

British Columbia Alarms Program Annual Report

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Submitted by:

Product Care Association of Canada



productcare.org

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1 Executive Summary

The BC Smoke and Carbon Monoxide (CO) Stewardship Program (“Program”) began on October 1, 2011. The Program is operated by Product Care Association of Canada (“Product Care”) pursuant to the requirements of the *British Columbia Recycling Regulation* (BC Reg 449/2004 as amended) (“Regulation”) under the Province’s *Environmental Management Act*, as well as the BC Smoke and Carbon Monoxide Alarm Stewardship Plan approved by the BC Ministry of Environment and Climate Change (BCMoeCCS) on August 17, 2011 (“Program Plan”).

This annual report provides the information required pursuant to section 8(2) of the Regulation covering the period from January 1 to December 31, 2020.

Products within plan	Residential-use smoke and carbon monoxide (CO) alarms
Program website	www.productcare.org

Program performance details required under s.8(2) of the Regulation are summarized in the chart below.

Recycling Regulation Reference	Topic	Summary
Part 2, Section 8(2)(a)	Public Education Materials and Strategies	<ul style="list-style-type: none">• Consumer awareness survey conducted in fall 2020 revealed 52% of BC residents were aware that smoke and CO alarms can be recycled in British Columbia.• Website (productcare.org) provides detailed information about the Program for members and service partners.• Point of sale and point of return materials available for free upon request.• Advertised through digital campaign, including Google display ads, YouTube ads, paid social media and targeted blog posts.• Published print ads in 2020 municipal waste and recycling calendars and newspaper.• Collaborated through RCBC’s Hotline and Recyclepedia and the SABC Recycling Handbook to provide consumer-facing information about the program.

Recycling Regulation Reference	Topic	Summary
		<ul style="list-style-type: none"> • Focused on community partnerships and collection during Fire Prevention Week. • Seasonal campaigns to complement messaging around Fire Prevention Week and CO Awareness Week: TV ads, news outlet and media partnerships.
Part 2, Section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> • At the end of 2020, the collection system included 216 contracted collection sites, including 75 return-to-retail locations, 24 local government facilities, 3 fire departments and 114 private recycling depots.
Part 2, Section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> • Ionization foil stamping technology ensures less waste produced and fewer precious metals used in this stage of the manufacturing process. • Amount of materials in alarms continue to decrease while the use of recyclable materials in packaging increase. • There is a general trend in the industry to move from 9 volt to 3 volt alarms reducing the number of batteries required for product operation. • Recent breakthroughs in CO sensor technology and alarm design improvements allow most CO alarms and combination smoke and CO alarms to have a 10-year alarm, sensor and battery life. • Some manufacturers are looking into implementing best practice environmental standards from one region across all products sold to different countries. • From a packaging standpoint, manufacturers are making efforts to reduce the amount of material including a reduction in plastics by using thinner material, such as blister packs and reducing the thickness of paper in user guides. • A vast majority of the packaging is made with post-consumer recycled material and 100% recyclable.

Recycling Regulation Reference	Topic	Summary
Part 2, Section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> The plastic and metal components (copper, aluminum, ferrous, etc.) are separated and recycled. For alarms with radioactive components, the radioactive component (Am-241 foil) is shipped for final disposal at a licensed radioactive waste facility.
Part 2, Section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> As per the approved Program Plan, due to the limited number of manufacturers in the sector, aggregated sales data is not made publicly available to protect confidential market share information. Between January 1 and December 31, 2020, the Program collected approximately 101,548 units.
Part 2, Section 8(2)(e.1)		<ul style="list-style-type: none"> Table 4 lists units collected by Regional District.
Part 2, Section 8(2)(f)	Summary of Deposits, Refunds, Revenues and Expenses	<ul style="list-style-type: none"> See Appendix D for the Program's Independent Financial 2020 Audit report.

The Program Plan sets out a number of key performance targets for the Program up to 2016. The following chart summarizes the Program's performance in 2020 and strategies for improvement going forward, where applicable.

2020 Key Program Measures and Performance

2020 Key Program Measures and Performance	
Part 2 section 8(2)(g)	
2020 Performance	Strategies for Improvement
Approximately 101,548 units were collected	n/a

2020 Key Program Measures and Performance

As part of SABC, the Program continued to work with other stewardship organizations to conduct outreach with stakeholders. In addition, the Program engaged RCBC for hotline and Recyclepedia services.	The Program will continue to reach out to other organizations and stewardship programs, where synergies exist.
Based on an accessibility study conducted in 2019 by an independent third party, 99.6% of the population had access to a collection site according to SABC's Accessibility Standard. 14 sites were added and five collection sites were removed during 2020. Accessibility was not impacted in communities with populations greater than 4,000 where sites closed as alternative sites existed to service those communities.	n/a

2 Program Outline

The BC Smoke and Carbon Monoxide (CO) Alarm Stewardship Program ("Program") began on October 1, 2011. The Program is operated by Product Care Association of Canada ("PCA") pursuant to the requirements of the *British Columbia Recycling Regulation* (BC Reg 449/2004 as amended) ("Regulation") under the Province's *Environmental Management Act*, as well as the BC Smoke and Carbon Monoxide Alarm Stewardship Plan, approved by the BC Ministry of Environment and Climate Change Strategy (BCMoECCS) on August 17, 2011 ("Program Plan").

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, which includes representation from members with a commercial presence in British Columbia.

The Program Plan is currently under review for refiling in 2021. This annual report provides information required pursuant to section 8(2) of the Regulation covering the period from January 1 to December 31, 2020.

Program members include manufacturers, brand owners, distributors, first importers and retailers. A current list of Program members is available on Product Care's website.

Products that are managed through the Program include:

- Smoke alarms designed for residential-use as defined by the CAN/ULC-S531 standard.¹
- Carbon monoxide (CO) alarms designed for residential use, as defined by the CAN/CSA 6.19 standard.

By the end of 2020, the Program had developed a collection network of 216 permanent year-round contracted collection sites. The Program does not directly own or manage collection sites, but rather contracts with all collection locations. Collection sites include fire safety organizations, fire halls, private bottle depots, not-for-profit recycling organizations, retailers, and local government facilities.

The Program's website is a consumer-facing portal where the public can obtain information about the Program, including what products are accepted in the Program, where to find the nearest collection site, promotional materials and membership information. Further details on education and outreach efforts are outlined in Section 3 of this report.

Approximately 101,548 alarm units were collected by the Program in 2020.

3 Public Education Materials and Strategies

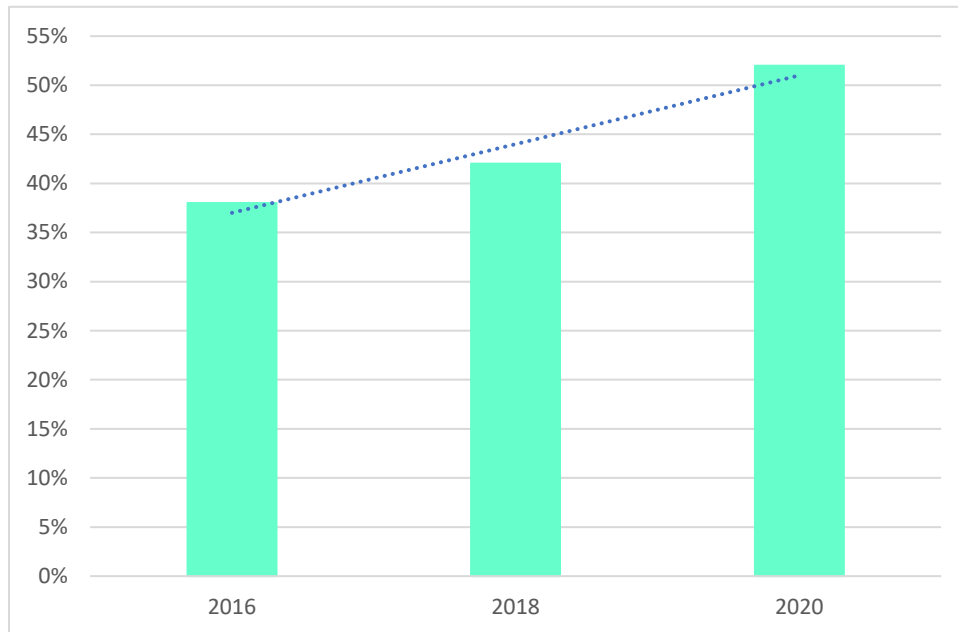
In 2020, Product Care educated BC's public about smoke and carbon monoxide (CO) alarm recycling year-round and province-wide across 18 different channels yielding more than 25.5 million impressions. Public education efforts spanned from traditional channels such as TV and municipal calendars to new media including Spotify, The Weather Network App and YouTube. In addition to paid advertising efforts, Product Care made significant investments of time building strategic partnerships around Fire Prevention Week and CO Awareness Week and pitched timely news stories which yielded over 2.4 million earned media impressions in 68 publications (print and online) across BC.

3.1 Consumer Awareness

The smoke and CO alarms recycling program currently has a public awareness level of 52% based on a fall 2020 survey of the British Columbian public. This represents a 10% increase in awareness from the previous survey in 2018. The program is in the midst of refiling a revised program plan that includes revised awareness targets. Product Care has steadily seen a significant upward trend in awareness each survey year, validating the efficacy of implemented public education tactics. Figure 1 offers a historical look at steadily increasing awareness trends for alarm recycling in BC, referencing SABC survey results.

¹ Underwriters Laboratory of Canada (ULC) Standards develops and publishes standards and specifications for specific product types, including those having a bearing on fire safety. Fire alarms installed in dwelling units must conform to the CAN/ULC-S531-02 standard.

Figure 1: Alarm Recycling Awareness Over Time



Awareness results are derived from a (typically) bi-annual survey conducted by Stewardship Agencies of British Columbia (SABC). The most recent survey was conducted online in September 2020 and was representative of British Columbia’s adult population, with a total sample size of 1,036 who were asked the question “as far as you are aware, can the following be recycled or safely disposed of in BC when there are no longer wanted?”

Consumer Insights and Targeting Strategy

Product Care has invested in research to better understand general consumer behavior around recycling, as well as the specific product and its lifecycle usage. As a long-term use durable good with an average lifespan of 10 years, the product’s extensive lifecycle must be considered. Education efforts cannot be treated similarly to fast moving consumer goods (FMCGs), which get used and recycled within a short span of time (e.g. beverage containers). In addition to having a long life that could span multiple users (e.g. consider moving homes, where a working smoke or CO alarm may have multiple owners), it is critical to know who is using the product. While almost the entire general population uses FMCGs, such as beverage containers, not everyone is responsible for purchasing, checking and changing their smoke and CO alarms. For example, many attached home dwellers will not be the responsible party for testing and changing smoke and CO alarms – this is often handled by strata/building manager or third-party commercial installers.

As a result of its long-term use and its lack of use by all members of the population, Product Care takes a product-specific approach to its marketing and education tactics around this durable good. Product Care used four guiding insights to inform the strategy for effectively educating British Columbians about alarm recycling:

1. **Understanding the product** – Due to their function as a long-term use product, with a large window between point of purchase and point of return, the product is classified as a durable good and thus must be treated accordingly. According to a survey conducted by Product Care in 2020, only 38% of respondents indicated that they change their smoke or carbon monoxide alarms, and only 4% of respondents indicated that they currently had unwanted smoke or CO alarms in their home. These figures attest to the nature of the product – a durable good that the majority of the general population does not handle, and those who do handle the product do so infrequently.
2. **People who interact with the products** – Emphasis is placed on the actual users of the product, which primarily include people who live in detached homes. Many attached home dwellers do not purchase or replace their own alarms, and instead this process is often managed by the strata/building manager or third-party commercial installer. As such, Product Care pays special attention to educating those who live in detached homes by tailoring the messaging and the medium to the media habits of those consumers.
3. **Timing** – Since the product has a long lifespan, efforts are made to educate consumers from point of sale through active lifecycle and right through to end-of-life. This is achieved through numerous channels that ensure the message is reached at consistent points of relevance, as shown in the tactics outlined below. For example, PoS (point of sale) materials are made available to retailers for free; ad campaigns run throughout the year as well as during key seasons (e.g. Fire Prevention Week and CO Awareness Week); and PoR (point of return) materials are made available to collection sites for free.
4. **Recycling motivators and how to message** – Product Care conducted consumer research to understand the motivators and barriers to recycling products that must be taken to depots. A statistically significant sample of British Columbians was surveyed to learn more about these behaviors. Survey results showed the importance of motivating people through intrinsic values. Messaging such as ‘replace it for your family, recycle it for the earth’ were used to draw on environmental and family values (see Appendix A for examples).

Strategic Targeting

In 2020, Product Care adopted a new strategy for educating the public, which focuses on heavy targeted education during key times with core product user groups, rather than an inch deep and mile wide with continuous blanket education that would spread the message thin. The following tactics were employed in 2020, generating a total of 25.5 million impressions across BC, and ensuring education occurred at every point of the product’s lifecycle.

Beginning of product lifecycle:

- **Point of Sale (PoS)** – Free brochures, rack cards, posters and wallet reminders were made available to retailers to educate consumers at point of sale (see Appendix A).
- **Digital advertising** – When a consumer looks up information related to smoke and CO alarms, Product Care appears in the search results with messaging about recycling the product and directs the user to Product Care’s website for more information.

