

NOVA SCOTIA PAINT PROGRAM



Submitted to:

The Honourable Tim Halman Minister of Environment and Climate Change Department of Environment and Climate Change, PO Box 442, Halifax, NS B3J 2P8 2024 Annual Report Submitted on May 30, 2025



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1. ABOUT PRODUCT CARE

The Nova Scotia Paint Stewardship Program ("Program") is administered and operated by Product Care Association of Canada ("Product Care"). Product Care, on behalf of its members, oversees the administration, collection, transportation, recycling, and management of regulated post-consumer paint and paint aerosols in Nova Scotia.

Product Care is a federally incorporated, not-for-profit product stewardship association formed in response to stewardship regulations and is governed by a multi-sector industry board of directors. Product Care has developed and managed paint, lighting products, smoke and CO alarms, household hazardous waste and special waste stewardship programs since 1994.

Product Care's members are the "brand owners" (manufacturers, distributors, and retailers) of "consumer paint products" as defined pursuant to the *Nova Scotia Solid Waste-Resource Management Regulations N.S. Reg.* 25/96 as amended ("Regulation") pursuant to section 102 of the *Environment Act*. A current list of Product Care members can be found on Product Care's website.

1.1. REPORTING PERIOD

This report covers the 2024 calendar year (January 1 to December 31, 2024). All content has been prepared in accordance with section 18F (1) of the Regulation.

1.2. PROGRAM SUMMARY

Product Care has operated an approved paint stewardship program plan, under the Regulation, with the Nova Scotia Department of Environment and Climate Change ("ECC") since 2012. This report provides information on the commitments as set out in the 2023-2027 Program Plan ("Program Plan").

The Program includes all water-based and oil-based paints and stains, but does not cover specifically formulated industrial and automotive coatings. The Program also includes all paint aerosols (industrial, commercial, automotive, etc.), marine paint (except those registered as a pesticide), and empty paint containers. For the purposes of this annual report, these are collectively referred to as "Program Products". A detailed list of products accepted and not accepted is available on Product Care's <u>website</u>.

The Program offers collection sites throughout the province where consumers can bring leftover household paint and paint containers for free. Collection services are offered through Enviro-depots[™] (i.e., redemption centres), select retail stores, and local government recycling/waste facilities. Product Care supplies collection sites with standard reusable collection containers ("tubskids") to facilitate the collection of Program Products. The Program contracts with Divert NS to deliver empty tubskids, pick up full ones from collection sites, and consolidate the full tubskids into loads, which are shipped to a processor for processing. Additional program elements managed by Product Care include revenue management, communications, and administration.

The Program is funded by environmental handling fees (EHFs), which are remitted to Product Care by its paint industry members on sales of Program Products in or into Nova Scotia. The fees are used to operate the Program, including collection, transportation, recycling, and management of leftover paint, as well as program administration and consumer education.

2. BRAND OWNER INFORMATION

In accordance with section 18F(1)(a) of the Regulation, Program members reported the sale of approximately 5,909,923 litres¹ of Program Product in Nova Scotia from January 1 to December 31, 2024.

3. COLLECTION

The following section provides the total amount of post-consumer paint collected in Nova Scotia, as well as the location of the Program's collection sites.

3.1. TOTAL AMOUNT OF POST-CONSUMER PAINT COLLECTED

In accordance with section 18F(1)(a) of the Regulation, Table 1 shows the total amount of post-consumer paint collected by the Program during the reporting period. Not all paint that was collected in 2024 was processed in the same year.

| ltem | Number of | Residual Paint | Residual Aerosol | PaintShare | Total Residual |
|---------------------|-------------------------|----------------|-------------------|------------|------------------|
| | Tubskids ^{2,3} | Volume (L)⁴ | Paint Volume (L)⁵ | Volume (L) | Paint Volume (L) |
| Volume Collected | 3,464 | 478,378 | 3,118 | 3,342 | 484,838 |

Table 1: Total Amount of Post-Consumer Paint Collected in 2024

Table 2 provides the Program's recovery rate in 2024 based on the volume of paint collected as a function of volume of paint sold in Nova Scotia in 2024.

