Site Established
6.	Cartwright	N/A	Gap Community
7.	Charlottetown Firehall	Charlottetown	Event held in 2020.
8.	Dunville	Paint Shop Home Decorating Center - Placentia	Permanent Site Established in neighbouring town Placentia

<sup>8</sup> Rocky Harbour is included in the 21 communities that have permanent collection sites and the 12 communities that hold bi-annual events because it also held a collection event in 2020.

<sup>9</sup> Collection sites listed in Table 6 that closed in 2020, initially paused their collections because of the pandemic. The Program was only made aware toward end of the year, that they were going to close permanently. The Program will be trying to establish collection service in 2021.



Community		Collection site	Status <sup>9</sup>
9.	Fogo Island	Regional Site - CWMN Norris Arm - Fogo Island	Permanent Site Established
10.	Gambo	Gambo Green Depot	Closed in October 2020
11.	Glovertown	Glovertown Green Depot	Permanent Site Established
12.	Hopedale	Hopedale Firehall	Event held in 2020
13.	La Scie	La Scie Firehall	Event held in 2020
14.	L'Anse Au Loup	Labrador Straits Green Depot	Closed in October 2020
15.	Makkovik	Makkovik Landfill	Permanent Site Established
16.	Mary's Harbour	Mary's Harbour Firehall	Event was last held in 2019. Event scheduled for 2021.
17.	Nain	Nain Inuit Community Government	Permanent Site Established
18.	New Wes Valley	New-Wes-Valley Green Depot	Closed in October 2020
19.	New World Island	Regional Site - CWMN Norris Arm - New World Island / Twillingate	Permanent Site Established
20.	Pasadena	Pasadena Fire Hall	Event held in 2020
21.	Port Hope Simpson	Port Hope Simpson Firehall	Event was last held in 2019. Event scheduled for 2021.
22.	Postville	N/A	Gap community
23.	Rigolet	Rigolet Fire Hall	Event was last held in 2019. Event scheduled for 2021.
24.	Riverhead	Riverhead Green Depot	Permanent Site Established
25.	Robert's Arm	Robert's Arm Firehall	Event held in 2020
26.	Rocky Harbour	Rocky Harbour Firehall	Event held in 2020
		Western Regional Waste Management - Long Range Transfer Station	Permanent Site Established
27.	Springdale	Green Bay North Green Depot	Permanent Site Established
28.	St. Alban's/Milltown	Milltown Firehall	Event held in 2018. Event scheduled for 2021.
29.	St. Anthony	St. Anthony HHW Site, Landfill Subregion 1	Permanent Site Established
		St. Barbe Landfill	Permanent Site Established
30.	St. Lewis	St. Lewis Firehall	Permanent Site Established
31.	Twillingate	The Paint Shop Home Decorating Center - Twillingate	Permanent Site Established
		Twillingate Green Depot & Auto	Permanent Site Established

Table 7 below presents the 12 additional permanent sites established outside of prescribed communities.

**Table 7: Additional Permanent Collection Sites Outside of Prescribed Communities**

#	Community	Collection Site
1.	Buchans Junction	Regional Site - CWMN Norris Arm - Buchans Junction
2.	Burin	Burin Peninsula Regional Service Board
3.	Davidsville	Regional Site - CWMN Norris Arm - Gander Bay
4.	Fortune	Chester Dawe - Fortune (RONA)
5.	Grand Bank	Aylwards Home Centre - Grand Bank
6.	Hampden	Western Regional Waste Management - White Bay South Transfer Station
7.	Indian Bay	Regional Site - CWMN Norris Arm - Indian Bay
8.	Paradise	Paradise Green Depot
9.	Point Leamington	Regional Site - CWMN Norris Arm - Point Leamington
10.	St. George	Western Regional Waste Management - St George Waste Station
11.	St. Lawrence	Aylwards Home Centre - St. Lawrence
12.	Terra Nova	Regional Site - CWMN Norris Arm - Terra Nova

Table 8 below presents the total number of tubskids and aerosol drums collected by all permanent collection sites and EWMB collection events.

**Table 8: Tubskids Collected by Permanent Collection Sites and EWMB Collection Events**

Collection Site	Paint Tubskids	Aerosol Drums
Aylwards Home Centre - Gander	22	0
Aylwards Home Centre - Grand Bank	1	0
Aylwards Home Centre - Marystown	2	0
Aylwards Home Centre - St. Lawrence	5	0
Bay Roberts Green Depot	14	0
Botwood Green Recycling Depot	17	0
Broadening Horizons Recycling Inc	11	4
Burgeo Green Depot	5	0
Burin Peninsula Regional Service Board	21	3
Carbonear Green Depot	10	0
Chester Dawe - Fortune (RONA Store #00162)	4	0