Year-round tactics:

- **Hotline** – Product Care operated a toll-free hotline, as well as participated in the Recycling Council of British Columbia (RCBC) hotline and website/app service, which all answer consumer inquiries about product recycling. Combined, these services received a total of 247,360 consumer inquiries in 2020.
- **Website** – Product Care continues to operate a permanent website where consumers can find program information year-round, which offers information about proper disposal, where to find a collection site, hours of operation, safety information, accepted and not accepted products, and so forth (see Appendix A).
- **Google Search** – Ads ran year-round and targeted those who typed relevant keywords into Google (see Appendix A), resulting in 1,594 impressions and 184 clicks.
- **Google Display** – Ads ran year-round and targeted those who searched relevant keywords in Google (see Appendix A), resulting in 5.8 million impressions and 8,079 clicks.
- **Social media** – throughout the year, Product Care shared relevant content about alarm recycling across its social media platforms including Facebook, Instagram, Twitter and YouTube (see Appendix A).
- **Municipal calendars** – Product Care advertised in recycling calendars in Mission, Chilliwack, Penticton, Oliver and Summerland (see Appendix A), with a total circulation of 48,500.

Seasonal campaigns ran in the fall to complement messaging around Fire Prevention Week and CO Awareness Week:

- **Earned media** – Product Care pitched news outlets across BC about the importance of recycling broken/expired alarms (see Appendix A), resulting in 2.4 million impressions across 68 news outlets.
- **TV** – 15 and 30-second animated TV ads ran on Global TV 24/7 and static ads ran on Global News channels, generating 15.8 million impressions.
- **Corus media buys** – Product Care advertised on The Weather Network, CTV and HGTV through the Corus network (see Appendix A), resulting in 354,463 impressions and 558 clicks.
- **Daily Hive** – Product Care partnered with popular BC news outlet Daily Hive (DH) to share alarms-related recycling content and a knowledge-building quiz through DH's Instagram channel (see Appendix A), resulting in 52,337 impressions and 2,916 engagements (clicks, swipe ups, comments, likes).
- **Spotify** – Ads ran on the music streaming platform to engage a younger audience (see Appendix A), resulting in 747,000 impressions.
- **Trade publication** – Product Care advertised in the Property Manager's Sourcebook in order to reach a targeted audience responsible for testing and changing smoke/CO alarms, with a circulation of 8,000 copies (see Appendix A).
- **Gmail** – Ads ran through the email platform (see Appendix A) resulting in 48,420 impressions and 16,189 clicks.
- **YouTube** – Ads ran through the video streaming platform (see Appendix A) resulting in 275,180 impressions and 117,360 video views.

- **Social media** – Product Care ran paid social media content during key seasons (see Appendix A) resulting in 23,359 impressions, 254 engagements and 118 clicks.

End of product lifecycle:

- **Point of Return (PoR)** – free brochures, rack cards, signs and wallet reminders were made available to all collection sites to educate consumers at point of return.
- **Digital advertising** – when a consumer looks up information related to smoke and CO alarm recycling, Product Care returns in the search results with messaging about recycling the product and directs the user to Product Care’s website for more information.

4 Collection System and Facilities

The Program works with existing collection sites across BC where end users can return their smoke and CO alarms. There is no charge for consumers to drop-off these products. Product Care does not directly own or manage any collection sites, but rather contracts with all collection sites. At the end of 2020, the collection system was comprised of 216 contracted advertised collection sites, including 75 return-to-retail locations, 24 local government facilities, 3 fire departments and 114 private recycling depots. Fourteen collection sites were added, and five collection sites were removed during 2020. The five collection sites that closed were located in 100 Mile House, Creston, New Westminster, Victoria and Fort St James. Table 1 below provides a breakdown of the different types of collection sites reported in 2019 and 2020. Appendix B provides a complete list of collection sites as of December 31, 2020. Appendix C lists the number of collection sites in each regional district.

An accessibility study of the Program’s collection network was completed by an independent third-party consultant in 2019. which found that 99.6% of British Columbians had access to a permanent collection site based on the Accessibility Standard established by the Stewardship Agencies of BC (SABC). This Standard defines minimum accessibility levels as a 30-minute drive or less to a collection point in urban centres with a population greater than 4,000, and a 45-minute drive or less for those living in rural communities greater than 4,000 people. Accessibility was not impacted in communities with populations greater than 4,000 where sites closed as alternative sites existed to service those communities. In addition, fourteen new collection sites were added to the network in 2020. Therefore, it is presumed that accessibility levels were maintained or exceeded in 2020.

Table 1: Collection Site by Type (2019 and 2020)

Collection Site Type	2019	2020
Retailers	72	75
Local government	23	24
Recycling depots	109	114
Fire departments	3	3
Total	207	216

The Program supplements the collection system with a Large Volume Generator (LVG) program. The LVG program provides free pick-up service from any entity that generates large volumes of smoke and CO alarms (i.e., more than 40). In 2020, 69 entities were registered as LVGs with the Program, including fire safety organizations, electrical distributors, local government facilities and others.

5 Product Environmental Impact Reduction, Reusability and Recyclability

Reduce and Redesign

While the principal purpose of smoke and CO alarms is to ensure safety, the industry continues to make efforts to reduce the environmental impact of their products. Ionization foil stamping technology ensures less waste and precious metals are produced in this stage of the manufacturing process. The amount of plastic and other materials in a typical smoke alarm continue to decrease while the use of recyclable materials in product packaging increase. For example, some manufacturers now create alarms with 75% to 80% recyclable materials. Finally, there is a continued trend in the industry away from 9 volt to 3 volt alarms to reduce the number of batteries required for product operation.

ANSI/UL2034² specifications have changed to require all CO alarms and combination smoke/CO alarms to have an end-of-life feature. This requirement went into effect for any production beginning on August 1, 2009. Recent breakthroughs in CO sensor technology and alarm design improvements allow most CO alarms and combination smoke and CO alarms to have a 10-year alarm life, a 10-year CO sensor life, a 10-year warranty, and batteries that last for 10 years.

Manufacturers regularly review the design of their products for functionality, sustainability and impact on the environment, ensuring compliance with environmental requirements. In addition, some

² ANSI/UL 2034 is the safety standard for single and multiple station carbon monoxide alarms.

manufacturers are looking into implementing best practice environmental standards from one region across all products sold to different countries, rather than just implementing the standards in the country that mandates them. An example of a best practice environmental standard is the RoHS (Restriction of Hazardous Substances) initiative in Europe, which restricts the use of certain hazardous materials found in electrical and electronic products.

From a packaging standpoint, manufacturers are making efforts to reduce the amount of material including a reduction in plastics by using thinner material such as blister packs and reducing the thickness of paper in user guides, resulting in an average 61% reduction in plastic and 36% reduction in overall packaging weight. Furthermore, a vast majority of the packaging is made with post-consumer recycled material and 100% recyclable.

Reuse and Repair

Given the requirement that new smoke and CO alarms be certified for safety purposes and the absolute importance that program products function properly in the case of an emergency, the repair or reuse of returned products or product components is not promoted by the Program.

Recycle, Recover and Dispose

It is the Program's intention to recycle as many components of returned products as possible, subject to economic conditions, such as fluctuations in demand and commodity prices.

6 Pollution Prevention Hierarchy and Product / Component Management

The following is based on information provided by the Program's downstream processors, where available, or based on the understanding of the service agreement with the downstream processors.

There are generally three types of common smoke alarms; ionization, photoelectric and combination ionization/photoelectric. Alarms that use the ionization technology have a radioactive source within the detector to ionize the air and produce a small electric current. When smoke enters the detector chamber, the current is interrupted, which causes the alarm to sound. The radioactive element used is most commonly Americium-241 (Am-241), which emits alpha radiation (or alpha particles). The source of radioactivity is quite small. Photoelectric alarms aim a light source into a sensing chamber at an angle away from the sensor. Smoke enters the chamber, reflecting light onto the light sensor; triggering the alarm. Combination ionization & photoelectric alarms use both sensing technologies in parallel.

The boxes of collected units are received at Product Care's facility. At the facility, they are sorted, which involves counting the number of alarms and removing batteries (those that are easily removable) as well

as any non-program products.³ Product Care’s processors also inspect incoming units to ensure any remaining batteries are removed. In 2020, batteries removed from units by Product Care were stored on site. No batteries were sent for processing as there were insufficient volumes accumulated for a shipment. Batteries removed by the two downstream processors were sent to a downstream battery processor for further processing.

At the downstream processors’ facilities prior to dismantling, each smoke alarm is sorted by type, and inventoried by a trained technician. According to information obtained from end fate surveys completed by the downstream processors, the plastic and metal components are separated and sent for recycling and the Am-241 foil is shipped for long-term storage at a licensed radioactive waste facility. Table 2 provides a summary of the management of all alarm sub-components, according to information provided by the Program’s downstream processor.

Table 2: Product / Component Management⁴

Type of Alarm	Sub-component	Recycled	Storage at a licensed long-term storage facility
Radioactive Alarms	Radioactive Cells		100%
	Plastic	100%	
	Metal	100%	
Photovoltaic (non-radioactive alarms)	Plastic	100%	
	Metal	100%	

7 Product Sold and Collected and Recovery Rate

Products Sold

The BC smoke and CO alarm market is primarily served by three brand owners. Given the small number of manufacturers of these products selling into the BC market, the Ministry of Environment and Climate Change Strategy has given approval that aggregated sales data reported by program members not be made publicly available, as is done with other stewardship programs.

³ Some of the alarms collected in 2020 were not shipped for processing until the subsequent year. Statements regarding the end fate of alarms are in reference to materials processed in 2020 only.

⁴ Based on information provided in end fate surveys completed by the Program’s primary processors.

Collection Volumes

Smoke and CO alarms are collected at collection sites in boxes, cardboard gaylord boxes or mega-bags, depending on the volume the collection site expects to receive. Between January 1 and December 31, 2020, the Program collected approximately 101,548 units, as detailed in Table 3 below.

The number of alarms collected in small containers (boxes and totes) and mega-bags was estimated by multiplying the number of small containers and mega-bags collected during the year by a conversion factor of 44 alarms per small container and 710 alarms per mega-bag. The conversion factors were calculated by averaging the units of alarms from more than 2,082 small collection containers and 14 mega-bags, which were sorted and counted in 2020 at Product Care's facility.

Table 3: Units Collected, January 1 – December 31, 2020

Container Type	# of Containers Collected	Approximate # of Alarms Collected ⁵
Small Containers	2082	91,608
Mega Bags	14	9,940
Total	2096	101,548

Units Collected by Regional District

Table 4 sets out the approximate number of smoke and CO alarms collected from each of the Province's Regional Districts between January 1 and December 31, 2020.

Table 4: Total Smoke and CO Alarms Collected by Regional District, 2020

Regional District	# Small Containers ⁶	# Mega Bags ⁷	# of Smoke & CO Alarms
Alberni Clayoquot	6	0	264
Bulkley Nechako	3	0	131
Capital Regional District	136	0	5,984
Cariboo	6	0	261
Central Coast	0	0	0
Central Kootenay	11	0	484
Central Okanagan	139	0	6,116

⁵ Conversion factors used to calculate the approximate # of alarms collected: 44 units per small container and 710 units per mega-bag.

⁶ See footnote 5.

⁷ See footnote 5.

Regional District	# Small Containers ⁶	# Mega Bags ⁷	# of Smoke & CO Alarms
Columbia Shuswap	3	0	132
Comox Valley	19	0	836
Cowichan Valley	28	0	1,232
East Kootenay	22	0	968
Fraser Fort George	42	0	1,848
Fraser Valley	117	11	12,958
Kitimat Stikine	8	0	352
Kootenay Boundary	10	0	440
Metro Vancouver	1,262	3	57,658
Mount Waddington	1	0	44
Nanaimo	80	0	3,520
North Coast	6	0	264
North Okanagan	37	0	1,628
Northern Rockies	0	0	0
Okanagan Similkameen	30	0	1,320
Peace River	6	0	264
Qathet	0	0	0
Skeena-Queen Charlotte	0	0	0
Squamish Lillooet	42	0	1,848
Strathcona	13	0	572
Sunshine Coast	25	0	1,100
Thompson Nicola	30	0	1,320
Total	2,082	14	101,548

Recovery Rate

Given the unique nature of the smoke and CO alarm market in BC, the Program cannot report out on recovery rate as a performance measure. Recovery rate compares the amount of materials collected to the amount of material sold during the same time period. Collection and sales data are typically published alongside the recovery rate in order to substantiate a percentage-based recovery rate. In the case of smoke and CO alarms, given the small number of companies selling these products into the BC market, providing this data would permit competitors to estimate the sales data of individual companies, which is confidential business information.

8 Revenues and Expenditures

The Program is funded by membership fees, known as environmental handling fees (EHFs), remitted to PCA by its members based on the volume of sales of smoke and CO alarms in British Columbia. PCA sets the EHF rates. In some cases, retailers recover the fees from consumers as a separate visible EHF. Program

revenues are applied to the operation of the Program, including administration, education, collection, transport, recycling and disposal of collected products, as well as a reserve fund. Table 5 illustrates the EHF's for Program Products effective since October 1, 2011.