¹ Sales data is reported to Product Care in container units. For the purpose of this report, sales units are converted to litres using coefficients based on the volume of the most common container size in each product category.

 $^{^{2}}$ Tubskid dimensions (42" x 42" x 48") with a nominal capacity of 108 one-gallon containers. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

³ Since July 5, 2019, aerosols are no longer separated from other paint products. All paint products are collected and transported in the same collection container (tubskids).

⁴ The total residual volume of paint collected is calculated based on the total number of tubskids collected multiplied by a conversion rate of 138.1 L per tubskid. The conversion rate is derived by dividing the total actual residual paint processed by the number of tubskids processed in the same year. Residual paint volume from tubskids has been rounded up. This conversion rate includes both water-based and oil-based paints. Paint that was not processed in 2023 was processed in 2024.

⁵ For the purposes of estimating aerosol paint volume, a rounded conversion rate of 0.9 L per collected tubskid was used as the conversion factor. The conversion factor was derived from the number of tubskids processed and the average number of aerosol cans per tubskid, multiplied by a historic residual volume per can from sampling.

Table 2: 2024 Paint Sales, Residual Recovery Volume and Recovery Rate

| | Total |
|--------------------------------------|-----------|
| Sales (litres) | 5,909,923 |
| Residual Recovery Volume (litres) | 484,838 |
| Recovery Rate (%) | 8.2% |
| Total Available to Collect (litres) | 502,343 |
| Available to Collect (%) | 8.5% |
| Capture Rate (% collected/available) | 96.5% |

In 2021, an Available to Collect Study was conducted at the request of the regulators to estimate the potential amount of waste paint that could be collected in the province. The study took into consideration factors such as consumer intention, storage time, and end-of-life management obtained via surveys and sampling.

3.2. COLLECTION SITES

The Program commits to maintaining a minimum of 80 collection sites to provide reasonable access to Nova Scotians. As of December 31, 2024, 93 collection sites participated in the Program. In 2024, two collections site closed, and three collection sites opened. This change did not impact the accessibility levels.

The Program utilizes the accessibility levels developed by Divert NS⁶ in determining what constitutes reasonable access to Nova Scotians as a guideline. Significant overlap exists between the program's collection network and other programs, such as electronics and beverage containers, demonstrating a high level of accessibility.

In accordance with section 18F(1)(f) of the Regulation, <u>Appendix 1</u> provides the locations of the collection sites.

3.3. PROCESS OF INTERNAL ACCOUNTABILITY

In accordance with section 18(F)(1)(i) of the Regulation, the Program provides collection site guidelines to all collection sites setting out the operational procedures and requirements for the proper collection and handling of Program Products. In addition, the Program provides emergency spill kits and emergency procedure instructions to collection sites.

To ensure the environmental effectiveness of the Program, Product Care carries out collection site inspections every two years as required by the Program Plan. In 2024, Product Care carried out collection site inspections at 46 collection sites (47 in 2023) to ensure they fulfilled their role as a service provider and adhered to all applicable Program guidelines and requirements.

⁶ Accessibility levels as developed by Divert NS:

