

British Columbia Smoke & Carbon Monoxide Alarm Program Annual Report 2021

Submitted to:

Director, Extended Producer Responsibility Section
BC Ministry of Environment and Climate Change Strategy
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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, 2021.

| | |
|-----------------------------|--|
| 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 2021 municipal waste and recycling calendars. • 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 |
|--------------------------------|--|---|
| Part 2, Section 8(2)(b) | Collection System and Facilities | <ul style="list-style-type: none"> At the end of 2021 the collection system included 218 contracted collection sites, including 78 return-to-retail locations, 30 local government, facilities 2 First Nations, 3 fire departments and 105 private recycling depots Two collection sites were added in 2021. |
| 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. |
| 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. |

| Recycling Regulation Reference | Topic | Summary |
|--------------------------------|---|---|
| | | <ul style="list-style-type: none"> 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, 2021, the Program collected approximately 120,980 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 2021 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 2021 and strategies for improvement going forward, where applicable.

2021 Key Program Measures and Performance

| 2021 Key Program Measures and Performance | |
|--|---|
| Part 2 section 8(2)(g) | |
| 2021 Performance | Strategies for Improvement |
| Approximately 120,980 units were collected | n/a |
| As part of SABC, the Program continued to work with other stewardship organizations to conduct outreach with | The Program will continue to reach out to other organizations and |

2021 Key Program Measures and Performance

| | |
|---|---|
| <p>stakeholders. In addition, the Program engaged RCBC for hotline and Recyclepedia services.</p> <p>The program also initiated a partnership with the First Nations Emergency Services Society (FNESS) Installation Program to capture used alarms removed from more than 180 First Nations communities.</p> | <p>stewardship programs, where synergies exist.</p> |
| <p>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. Two (2) collection sites were added and none were removed during 2021.</p> | <p>n/a</p> |

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 extended producer responsibility regulations and is governed by a multi-sector industry board of directors, which includes representation from members with a commercial presence in British Columbia.

Amendments to the Program Plan were submitted to the Ministry in August of 2021 and are currently under review. This annual report provides information required pursuant to section 8(2) of the Regulation covering the period from January 1 to December 31, 2021.

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 2021, the Program had developed a collection network of 218 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 120,980 alarm units were collected by the Program in 2021.

3 Public Education Materials and Strategies

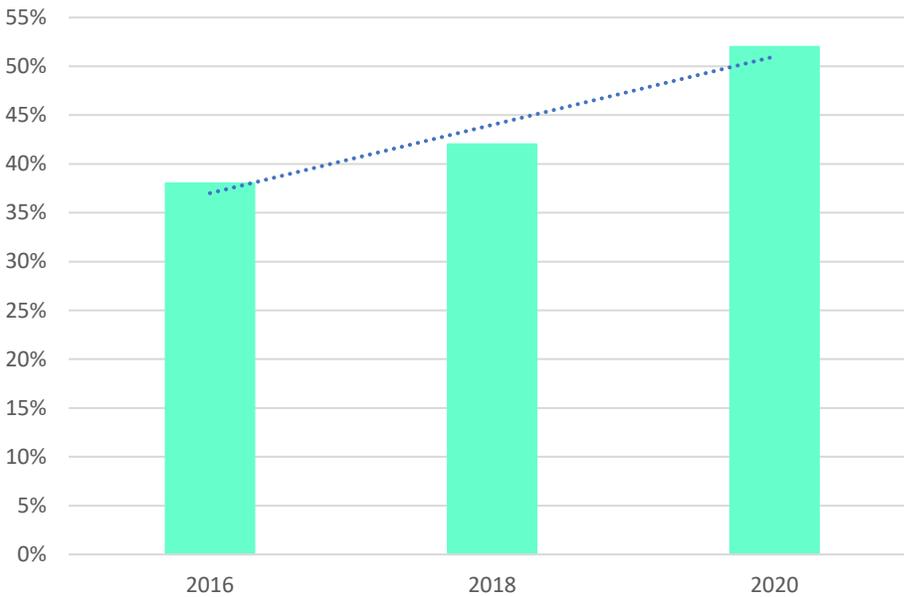
In 2021, Product Care educated BC’s public about smoke and CO alarm recycling year-round and province-wide across 18 different channels yielding more than 25.5 million impressions. Public education efforts spanned from traditional channels such as TV and municipal calendars to new media including Spotify, The Weather Network App and YouTube.

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. 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?” Product Care has seen a steady and significant upward trend in awareness each survey year, validating the efficacy of implemented public education tactics. Figure 1 offers a historical look at the increasing awareness trends for alarm recycling in BC, referencing SABC survey results. The next awareness survey will be conducted in 2022.

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



Advertising Campaigns

The following tactics were employed in 2021, generating an approximate 270 million impressions across BC, and ensuring consumer education occurred at every point of the product’s lifecycle.

Year-round tactics:

- **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).
- **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 491 consumer inquiries in 2021 on smoke and CO alarms.
- **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 855 impressions and 142 clicks.
- **Google Display & Discovery** – Ads ran year-round across Gmail, YouTube, Google Display Network and Google’s Discovery section to those who searched relevant keywords in Google (see Appendix A), resulting in 4.8 million impressions and 12,464 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.

Municipal calendars:

Product Care advertised in recycling calendars in Mission and Penticton with a total circulation of 29,700 calendars.

Seasonal campaigns:

- **Earned media** – Product Care pitched news outlets across BC about the importance of recycling broken/expired alarms (see Appendix A), resulting in 1.39 million impressions across news outlets.
- **TV** – During October and November, and with a special focus on Fire Prevention Week, 15 and 30-second animated TV ads ran on Global TV and BC1, generating 42 million impressions.
- **Corus media** – Product Care advertised across the Corus global network, resulting in 175,084 impressions and 554 clicks.
- **The Weather Channel App** – Banners were displayed on the Weather Channel App, generating 466,684 impressions and 1,553 clicks.
- **Daily Hive** – In October, during the Fire Prevention week, 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 200,127 impressions and 9,618 engagements (clicks, swipe ups, comments, likes).
- **Trade publication** – Product Care advertised in the Property Managers’ Sourcebook (2021 edition) and Climate Change Magazine, both with circulations of 8,000 copies (See Appendix A).
- **Google Video Ads** – Video ads ran on YouTube and through Google’s video partners (see Appendix A) resulting in 204,649 impressions and 27,648 video views.
- **Facebook Ads** – Product Care ran paid social media ads through Facebook, Instagram, and Facebook’s Audience Network during key seasons (see Appendix A) resulting in 328,915 impressions and 2,480 link clicks.

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 2021, the collection system was comprised of 218 contracted advertised collection sites, including 78 return-to-retail locations, 30 local government facilities 2 First Nation sites, 3 fire departments and 105 private recycling depots. Two (2) collection sites were added during 2021. Table 1 below provides a breakdown of the different types of collection sites reported in 2020 and 2021. Appendix B provides a complete list of contracted collection sites as of December 31, 2021. Appendix C lists the number of collection sites in each regional district.

4.1 Accessibility

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. From 2019 to 2021, accessibility was not impacted in communities with populations greater than 4,000 where sites closed as alternative sites existed to service those communities. Since December 31, 2019, fifteen (15) sites were added to the alarms collection network and five (5) were removed. Of the 15 collection sites added, six (6) were new collection sites. Thirteen (13) sites were added in 2020² and two (2) sites were added in 2021. Therefore, it is presumed that accessibility levels were maintained or exceeded since 2019.

Table 1: Collection Site by Type (2020 and 2021)

| Collection Site Type | 2020 | 2021 |
|----------------------|------------|------------|
| Retailers | 75 | 78 |
| Local government | 22 | 30 |
| First Nations | 2 | 2 |
| Recycling depots | 114 | 105 |
| Fire departments | 3 | 3 |
| Total | 216 | 218 |

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 2021, 75 entities were registered as LVGs with the Program, including fire safety organizations, electrical distributors, local government facilities and others.