Table 5: Environmental Handling Fees as of October 1, 2011

Unit Type	EHF
Smoke Alarms and Combination Smoke/CO Alarms	\$1.20
Carbon Monoxide (CO) Alarms	\$0.60

A copy of the independent financial audit of the Program's revenues and expenses can be found in Appendix D. A copy of Product Care's consolidated financial statements for 2020 can be found in Appendix E. See Appendix F for the auditor's engagement letter and Appendix G for the independently-verified audit of the 2020 annual report.

9 Plan Performance

Table 6 summarizes the Program's key performance measures for 2020, as committed to in the Program Plan, along with actual performance values and strategies for improving performance in 2020.

Table 6: 2020 Key Program Measures and Performance

2020 Key Program Measures and Performance	
2020 Performance	Strategies for Improvement
Approximately 101,548 units collected. (2017 collection target of 28,078 units based on 5% annual increase from 2012 baseline of 22,000 units.)	n/a
As part of SABC, the Program worked with other stewardship programs (e.g. BC Lamps & Lighting Equipment, BC Paint & HHW) to conduct stakeholder outreach. In addition, the Program engaged RCBC for hotline and Recyclepedia services.	The Program will continue to reach out to other organizations and stewardship programs, where synergies exist.
Based on an accessibility study conducted in 2019 by an independent third party, 99.6% of the population has access to a collection site according to SABC's Accessibility Standard. 14 sites were added and five collection sites were removed during 2020. Accessibility was not impacted in communities with populations greater than 4,000 where sites closed as alternative sites existed to service those communities.	n/a

Appendix A: Communication and Public Outreach Materials

Print Materials and Collection Site Signage

Expired or broken smoke or carbon monoxide alarms?

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

Accepted Alarm Products

- Smoke alarms
- Carbon monoxide (CO) alarms
- Combination smoke/CO alarms

Return limit: 40 units
Note: Limits may vary per site*

* Have large volumes of smoke or CO alarms? You may qualify for free pick up. Visit productcare.org for more information.

Not Accepted Products

- Thermostats
- Alarm keypads
- Physically damaged smoke alarms
- Building-wide smoke/CO detector units
- Smoke detectors without an alarm function (typically installed in commercial buildings)

Product Care Recycling is a federally incorporated not-for-profit organization that responsibly manages products at end-of-life. We keep materials out of our landfill and waterways, conserve resources, and protect the planet by recycling thousands of smoke alarms.

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

productcare.org
1-877-592-2772
BCSC: 1-800-567-4321

Expired or defective smoke or carbon monoxide alarms?

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

productcare.org



Smoke and Carbon Monoxide Alarms

For a full list of accepted products, visit productcare.org



Accepted Alarm Products

- Smoke alarms
- Carbon monoxide (CO) alarms
- Combination smoke and CO alarms

Maximum drop off volume: 40 alarms



Not Accepted Products

- Thermostats
- Alarm keypads
- Physically damaged smoke alarms
- Building-wide smoke/CO detector units
- Smoke detectors without an alarm function
(typically installed in commercial buildings)

**IT IS STRICTLY PROHIBITED TO ABANDON
MATERIALS AT THIS SITE**

Emergency contact:
1-877-592-2972



Keep these products out of landfill:

Paint

Household
Hazardous Waste

Lights

Smoke & CO Alarms

Learn how and where to recycle
them at productcare.org



Drop off for free:



Paint



Household
Hazardous Waste



Lights



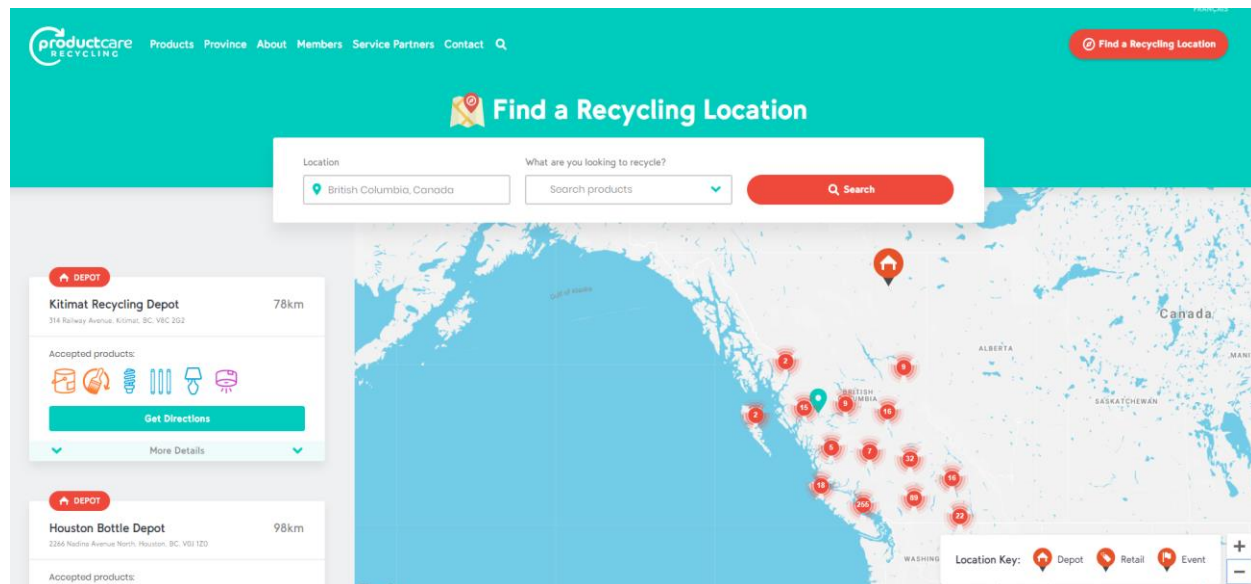
Alarms

Learn more at productcare.org

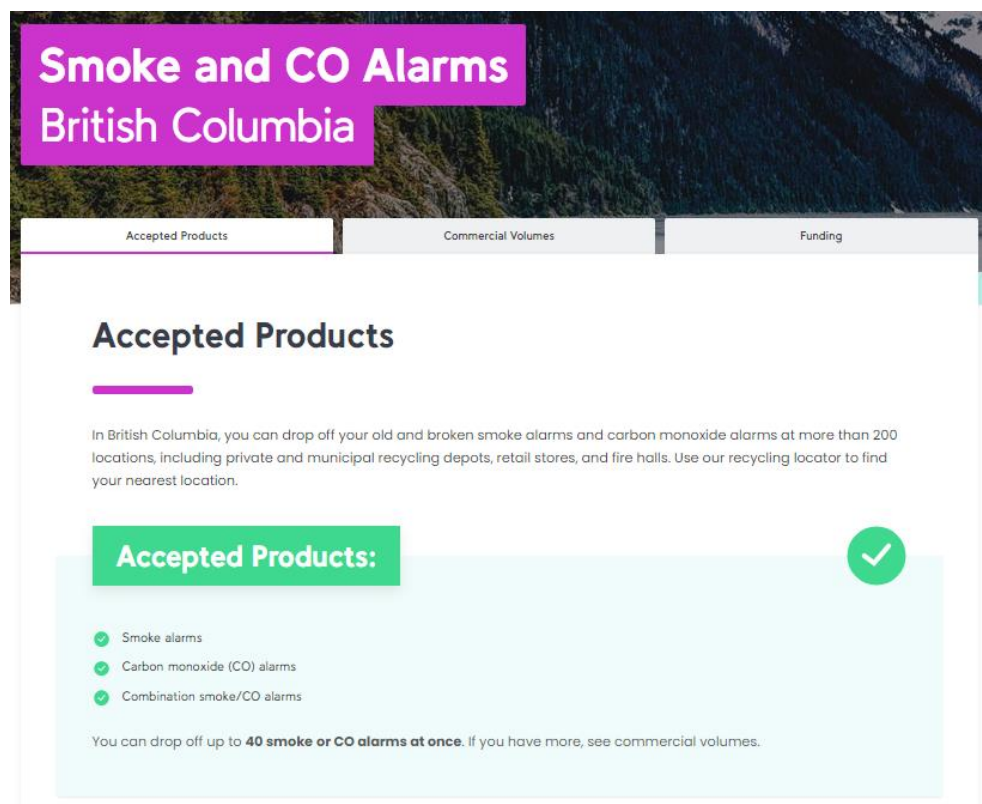


Recycling Locator Tool

Below is a snapshot of the recycling locator tools found at productcare.org.



Program page



Google Search Ads

Ad • www.productcare.org/alarm-recycling

Smoke Alarm Recycling BC | How To Recycle Your Old Alarm

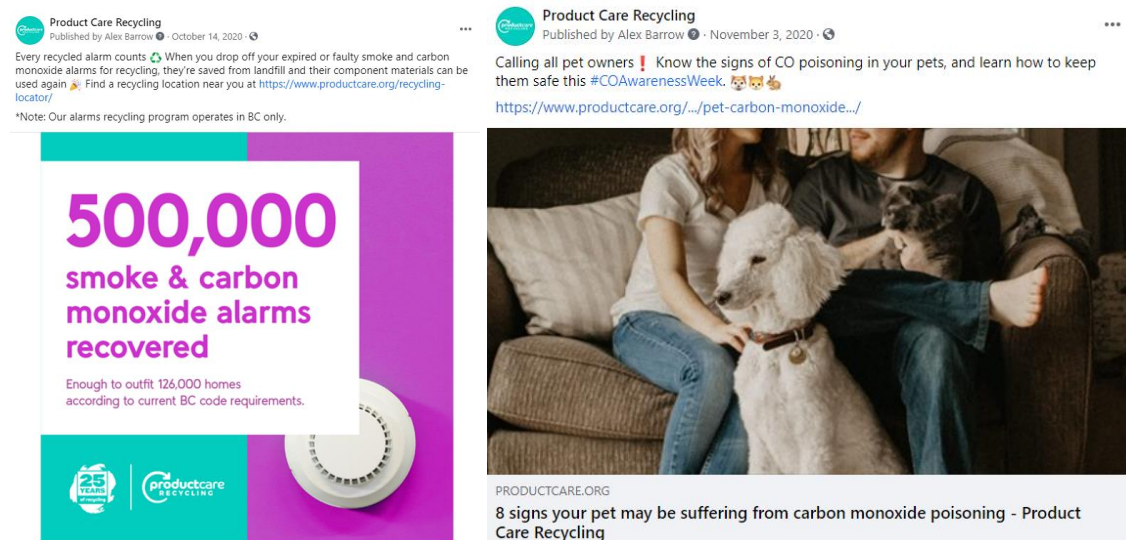
Remember to check your smoke alarm every month. If it's faulty or expired, recycle it! Drop off used smoke and CO alarms for free recycling with our BC-wide program. Free To Drop Off. Easy To Find. Find A Recycling Location. Rea...

Google Display Ads

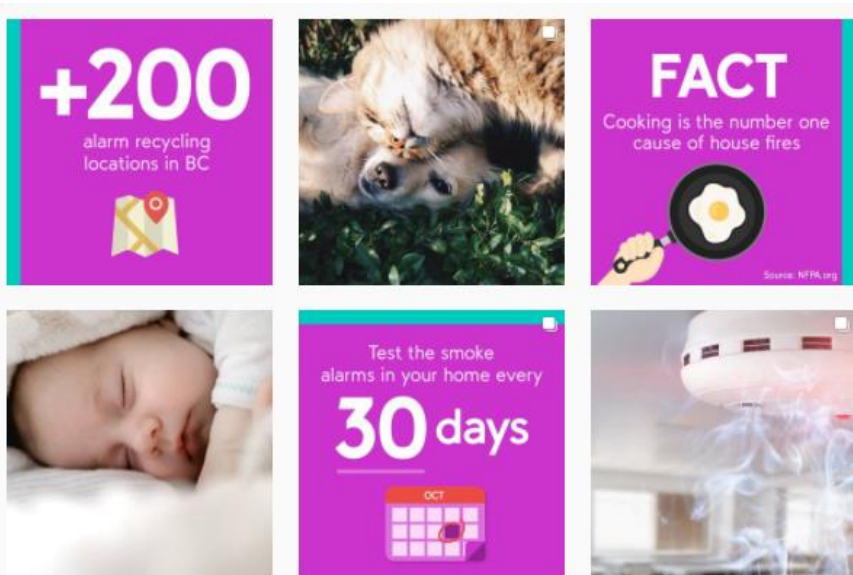


Organic Social Media

a. Facebook



b. Instagram



c. Twitter



Municipal Calendar Ad

Keep Summerland beautiful
with our free recycling
programs

Paint

Household hazardous waste
(pesticides, flammable liquids, gasoline)

Light bulbs & fixtures

Smoke & CO alarms

Find information on accepted products
and drop-off recycling locations at
productcare.org or call 1-800-867-4321

productcare
RECYCLING

Earned Media

(Photo courtesy City of Campbell River)

British Columbians encouraged to
test household smoke alarms and
recycle old ones

In 2019, Product Care Recycling diverted more than 107,000
alarms from ending up in landfills

JANELLE SWIFT / Oct. 14, 2020 10:30 a.m. / NEWS

Product Care Recycling is encouraging all British Columbians to not only test
their smoke alarms to ensure that they're working but also properly recycle the
old ones.