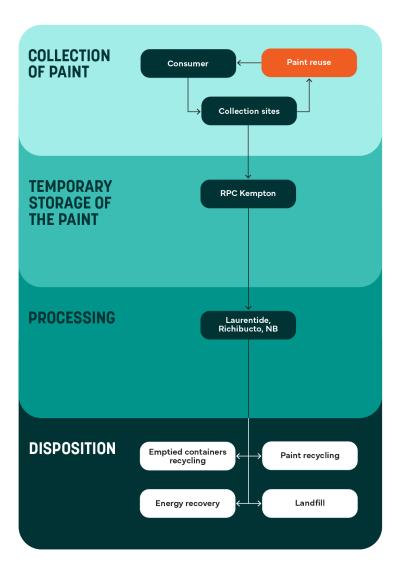
- Rural sites shall be located to ensure that at least 90% of the Province's rural population is within a 30 kilometre radius of the nearest collection site;
- Urban sites in Halifax Regional Municipality and Cape Breton Regional Municipality shall be located to ensure that at least 50% of their respective urban populations are within a 10 kilometre radius of the nearest collection site;
- Urban and rural sites in HRM and CBRM shall be sited so as to ensure that at least 90% of their respective combined (urban and rural) populations are within a 30 kilometre radius of the nearest collection site;

4. PROCESSING

In accordance with sections 18(F)(1)(b,c,d,e,f) of the Regulation, this section of the report sets out:

- a) The total amount of post-consumer paint processed or in storage;
- b) The percentage of post-consumer paint collected that was reused, recycled, disposed of in an engineered landfill, recovered for energy, contained, or otherwise treated or disposed of;
- c) A description of the types of processes utilized to reuse, recycle, dispose of, recover energy from, contain, or otherwise treat or dispose of post-consumer paint;
- d) A description of the efforts to redesign paint products to improve reusability and recyclability; and
- e) The location of processing or containment facilities for post-consumer paint.

All paint collected through the Program was transported from collection sites to the Regional Processing Centre (RPC) in Kemptown. Accumulated full truck loads were then transported from Kemptown to Laurentide Resource's processing facility in Richibucto, NB. Collected products were then removed from the tubskids, inspected, sorted, and processed as outlined in Figure 1.



4.1. LOCATIONS OF CONTAINMENT AND PROCESSING FACILITIES

Table 3 shows the locations of long-term containment or final treatment and processing facilities for postconsumer paint products.

Table 3 Processing & Containment Facilities

| Location Address | Facility Type |
|--|----------------------------|
| Divert NS Regional Processing Centre (RPC) | |
| 119 Mingo Road | Temporary Storage Facility |
| Kemptown, NS B6L 2K4 | |
| Laurentide Re-sources Atlantic Inc. | |
| 9322 Rue Main | Processing Facility |
| Richibucto, NB E4W 4C7 | |
| Société Laurentide Inc. | |
| 345 Bulstrode Street | Processing Facility |
| Victoriaville, QC G6T 1P7 | |

4.2. POST-CONSUMER PAINT MANAGEMENT

All paint collected through the Program was sent to the Laurentide Re-sources Atlantic Inc. facility in Richibucto, NB for processing. In 2024, a total of 3,439 tubskids of leftover paint were delivered to the Laurentide facilities for processing.

During the reporting period, Laurentide processed (i.e., opened, sorted and bulked into shipping containers) 3,431 tubskids of paint/aerosol. These volumes processed included some tubskids that were in their inventory from 2023.

Table 4 shows the volume of post-consumer paint shipped to processors and the volume processed by tubskids) and by residual volume (litres). Volumes collected but not shipped, or shipped but not processed, were managed in the following reporting year.

Table 4: Volume of Post-Consumer Paint Received and Processed in 2024

| Item | Number of Tubskids ⁷ | Residual Paint Volume (L) ⁸ | Residual Aerosol Paint Volume (L) ⁹ | Total Residual Paint Volume (L) |
|--------------------------------|------------------------------------|---|---|------------------------------------|
| Volume Shipped to Processor | 3,439 | 474,926 | 3095 | 478,021 |
| Volume Processed4 | 3,431 | 473,692 | 3148 | 476,840 ¹⁰ |

The number of paint containers managed in 2024 at Laurentide Re-sources and the number of containers of nonprogram materials collected is set out in Table 5.