² The 2020 annual report incorrectly reported fourteen (14) sites added in 2020, this number has been amended to thirteen (13).

Product Care also supplements the collection system with a number of collection events, often carried out in collaboration with a municipality or regional district. The Program participated in 17 collection events in 2021, which accepted smoke and CO alarms (see Table 2 below).

Table 2: Collection Events by Location (2021)

| Date | Event Location |
|---------------------------------|-----------------------------------|
| April 17 & 18, 2021 | Sayward |
| May 15, 2021 | Mission |
| June 19, 2021 | Barclay |
| July 19 th , 2021 | Sayward |
| July 10, 2021 | Trout Lake, Vancouver |
| August 21, 2021 | Magee Secondary School, Vancouver |
| September 11, 2021 | Castlegar |
| September 18, 2021 | Creston |
| September 18, 2021 | Killarney, Vancouver |
| September 19, 2021 | Kaslo |
| September 25, 2021 | Silverton |
| September 26, 2021 | Nakusp |
| October 1, 2021 | McBride |
| October 2, 2021 | Quadra Island |
| October 16, 2021 | Kitsilano, Vancouver |
| October 16 th , 2021 | Sayward |
| October 23 & 24, 2021 | Langley, Metro Vancouver |

In addition, the Program provided service/access to more than 48 First Nations communities through various means, including permanent collection sites, collection events and direct service.

In 2021, Product Care initiated a partnership with the First Nations Emergency Services Society (FNESS) Installation Program to capture the used alarms removed from more than 108 First Nations communities. Implementation was delayed due to the COVID-19 pandemic and FNESS not receiving inventory of new replacement alarms due to global supply shortages.

4.2 Waste Composition Audits

To confirm that Program products are being successfully diverted from landfill, the Program participates in waste composition audits undertaken by local governments in collaboration with other stewardship organizations.

In conjunction with SABC, two waste composition audits took place in 2021, at Campbell Mountain Landfill (RDOS) and Glenmore Landfill (RDCO). The audits were conducted by independent third-party consultants. Audit findings pertaining to Program Products are detailed in Table 3 below. No smoke or CO alarms were identified in either audit.

Table 3: Units of Program Products Identified

| Product (Units) | Campbell Mountain Landfill (RDOS) | Glenmore Landfill (RDCO) |
|-------------------|-----------------------------------|--------------------------|
| Smoke & CO Alarms | 0 | 0 |

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/UL2034³ 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 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.

³ ANSI/UL 2034 is the safety standard for single and multiple station carbon monoxide alarms.

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.⁴ Product Care's processors also inspect incoming units to ensure any remaining batteries are removed. In 2021, batteries removed from units by Product Care were stored on site. Two (2) boxes of batteries (632 kgs) were sent for processing. 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 4 provides a summary of the management of all alarm sub-components, according to information provided by the Program's downstream processor.

⁴ Some of the alarms collected in 2021 were not shipped for processing until the subsequent year. Statements regarding the end fate of alarms are in reference to materials processed in 2021 only.

Table 4: Product / Component Management⁵

| 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 is not made publicly available, as is done with other stewardship programs.

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, 2021, the Program collected approximately 120,980 units, as detailed in Table 5 below.

The number of alarms collected in small containers (boxes and totes) and mega-bags was calculated by multiplying the number of small containers and mega-bags collected during the year by a conversion factor of 45 alarms per small container and 1,025 alarms per mega-bag. The conversion factors were calculated by averaging the units of alarms from more than 2,324 small collection containers and 16 mega-bags, which were sorted and counted in 2021 at Product Care’s facility.

Table 5: Units Collected, January 1 – December 31, 2021

| Container Type | # of Containers Collected | Approximate # of Alarms Collected ⁶ |
|------------------|---------------------------|--|
| Small Containers | 2,324 | 104,580 |
| Mega Bags | 16 | 16,400 |
| Total | 2,340 | 120,980 |

Table 6 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, 2021.

Table 6: Total Smoke and CO Alarms Collected by Regional District, 2021

| Regional District | # Small Containers ⁵ | # Mega Bags ⁵ | # of Smoke & CO Alarms |
|---------------------------|---------------------------------|--------------------------|------------------------|
| Alberni Clayoquot | 10 | 0 | 450 |
| Bulkley Nechako | 2 | 0 | 90 |
| Capital Regional District | 196 | 0 | 8,820 |
| Cariboo | 5 | 0 | 225 |
| Central Coast | 0 | 0 | 0 |
| Central Kootenay | 5 | 0 | 225 |
| Central Okanagan | 113 | 0 | 5,085 |
| Columbia Shuswap | 2 | 0 | 90 |
| Comox Valley | 41 | 0 | 1,845 |
| Cowichan Valley | 20 | 0 | 900 |
| East Kootenay | 17 | 0 | 765 |
| Fraser Fort George | 20 | 0 | 900 |
| Fraser Valley | 178 | 12 | 20,310 |
| Kitimat Stikine | 18 | 0 | 810 |
| Kootenay Boundary | 9 | 0 | 405 |
| Metro Vancouver | 1,434 | 4 | 68,630 |
| Mount Waddington | 9 | 0 | 405 |
| Nanaimo | 88 | 0 | 3,960 |
| North Coast | 10 | 0 | 450 |
| North Okanagan | 18 | 0 | 810 |
| Northern Rockies | 0 | 0 | 0 |
| Okanagan Similkameen | 30 | 0 | 1,350 |
| Peace River | 12 | 0 | 540 |
| Qathet | 5 | 0 | 225 |
| Skeena-Queen Charlotte | 0 | 0 | 0 |
| Squamish Lillooet | 34 | 0 | 1,530 |
| Strathcona | 12 | 0 | 540 |
| Sunshine Coast | 12 | 0 | 540 |
| Thompson Nicola | 24 | 0 | 1,080 |

⁵ Based on information provided in end fate surveys completed by the Program's primary processors.

⁶ Conversion factors used to calculate the approximate # of alarms collected: 45 units per small container and 1,0250 units per mega-bag.

| Regional District | # Small Containers ⁵ | # Mega Bags ⁵ | # of Smoke & CO Alarms |
|-------------------|---------------------------------|--------------------------|------------------------|
| Total | 2,324 | 16 | 120,980 |

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 to substantiate a percentage-based recovery rate. In the case of smoke and CO alarms, given the small number of companies selling these products in 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 7 illustrates the EHFs for Program Products effective since October 1, 2011.

Table 7: 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 2021 can be found in Appendix E. See Appendix F for the independently verified audit of the 2021 annual report.

9 Plan Performance

Table 8 summarizes the Program’s key performance measures for 2021, as committed to in the Program Plan, along with actual performance values and strategies for improving performance in 2021.

Table 8: 2021 Key Program Measures and Performance

| 2021 Key Program Measures and Performance | |
|---|--|
| 2021 Performance | Strategies for Improvement |
| Approximately 120,980 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. 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. Since December 31, 2019, fifteen (15) sites were added to the alarms collection network and five (5) were removed. Of the 15 collection sites added, six (6) were new collection sites. Thirteen (13) sites were added in 2020 and two (2) sites were added in 2021. Therefore, it is presumed that accessibility levels were maintained or exceeded since 2019. 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

Collection Site Signs



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



General Awareness Posters



Rack Cards



Collection Event Poster



The poster features a background image of a person's hands holding a green recycling symbol against a grassy field. The text is overlaid on this background.