Product Care Recycling, which has been operating since 1994, provides free
recycling locations for consumers to bring products such as paint, household
hazardous waste, lights and old smoke alarms.

"Many smoke and carbon monoxide alarms utilize technology that contains a
small amount of radioactive material," said Wayne Chisholm, the organization's
service and logistics manager.

"It's important to recycle your old alarms to prevent these materials from
contaminating our soil and waterways."

BC Smoke and CO Alarms Program 2020 Annual Report

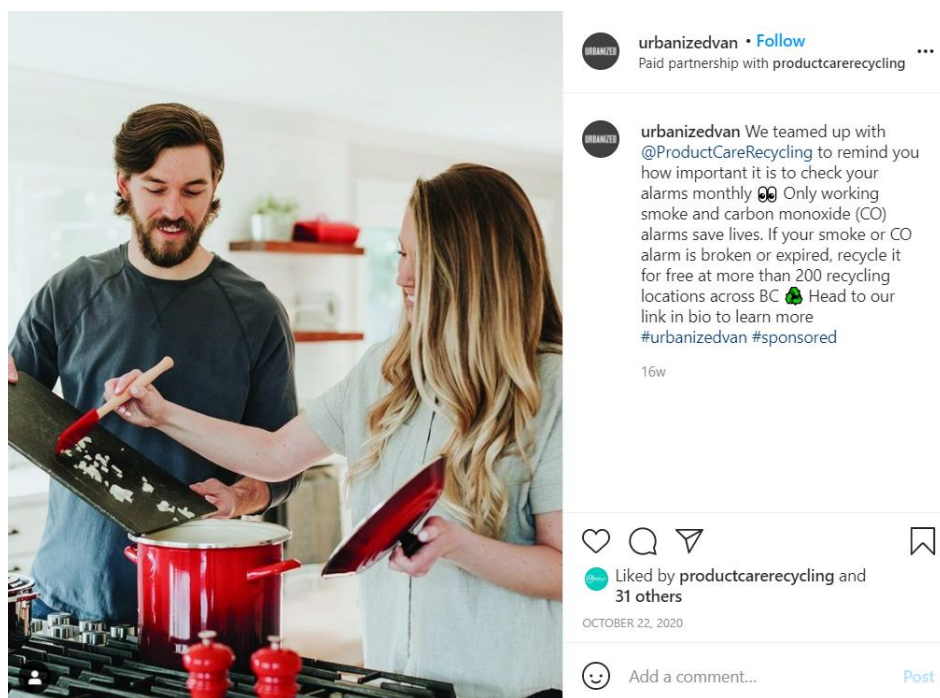
21

The Weather Network, Corus and HGTV Display Ads



Daily Hive Partnership

a. Static Instagram Post



b. Instagram Stories Quiz



Spotify Ad



Property Manager’s Sourcebook



Leftover paint, burnt out lights, or expired smoke alarms piling up?

Drop them off at select recycling locations for **free**, or contact us to see if you qualify for our **free** pick up service.

Call: 1-877-592-2972 **Email:** contact@productcare.org


To learn more about our services and accepted products, visit productcare.org

productcare
RECYCLING

Gmail Ad

Check Your Smoke Alarms Ad ⓘ

Product Care

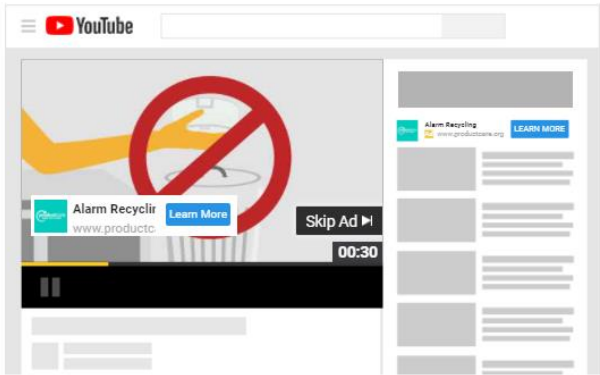


Do Your Alarms Work?

Only working smoke alarms save lives. If your alarms are expired or faulty, recycle them.

[Learn More](#)

YouTube Ad



YouTube

Alarm Recycling www.productcare.org [Learn More](#)

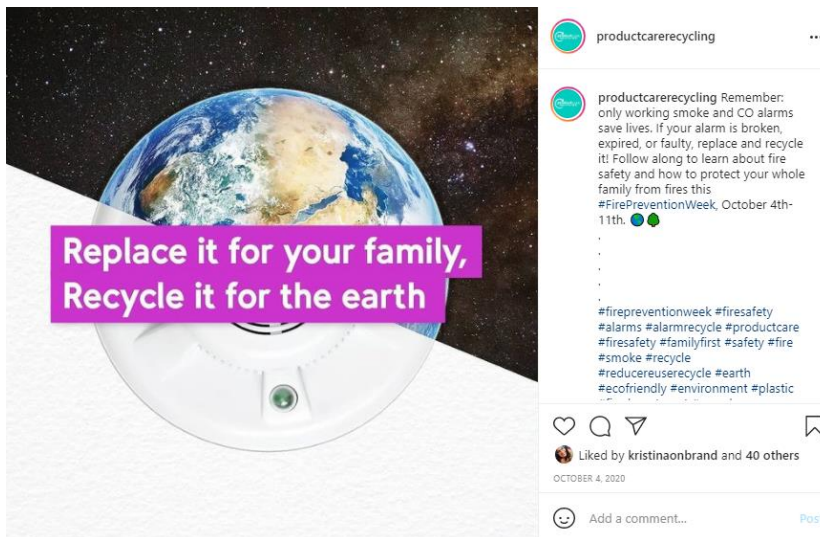
Skip Ad ▶ 00:30

Paid Social Media

a. Facebook



b. Instagram



Appendix B: List of 2020 Program Collection Sites

#	Collection Site Name	City	Regional District
1	7 Mile Landfill and Recycling	Port McNeil	Mount Waddington
2	Abbotsford Bottle Depot	Abbotsford	Fraser Valley
3	Abbotsford Community Services Recycling	Abbotsford	Fraser Valley
4	ACRD 3rd Ave Depot	Port Alberni	Alberni-Clayoquot
5	Agassiz Bottle Depot Ltd	Agassiz	Fraser Valley
6	Alberni Valley Landfill	Port Alberni	Alberni Clayoquot
7	Aldergrove Bottle Depot	Aldergrove	Metro Vancouver
8	Augusta Recyclers Inc.	Powell River	Qathet
9	Barriere Return-it	Barriere	Thompson-Nicola
10	Bella Bella Eco Depot	Bella Bella	Central Coast
11	Bella Coola Recycling	Bella Coola	Central Coast
12	Bill's Bottle Depot	Salmon Arm	Columbia-Shuswap
13	Bings Creek Solid Waste Management Complex	North Cowichan	Cowichan Valley
14	Boucherie Self Storage & Bottle Depot	West Kelowna	Central Okanagan
15	Bowen Island Recycling depot	Bowen Island	Sunshine Coast
16	Burns Lake Recycling Depot	Burns Lake	Bulkley-Nechako
17	Campbell Mountain Landfill	Penticton	Okanagan Similkameen
18	Campbell River Waste Management Centre	Campbell River	Strathcona
19	Canadian Tire #437 Campbell River	Campbell River	Strathcona
20	Canadian Tire #438 Williams Lake	Williams Lake	Cariboo
21	Capital City and Sidney Fire Equipment	Sidney	Capital
22	Carney's Waste Systems - Squamish	Squamish	Squamish Lillooet
23	Century Hardware Ltd.	100 Mile House	Cariboo
24	Chasers Bottle Depot	Vernon	North Okanagan
25	Chetwynd Recycling & Bottle Depot	Chetwynd	Qathet
26	Chilliwack Bottle Depot	Chilliwack	Fraser Valley
27	CM Recycling Ltd (formerly Cariboo Metal Recycling)	Quesnel	Cariboo
28	Columbia Bottle - Dease Rd.	Kelowna	Central Okanagan
29	Columbia Bottle - St. Paul	Kelowna	Central Okanagan
30	Comox Valley Waste Management Centre	Cumberland	Comox Valley
31	Coquitlam Return-it Depot	Coquitlam	Metro Vancouver
32	Coquitlam Transfer Stn - Emterra	Coquitlam	Metro Vancouver
33	Courtenay Return-It Depot	Courtenay	Comox Valley

#	Collection Site Name	City	Regional District
34	Cranbrook Bottle Depot	Cranbrook	East Kootenay
35	Curt Garland Community Support Centre	Prince George	Fraser-Fort George
36	D&G Recycling (Tsawwassen Bottle Depot)	Delta	Metro Vancouver
37	D.C. Recycling & Bottle Depot	Dawson Creek	qathet
38	District of Clearwater	Clearwater	Thompson-Nicola
39	East Hastings Bottle Depot	Burnaby	Metro Vancouver
40	Emterra Environmental - North Vancouver Transfer Station	North Vancouver	Metro Vancouver
41	Enderby Return-It Recycling Depot	Enderby	North Okanagan
42	Fernie Bottle Depot	Fernie	East Kootenay
43	Fleetwood Bottle Return Depot	Surrey	Metro Vancouver
44	Fraser Lake Bottle Depot	Fraser Lake	Bulkley-Nechako
45	FSJ Bottle Drop	Fort St. John	Qathet
46	Gabriola Island Recycling	Gabriola Island	Nanaimo
47	Galiano Island Recycling Resources	Galiano Island	Capital
48	General Grants Sahali	Kamloops	Thompson-Nicola
49	GFL Langford	Langford	Capital
50	GFL Chemainus	Nanaimo	Nanaimo
51	GFL Duncan	Duncan	Cowichan Valley
52	GFL Nanaimo	Nanaimo	Nanaimo
53	Gibsons Recycling Depot	Gibsons	Sunshine Coast
54	Go Green Bottle Depot & Recycling	Vancouver	Metro Vancouver
55	Gold Trail Recycling Ltd.	100 Mile House	Cariboo
56	Golden Landfill	Golden	Columbia-Shuswap
57	Grand Forks Bottle Depot	Grand Forks	Kootenay Boundary
58	Grand Forks Home Hardware	Grand Forks	Kootenay Boundary
59	Habitat for Humanity Restore - Uptown	Victoria	Capital
60	Habitat for Humanity ReStore - Westshore	Victoria	Capital
61	Happy Stan's Recycling Services Ltd.	Port Coquitlam	Metro Vancouver
62	Hart Return it	Prince George	Fraser Fort George
63	Hartland Landfill Recycling Depot	Victoria	Capital
64	Home Hardware Cranbrook	Cranbrook	East Kootenay
65	Home Hardware Merritt	Merritt	Thompson-Nicola
66	Home Hardware Parksville	Parksville	Nanaimo
67	Home Hardware Revelstoke	Revelstoke	Columbia-Shuswap

#	Collection Site Name	City	Regional District
68	Home Hardware Shepherds	Armstrong	North Okanagan
69	Home Hardware Smithers	Smithers	Bulkley-Nechako
70	Home Hardware Sooke	Sooke	Capital
71	Houston Bottle Depot	Houston	Bulkley-Nechako
72	Interior Freight & Bottle	Vernon	North Okanagan
73	Invermere Fire Rescue (Invermere Fire Department)	Invermere	East Kootenay
74	Island Return It Recycling - CAMPBELL RIVER	Campbell River	Strathcona
75	Island Return It Recycling - DUNCAN	Duncan	Cowichan Valley
76	Island Return It Recycling - ESQUIMALT	Esquimalt	Capital
77	Island Return It Recycling - SIDNEY	Sidney	Capital
78	Island Return-It South Cowichan	Cobble Hill	Cowichan Valley
79	Island Solid Waste Management	Port Clements	Skeena-Queen Charlotte
80	Island Solid Waste Management - Queen Charlotte	Queen Charlotte	North Coast
81	J&C Bottle Depot	Penticton	Okanagan Similkameen
82	Joe's Bottle Depot	Vancouver	Metro Vancouver
83	Junction Bottle Depot	Ladysmith	Cowichan Valley
84	Kamloops Fire Rescue	Kamloops	Thompson-Nicola
85	Kaslo Building Supplies	Kaslo	Central Kootenay
86	Keremeos Landfill	Keremeos	Okanagan Similkameen
87	Kitimat Recycling Depot (KUTE)	Kitimat	Kitimat-Stikine
88	Ladner Bottle Depot	Delta	Metro Vancouver
89	Langley Bottle Depot	Langley	Metro Vancouver
90	London Drugs #10 Vancouver (42nd St)	Vancouver	Metro Vancouver
91	London Drugs #11 Richmond No3 Rd	Richmond	Metro Vancouver
92	London Drugs #12 Kelowna (Harvey Ave)	Kelowna	Central Okanagan
93	London Drugs #14 Victoria - Quadra st	Victoria	Capital
94	London Drugs #15 Coquitlam (Coq Ctr)	Coquitlam	Metro Vancouver
95	London Drugs #16 Abbotsford (West Oaks Mall)	Abbotsford	Fraser Valley
96	London Drugs #17 Delta (Scott Mall)	Delta	Metro Vancouver
97	London Drugs #18 Langley	Langley	Metro Vancouver
98	London Drugs #19 Robson VCR	Vancouver	Metro Vancouver
99	London Drugs #2 Granville	Vancouver	Metro Vancouver
100	London Drugs #25 Lougheed TC	Burnaby	Metro Vancouver
101	London Drugs #28 Kingsway VCR	Vancouver	Metro Vancouver