Collection Site	Paint Tubskids	Aerosol Drums
Chester Dawe - Gander (RONA Store #45100)	5	0
Corner Brook Green Depot	54	3
Dulux Paints	8	0
Eastern Waste Management Board (Events only)	34	0
Gander Green Depot	12	0
Glovertown Green Depot	12	1
Grand Falls-Windsor Green Depot	9	0
Green Bay Wholesalers Ltd.	6	0
Handyman Home Hardware	18	0
Happy Valley Goose Bay Green Depot	4	0
Hawke's Bay Landfill	2	0
Labrador Straits Green Depot	2	0
Labrador West Landfill (Hodge Brothers) (LVEU)	26	0
Mount Pearl Green Depot	67	2
New-Wes-Valley Green Depot	8	0
Norpen Waste (Landfill Site - Subregion 1)	1	0
Paint Shop Home Decorating Center - Grand Falls	18	0
Paint Shop Home Decorating Center - Placentia	12	0
Paint Shop Home Decorating Center - St John's	36	0
Paradise Green Depot	16	0
Port Aux Basques Green Depot (PAB)	25	1
Pritchett's Tim-Br Mart Building Supplies - Lewisporte	9	0
Regional Site - Norris Arm - North Access Rd	107	0
Riverhead Green Depot	4	0
Smiths Home Hardware	4	0
St. John's Landfill - Robin Hood Bay (LVEU)	423	0
Stephenville Green Depot	20	0
The Paint Shop - Mount Pearl	23	1
The Paint Shop Home Decorating Center - Deer Lake	7	0
Western Regional Waste Management - Wild Cove Transfer Station	66	4
<b>Total</b>	<b>1,150</b>	<b>19</b>

## Collection Events

The Program Plan provides that the Program will assess the need for maintaining collection services in additional communities in remote areas that have experienced low historic collection volumes. Until 2016, Product Care organized annual collection events for 12 of the communities within the 31 additional communities that did not have a permanent collection site. There was very little volume collected at these events which demonstrated little demand for the service from the residents in these communities. Following consultation with the Program's Advisory Committee in 2017, Product Care proposed to MMSB to conduct collection events in these communities on a rotating basis every two years given historically low collection volumes (see Table 9). As of 2019, the Program reverted to annual collection events for those communities that demonstrated higher collection volumes from their events and maintained bi-annual events for communities that continue to collect low volumes.

The nine paint collection events in the additional 31 communities, hosted in partnership with municipalities or fire halls, netted a total of 24 tubskids of paint in 2020 (see Table 9). Promotion 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 2015-2020**

Collection Event Location	Tubskids Collected <sup>10</sup>					
	2015	2016	2017	2018	2019	2020
Bonavista	3	0.5	2		2	
Charlottetown	0	0		1		1
Hopedale	0	2.5	0			0
La Scie	2	0		1		1
Mary's Harbour	1	0	0.5		1 <sup>11</sup>	
Pasadena	3	2.5	2		11	15
Port Hope Simpson	1	1	0		2 <sup>12</sup>	1
Rigolet	0	0		0	0	
Rocky Harbour*	1	2	2		5	5
Robert's Arm	1	1		2		0
St. Alban's/Milltown	0	0		1		
St. Lewis	0	1		1		0
<b>Total</b>	<b>12</b>	<b>10.5</b>	<b>6.5</b>	<b>6.0</b>	<b>21</b>	<b>23</b>

<sup>10</sup> Events reporting zero tubskids generally collected less than 15 cans of paint.

<sup>11</sup> The tubskid collected in Mary's Harbour was reported as collected in 2019, but was not accounted for in the total tubskids reported for 2019. This is included in the total tubskids reported for 2020.

<sup>12</sup> The Tubskids collected in Port Hope Simpson were reported as collected in 2019, but were not accounted for in the total tubskids reported for 2019. They are included in the total tubskids reported for 2020.

## EWMB-Led Collection Events

The Program also participated in 15 additional collection events conducted by Eastern Waste Management Board (EWMB) as part of their household hazardous waste (HHW) program (see Table 10). PCA provided transportation and processing services for these events, which collected a total of 34 tubskids.

**Table10: EWMB-Led Collection Events**

	Community Serviced	Event Date
1.	Bay De Grave	26- Sep- 20
2.	Bell Island/ wabana	19-Sep-20
3.	Carbonear	26-Sep-20
4.	Chance Cove	19-Sep-20
5.	Colinet	26-Sep-20
6.	Ferryland	26-Sep-20
7.	Hant's Harbour	26-Sep-20
8.	Hearts Delight/ Islington	26-Sep-20
9.	North Harbour	19-Sep-2
10.	Placentia	19-Sep-20
11.	Random West	19-Sep-20
12.	Smith Sound	19-Sep-20
13.	St. Brides	26-Sep-20
14.	St. Vincent's/St. Stephens/Peters River	26-Sep-20
15.	Whitbourne	19-Sep-20

## 3.3 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. In 2020, Product Care visited a total of 34 collection sites, in eastern and central regions of the island. The major finding, across the province, was that paint collection at many Green Depots was disrupted due to general operational issues related to the pandemic. These issues have been, for the most part, resolved and alternative collection strategies are being explored where service has yet to be restored.