Free Special Waste Recycling Event

ABC Disposal Site
SE 12-34-45W
City, MB
January 1, 1900 | xxam – xxpm

Accepted Products

| | | | |
|---|--|---|--|
|  Paint (Household paint and all paint aerosols) |  Household Hazardous Waste (Flammables and pesticides) |  Lights (CFLs, LEDs, fluorescent tubes, fixtures, and more) |  Alarms (Smoke and carbon monoxide alarms) |
|---|--|---|--|

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



Wallet Reminder

Keep these products out of landfill:

- Paint
- Household Hazardous Waste
- Lights
- Smoke & CO Alarms

Learn how and where to recycle them at productcare.org



Keep these products out of landfill:

- Paint
- Household Hazardous Waste
- Lights
- Smoke & CO Alarms

Learn how and where to recycle them at productcare.org

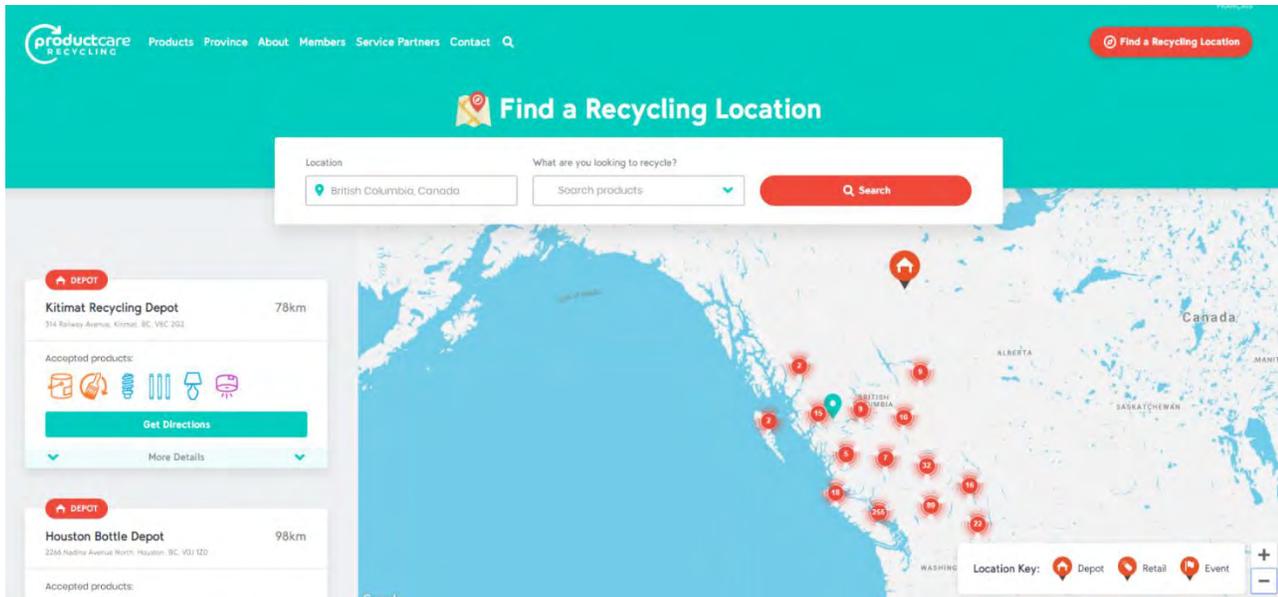
Drop off for free:

- Paint
- Household Hazardous Waste
- Lights
- Alarms

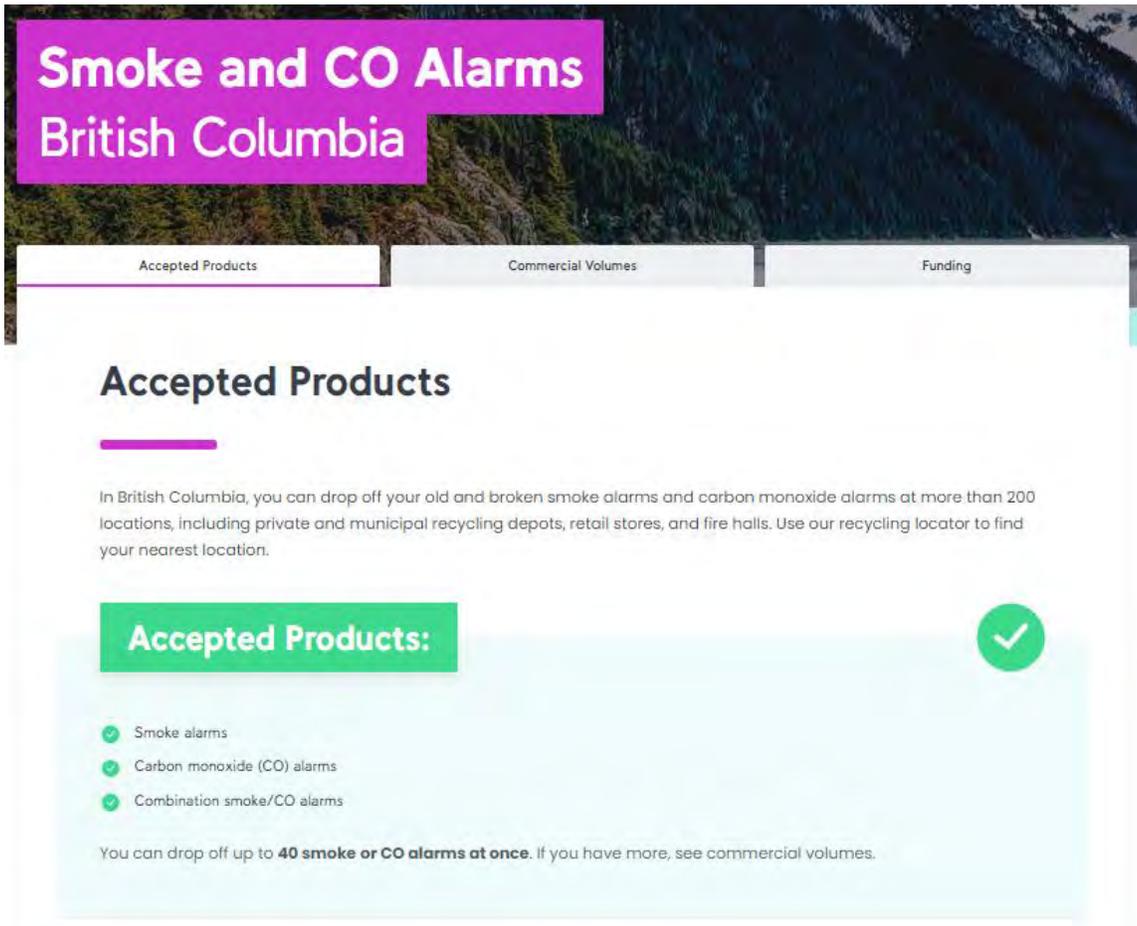
Learn more at productcare.org

Recycling Locator Tool

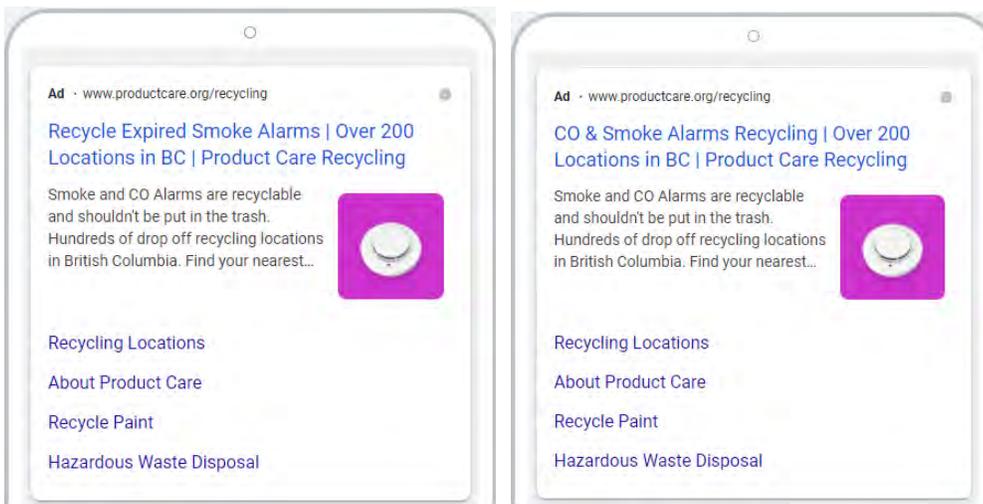
Below is a snapshot of the recycling locator tools found at productcare.org.