#	Collection Site Name	City	Regional District
102	London Drugs #29 Yates St	Victoria	Capital
103	London Drugs #3 New West	New Westminster	Metro Vancouver
104	London Drugs #35 Kamloops	Kamloops	Thompson-Nicola
105	London Drugs #36 Nanaimo	Nanaimo	Nanaimo
106	London Drugs #37 Delta	Delta	Metro Vancouver
107	London Drugs #39 Vernon	Vernon	North Okanagan
108	London Drugs #4 Broadway	Vancouver	Metro Vancouver
109	London Drugs #41 Chilliwack	Chilliwack	Fraser Valley
110	London Drugs #42 S. Surrey	South Surrey	Metro Vancouver
111	London Drugs #44 W Van	West Vancouver	Metro Vancouver
112	London Drugs #46 Sooke Rd	Victoria	Capital
113	London Drugs #47 (Maple Ridge)	Maple Ridge	Metro Vancouver
114	London Drugs #5 North Van	North Vancouver	Metro Vancouver
115	London Drugs #50 Davie St	Vancouver	Metro Vancouver
116	London Drugs #51 Prince George	Prince George	Fraser-Fort George
117	London Drugs #52 Richmond	Richmond	Metro Vancouver
118	London Drugs #53 Victoria Dr	Vancouver	Metro Vancouver
119	London Drugs #54 Tillicum	Victoria	Capital
120	London Drugs #55 Mission	Mission	Fraser Valley
121	London Drugs #56 Brentwood TC	Burnaby	Metro Vancouver
122	London Drugs #6 Burnaby (Kingsway)	Burnaby	Metro Vancouver
123	London Drugs #61 Gibsons	Gibsons	Sunshine Coast
124	London Drugs #67 Courtenay	Courtenay	Comox Valley
125	London Drugs #7 Vcr-East Hastings	Vancouver	Metro Vancouver
126	London Drugs #70 Penticton	Penticton	Okanagan Similkameen
127	London Drugs #71 Burnaby (Market Crossing)	Burnaby	Metro Vancouver
128	London Drugs #72 Nanaimo (Rutherford Rd)	Nanaimo	Nanaimo
129	London Drugs #73 Campbell River (Mariner Sq)	Campbell River	Strathcona
130	London Drugs #74 W. Broadway VCR	Vancouver	Metro Vancouver
131	London Drugs #75 Cloverdale	Surrey	Metro Vancouver
132	London Drugs #76 - Westbank	Westbank	Central Okanagan
133	London Drugs #77 Duncan	Duncan	Cowichan Valley
134	London Drugs #78 Vancouver (Abbott St)	Vancouver	Metro Vancouver
135	London Drugs #8 Surrey (London Stn)	Surrey	Metro Vancouver
136	London Drugs #80 Squamish	Squamish	Squamish Lillooet

#	Collection Site Name	City	Regional District
137	London Drugs #81 Surrey (26th Ave)	Surrey	Metro Vancouver
138	London Drugs #82 Olympic Village	Vancouver	Metro Vancouver
139	London Drugs #85 - Mt Leehman	Abbotsford	Fraser Valley
140	London Drugs - Dunbar	Vancouver	Metro Vancouver
141	London Drugs #9 Guildford Town Centre	Surrey	Metro Vancouver
142	London Drugs Vancouver House	Vancouver	Metro Vancouver
143	Lougheed Return-It Depot	Coquitlam	Metro Vancouver
144	Mayne Island Recycling Society	Mayne Island	Capital
145	Meade Creek Recycling Drop-Off Depot	Lake Cowichan	Cowichan Valley
146	Mission Recycling Depot	Mission	Fraser Valley
147	Nelson Home Hardware Building Centre	Nelson	Central Kootenay
148	New & Nearly New	Kimberley	East Kootenay
149	Newton Bottle Depot	Surrey	Metro Vancouver
150	North Shore Bottle Depot	North Vancouver	Metro Vancouver
151	North Van Bottle and Return-It Depot	North Vancouver	Metro Vancouver
152	Oak Bay Recycling Depot	Victoria	Capital
153	Okanagan Falls Landfill	Okanagan Falls	Okanagan Similkameen
154	Oliver Sanitary Landfill	Oliver	Okanagan Similkameen
155	Osoyoos Bottle Depot	Osoyoos	Okanagan Similkameen
156	Panorama Village Return-It	Surrey	Metro Vancouver
157	Parksville Bottle & Recycling Depot	Parksville	Nanaimo
158	Peerless Road Recycling Depot	Ladysmith	Cowichan Valley
159	Pemberton Recycling Depot	Pemberton	Squamish Lillooet
160	Pender Island Recycling Society	Pender Island	Capital
161	PG Recycling (formerly BBK Bottle Depot)	Prince George	Fraser-Fort George
162	Planet Earth Recycling Ltd.	West Kelowna	Central Okanagan
163	Poco Return-It	Port Coquitlam	Metro Vancouver
164	Port Hardy Return-it	Port Hardy	Mount Waddington
165	Powell Street Return-It Bottle Depot	Vancouver	Metro Vancouver
166	Princeton Return-It Depot	Princeton	Okanagan Similkameen
167	Quality Glass Ltd.	Ashcroft	Thompson-Nicola
168	Queensborough Landing Return-It	New Westminster	Metro Vancouver
169	Recycle-It Resource Recovery	Fort St. John	qathet
170	Regional Recycling - Abbotsford	Abbotsford	Fraser Valley
171	Regional Recycling - Burnaby	Burnaby	Metro Vancouver

#	Collection Site Name	City	Regional District
172	Regional Recycling - Cloverdale	Surrey	Metro Vancouver
173	Regional Recycling - Hayes (Nanaimo)	Nanaimo	Nanaimo
174	Regional Recycling - Old Victoria (Nanaimo)	Nanaimo	Nanaimo
175	Regional Recycling - Prince Rupert	Prince Rupert	Skeena-Queen Charlotte
176	Regional Recycling - Richmond	Richmond	Metro Vancouver
177	Regional Recycling - Vancouver	Vancouver	Metro Vancouver
178	Regional Recycling - Whistler	Whistler	Squamish Lillooet
179	Revelstoke Landfill	Revelstoke	Columbia-Shuswap
180	Richmond Recycle Depot	Richmond	Metro Vancouver
181	Ridge Meadows Recycling Society	Maple Ridge	Metro Vancouver
182	RONA (Penticton) #64190	Penticton	Okanagan Similkameen
183	RONA Alert Bay #1215	Alert Bay	Mount Waddington
184	RONA Home Centre (Hope) #61350	Hope	Fraser Valley
185	RONA Golden	Golden	Columbia Shuswap
186	RONA Richmond	Richmond	Metro Vancouver
187	Salmon Arm Landfill	Salmon Arm	Columbia-Shuswap
188	Salt Spring Island Recycling Depot	Saltspring Island	Capital
189	Salvation Army Langley - Lower Mainland Divisional Headquarters	Langley	Metro Vancouver
190	Sardis Bottle Depot	Chilliwack	Fraser Valley
191	Scotch Creek Bottle Depot	Scotch Creek	Columbia-Shuswap
192	Scott Road Bottle Depot	Surrey	Metro Vancouver
193	Semiahmoo Bottle Depot	Surrey	Metro Vancouver
194	Seton Lake Band Transfer Station (Tsal'alh Eco Depot)	Shalath	Squamish Lillooet
195	South Van Bottle Depot	Vancouver	Metro Vancouver
196	Stewart Transfer Station - RDKS	Stewart	Kitimat-Stikine
197	Summerland Sanitary Landfill	Summerland	Okanagan Similkameen
198	Surrey Central Return-It Centre	Surrey	Metro Vancouver
199	T-2 Market	Oliver	Okanagan Similkameen
200	The Battery Doctors	Kelowna	Central Okanagan
201	The Salvation Army - Vanderhoof	Vanderhoof	Bulkley-Nechako
202	Thornhill Fire Department	Terrace	Kitimat-Stikine
203	Thorsen Creek Recycling Depot (CCRD)	Bella Coola	Central Coast
204	Trail Bay Hardware	Sechelt	Sunshine Coast

#	Collection Site Name	City	Regional District
205	Trail Bottle Depot	Trail	Kootenay Boundary
206	Ucluelet Bottle Depot	Ucluelet	Alberni-Clayoquot
207	Valemount Recycling Centre	Valemount	Fraser-Fort George
208	Venture Training Vernon	Vernon	North Okanagan
209	Village of Gold River	Gold River	Strathcona
210	Village of Montrose	Montrose	Kootenay Boundary
211	Walnut Grove Bottle Depot	Langley	Metro Vancouver
212	Wesbrook Community Centre	Vancouver	Metro Vancouver
213	Westcoast Hardware	Port Alberni	Alberni-Clayoquot
214	White Rock Return-it Depot	Surrey	Metro Vancouver
215	Wide Sky Disposal	Fort Nelson	Northern Rockies
216	Willowbrook Recycling Depot	Langley	Metro Vancouver

Appendix C: 2020 Breakdown of Collection Sites by Regional District

Regional District	# of Collection Sites
Alberni-Clayoquot	4
Bulkley-Nechako	5
Capital	17
Cariboo	4
Central Coast	3
Central Kootenay	2
Central Okanagan	7
Columbia-Shuswap	7
Comox Valley	3
Cowichan Valley	8
East Kootenay	5
Fraser-Fort George	5
Fraser Valley	12
Kitimat-Stikine	3
Kootenay Boundary	4
Metro Vancouver	68
Mount Waddington	3
Nanaimo	9
North Coast	1
North Okanagan	6
Northern Rockies	1
Okanagan-Similkameen	11
Qathet	5
Skeena-Queen Charlotte	2
Squamish Lillooet	5
Strathcona	5
Sunshine Coast	4
Thompson-Nicola	7
Total	216

Appendix D: 2020 Audited Program Financial Statements

**PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE
(CO) ALARMS PROGRAM**

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 2020

PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2020

Contents

Independent Auditors' Report	
Statement of Revenues and Expenses	5
Notes to the Statement of Revenues and Expenses	6 - 7

INDEPENDENT AUDITORS' REPORT

To: BC Ministry of Environment,

Report on the Audit of the Statement of Revenues and Expenses

Opinion

As required by the British Columbia Environmental Management Act, Recycling Regulation 8(2)(f)(ii), we have audited the Statement of Revenues and Expenses of the BC Smoke and Carbon Monoxide (CO) Alarms 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 revenues and expenses of the BC Smoke and Carbon Monoxide (CO) Alarms 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 BC Ministry of Environment. 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 BC Ministry of Environment and should not be distributed to other parties.

Responsibilities of Management and Those Charged with Governance for the Statement

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

INDEPENDENT AUDITORS' REPORT - continued

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

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

Auditors' Responsibilities

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

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

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

INDEPENDENT AUDITORS' REPORT - continued

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

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



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
6 April 2021

PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2020

	2020	2019
Revenues	\$ 715,801	\$ 749,439
Program expenses		
Processing	203,534	449,632
Collection	71,079	67,458
Communications	69,131	46,602
Administration (Note 2(c))	38,185	59,592
Transportation	35,952	58,325
	417,881	681,609
Excess of revenues over expenses for the year	\$ 297,920	\$ 67,830
Commitment (Note 3)		

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

PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Notes to the Statement of Revenues and Expenses
For the year ended 31 December 2020

1. Basis of Presentation

The Statement of Revenues and Expenses (the “Statement”) only includes the revenues and expenses related to the BC Smoke and Carbon Monoxide (CO) Alarms 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 British Columbia. 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) 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, overhead allocation and processing commitments. Actual results could differ from those estimates.

(c) 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 \$23,513 (2019 - \$40,741) of overhead expense which has been allocated to the Program.

PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Notes to the Statement of Revenues and Expenses
For the year ended 31 December 2020

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 \$138,728 (2019 - \$68,813) which will be incurred in 2021.

Appendix E: 2020 Product Care Consolidated Financial Statements

PRODUCT CARE ASSOCIATION OF CANADA
FINANCIAL STATEMENTS
31 DECEMBER 2020

PRODUCT CARE ASSOCIATION OF CANADA

Financial Statements

For the year ended 31 December 2020

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INDEPENDENT AUDITORS' REPORT

To the Members,
Product Care Association of Canada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Product Care Association of Canada (the "Association"), which comprise the statement of financial position as at 31 December 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2020, and its results of operations and its cash flows for the year then ended 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 for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 Information

Management is responsible for the other information. The other information comprises: the various Annual Reports that the Association issues for its provincial recycling programs (the "Annual Reports").