## 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 industry continues to be at the forefront of product formulation and design for reduced environmental impact. Originally the major sustainability initiative relating to paint was the reduction of the amount of volatile organic compounds (VOCs) emitted by coatings products. That is still an active area, with new federal regulations on VOC limits for 54 architectural product categories planned for 2021.

The industry has now expanded its focus beyond VOC emissions reduction to include resource conservation, waste minimization, enhanced efficiency in manufacturing processes, use of renewable and less harmful materials, and more. Companies are looking to improve “design for environment” not only in product formulation, but directly and indirectly throughout the entire value chain such as equity, diversity, and inclusive practices in hiring and maintaining the workforce. The paint and coatings industry realizes the economic and competitive advantages that can result from progressive in-house programs emphasizing sustainability and circularity in advance of increasingly strict government regulations. Some of these programs relate to removing Substances of Very High Concern (SVHC) in products to reduce the impacts on human health and the environment.

#### Sustainability in the Industry

Many CPCA members are increasingly challenging themselves to achieve multiple sustainability objectives and align with the targets outlined in the [United Nations Sustainable Development Goals \(SDGs\)](#). All UN member states adopted the SDGs to guide global action on the urgent environmental, political, and economic challenges facing our planet. They set ambitious targets to build a more sustainable, safe, and prosperous world for all humanity by 2030. Some key performance indicators (KPIs) are being used by multiple CPCA members to align with the UN SDGs:

- Tracking of Nitrogen oxides (NOx), Sulfur oxides (SOx), and Volatile organics (VOC) and other significant air emissions from architectural and industrial coatings
  - Materials used by weight or volume related to packaging
-

- Water consumption from manufacturing activities
- Direct greenhouse gas emissions (GHGs)
- Waste generated in raw tonnage and proportion diverted from disposal by circular economy approaches

### Opportunities for R&D for Improved Circularity

Historically, raw materials used in coatings were fully sourced from bio-based feedstocks. Advances in manufacturing processes over the last few decades have led to the current environment where the majority of coating materials are derived from fossil fuels and petrochemicals. Recently, the industry has again begun to incorporate materials sourced from renewables such as starch, corn oil, and bio-based polyols into a wide range of products. However, the choice of renewable coating materials is still quite limited and for some applications, such as polyacrylates or phenolic resins, no bio-based alternatives exist.

## 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. Paint aerosols were sent to Terrapure Environmental's facilities in Saint John's or Foxtrap, Newfoundland for processing and energy recovery.

In 2020, a total of 741 boxes of post-consumer paint were delivered for processing and 433 boxes were processed, including carryover volumes from 2019 (see Table 11). Due to labour shortages and periodic stoppages in operations due to the pandemic, the processor was not able to process all boxes received in the calendar year.

**Table 11: Total Amount of Post-Consumer Paint Processed in 2020**

	Number of boxes	Number of Aerosol Drums <sup>13</sup>	Residual Paint Volume (L) <sup>14</sup>	Residual Aerosol Paint Volume (L)	Total Residual Paint Volume <sup>15</sup> (L)
Volume Processed	433	37	96,326	194	96,520

<sup>13</sup> Each drum holds approximately 175 aerosol containers. Based on a rounded conversion of rate of 5.25 per drum.

<sup>14</sup> Based on a rounded conversion rate of 222.5 L per box.

<sup>15</sup> 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 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 1,114 litres of paint were given away to consumers through the PaintShare Program in 2020. Most participating collection sites paused the PaintShare program in 2020 in order to minimize traffic, contact and touch points with the public during the pandemic, accounting for the significant drop in PaintShare volumes. 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.

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 2020**

Type	Litres	Percentage of Paint Recycled
Water-based paint	58,439	84.3%
Solvent-based paint	10,875 <sup>16</sup>	15.7%
Total	69,314	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 2020, the Program surpassed its target, achieving a 72.1% reuse rate (see Table 13 below).

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<sup>16</sup> Includes volumes processed from carried over inventory from 2019 due to processor relocation.



### ***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, with demand continuing 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, 9,781 litres of solvent-based paint and paint from paint aerosols processed were blended with other fuels and utilized for energy value at licensed facilities.

### ***Landfill***

The sorting and bulking of water-based paint by Laurentide generated 17,425 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 2020**

<b>Method</b>	<b>Volume (litres)</b>	<b>Percentage</b>
Reuse - Paint Reuse Program	1,114.2	1.1%
Reuse - Paint Recycling	69,314	71.0%
Energy Recovery	9,781	10.0 %
Landfill	17,425	17.8%
Incineration	0	0.0%
<b>Total</b>	<b>97,634</b>	<b>100%<sup>17</sup></b>

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<sup>17</sup> Total does not add up to 100% due to rounding.