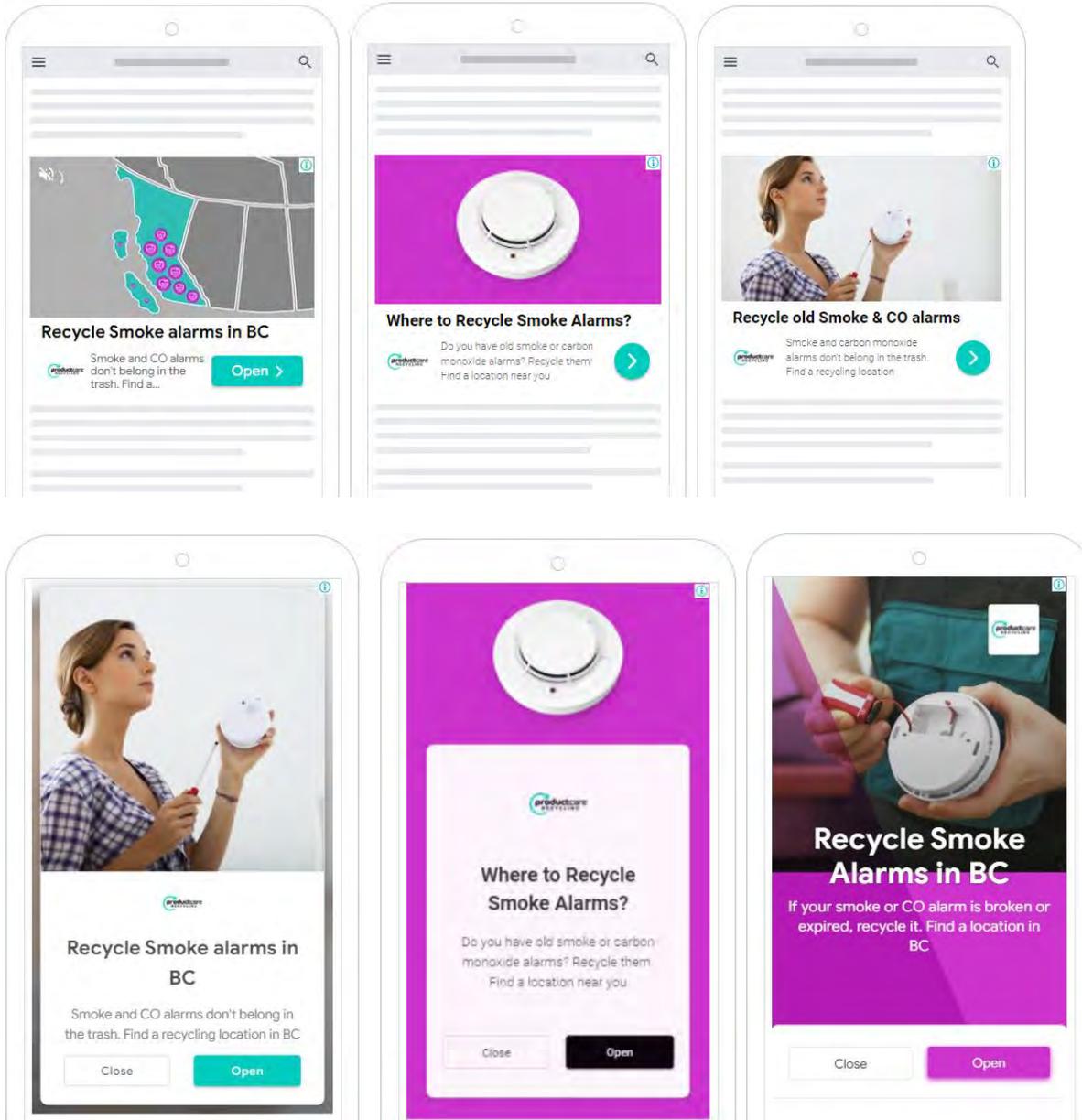
Program webpage



Google Search Ads

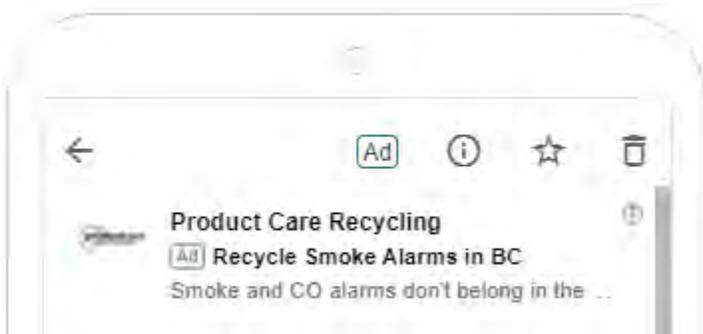


Google Display Ads

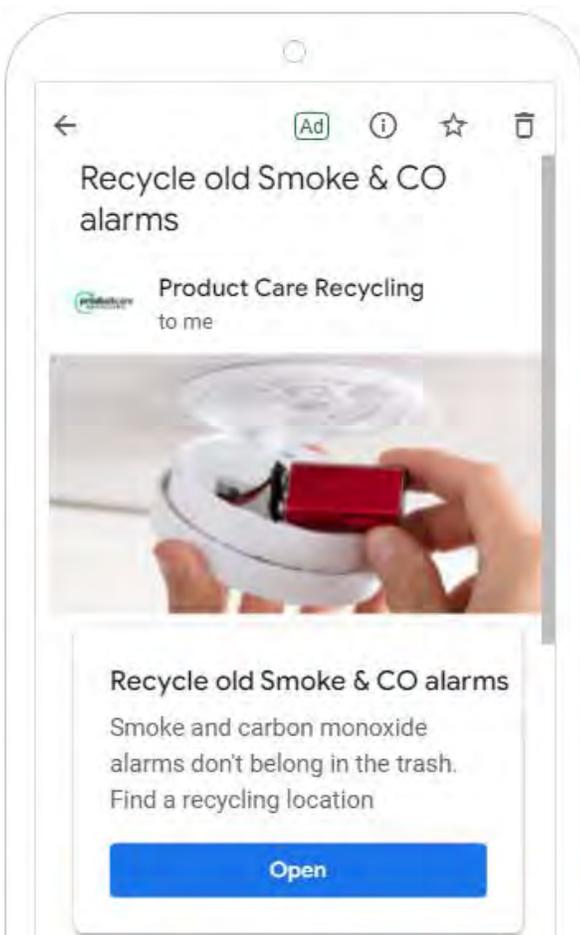


Display – Gmail Ads

Closed



Open



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

The Weather Network, Corus and HGTV Display Ads

Expired smoke/ carbon monoxide alarm? Recycle it!
LEARN HOW >>

Replace them for your family, recycle them for the earth
LEARN HOW >>

Only working smoke alarms save lives
Replace + recycle when expired!