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained certain sections of the Association's Annual Reports prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT - Continued

The Annual Reports are expected to be made available to us after the date of this auditors' report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements. 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 financial statements, 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 financial statements 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 financial statements, including the disclosures, and whether the financial statements represent 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
14 April 2021

PRODUCT CARE ASSOCIATION OF CANADA
Statement of Financial Position
31 December 2020

	2020	2019
Assets		
Current		
Cash and cash equivalents	\$ 12,841,414	\$ 17,145,675
Term deposit (Note 5(a))	11,000,000	-
Restricted cash (Note 3)	2,381,724	-
Accounts receivable	3,675,865	3,115,474
Prepaid expenses and deposits (Note 11(d))	1,932,445	1,906,291
	<u>31,831,448</u>	<u>22,167,440</u>
Forgivable loans (Note 4)	338,885	395,765
Term deposits (Note 5(b))	14,919,661	14,545,880
Reserve - at market value (Note 6)	17,097,440	15,896,183
Tangible capital assets (Note 7)	8,719,010	8,933,951
Intangible assets (Note 8)	60,248	113,469
	<u>72,966,692</u>	<u>62,052,688</u>

Liabilities

Current		
Accounts payable and accrued liabilities (Note 9)	\$ 5,883,501	\$ 5,008,903
Ontario fee reduction payable (Note 12)	1,616,224	-
	<u>7,499,725</u>	<u>5,008,903</u>

Commitments (Note 11)
Contingencies (Note 10)

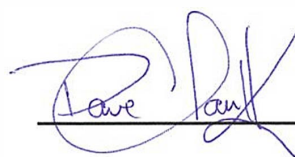
Members' Equity

Unrestricted	38,824,769	32,100,182
Invested in tangible capital and intangible assets	8,779,258	9,047,420
Reserve - internally restricted (Note 6)	17,097,440	15,896,183
Ontario fee reduction reserve (Note 10(b))	765,500	-
	<u>65,466,967</u>	<u>57,043,785</u>
	<u>72,966,692</u>	<u>62,052,688</u>

APPROVED BY THE DIRECTORS:



Director



Director

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION OF CANADA
Statement of Changes in Net Assets
For the year ended 31 December 2020

	Unrestricted	Invested in Tangible Capital and Intangible Assets	Internally Restricted Reserve	Ontario Fee Reduction Reserve	Total 2020	Total 2019
Net assets - beginning of year	\$ 32,100,182	\$ 9,047,420	\$ 15,896,183	\$ -	\$ 57,043,785	\$ 51,601,317
Excess (deficiency) of revenues over expenses for the year	8,908,104	(484,922)	-	-	8,423,182	5,442,468
Transfer to invested in tangible capital and intangible assets, net	(216,760)	216,760	-	-	-	-
Transfer to reserve	(1,201,257)	-	1,201,257	-	-	-
Transfer to Ontario fee reduction reserve (Note 10(b))	(765,500)	-	-	765,500	-	-
Net assets - end of year	\$ 38,824,769	\$ 8,779,258	\$ 17,097,440	\$ 765,500	\$ 65,466,967	\$ 57,043,785

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION OF CANADA
Statement of Operations
For the year ended 31 December 2020

	2020	2019
Revenues	\$ 45,552,306	\$ 41,748,412
Expenses		
Operating	35,445,685	35,298,468
General and administration	3,388,802	3,468,808
General communications	99,648	203,266
	<u>38,934,135</u>	<u>38,970,542</u>
Excess of revenues over expenses from operations	<u>6,618,171</u>	<u>2,777,870</u>
Other income		
Investment income	808,097	1,162,903
Interest income	602,754	697,712
Unrealized gain on investments	390,934	799,325
Gain on sale of marketable securities	2,226	4,658
Gain on sale of tangible capital assets	1,000	-
	<u>1,805,011</u>	<u>2,664,598</u>
Excess of revenues over expenses for the year	<u>\$ 8,423,182</u>	<u>\$ 5,442,468</u>

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION OF CANADA**Statement of Cash Flows****For the year ended 31 December 2020**

	2020	2019
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 8,423,182	\$ 5,442,468
Items not involving cash		
Market value adjustment to reserve	(390,934)	(799,325)
Amortization	484,922	575,285
Loans forgiven	56,880	56,021
Gain on sale of marketable securities	(2,226)	(4,658)
Gain on sale of tangible capital assets	(1,000)	-
	<u>8,570,824</u>	<u>5,269,791</u>
Changes in non-cash working capital balances		
Accounts receivable	(560,391)	231,574
Prepaid expenses and deposits	(26,154)	(1,678,145)
Accounts payable and accrued liabilities	874,598	(1,836,108)
Ontario fee reduction payable	1,616,224	-
	<u>10,475,101</u>	<u>1,987,112</u>
Investing activities		
Purchase of term deposits	(11,373,781)	(293,210)
Transfer to reserve	(808,097)	(1,162,573)
Purchase of capital assets - net	(215,760)	(172,854)
	<u>(12,397,638)</u>	<u>(1,628,637)</u>
Net increase (decrease) in cash	(1,922,537)	358,475
Cash - beginning of year	17,145,675	16,787,200
Cash - end of year	\$ 15,223,138	\$ 17,145,675
Cash and cash equivalents consists of:		
Cash	\$ 2,318,718	\$ 1,686,702
Savings accounts	10,522,696	15,458,973
Restricted cash	2,381,724	-
	<u>\$ 15,223,138</u>	<u>\$ 17,145,675</u>

The accompanying notes are an integral part of these financial statements.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

1. Nature of operations

On 7 May 2001, Product Care Association (the “Association”) was incorporated under the Canada Corporations Act. The new entity was the result of the amalgamation of PPC Paint and Product Care Association and Consumer Product Care Association. Effective 7 January 2015, the Association filed Articles of Continuance under the Canada Not-for-Profit Corporations Act and changed its name to Product Care Association of Canada. The Association is a not-for-profit organization and as such, the Association is not subject to income taxes.

The purpose of the Association is to design, implement, and operate product stewardship programs in Canada or elsewhere. Product stewardship programs are industry funded and managed programs which provide a collection system to consumers for unwanted products. The program then takes responsibility for the recycling and proper disposal of the waste products. Products accepted by the Association’s stewardship programs include: paint, pesticides, flammable liquids and other household hazardous waste, lighting products and smoke and carbon monoxide alarms. The Association operates product stewardship programs for some or all of these products in BC, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador.

2. Summary of significant accounting policies

The Association applies the Canadian accounting standards for not-for-profit organizations.

(a) Financial instruments

(i) Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and investments in other securities, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents, term deposits, accounts receivable, and forgivable loans.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and Ontario Fee Reduction Payable.

The Association’s financial assets measured at fair value include the reserve which is comprised of various investments in mutual funds.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

2. Summary of significant accounting policies - Continued

(a) Financial instruments - Continued

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

(iii) Transaction costs

The Association recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(b) Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the Association cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

(c) 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 are as follows:

Building	25 years
Office equipment	2 years
Depot equipment	2, 3 and 5 years
Leasehold improvements	5 years

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

2. Summary of significant accounting policies - Continued

(d) Intangible assets

Intangible assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the intangible assets over their estimated useful lives. The annual amortization rate is as follows:

ERP software	5 years
--------------	---------

Intangible assets with an indefinite life are not amortized and are assessed annually for impairment.

(e) Impairment of long-lived assets

The Association tests long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recovered. When a tangible capital asset or intangible asset no longer contributes to the services provided by the Association its carrying value amount is written down to its residual value. No impairment losses were determined by management to be necessary for the year.

(f) Revenue recognition

Environmental Handling Fees (EHFs) are received from registered members within the provinces which participate in the Association's programs. 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. EHF's revenues are recognized as individual members report and remit them as required by the Association's membership agreement which is by the end of the month following the reporting period that the designated program materials were sold by the member.

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

Investment income includes interest income, and realized and unrealized investment gains and losses. Unrealized gains and losses are reported in the statement of operations. Unrestricted investment income is recognized as revenue when earned.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

2. Summary of significant accounting policies - Continued

(g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingencies at the date of the statement of financial position. Accounts and disclosures subject to estimates include amortization of tangible capital and intangible assets, accrued liabilities, revenue recognized for EHF's receivable and commitments for unprocessed product on hand. Management believes that estimates utilized in preparing the financial statements are prudent and reasonable, however, actual results could differ from those estimates.

(h) Foreign exchange

Monetary assets and liabilities of the Association which are denominated in foreign currencies are translated at year end exchange rates. Other assets and liabilities are translated at rates in effect at the date the assets were acquired and liabilities incurred. Revenue and expenses are translated at the rates of exchange in effect at their transaction dates. The resulting gains or losses are included in operations.

3. Restricted cash

Restricted cash is comprised of the following amounts:

	<u>2020</u>	<u>2019</u>
Ontario Fee Reduction Campaign (Note 12)	\$ 1,616,224	\$ -
Ontario Fee Reduction Reserve (Note 10(b))	<u>765,500</u>	<u>-</u>
	<u>\$ 2,381,724</u>	<u>\$ -</u>

4. Forgivable loans

The Association has advanced funds in the form of forgivable loans to various organizations for the development of collection facilities for specific programs (Note 11(b)). Providing that the collection facility commences operations and meets the various criteria in the collection site agreement, these funds and any related interest are forgiven at the rate of 10% or 30% of the original amount of the loan on each anniversary of the commencement of the collection site's operations. If the development of the collection facility is not completed, or the collection facility does not commence operations, the amounts advanced are repayable to the Association plus interest at 8% per annum.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

4. Forgivable loans - Continued

	2020	2019
Balance - beginning of year	\$ 395,765	\$ 451,786
Loans forgiven during the year	<u>(56,880)</u>	<u>(56,021)</u>
Balance - end of year	<u>\$ 338,885</u>	<u>\$ 395,765</u>

5. Term deposits

(a) Short-term

As at 31 December 2020, the Association held a term deposit of \$11,000,000 (2019 - \$Nil) with a maturity date of 10 August 2021 and bearing interest at 0.92% per annum which has been classified as a short-term asset.

(b) Long-term

As at 31 December 2020, the Association held term deposits totalling \$14,919,661 (2019 - \$14,545,880) with maturity dates ranging from 18 July 2021 to 28 November 2021 and bearing interest at 0.90% to 2.65% per annum which have been classified as long-term assets.

6. Reserve

The internally restricted reserve fund was established to (1) respond to environmental impairment liability exposures and director and officers liability exposures up to predetermined levels in conjunction with the overall insurance program and (2) to fund the ongoing operations, future program expenses, potential penalties and various other projects of the Association from time to time. The amount is internally restricted and expenditures from the reserve are at the discretion of the Board of Directors. Transfers to the reserve fund are made upon resolutions passed by the Board of Directors. During the year the transfers to the fund were limited to the income earned on the investments in the reserve fund.

The assets in the reserve fund consist of cash and investments in fixed income and equity securities and are independently managed. All income earned on these investments is initially reported in the unrestricted fund and then transferred to the reserve fund. During the year, \$1,201,257 was transferred from the unrestricted fund to the reserve fund, which consisted of an unrealized gain of \$390,934 at 31 December 2020, realized investment income and gain of \$810,323. In the prior year, \$1,966,556 was transferred from the reserve fund to the unrestricted fund, which consisted of an unrealized gain of \$799,325 at 31 December 2019 and realized investment income and gain of \$1,167,561.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

7. Tangible capital assets

	Cost	Accumulated Amortization	2020 Net	2019 Net
Land	\$ 3,403,983	\$ -	\$ 3,403,983	\$ 3,403,983
Building	5,900,290	936,123	4,964,167	5,200,179
Equipment	2,416,752	2,065,892	350,860	327,923
Office equipment	5,551	5,551	-	1,388
Leasehold improvements	17,547	17,547	-	478
	\$ 11,744,123	\$ 3,025,113	\$ 8,719,010	\$ 8,933,951

Legal ownership of the building resides with a bare trustee corporation. The Association has beneficial ownership of the building.

Included in operating expenses and general and administrative expenses is a total of \$431,701 (2019 - \$425,259) of amortization expense.

8. Intangible assets

	Cost	Accumulated Amortization	2020 Net	2019 Net
ERP Software	\$ 754,986	\$ 744,738	\$ 10,248	\$ 63,469
Quebec RecycFluo Program	50,000	-	50,000	50,000
	\$ 804,986	\$ 744,738	\$ 60,248	\$ 113,469

During the 2012 fiscal year, the Association acquired certain intangible assets related to commencement of the Quebec RecycFluo Program for \$50,000. The intangible assets acquired consist of the program trademark and the list of program members that was established by the previous program manager. Management of the Association is of the opinion that no impairment allowance is required for the 2020 fiscal year.