## 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 Metals, and Copal Metal, 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 2020**

Container Type	Recycled (tonnes)	Processor	Management Process
Metal	17.7 <sup>18</sup>	D.R. Metal Recycling (Moncton, NB) (St. John) Copal Metal (Sainte-Julie, QC)	Mixed with other scrap metal and sold as a commodity that is eventually sent for smelting
Plastic pails (HDPE 2)	0.7	International Paint Depot/ 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)	3.6	Laurentide Re-sources Atlantic	Processed and sold as a commodity for plastics recycling

## 4.6 Processing and Containment Facilities

Table 15 lists all the paint processing or containment facilities used by the Program.

**Table 15: Processing & Containment Facilities**

Facility	Facility Type
<b>Hebert's Recycling Inc.</b> 14 Clyde Avenue, Mount Pearl, NL A1N 4S1	Containment Facility
<b>Laurentide Resources Atlantic Inc.</b> 100 Main Street Springhill, NS B0M 1X0	Processing Facility
<b>Laurentide Re-sources Atlantic Inc.</b> 9322 Rue Main Richibucto, NB E4W 4C7	Storage & Processing Facility

<sup>18</sup> Metal weight for aerosol paint cans is calculated using a conversion factor of 35.5 kg per aerosol drum

Facility	Facility Type
<b>Société Laurentide Inc.</b> 345 Bulstrode Street Victoriaville, QC G6T 1P7	Processing Facility
<b>Terrapure Environmental</b> 349 Incinerator Rd, St. John's, NL A1H 0B4	Processing Facility

## 5.0 Promotion and Education

In 2020, Product Care implemented several strategies and tactics to raise consumer awareness of the paint recycling program in Newfoundland and Labrador, in accordance with regulatory requirements. The following section provides details regarding communications and public education efforts for the program in 2020. Promotion and education activities were impacted by the pandemic—most advertising was paused between March and June 2020 due to lock down restrictions and/or temporarily closed collection sites.

### 5.1 Consumer Awareness

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

### 5.2 Website

The Product Care website includes the following content for the Newfoundland and Labrador paint recycling program, which is one of the commitments in the program plan:

- Recycling locator (a map displaying collection sites and drop-off events) (see [Appendix 3](#))
- Collection site 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 233,065 unique visitors accessed ProductCare.org during the 2020 calendar year. The Newfoundland and Labrador section (including sub-sections for accepted products and fee information) received 6,913 total page views. In addition, there were a total of 4,473 visits to the collection site from consumers in Newfoundland and Labrador.

In March, to address the impacts of the pandemic, a web banner was put up on the Product Care website, advising consumers to contact collection sites directly to confirm hours of operation and safety protocols. The banner remained up through the remainder of 2020.

### 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 2020, resulting in approximately 23,686,200 impressions.

### 5.5 Print Advertising

An inside cover print ad was featured in CPCA Insight Trade Publication. The full-page advertisement focused on paint and coatings member recruitment for Product Care paint programs, with seven thousand copies distributed to industry members. (See [Appendix 4](#))

### 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. See [Appendix 5](#) for examples of digital advertising activities.

- 1. Google Search Advertising Campaign:** January to December 2020  
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 410 impressions and 94 clicks.
- 2. Google Display Advertising Campaign:** July to December 2020  
Specific display advertising campaign served paint-related ads to provincial residents. Several iterations of the ads were run, collectively receiving 2.63 million impressions and 5,058 clicks through to the website. 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 and DIY-related terms, in order to reach a wider, but still relevant, population.
- 3. YouTube Video Advertising Campaign:** July to September 2020  
During summer months, paint recycling 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 483,927 impressions and 88,131 views.
- 4. Facebook and Instagram Content Strategy:** Content on Facebook and Instagram focused on paint recycling, special waste and the recycling community in general. Content was shared specifically with Newfoundland and Labrador residents when appropriate.

5. **Targeted blog posts:** Blog posts were targeted at relevant audience members including, but not limited to, homeowners, 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 collection site or interact with the brand on social media. Collectively, these posts received 31,898 views.
6. **The Weather Network Display Campaign:** July to September, 2020.
  - a. Display ads ran on the Weather Network app.
  - b. Newfoundland and Labrador’s ads collectively generated 905,896 impressions and 900 clicks.

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

In 2020, Product Care distributed both PoS and PoR materials at no cost to retailers and collection sites upon request. The following materials were available for reorder through the online order form (see Appendix 4 for examples):

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

## 6.0 Financial Information

The Program’s audited financial statements for 2020 are provided in [Appendix 6](#) of this report.