Daily Hive Partnership – Fire Prevention Week



dailyhivevancouver • Follow
Paid partnership with [productcare...](#)
Vancouver, British Columbia

dailyhivevancouver Do your part and check your alarms 🚨 Only working smoke alarms save lives, and you should test them every month to prevent a fire in your home! If your alarm is broken or expired, replace it and recycle it for free with [@productcarerecycling](#) at over 200 locations across BC! For more information, visit [@productcarerecycling](#) #dailyhivevan #sponsored #firepreventionweek #recycling

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246 likes
OCTOBER 6, 2021

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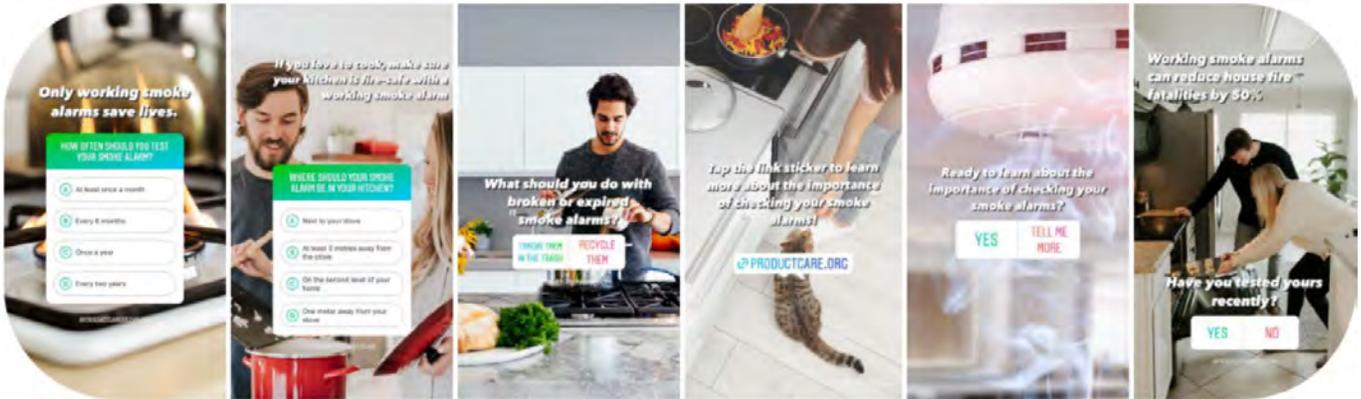
urbanizedvan Do your part and check your alarms 🚨 Only working smoke alarms save lives, and you should test them every month to prevent a fire in your home! If your alarm is broken or expired, replace it and recycle it for free with [@productcarerecycling](#) at over 200 locations across BC! For more information, visit [@productcarerecycling](#) #urbanizedvan #sponsored #firepreventionweek #recycling

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17 likes
OCTOBER 6, 2021

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Story 1: Collection



Story 2





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

Recycling paint, lights, and smoke/CO alarms minimizes your company's environmental impact and ensures hazardous materials are kept out of our soil and waterways.

Drop off small volumes of paint, lights, and alarms for free at a recycling location near you. Large volumes may qualify for **FREE** pick up.

Visit productcare.org or contact us for more information.

| | |
|--|--|
| CALL 1-877-592-2972 ext. 216 | EMAIL ops@productcare.org |
|--|--|

Visit productcare.org for a full list of accepted products or to find a location near you.





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

Help protect the environment. Recycle them.

Recycling paint, lights, and smoke/CO alarms reduces your company's environmental impact by preserving valuable landfill space and ensuring hazardous materials are kept out of our soil and water sources.

Drop off small volumes of paint, lights, and alarms for free at a recycling location near you. Large volumes may qualify for **FREE** pick up.

Visit productcare.org or contact us for more information.

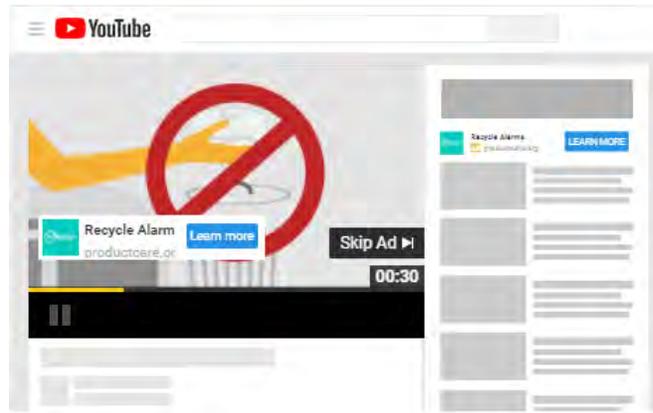
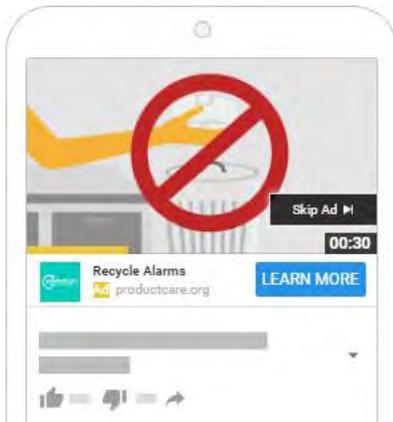
CALL
1-877-592-2972 ext. 216

EMAIL
ops@productcare.org

Visit productcare.org for a full list of accepted products or to find a location near you.



YouTube Ad



Facebook / Instagram Ads



Earned Media

Eco Log - (See online)

The screenshot shows the EcoLog website interface. At the top, the logo "ecoLOG" is on the left, and the tagline "CANADA'S SOURCE FOR ENVIRONMENTAL, HEALTH AND SAFETY NEWS AND LEGISLATION" is in the center. A "Sign in" button is on the right. Below the tagline is a navigation bar with tabs for "News", "Legislation", and "Tracker". A secondary navigation bar lists categories: "Air", "Hazardous Materials", "Health & Safety", "Land", "Remediation", "Renewable Energy", "Sustainability", "Waste", and "Water".

The main content area features an article titled "COLUMN: 'Circular economy' needs a good definition" by Colin Isaacs, dated 2/19/2021 3:11:00 PM. The article text discusses the concept of a circular economy, its traction in Canada, and the upcoming World Circular Economy Forum 2021 (WCEF2021) in Toronto. It mentions that Canada's Minister of Environment and Climate Change, Jonathan Wilkinson, is speaking about a circular economy. The article also notes that a high-level WCEF+Climate virtual meeting is scheduled for April 15, 2021, and that the European Commission and the European Parliament have adopted a New Circular Economy Action Plan as part of the European Green Deal.

On the right side of the article, there are social sharing options: "PRINTER VERSION", "EMAIL ARTICLE TO A FRIEND", "COMMENT ON THIS ARTICLE", and "ADD THIS" with social media icons. Below these is a "PHOTOS IN THIS STORY" section containing two images: a portrait of Colin Isaacs and a circular logo with two arrows forming a circle. Captions for both images are provided.

The left sidebar contains sections for "Sections" (EcoLog News, Legislation, Legislative Tracker, Legislative Tracker Archives), "Resources" (Events, EcoWeek Archives, Archived Supplements), "Information" (Subscribe, Contact Us, External Links), and "ecoLOG PRODUCTS" (Publications, Services and Events, Professional Beauty Salon, Luxor Hair Product).

Appendix B: List of 2021 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 – (now GFL Environmental 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 |

| | Collection Site Name | City | Regional District |
|-----|--|-----------------|--------------------|
| 32. | Coquitlam Transfer Stn - Emterra | Coquitlam | Metro Vancouver |
| 33. | Courtenay Return-It Depot | Courtenay | Comox Valley |
| 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 (McGarrigle) | 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 Facility | Victoria | Capital |
| 64. | Home Hardware Cranbrook | Cranbrook | East Kootenay |
| 65. | Home Hardware Merritt | Merritt | Thompson-Nicola |

| | Collection Site Name | City | Regional District |
|-----|---|-----------------|------------------------|
| 66. | Home Hardware Parksville | Parksville | Nanaimo |
| 67. | Home Hardware Revelstoke | Revelstoke | Columbia-Shuswap |
| 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 | 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 |

| | Collection Site Name | City | Regional District |
|------|--|-----------------|----------------------|
| 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 |
| 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 |