Included in operating expenses and general and administrative expenses is a total of \$53,221 (2019 - \$150,026) of amortization expense.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

9. Accounts payable and accrued liabilities

	<u>2020</u>	<u>2019</u>
Accounts payable and accrued liabilities	\$ 5,572,835	\$ 4,827,595
Government remittances payable	<u>310,666</u>	<u>181,308</u>
	<u>\$ 5,883,501</u>	<u>\$ 5,008,903</u>

10. Contingencies

- (a) Effective for the 2020 fiscal year, pursuant to the Regulation regarding the recycling and recovery of products by businesses as amended on 4 November 2019, the Association is required to calculate and accrue certain penalties if material collection targets as defined by the regulation are not met. Included in operating expense are estimated penalties of \$402,091 (2019 - recovery of \$1,927,662), as a result of the program not meeting certain material collection targets in the fiscal year. These penalties are payable to the Quebec Green Fund five years after the year they are incurred and can be offset over the next five years if the program exceeds collection targets.
- (b) Pursuant to the Surplus Fund Transfer Addendum (Note 12), the Association established a restricted reserve fund of \$765,500 from the Association's existing assets excluding the surplus funds received as part of the Fee Reduction Campaign. The restricted reserve fund has been allocated to the categories of designated program materials as follows:

Paint and Coatings	\$ 673,700
Pesticides	15,000
Solvents	61,700
Fertilizers	<u>15,100</u>
	<u>\$ 765,500</u>

The purpose of the restricted reserve fund is to cover certain expenses which may be invoiced by Stewardship Ontario should there be a delay in transitioning the MHSW program to individual producer responsibility beyond 30 June 2021. In the event that there is insufficient funding in the restricted reserve fund to cover the expenses during a transitional delay, the Association is required to fund any expenses in excess of the restricted reserve fund from its own assets. At the date of the independent auditors' report, it is indeterminable whether there will be any delay in transitioning the MHSW program and if the Association will be required to fund any expenses, either up to, or in excess of, the amount of the restricted reserve fund.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

11. Commitments

- (a) The Association has a lease agreement for the Vancouver office building which expires on 31 January 2021.

The Association has a lease agreement for the Quebec office suite which expires on 31 May 2021.

The Association has a lease agreement for the Ontario office which expires on 29 Feb 2024.

The annual lease payments for the Association's premises and other operating leases are as follows:

2021	\$ 89,644
2022	53,360
2023	53,360
2024	<u>8,893</u>
	<u>\$ 205,257</u>

- (b) In previous years, the Association's board of directors had passed resolutions to make funds up to \$2,235,000 available which can to be used for the development of collection facilities for certain ongoing programs. These funds are to be disbursed at the discretion of the Association based on an application process from qualifying organizations. As of 31 December 2020, \$563,332 of loans have been disbursed from the pool of available funds (Note 4) and \$224,447 of loans have been forgiven. In the current year, the Association's board of directors passed a resolution to make additional funds of up to \$100,000 available for the development of collection facilities for remote and indigenous communities in BC.
- (c) At year end the Association had unprocessed product on hand with an estimated cost to process, transport and recycle of \$1,406,710 (2019 - \$760,538) which will be incurred during 2021.
- (d) During the 2019 fiscal year, the Association entered into an agreement to purchase a strata lot that will be used as the Association's future office space for total consideration of \$5,655,091. The strata lot is under construction with the estimated completion date falling in April 2021. Deposits paid to 31 December 2020 totalled \$1,696,527 and have been recorded as prepaid expenses. The balance of the purchase price, \$3,958,564, is due on the completion date subject to the terms and conditions of the purchase agreement.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

12. Ontario Fee Reduction Campaign

On 24 June 2020, the Resource Productivity and Recovery Authority (“RRPA”) approved the Surplus Fund Transfer Addendum which, among other matters, included a transfer of surplus funds from the previous Municipal Hazardous or Special Waste (“MHSW”) program to Stewards or members of the program. On 8 July 2020, the Association entered into an agreement with Stewardship Ontario (“SO”) to distribute surplus fund from the MHSW program to the members of the Ontario PaintRecycle Program and the Ontario Pesticides, Solvents and Fertilizers Program (the “Programs”). Under the agreement the Association received total surplus funds of \$16,366,500, of which \$14,586,000 was to be distributed to members of the Ontario PaintRecycle Program and \$1,780,500 was to be distrusted to members of the Ontario Pesticides, Solvents and Fertilizers Program before 30 June 2021. Under the agreement, eligible members of the Programs are entitled to receive a reduction of Environmental Handling Fees (“EHFs”) from the surplus funds that would have otherwise been payable by the members as they report EHF, in accordance with the fee reduction schedule as established and agreed by the Association and SO. As of 31 December 2020, \$801,158 of surplus funds made available to the Ontario PaintRecycle Program and \$815,066 related to the Ontario Pesticides, Solvents and Fertilizers Program, for a total of \$1,616,224, remain to be applied to future member fee reductions in 2021. The remaining amounts at 31 December 2020 are determined based on EHF reported by the members to 30 November 2020 in accordance with the Association’s revenue recognition policy (Note 2(f)).

13. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association’s risk exposure and concentrations at the statement of financial position date, 31 December 2020.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association’s main credit risks relate to its cash and cash equivalents, term deposits, accounts receivable and forgivable loans. Cash, cash equivalents and term deposits are in place with major financial institutions. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers. Concentrations of credit risk with respect to the forgivable loans are limited to the extent that a collection facility who has received a forgivable loan does not become operational and the loan becomes repayable to the Association (Note 4). The Association has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible. There has been no change to the risk exposure from the prior year.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

13. Financial instruments - Continued

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is not exposed to this risk due to its strong working capital position. There has been no change to the risk exposure from the prior year.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association has investments denominated in U.S. dollars included in the reserve (Note 6). As such, these investments are exposed to foreign exchange fluctuations.

Certain assets and liabilities are exposed to foreign exchange fluctuations due to transactions denominated in foreign currency. As at 31 December 2020, cash and accounts receivable of \$531,115 USD and \$100,580 USD (2019 - \$344,593 USD and \$47,881 USD) respectively and accounts payable and accrued liabilities of \$20,035 USD (2019 - \$10,698 USD) has been converted into Canadian dollars. There has been no change to the risk exposure from the prior year.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Association to a fair value risk while the floating-rate instruments subject it to a cash flow risk. There has been no change to the risk exposure from the prior year.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

13. Financial instruments - Continued

(f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investments held in the reserve. There has been no change to the risk exposure from the prior year.

14. Controlled organization

The Association controls PCA Product Stewardship Inc. ("PCA PSI") as it is the sole member of PCA PSI and has the right to appoint the majority of PCA PSI's Board of Directors. The Association and PCA PSI have certain members of the Board of Directors in common.

PCA PSI was created to develop and manage programs in the USA that allow members to easily satisfy state regulations around the end of life handling of various products produced and sold by industry. PCA PSI is currently managing the Washington State LightRecycle program.

PCA PSI has not been consolidated in the Association's financial statements. Financial statements of PCA PSI are prepared in accordance with US generally accepted accounting principals FASB ASC 958, not-for-profit entities. The financial summary as at 31 December 2020 and for the year then ended are based on the audited financial statements as prepared by management and are translated to Canadian dollars using the current rate method.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

14. Controlled organization - Continued

PCA PSI

	31 December 2020	31 December 2019 (unaudited)
Financial Position		
Total assets	\$ 1,976,432	\$ 1,649,413
Total liabilities	79,347	203,322
Total net assets	1,897,085	1,446,091
	\$ 1,976,432	\$ 1,649,413
Results of Operations		
Total revenue	\$ 1,758,482	\$ 2,044,755
Total expenses	1,253,263	1,583,974
Excess of revenues over expenses	\$ 505,219	\$ 460,781
Cash Flows		
Cash provided by operating activities	\$ 320,907	\$ 446,699
Cash used by investing activities	-	-

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2020

15. Related party transactions

The Association is related to PCA PSI (Note 14). The following summarizes the related party balances and transactions for the year.

Included in accounts receivable is \$9,953 (2019 - \$12,422) due from PCA PSI. These amounts are unsecured, non-interest bearing and will be received in the 2021 fiscal year.

Included in revenues is \$110,622 (2019 - \$107,155) charged to PCA PSI for administrative expenses.

These transactions are in the normal course of operations and have been valued at the exchange amount which is the amount of consideration established and agreed to by the related parties.

16. Impact of COVID-19

In March 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty that has lead to volatility in international markets and disrupted business operations around the world. The Association's primary source of revenue is derived from Environmental Handling Fees charged to its members on the sale of approved program products which are dependant on the members' ongoing business operations. Additionally, the Association's operating expenses are largely comprised of the costs of collection, transportation and processing of program products as these are returned to the Association for recycling and proper disposal. During the year, the Association continued to receive revenue from Environmental Handling Fees as charged to its members. The Association did experience disruption in its collection and processing activities in certain provinces at various points during the year due to regional COVID-19 restrictions. At the date of the Independent Auditors' Report, the Association's management has been unable to determine the impact of the COVID-19 pandemic on future revenues, expenses and operations.

Appendix F : Auditor’s Engagement Letter



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

FILE REFERENCE: 6304

REPLY TO: Andrew Westman

19 February 2021

Mr. Mark Kurschner
Product Care Association of Canada
105 West 3rd Avenue
VANCOUVER, BC V5Y 1E6

Dear Mr. Kurschner:

**re: BC Paint and Household Hazardous Waste Program
BC Lamps and Lighting Equipment Program
BC Smoke and Carbon Monoxide (CO) Alarms Program
New Brunswick Paint Recycling Program
Nova Scotia Paint Recycling Program
Manitoba Household Hazardous Waste Program
Newfoundland and Labrador Paint Recycling Program
Ontario Paint Recycle Program and Ontario Pesticides,
Solvents and Fertilizers Program
Quebec RecycFluo Program**

Objective, Scope and Limitations

You have requested that we audit the statements of revenue and expenses (and accumulated surplus) for the above listed programs (the “Statements”) on behalf of Product Care Association of Canada (the “Association”) for the year ended 31 December 2020. We are pleased to confirm our acceptance and our understanding of these audit engagements by means of this letter. Our audits will be conducted with the objective of our expressing an opinion on the Statements.

The audits will not be planned or conducted in contemplation of reliance by any third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific situation. The examination of the statements and the issuance of our audit opinions are solely for the use of the Association and those to whom our report is specifically addressed. We make no representations of any kind to any third party in respect of these Statements and we accept no responsibility for their use by any third party.

Our Responsibilities

We will conduct our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the Statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the Association's preparation of the Statements 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. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the Statements that we have identified during the audit.

Management's Responsibilities

Our audits will be conducted on the basis that management and, where appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the Statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASFNPO"), in particular, the Statements are fairly presented;
- b) For such internal control as management determines is necessary to enable the preparation of Statements that are free from material misstatement, whether due to fraud or error; and
- c) To provide us with:
 - i. Unrestricted access to persons within the entity from whom we determine it is necessary to make inquiries;
 - ii. Access to all information of which management is aware that is relevant to the preparation of the Statements such as records, documentation and other matters; and
 - iii. Additional information that we may request from management for the purpose of the audit.

As part of our audit process, we will request from management and, where appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit. Those representations may include:

Completeness of Information

- a) Providing us with and making available complete financial records and related data, and copies of all minutes of meetings of directors and committees of directors and other matters;
- b) Acknowledging that all transactions have been recorded and are reflected in the Statements;
- c) Providing us with information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
- d) Providing us with information relating to any illegal or possibly illegal acts, and all facts related thereto;
- e) Acknowledging that all related party relationships and related party transactions have been appropriately accounted for and disclosed in accordance with ASFNPO;

**Fraud and error**

- f) The design and implementation of internal controls to prevent and detect fraud and error;
- g) An assessment of the risk that the Statements may be materially misstated as a result of fraud;
- h) Providing us with information relating to fraud or suspected fraud affecting the Association involving;
 - i. management;
 - ii. employees who have significant roles in internal control; or
 - iii others, where the fraud could have a material effect on the Statements;
- i) Providing us with information relating to any allegations of fraud or suspected fraud affecting the Association's Statements communicated by employees, former employees, analysts, regulators, or others;
- j) Communicating its belief that the effects of any uncorrected statement misstatements aggregated during the audit are immaterial, both individually and in the aggregate, to the Statements taken as a whole. A list of the uncorrected misstatements will be attached to the representation letter;

Recognition, Measurement and Disclosure

- k) Providing us with its assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the Statements;
- l) Providing us with any plans or intentions that may affect the carrying value or classification of assets or liabilities;
- m) Providing us with an assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with ASFNPO;
- n) Providing us with information relating to claims and possible claims, whether or not they have been discussed with the Association's legal counsel;
- o) Providing us with information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which the Association is contingently liable;
- p) Providing us with information on whether the Association has satisfactory title to assets, liens or encumbrances on existing assets, or assets that are pledged as collateral;
- q) Providing us with information relating to compliance with aspects of contractual agreements that may affect the Statements;
- r) Acknowledging that no subsequent events occurred that require adjustment to the accounting estimates and disclosures included in the Statements; and
- s) Providing us with representations on specific matters communicated to us during the engagement.

Form of Report

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:

INDEPENDENT AUDITORS' REPORT

To the Members of
Product Care Association of Canada,

Report on the Audit of the Statement

**Opinion**

As requested by Product Care Association of Canada, we have audited the statement of revenue and expenses (and accumulated surplus) of the (program name) (the "statement") for the year ended 31 December 2020.