## APPENDIX 1 – Brand Owners as of December 31,2020

Brand Owner Name	
1. 1439174 Ontario Ltd (NLS Products)	2. Kleen-Flo Tumbler Industries Ltd.
3. 3M Canada Company	4. Kubota Canada LTD
5. Acklands - Grainger Inc.	6. Laurentide Re-sources Inc.
7. Alexandria Moulding	8. Lawson Products, Inc.
9. Amazon.com.ca, Inc.	10. Les Produits Techniseal
11. Avanti Sports Group Inc.	12. LPS Canada - Division of LPS Laboratories
13. BASF Canada Inc.	14. Michaels Stores Inc.
15. Behr Process Corp.	16. Motion Industries (Canada), Inc.
17. Benjamin Moore & Co. Ltd.	18. Orgill Canada Hardlines ULC
19. Bestbuy Distributors Ltd	20. Peintures MF Inc.
21. Canadian Building Restoration Products, Inc	22. PPG Architectural Coatings Canada Inc
23. Canadian Tire Corporation, Limited	24. Princess Auto Ltd.
25. Cansel Survey Equipment Inc.	26. Produits de Plancher Finitec Inc.
27. Class C Solutions Group, MSC Industrial Supply LLC	28. RONA Inc.
29. Cloverdale Paint Inc.	30. Rust-Oleum Consumer Brands Canada
31. Costco Wholesale Canada Ltd	32. Saman Corporation (3777472 Canada Inc.)
33. Country Chic Paint	34. Seymour of Sycamore, Inc.
35. Denalt Paints Ltd.	36. Sherwin-Williams Canada Inc
37. Diamond Vogel Paints Inc	38. Sika Canada Inc.
39. Ducan Products Inc.	40. Soprema Inc.
41. Dynamic Paint Products Inc. DBA Lancaster Canada	42. TENAQUIP Limited
43. Essendant Canada Inc	44. The Houtshop Inc.
45. Farrow & Ball Canada Ltd.	46. The North West Company LP
47. Fastenal Canada Ltd.	48. The Sansin Corporation
49. General Motors of Canada Company	50. The Sherwin-Williams Company
51. Henry Company Canada, Inc.	52. Timber Pro Coatings Ltd.
53. Home Depot of Canada Inc	54. UAP INC.
55. Home Hardware Stores Limited	56. UCP PAINT INC
57. Jaguar Land Rover Canada ULC	58. Wal-Mart Canada Corp.
59. John Deere Canada ULC	60. Wood Essence Distributing
61. Kent Building Supplies	62. Wurth Canada

## APPENDIX 2 – Collection Sites as of December 31, 2020

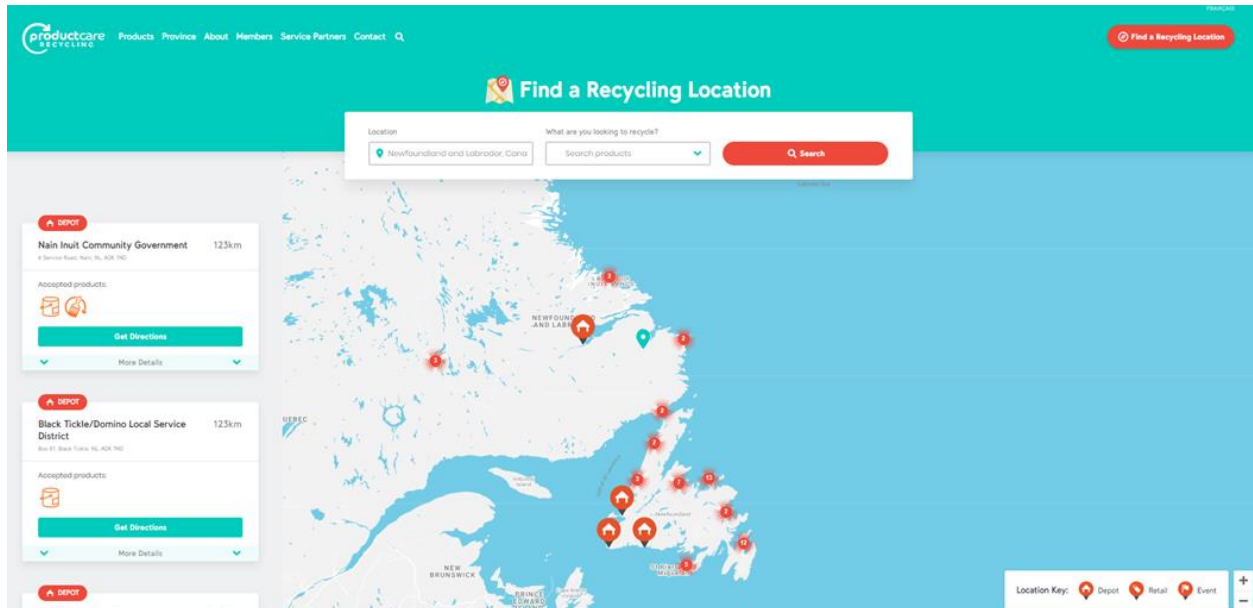
Depot Name	City	Type	Paint Share
White Bay Home Hardware	Baie Verte	Retailer	No
Bay Roberts Green Depot	Bay Roberts	Green Depot	Yes
Botwood Recycling Green Depot	Botwood	Green Depot	Yes
Regional Site - CWMN Norris Arm - Buchans Junction	Buchans Junction	Government	No
Burgeo Green Depot	Burgeo	Green Depot	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
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
Glovertown Green Depot	Glovertown	Green Depot	Yes
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