| | Collection Site Name | City | Regional District |
|------|--|-----------------|----------------------|
| 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 |
| 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. | Mattress Recycling | Hope | Fraser Valley |
| 145. | Mayne Island Recycling Society | Mayne Island | Capital |
| 146. | Meade Creek Recycling Drop-Off Depot | Lake Cowichan | Cowichan Valley |
| 147. | Metrotown Return-It Depot | Burnaby | Metro Vancouver |
| 148. | Mission Recycling Depot | Mission | Fraser Valley |
| 149. | Nelson Home Hardware Building Centre | Nelson | Central Kootenay |
| 150. | New & Nearly New | Kimberley | East Kootenay |
| 151. | Newton Bottle Depot | Surrey | Metro Vancouver |
| 152. | North Shore Bottle Depot | North Vancouver | Metro Vancouver |
| 153. | North Van Bottle and Return-It Depot | North Vancouver | Metro Vancouver |
| 154. | Oak Bay Recycling Depot | Victoria | Capital |
| 155. | Okanagan Falls Landfill | Okanagan Falls | Okanagan Similkameen |
| 156. | Oliver Sanitary Landfill | Oliver | Okanagan Similkameen |
| 157. | Osoyoos Bottle Depot | Osoyoos | Okanagan Similkameen |
| 158. | Panorama Village Return-It | Surrey | Metro Vancouver |
| 159. | Parksville Bottle & Recycling Depot | Parksville | Nanaimo |
| 160. | Peerless Road Recycling Depot | Ladysmith | Cowichan Valley |
| 161. | Pemberton Recycling Depot | Pemberton | Squamish Lillooet |
| 162. | Pender Island Recycling Society | Pender Island | Capital |
| 163. | PG Recycling (formerly BBK Bottle Depot) | Prince George | Fraser-Fort George |
| 164. | Planet Earth Recycling Ltd. | West Kelowna | Central Okanagan |
| 165. | Poco Return-It | Port Coquitlam | Metro Vancouver |
| 166. | Port Hardy Return-it | Port Hardy | Mount Waddington |
| 167. | Powell Street Return-It Bottle Depot | Vancouver | Metro Vancouver |

| | Collection Site Name | City | Regional District |
|------|---|-------------------|------------------------|
| 168. | Princeton Return-It Depot | Princeton | Okanagan Similkameen |
| 169. | Quality Glass Ltd. | Ashcroft | Thompson-Nicola |
| 170. | Queensborough Landing Return-It | New Westminster | Metro Vancouver |
| 171. | Recycle-It Resource Recovery | Fort St. John | qathet |
| 172. | Regional Recycling - Abbotsford | Abbotsford | Fraser Valley |
| 173. | Regional Recycling - Burnaby | Burnaby | Metro Vancouver |
| 174. | Regional Recycling - Cloverdale | Surrey | Metro Vancouver |
| 175. | Regional Recycling - Hayes (Nanaimo) | Nanaimo | Nanaimo |
| 176. | Regional Recycling - Old Victoria (Nanaimo) | Nanaimo | Nanaimo |
| 177. | Regional Recycling - Prince Rupert | Prince Rupert | Skeena-Queen Charlotte |
| 178. | Regional Recycling - Richmond | Richmond | Metro Vancouver |
| 179. | Regional Recycling - Vancouver | Vancouver | Metro Vancouver |
| 180. | Regional Recycling - Whistler | Whistler | Squamish Lillooet |
| 181. | Revelstoke Landfill | Revelstoke | Columbia-Shuswap |
| 182. | Richmond Recycle Depot | Richmond | Metro Vancouver |
| 183. | Ridge Meadows Recycling Society | Maple Ridge | Metro Vancouver |
| 184. | RONA (Penticton) #64190 | Penticton | Okanagan Similkameen |
| 185. | RONA Alert Bay #1215 | Alert Bay | Mount Waddington |
| 186. | RONA Home Centre (Hope) #61350 | Hope | Fraser Valley |
| 187. | RONA Golden | Golden | Columbia Shuswap |
| 188. | RONA Richmond | Richmond | Metro Vancouver |
| 189. | Salmon Arm Landfill | Salmon Arm | Columbia-Shuswap |
| 190. | Salt Spring Island Recycling Depot | Saltspring Island | Capital |
| 191. | Salvation Army Langley - Lower Mainland Divisional Headquarters | Langley | Metro Vancouver |
| 192. | Sardis Bottle Depot | Chilliwack | Fraser Valley |
| 193. | Scotch Creek Bottle Depot | Scotch Creek | Columbia-Shuswap |
| 194. | Scott Road Bottle Depot | Surrey | Metro Vancouver |
| 195. | Semiahmoo Bottle Depot | Surrey | Metro Vancouver |
| 196. | Seton Lake Band Transfer Station (Tsal'alh Eco Depot) | Shalath | Squamish Lillooet |
| 197. | South Van Bottle Depot | Vancouver | Metro Vancouver |
| 198. | Stewart Transfer Station - RDKS | Stewart | Kitimat-Stikine |
| 199. | Summerland Sanitary Landfill | Summerland | Okanagan Similkameen |

| | Collection Site Name | City | Regional District |
|------|--|--------------|----------------------|
| 200. | Surrey Central Return-It Centre | Surrey | Metro Vancouver |
| 201. | T-2 Market | Oliver | Okanagan Similkameen |
| 202. | The Battery Doctors | Kelowna | Central Okanagan |
| 203. | The Salvation Army - Vanderhoof | Vanderhoof | Bulkley-Nechako |
| 204. | Thornhill Fire Department | Terrace | Kitimat-Stikine |
| 205. | Thorsen Creek Recycling Depot (CCRD) | Bella Coola | Central Coast |
| 206. | Trail Bay Hardware | Sechelt | Sunshine Coast |
| 207. | Trail Bottle Depot | Trail | Kootenay Boundary |
| 208. | Ucluelet Bottle Depot | Ucluelet | Alberni-Clayoquot |
| 209. | Valemount Carwash and Recycling Centre | Valemount | Fraser-Fort George |
| 210. | Venture Training Vernon | Vernon | North Okanagan |
| 211. | Village of Gold River | Gold River | Strathcona |
| 212. | Village of MontRose | Montrose | Kootenay Boundary |
| 213. | Walnut Grove Bottle Depot | Langley | Metro Vancouver |
| 214. | Wesbrook Community Centre | Vancouver | Metro Vancouver |
| 215. | Westcoast Hardware | Port Alberni | Alberni-Clayoquot |
| 216. | White Rock Return-it Depot | Surrey | Metro Vancouver |
| 217. | Wide Sky Disposal | Fort Nelson | Northern Rockies |
| 218. | Willowbrook Recycling Depot | Langley | Metro Vancouver |

Appendix C: 2021 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 | 3 |
| Central Okanagan | 7 |
| Columbia-Shuswap | 7 |
| Comox Valley | 3 |
| Cowichan Valley | 9 |
| East Kootenay | 5 |
| Fraser-Fort George | 5 |
| Fraser Valley | 13 |
| Kitimat-Stikine | 3 |
| Kootenay Boundary | 3 |
| Metro Vancouver | 70 |
| Mount Waddington | 3 |
| Nanaimo | 8 |
| North Coast | 3 |
| North Okanagan | 6 |
| Northern Rockies | 1 |
| Okanagan-Similkameen | 11 |
| qathet | 5 |
| Squamish Lillooet | 5 |
| Strathcona | 5 |
| Sunshine Coast | 3 |
| Thompson-Nicola | 7 |
| Total | 218 |

Appendix D: 2021 Audited Program Financial Statements

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

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 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 2021**

Contents

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| 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 2021 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 2021 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.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
13 April 2022

PRODUCT CARE ASSOCIATION OF CANADA
BC SMOKE AND CARBON MONOXIDE (CO) ALARMS PROGRAM
Statement of Revenues and Expenses
For the year ended 31 December 2021

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Revenues | \$ 736,290 | \$ 715,801 |
| Program expenses | | |
| Processing | 327,556 | 203,534 |
| Collection | 68,367 | 71,079 |
| Communications | 67,930 | 69,131 |
| Transportation | 48,313 | 35,952 |
| Administration (Note 2(c)) | 45,723 | 38,185 |
| | 557,889 | 417,881 |
| Excess of revenues over expenses for the year | \$ 178,401 | \$ 297,920 |

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 2021

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 the member started selling obligated products. If, for any reason, a member omits reporting and remitting Environmental Handling Fees associated with sold program products, the Association will recognize those Environmental Handling Fees as revenue when the amounts are determinable by the Association.