In our opinion, the Statement presents fairly, in all material respects, the revenue and expenses (and accumulated surplus) of the (program name) for the year ended 31 December 2020 in accordance with Canadian Accounting Standards for Not-For-Profit Associations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the statements 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.

Responsibilities of Management and Those Charged with Governance for the Statements

Management is responsible for the preparation and fair presentation of the Statement in accordance with ASFNPO 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.

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.
- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Rolfe, Benson LLP
Chartered Professional Accountants

Vancouver, BC
Date



If we conclude that a modification to our opinion on the Statements is necessary, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits or are unable to form, or have not formed, an opinion on the Statements, we may withdraw from the audits before issuing an auditor's report or we may disclaim an opinion on the Statements. If this occurs, we will communicate the reasons and provide you details of any misstatements identified during the audits.

Use and Distribution of Our Report

The examination of the Statements and the issuance of our audit opinions are solely for the use of the Association and those to whom our report is specifically addressed. We make no representations of any kind to any third party in respect of these Statements and we accept no responsibility for their use by any third party. We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

Reproduction of Auditors' Report

If reproduction or publication of our auditors' reports (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the reports on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins. Management is responsible for the accurate reproduction of the Statements, the auditors' reports and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either the full or summarized Statements that we have audited. We are not required to read the information contained in your website, or to consider the consistency of other information in the electronic site with the original document.

Preparation of Schedules

We understand that your personnel will prepare various schedules and analyses before our engagements are planned to commence and make various other specified documents available for our use during the audits. This assistance will facilitate our work and will help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagements.

Working Papers

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagements are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures.

File Inspections

In accordance with professional regulations (and by our Firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and our Firm's standards. File reviewers are required to maintain the confidentiality of client information.

**Use of Information**

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagements. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
- b) We will hold all personal information in compliance with our Firm's privacy statement.

Indemnity

The Association hereby agrees to indemnify, defend (by counsel retained and instructed by us), and hold harmless our Firm and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

- a) The breach by the Association, or its directors, officers, agents or employees, of any of the covenants made by the Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement reports or the Statements in reference to which the engagement reports are issued, or any other work product made available to you by our Firm; and
- b) The services performed by us pursuant to these engagements, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our Firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your Association.

Other Services

In addition to the audit services referred to above, we will, as allowed by the Rules of Professional Conduct / Code of Ethics, prepare your income tax returns (NPO information return or Charity information return), GST/HST returns and other special reports as required. Management will provide the information necessary to complete these returns / reports and will file them with the appropriate authorities on a timely basis.

Fees

Our professional fees will be based on time spent, and calculated at our regular hourly billing rates plus direct out-of-pocket expenses and applicable GST/HST and are due within 30 days and interest will be charged on overdue accounts. A listing of the estimated fees for each program is included in Appendix A. Out of pocket expenses and applicable GST will be charged in addition to the fee estimates included in Appendix A. Interim bills may be submitted at periodic dates to cover charges and expenses incurred to those dates. If significant additional time is necessary, we will discuss the reasons with you and agree on a fee estimate before we incur the additional costs.

This engagement letter includes the relevant terms that will govern the engagements for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.



If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to the Association.

Yours truly,

ROLFE, BENSON LLP

AW/mmh

* * * * *

The services set out in the foregoing letter are in accordance with our requirements. The terms set out in such letter are acceptable to us and are hereby agreed to.

Product Care Association of Canada

Per:
Name and Title Mark Kurschner, President

Date: Feb. 25, 2021

Per: _____
Name and Title

Appendix G : 2020 Independent Non-Financial Audit

PRODUCT CARE ASSOCIATION OF CANADA

**BC SMOKE AND CARBON MONOXIDE (CO)
ALARMS PROGRAM**

**INDEPENDENT REASONABLE
ASSURANCE REPORT**

31 DECEMBER 2020

INDEPENDENT REASONABLE ASSURANCE REPORT

To the Directors of
Product Care Association of Canada,

Assurance Level and Selected Information

We have been engaged by Product Care Association of Canada (the “Association”) to perform a reasonable assurance engagement in respect of the following information (the “Selected Information”) detailed in Appendix 1, and also included within the Association’s Annual Report for the BC Smoke and Carbon Monoxide (CO) Alarms (“AlarmRecycle”) Program to the British Columbia Ministry of Environment and Climate Change Strategy for the year ended 31 December 2020:

- Section 4 - Collection System and Facilities and Appendix B - the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of BC Regulation 449/2004 (the “Recycling Regulation”);
- Section 6 - Pollution Prevention Hierarchy and Product/Component Management - the description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation;
- Section 7 - Product Collected - the description of how total amounts of the producer’s product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation; and
- Section 9 - Plan Performance – the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation.

Our reasonable assurance engagement does not constitute a legal determination on the Association’s compliance with Sections 8(2)(b), (d) and (e) of the Recycling Regulation.

Responsibilities

Preparation and fair presentation of the Selected Information in accordance with the evaluation criteria as listed in Appendix 1 is the responsibility of the Association's management. Management is also responsible for such internal control as management determines is necessary to enable the preparation of the Selected Information such that it is free from material misstatement. Furthermore management is responsible for preparation of suitable evaluation criteria in accordance with the Recycling Regulation Guidance - Third Party Assurance for Non-Financial Information in Annual Reports - 2019 Reporting Year dated November 2019, the most recently issued version of this guidance document, as specified by the Director under section 8(2)(h) of the Recycling Regulation of the Province of British Columbia.

Our responsibility is to express an opinion on the Selected Information based on the procedures we have performed and the evidence we have obtained.

Evaluation Criteria

The evaluation criteria presented in Appendix 1 are an integral part of the Selected Information and address the relevance, completeness, reliability, neutrality and understandability of the Selected Information.

Applicable Quality Control Requirements

We apply Canadian Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Scope of the Reasonable Assurance Engagement

We carried out our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants. This Standard requires that we comply with independence requirements and plan and perform the engagement to obtain reasonable assurance about whether the Selected Information is free of material misstatement.

A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Selected Information. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement in the Selected Information due to omissions, misrepresentations and errors. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the Selected Information in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of the entity's internal control. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Selected Information. The main elements of our work were:

- Gain an understanding of the data collection, monitoring and reporting processes through inquiries of management;
- Testing the processes, documents and records on a sample basis;
- Re-calculating quantitative data on a sample basis as it pertains to the Selected Information; and
- Evaluation the presentation of the Selected Information in the Annual Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Selected Information and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of the evaluation criteria.

Conclusion

In our opinion, the Selected Information within Product Care Association of Canada's Annual Report for the BC Smoke and Carbon Monoxide (CO) Alarms Program for the year ended 31 December 2020 presents fairly in accordance with the evaluation criteria, in all material respects:

- The location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation;
- The description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of the Recycling Regulation;
- The description of how total amounts of the producer's product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation; and
- The description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation.

Emphasis of Matter

Without qualifying our opinion, the following should be noted regarding the information contained in the Annual Report:

1. The Selected Information included in Section 6 - Pollution Prevention Hierarchy and Product/Component Management is determined based on supporting documentation and survey responses from the primary processors. Hazardous materials are not tracked on shipping manifests until radioactive alarms are broken into sub-components and the radioactive material is sent from the primary processors to a secondary storage facility. For one of the primary processors, this process is completed in the United States and falls under the US Environmental Protection Agency standards. No shipping documents have been reviewed to ensure these standards have been met. The second primary processor is located outside of B.C. Due to this, no B.C. hazardous waste manifests were available to verify the final disposition of these materials. As such, there is uncertainty surrounding the Selected Information contained in the Pollution Prevention Hierarchy section of Appendix 1.

2. The amount of product sold and recovery rate was not included in the scope of the Selected Information. Given the small number of manufacturers of these products selling into the B.C. market, it was approved by the Ministry of Environment that aggregated sales data would not be made publicly available in the Annual Report. As the Association is not required to report sales data, the recovery rate has also been excluded from the scope of the Selected Information as sales data forms part of this calculation.

Other Matter

Our report has been prepared solely for the purposes of management's stewardship under the Recycling Regulation and is not intended to be and should not be used for any other purpose. Our duties in relation to this report are owed solely to the Association, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.



CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
18 June 2021

Appendix 1

Evaluation Criteria

Collection facilities

Specific disclosures in the annual stewardship report from Section 4 - Collection System and Facilities for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Total number of collection facilities – 216	Table 1: Collection Site by Type (2019 and 2020) Appendix B – List of 2020 Program Collection Sites
Change in the number of collection facilities in 2020 – “Fourteen collection sites were added, and five collection sites were removed during 2020.”	

The following evaluation criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation:

- “Collection facilities” are depots that have a signed contract with the Association for the collection of program materials during the reporting period: 1 January – 31 December 2020, a physical location that is available to collect program materials and the staff of the facility has an adequate understanding of the program.
- The Association maintains a listing of all collection facilities for the program, including the location of the collection facility, the total of which agrees to the number of collection facilities as disclosed in the Annual Report.
- Large volume generator’s (LVG’s) are excluded from the number of collection facilities.
- The change in number of collection facilities is calculated by comparing the current number of collection facilities, a sum of all the collection facilities that have a signed contract within a given reporting year and those that closed within the same reporting year, to the number of collection facilities reported in the prior reporting year.

Pollution prevention hierarchy

Specific disclosures in the annual stewardship report from Section 6 - Pollution Prevention Hierarchy and Product/Component Management for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
“The following is based on information provided by the Program’s downstream processors, where available, or based on the understanding of the service agreement with the downstream processors.”	
Alarm Type: Radioactive Alarms Sub-component: Radioactive cells End fate: 100% of product recovered stored at licensed long-term storage facility Sub-component: Plastic End fate: 100% of product recovered recycled Sub-component: Metal End fate: 100% of product recovered recycled	Table 2: Product / Component Management

<p>Alarm Type: Photovoltaic (non-radioactive alarms) Sub-component: Plastic End fate: 100% of product recovered recycled</p> <p>Sub-component: Metal End fate: 100% of product recovered recycled</p> <p>“Some of the alarms collected in 2020 were not shipped for processing until the subsequent year. Statements regarding the end fate of alarms are in reference to materials processed in 2020 only.”</p> <p>“Based on information provided in end fate surveys completed by the Program’s primary processors.”</p>	
<p>“According to information obtained from end fate surveys completed by the downstream processors, the plastic and metal components are separated and sent for recycling and the Am-241 foil is shipped for long-term storage at a licensed radioactive waste facility.”</p>	

The following evaluation criteria were applied to the assessment of how the recovered product is managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation:

- The Association maintains a listing of all products shipped to the primary processors which is supported by shipping documents or processor invoices.
- One of the program’s primary processors provides documents indicating the amounts of Am-241 collected, the other processor provides documentation showing shipments of Am-241 to the downstream processor.
- The processors provide information on product management in an annual questionnaire.
- The Association performs periodic site inspections of the processors’ facilities. Site inspection criteria have been developed to confirm the responses in the questionnaire provided by the primary processor. Site inspections were performed for both primary processors in 2016. Following the initial site inspections in 2016, a site inspection was performed for one of the processors during 2019.

Product collected

Specific disclosures in the annual stewardship report from Section 7 - Product Collected for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
# of alarms collected – in small containers 91,608 # of alarms collected – in mega bags 9,940	Table 3: Units Collected, January 1 – December 31, 2020
<p>“The number of alarms collected in small containers (boxes and totes) and mega-bags was estimated by multiplying the number of small containers and mega-bags collected during the year by a conversion factor of 44 alarms per small container and 710 alarms per mega-bag. The conversion factors were calculated by averaging the units of alarms from more than 2,082 small collection containers and 14 mega-bags, which were sorted and counted in 2020 at Product Care’s facility.”</p>	

The following evaluation criteria were applied to the assessment of the description of how total amounts of the producer's product collected has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation:

- The Association maintains a listing of product collected by product category for the fiscal year which agrees to the amounts disclosed in the Annual Report.
- Each shipment of product collected is supported by documentation indicating the total number of small containers or mega bags collected and the type of program materials collected which has been agreed upon by the shipper, receiver and carrier.
- The calculation of the number of alarms in small containers is determined using the total number of small containers sorted during the year and converting to units using the average number of units per box. The average number of units per box is determined by counting the contents of a sample of small containers received during the year.
- The number of alarms collected in mega bags is determined using the total number of mega bags sorted during the year and converting to units using the average number of units per mega bag. The average number of units per mega bag is determined by counting the contents of a sample of mega bags received during the year.
- The Association is not required to present product sold or a recovery rate in the Annual Report. Given the small number of manufacturers of these products selling into the B.C. market, it was approved by the BC Ministry of Environment and Climate Change Strategy that aggregated sales data would not be made publicly available in the Annual Report.

Performance targets

Specific disclosures in the annual stewardship report from Section 9 – Plan Performance for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Target – units collected 2020 Assertion – Target exceeded: Approximately 101,548 units collected	Table 6: 2020 Key Program Measures and Performance

The following evaluation criteria were applied to the assessment of the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) of the Recycling Regulation:

- All stewardship plan targets relating to Section 8(2)(b), (d) and (e) of the Recycling Regulation have been identified and reported on by management in the Annual Report.
- The description of progress against targets to date is supported by records of progress maintained by the Association.