Depot Name	City	Type	Paint Share
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
Landfill Site - Subregion 1 (Northern Peninsula Regional Services Board)	St. Anthony	Government	Yes
St. Barbe Landfill	St. Anthony	Government	No
Western Regional Waste Management - St George Waste Station	St George	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

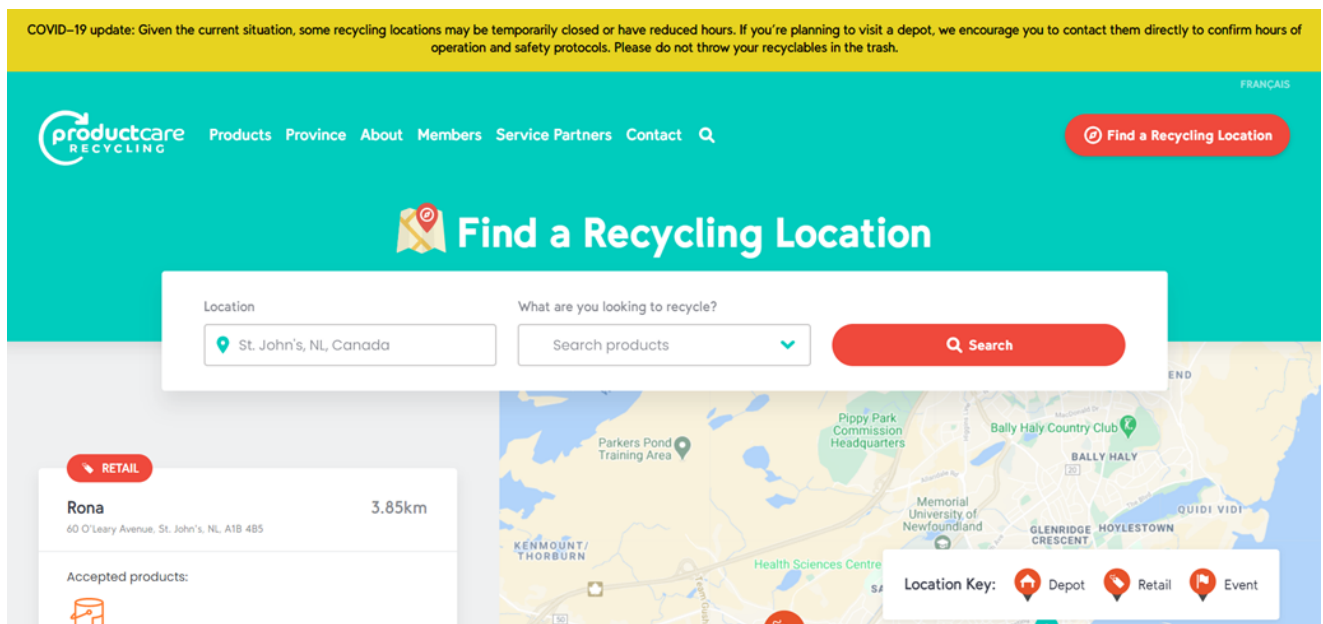


## APPENDIX 3 – Collection Site Locator

The image below provides a snapshot of the Program's collection site locator tool available at [productcare.org](https://productcare.org).



### COVID-19 Website Banner



## APPENDIX 4 – Print Materials



### 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 elastomers)
- Varnish and urethane (only single component), wood finishing oil, marmaline, 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 component)
- 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 P.C.P. 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](http://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](http://productcare.org) to find a recycling location near you.

[productcare.org](http://productcare.org)  
1-877-582-2972  
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](http://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](http://productcare.org).

## Leftover paint?

Recycle it for free!  
Visit [productcare.org](http://productcare.org) to find a recycling location near you.