(b) 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 \$33,468 (2020 - \$23,513) 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 2021

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 \$164,053 (2020 - \$138,728) which will be incurred in 2022.

Appendix E: 2021 Product Care Consolidated Financial Statements

PRODUCT CARE ASSOCIATION OF CANADA

FINANCIAL STATEMENTS

31 DECEMBER 2021

PRODUCT CARE ASSOCIATION OF CANADA
Financial Statements

For the year ended 31 December 2021

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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 2021, 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 2021, 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.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
21 April 2022

PRODUCT CARE ASSOCIATION OF CANADA
Statement of Financial Position
31 December 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents | \$ 12,602,678 | \$ 12,841,414 |
| Term deposit (Note 5(a)) | - | 11,000,000 |
| Restricted cash (Note 3) | 765,500 | 2,381,724 |
| Accounts receivable | 2,952,024 | 3,675,865 |
| Prepaid expenses and deposits | 209,449 | 1,932,445 |
| | 16,529,651 | 31,831,448 |
| Forgivable loans (Note 4) | 372,394 | 338,885 |
| Term deposits (Note 5(b)) | 20,716,359 | 14,919,661 |
| Reserve - at market value (Note 6) | 19,522,764 | 17,097,440 |
| Investments - at market value | 5,622,900 | - |
| Tangible capital assets (Note 7) | 15,328,142 | 8,719,010 |
| Intangible assets (Note 8) | 50,000 | 60,248 |
| | \$ 78,142,210 | \$ 72,966,692 |

Liabilities

| | | |
|---|------------------|------------------|
| Current | | |
| Accounts payable and accrued liabilities (Note 9) | \$ 7,220,954 | \$ 5,883,501 |
| Ontario fee reduction payable (Note 12) | - | 1,616,224 |
| | 7,220,954 | 7,499,725 |

Commitments (Note 11)
Contingencies (Note 10)

Members' Equity

| | | |
|--|----------------------|----------------------|
| Unrestricted | 35,254,850 | 38,824,769 |
| Invested in tangible capital and intangible assets | 15,378,142 | 8,779,258 |
| Reserve - internally restricted (Note 6) | 19,522,764 | 17,097,440 |
| Ontario fee reduction reserve (Note 10(b)) | 765,500 | 765,500 |
| | 70,921,256 | 65,466,967 |
| | \$ 78,142,210 | \$ 72,966,692 |

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 2021

| | Unrestricted | Invested in Tangible Capital and Intangible Assets | Internally Restricted Reserve | Ontario Fee Reduction Reserve | Total 2021 | Total 2020 |
|--|----------------------|--|-------------------------------------|-------------------------------------|----------------------|----------------------|
| Net assets - beginning of year | \$ 38,824,769 | \$ 8,779,258 | \$ 17,097,440 | \$ 765,500 | \$ 65,466,967 | \$ 57,043,785 |
| Excess (deficiency) of revenues over expenses for the year | 6,035,869 | (581,580) | - | - | 5,454,289 | 8,423,182 |
| Transfer to invested in tangible capital and intangible assets, net | (7,180,464) | 7,180,464 | - | - | - | - |
| Transfer to reserve | (2,425,324) | - | 2,425,324 | - | - | - |
| Net assets - end of year | \$ 35,254,850 | \$ 15,378,142 | \$ 19,522,764 | \$ 765,500 | \$ 70,921,256 | \$ 65,466,967 |

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 2021

| | 2021 | 2020 |
|---|----------------------|----------------------|
| Revenues | \$ 44,205,764 | \$ 45,552,306 |
| Expenses | | |
| Operating | 38,153,394 | 35,445,685 |
| General and administration | 3,463,899 | 3,388,802 |
| General communications | 93,923 | 99,648 |
| | 41,711,216 | 38,934,135 |
| Excess of revenues over expenses from operations | 2,494,548 | 6,618,171 |
| Other income | | |
| Investment income | 2,471,957 | 808,097 |
| Interest income | 347,411 | 602,754 |
| Unrealized gain on investments | 128,533 | 390,934 |
| Gain on sale of marketable securities | 11,840 | 2,226 |
| Gain on sale of tangible capital assets | - | 1,000 |
| | 2,959,741 | 1,805,011 |
| Excess of revenues over expenses for the year | \$ 5,454,289 | \$ 8,423,182 |

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 2021

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Cash provided by (used in): | | |
| Operating activities | | |
| Excess of revenues over expenses for the year | \$ 5,454,289 | \$ 8,423,182 |
| Items not involving cash | | |
| Market value adjustments | (128,533) | (390,934) |
| Amortization | 581,580 | 484,922 |
| Loans forgiven | 56,401 | 56,880 |
| Gain on sale of marketable securities | (11,840) | (2,226) |
| Gain on sale of tangible capital assets | - | (1,000) |
| | 5,951,897 | 8,570,824 |
| Changes in non-cash working capital balances | | |
| Accounts receivable | 723,841 | (560,391) |
| Prepaid expenses and deposits | 1,722,996 | (26,154) |
| Accounts payable and accrued liabilities | 1,337,453 | 874,598 |
| Ontario fee reduction payable | (1,616,224) | 1,616,224 |
| | 8,119,963 | 10,475,101 |
| Investing activities | | |
| Redemption (purchase) of term deposits | 5,203,302 | (11,373,781) |
| Transfer to reserve | (1,969,340) | (808,097) |
| Purchase of capital assets - net | (7,180,464) | (215,760) |
| Purchase of investments | (5,938,511) | - |
| | (9,885,013) | (12,397,638) |
| Financing activity | | |
| Issuance of forgivable loans | (89,910) | - |
| | (89,910) | - |
| Net decrease in cash and cash equivalents | (1,854,960) | (1,922,537) |
| Cash and cash equivalents - beginning of year | 15,223,138 | 17,145,675 |
| Cash and cash equivalents - end of year | \$ 13,368,178 | \$ 15,223,138 |
| Cash and cash equivalents consists of: | | |
| Cash | \$ 12,602,678 | \$ 2,318,718 |
| Savings accounts | - | 10,522,696 |
| Restricted cash | 765,500 | 2,381,724 |
| | \$ 13,368,178 | \$ 15,223,138 |

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 2021

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, restricted cash, term deposits, accounts receivable, and forgivable loans.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association’s financial assets measured at fair value include investments and 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 2021

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 |

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2021

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 2021

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 the statement of operations.

3. Restricted cash

Restricted cash is comprised of the following amounts:

| | 2021 | 2020 |
|--|------------|--------------|
| Ontario Fee Reduction Campaign (Note 12) | \$ - | \$ 1,616,224 |
| Ontario Fee Reduction Reserve (Note 10(b)) | 765,500 | 765,500 |
| | \$ 765,500 | \$ 2,381,724 |

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 20% 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 2021

4. Forgivable loans - Continued

| | 2021 | 2020 |
|--------------------------------|------------|------------|
| Balance - beginning of year | \$ 338,885 | \$ 395,765 |
| Funds advanced during the year | 89,910 | - |
| Loans forgiven during the year | (56,401) | (56,880) |
| Balance - end of year | \$ 372,394 | \$ 338,885 |

5. Term deposits

(a) Short-term

As at 31 December 2021, the Association held term deposits of \$Nil (2020 - \$11,000,000).