2020 Newfoundland and Labrador Paint Recycle Program Annual Report

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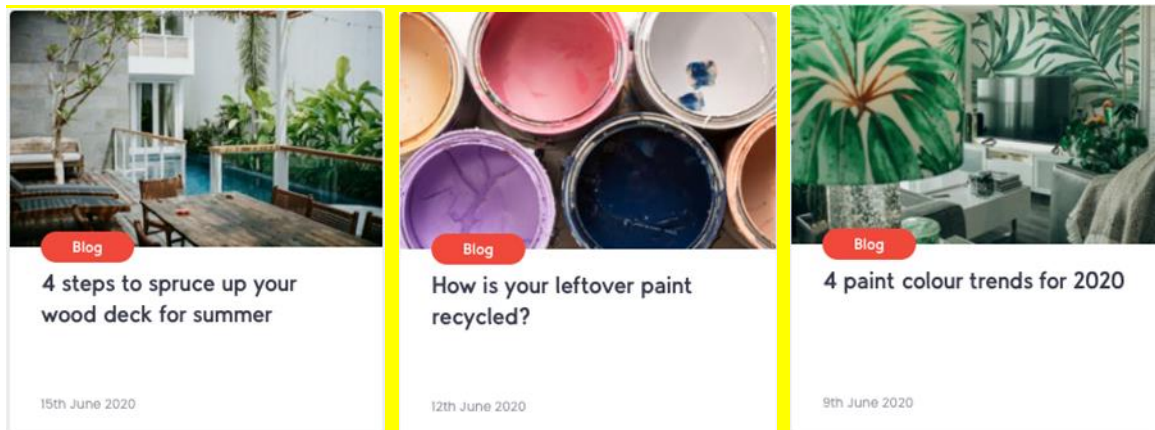
For 26 years, Product Care Recycling has worked with paint and coatings manufacturers to fulfill their EPR obligations—**diverting over 10.3 million litres of paint** from Canadian landfills in 2019.

Website: [productcare.org/cpca](https://productcare.org/cpca)  
Toll Free: 1-877-592-2972  
Email: [contact@productcare.org](mailto:contact@productcare.org)

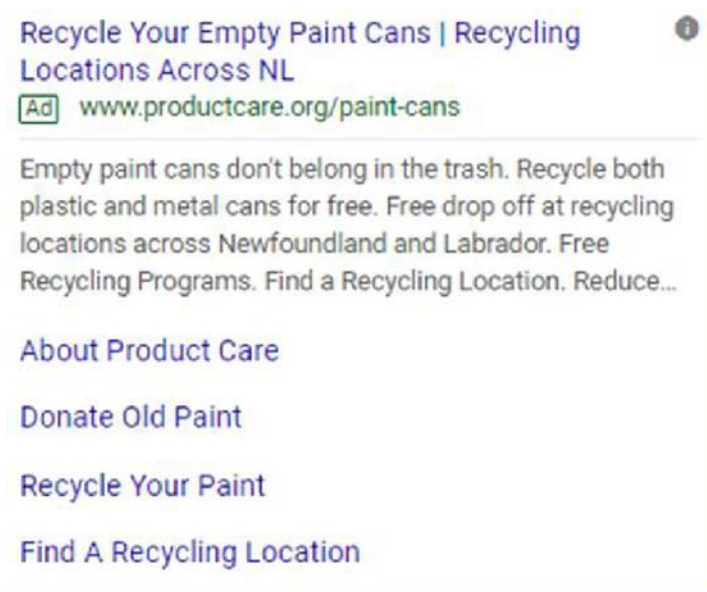


## APPENDIX 5 – Digital Advertising

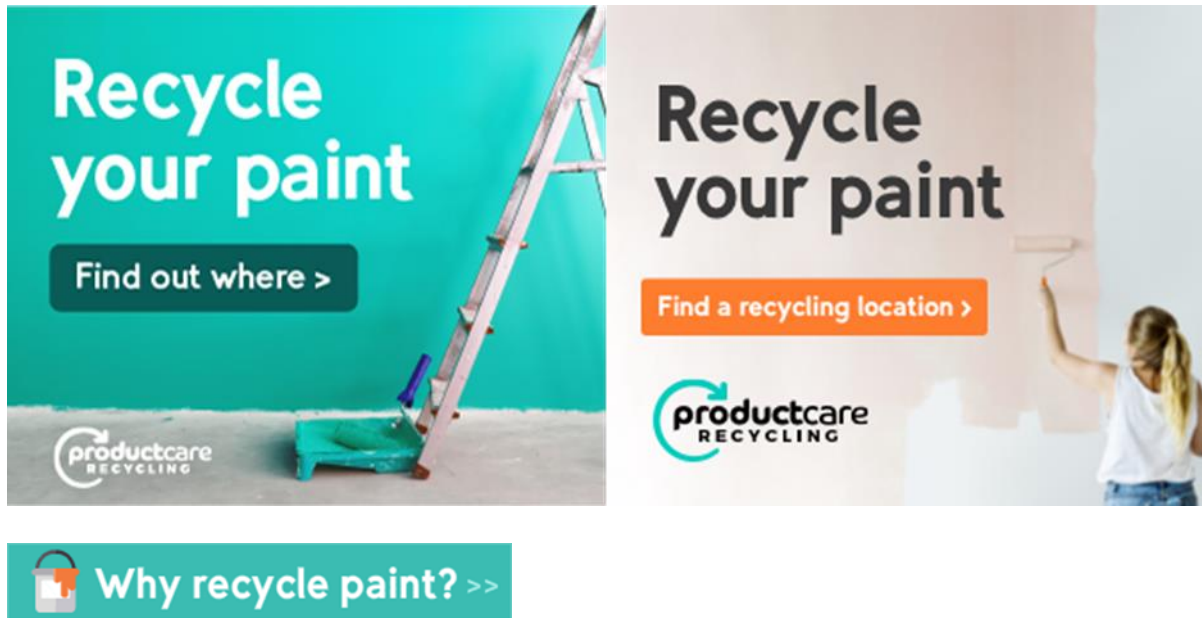
### Website Blog Posts



### Google Search Ad



## Google and The Weather Network Display Ads



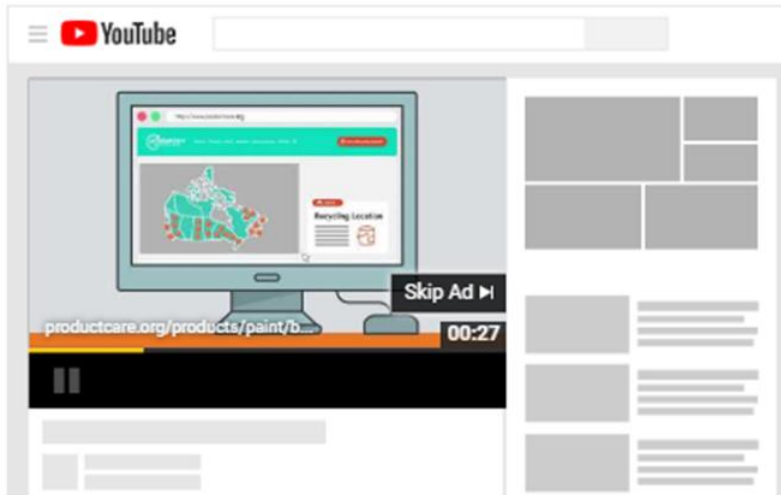
## "Recycle Later" Ad (March – June)

**Leftover paint?**  
Store it now, recycle it later.

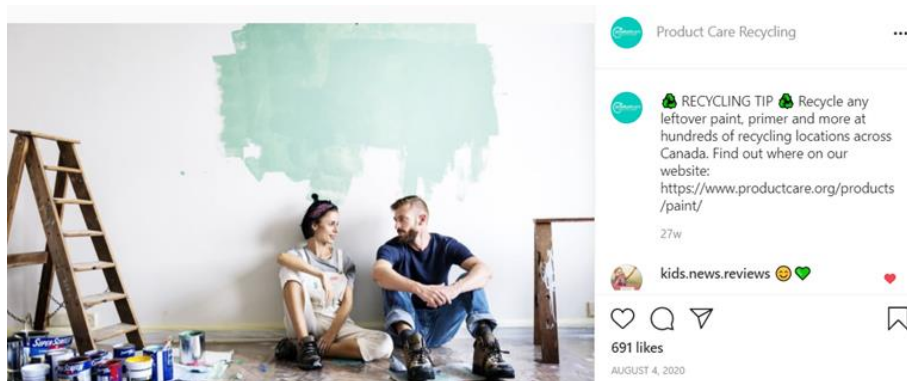
**LEARN MORE >**



## YouTube Video Ad



## Facebook and Instagram Posts



How is Leftover Paint Recycled?

## **APPENDIX 6 – 2020 Audited Financial Statements**



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

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

**31 DECEMBER 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 2020

**Contents**

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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

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## INDEPENDENT AUDITORS' REPORT

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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 2020 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 2020 in accordance with Canadian accounting standards for not-for-profit organizations.

#### 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.

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## INDEPENDENT AUDITORS' REPORT - Continued

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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.

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## INDEPENDENT AUDITORS' REPORT - Continued

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

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

*Rolfe Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
22 March 2021

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**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 2020**

	2020	2019
<b>Revenues</b>	<b>\$ 765,237</b>	<b>\$ 652,784</b>
<b>Program expenses</b>		
Transportation	228,616	280,394
Processing	185,698	493,728
Collection	61,614	62,419
Communications	58,999	77,057
Administration (Note 2(b) & 2(d))	51,221	91,600
Regulatory	30,208	31,654
	<b>616,356</b>	<b>1,036,852</b>
<b>Excess of revenues over expenses for the year</b>	<b>148,881</b>	<b>(384,068)</b>
<b>Accumulated surplus - beginning of the year</b>	<b>1,101,304</b>	<b>1,485,372</b>
<b>Accumulated surplus - end of year</b>	<b>\$ 1,250,185</b>	<b>\$ 1,101,304</b>

**Commitment** (Note 3)

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

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**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 2020**

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**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 \$550 (2019 - \$1,100) of amortization expense related to tangible capital assets.

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**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 2020**

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**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 \$34,680 (2019 - \$61,975) 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 \$184,784 (2019 - \$80,767) which will be incurred in 2021.