(b) Long-term

As at 31 December 2021, the Association held term deposits totalling \$20,716,359 (2020 - \$14,919,661) with maturity dates ranging from 18 July 2024 to 6 December 2024 and bearing interest at 1.0% to 1.5% 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, \$2,425,324 was transferred from the unrestricted fund to the reserve fund, which consisted of an unrealized gain of \$444,144 at 31 December 2021, realized investment income and gain of \$1,981,180. In the prior year, \$1,201,257 was transferred from the reserve fund to the unrestricted fund, which consisted of an unrealized gain of \$390,934 at 31 December 2020 and realized investment income and gain of \$810,323.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2021

7. Tangible capital assets

| | Cost | Accumulated Amortization | 2021 Net | 2020 Net |
|------------------|----------------------|-----------------------------|----------------------|---------------------|
| Land | \$ 7,659,119 | \$ - | \$ 7,659,119 | \$ 3,403,983 |
| Buildings | 8,168,644 | 1,231,245 | 6,937,399 | 4,964,167 |
| Equipment | 3,052,230 | 2,320,606 | 731,624 | 350,860 |
| Office equipment | 5,551 | 5,551 | - | - |
| | \$ 18,885,544 | \$ 3,557,402 | \$ 15,328,142 | \$ 8,719,010 |

During the year, the Association acquired a building and an associated parcel of land for \$2,268,354 and \$4,255,136 respectively. The property will be used as a new office facility.

Land and buildings consist of two properties where legal ownership resides with bare trustee corporations. The Association has beneficial ownership of the properties.

Included in operating expenses and general and administrative expenses is a total of \$571,332 (2020 - \$431,701) of amortization expense.

8. Intangible assets

| | Cost | Accumulated Amortization | 2021 Net | 2020 Net |
|--------------------------|-------------------|-----------------------------|------------------|------------------|
| ERP Software | \$ 754,986 | \$ 754,986 | \$ - | \$ 10,248 |
| Quebec RecycFluo Program | 50,000 | - | 50,000 | 50,000 |
| | \$ 804,986 | \$ 754,986 | \$ 50,000 | \$ 60,248 |

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 2021 fiscal year.

Included in operating expenses and general and administrative expenses is a total of \$10,248 (2020 - \$53,221) of amortization expense.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2021

9. Accounts payable and accrued liabilities

| | 2021 | 2020 |
|--|--------------|--------------|
| Accounts payable and accrued liabilities | \$ 7,046,760 | \$ 5,572,835 |
| Government remittances payable | 174,194 | 310,666 |
| | \$ 7,220,954 | \$ 5,883,501 |

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 accrued liabilities are estimated penalties of \$810,354 (2020 - \$402,091), 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. The estimated penalties incurred in each fiscal year are as follows:

| | |
|------|------------------|
| 2020 | \$402,091 |
| 2021 | <u>408,263</u> |
| | <u>\$810,354</u> |

- (b) Pursuant to the Surplus Fund Transfer Addendum (Note 12), the Association established a restricted reserve fund of \$765,500 (2020 - \$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 | 15,100 |
| | \$ 765,500 |

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 September 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, while the transition of the MHSW program is underway, it is indeterminable whether 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 2021

11. Commitments

- (a) The Association has a lease agreement for the Quebec office suite which expires on 31 May 2024.

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 are as follows:

| | |
|------|-------------------|
| 2022 | \$ 105,541 |
| 2023 | 106,198 |
| 2024 | <u>30,909</u> |
| | <u>\$ 242,648</u> |

- (b) In previous years, the Association's board of directors had passed resolutions to make funds up to \$2,335,000 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 2021, \$653,242 of loans have been disbursed from the pool of available funds (Note 4) and \$280,848 of loans have been forgiven.
- (c) During the year, the Association's board of directors passed a resolution to make capital funding of up to \$1,000,000 available to collection sites participating in the Saskatchewan Household Hazardous Waste Program. The terms and conditions of how these funds will be disbursed have not been determined by the Association at the date of the Independent Auditors' Report.
- (d) At year end the Association had unprocessed product on hand with an estimated cost to process, transport and recycle of \$1,191,111 (2020 - \$1,406,710) which will be incurred during 2022.

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2021

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 funds 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 distributed to members of the Ontario Pesticides, Solvents and Fertilizers Program before 30 June 2021. Under the agreement, eligible members of the Programs were 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’s, in accordance with the fee reduction schedule as established and agreed by the Association and SO. The remaining amounts to be distributed to members as of 31 December 2020 were \$801,158 related to the Ontario PaintRecycle Program and \$815,066 related to the Ontario Pesticides, Solvents and Fertilizers Program. In 2021, the Association continued to distribute the SO funds to members. For any remaining amounts of SO funds related to Paint, Pesticides and Fertilizers, cash refunds of \$827,599 were issued to members during the year.

After the final distribution of the SO surplus funds related to Solvents, the board of directors approved an extension of the Ontario Solvent fee reduction program. The extended fee reduction program is funded from the accumulated surplus generated by the Association’s Solvent program which has been used to reduce EHF’s owing by members. For the year ended 31 December 2021, the extended Ontario Solvents fee reduction program resulted in a decrease in EHF revenue of \$235,576.

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 2021.

(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, restricted cash, term deposits, accounts receivable and forgivable loans. Cash, cash equivalents, restricted cash 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 2021

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 2021, cash and accounts receivable of \$541,242 USD and \$97,818 USD (2020 - \$531,115 USD and \$100,580 USD) respectively and accounts payable and accrued liabilities of \$50,879 USD (2020 - \$20,035 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 2021

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 amounts held in investments and 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 2021 and for the year then ended are based on the unaudited 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 2021

14. Controlled organization - Continued

PCA PSI

| | 31 December 2021 | 31 December 2020 |
|---------------------------------------|-----------------------------|-----------------------------|
| | (unaudited) | |
| Financial Position | | |
| Total assets | \$ 2,413,993 | \$ 1,976,432 |
| Total liabilities | 115,943 | 79,347 |
| Total net assets | 2,298,050 | 1,897,085 |
| | \$ 2,413,993 | \$ 1,976,432 |
| Results of Operations | | |
| Total revenue | \$ 1,506,927 | \$ 1,758,482 |
| Total expenses | 1,102,530 | 1,253,263 |
| Excess of revenues over expenses | \$ 404,397 | \$ 505,219 |
| Cash Flows | | |
| Cash provided by operating activities | \$ 560,965 | \$ 320,097 |

PRODUCT CARE ASSOCIATION OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2021

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 \$18,814 (2020 - \$9,953) due from PCA PSI. These amounts are unsecured, non-interest bearing and will be received in the 2022 fiscal year.

Included in revenues is \$88,360 (2020 - \$110,622) 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 led 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 : 2021 Independent Non-Financial Audit

PRODUCT CARE ASSOCIATION OF CANADA

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

**INDEPENDENT REASONABLE
ASSURANCE REPORT**

31 DECEMBER 2021

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 2021:

- 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 - 2021 Reporting Year dated November 2021, 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 2021 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. Additionally, while the second primary processor received shipments from the Association during the year, it did not make any shipments of hazardous materials to the secondary storage facility during 2021 or before the date of the Independent Reasonable Assurance Report. 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.

Rolfe Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
21 June 2022

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 – 218 | Table 1: Collection Site by Type (2020 and 2021) Appendix B – List of 2021 Program Collection Sites |
| Change in the number of collection facilities in 2021 – “Two collection sites were added in 2021.” | |

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 2021, 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 4: 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 2021 were not shipped for processing until the subsequent year. Statements regarding the end fate of alarms are in reference to materials processed in 2021 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 104,580 | Table 5: Units Collected, January 1 – December 31, 2021 |
| # of alarms collected – in mega bags 16,400 | |
| <p>“The number of alarms collected in small containers (boxes and totes) and mega-bags was calculated by multiplying the number of small containers and mega-bags collected during the year by a conversion factor of 45 alarms per small container and 1,025 alarms per mega-bag. The conversion factors were calculated by averaging the units of alarms from more than 2,324 small collection containers and 16 mega-bags, which were sorted and counted in 2021 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 2021 Assertion – Target exceeded: Approximately 120,980 units collected | Table 8: 2021 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.