Table 5: Number of Paint Containers Managed in 2024 at Laurentide Re-Sources Atlantic Facility

| | # of Containers |
|--------------------------------|-----------------|
| Paint containers | 406,315 |
| Non-program containers | 9,534 |
| Total containers ¹¹ | 415,849 |
| % of non-program containers | 2.3% |

Metal and Plastic Containers Collected and Processed

Table 6 lists the amount of metal and plastic containers collected and recycled in 2024. Not all plastic containers collected in 2024 were recycled within the same year. The remaining plastic containers will be processed in 2025.

¹¹ Includes aerosol containers.

⁷ Tubskid dimensions (42" x 42" x 48") with a nominal capacity of 108 one-gallon containers. The actual number of paint containers per bin varies depending on the mix of paint container sizes, ranging from 250ml – 18.9L capacity.

⁸ The total residual volume of paint processed is calculated based on the total number of tubskids collected multiplied by a conversion rate of 138.1 L per tubskid. The conversion rate is derived by dividing the total actual residual paint processed by the number of tubskids processed in the same year. Residual paint volume from tubskids has been rounded up. This conversion rate includes both water-based and oil-based paints.

⁹ For the purposes of estimating volume, a rounded conversion rate of 0.9 L per collected tubskid was used as the conversion factor. The conversion factor was derived from the number of tubskids processed and the average number of aerosol cans per tubskid, multiplied by a historic residual volume per can from sampling.

Table 6: Metal and Plastic Containers Collected and Recycled in 2024

| Container Type | Collected (tonnes) | Recycled (tonnes) |
|-------------------------|--------------------|-------------------|
| Metal | 101.5 | 101.5 |
| Plastic (HDPE 2) | 8.7 | 5.8 |
| Plastic (polypropylene) | 56.7 | 37.9 |

Table 7 lists processors and management processes for metal and plastic containers. Metal containers (paint containers and paint aerosol containers) were sent to scrap metal recyclers, comingled, and processed with various other metal products. The processed scrap metals are then sold as a commodity and eventually end up being recycled at a smelter. Plastic containers are sent to be converted into kerosene and diesel.

Table 7: Metal and plastic container processors with their management processes

| Name of processors | Location | Management process |
|--------------------|---------------|---|
| DR Metal Recycling | New Brunswick | Processed with other scrap metal and sold as a metal commodity |
| Sustane Tech | Nova Scotia | Plastic containers are converted into kerosene and diesel |

4.3. PRODUCT MANAGEMENT

The following sections describe the methods employed by the Program to manage post-consumer paint.

Reuse (PaintShare Program)

The PaintShare Program makes better quality paint returned to collection sites available to the public to take and use at no cost. The collection sites record and report the number of containers given away. This is a highly efficient way to achieve reuse, as the paint does not require transportation and reprocessing.

In 2024, the PaintShare Program gave away an estimated 3,342 liters of paint to consumers at no cost. Product Care continues to encourage collection sites to participate in the PaintShare program. The estimated volume of reuse was calculated based on the assumption that each container was, on average, 75% full.

Recycling

At the Laurentide Re-sources processing facility, paint containers were removed from the collection bins, inspected, opened, sorted by type, colour and quality, and poured into shipping containers according to management options. Paint that was of recyclable quality and had been bulked at the Laurentide Resources Richibucto processing facility was either transported to Peintures Recuperees du Quebec (PRQ), an affiliated processor in Victoriaville, QC, or sent to customers located offshore. Table 8 provides the quantities of water-

based paint and oil-based paint that were recycled and reprocessed as paint. The diminishing market for oil-based paint has made it increasingly difficult to recycle. Consequently, while limited amounts of oil-based paints continue to be recycled, a large portion of the volume was sent for energy recovery.

| Туре | Litres | Percentage of Total Paint Recycled |
|-------------------|---------|---------------------------------------|
| Water-based paint | 323,444 | 90% |
| Oil-based paint | 36,908 | 10% |
| Total | 360,352 | 100% |

Table 8: Type and Quantity of Paint Recycled in 2024

Aerosol Paint Management

The residual volumes of paint recovered from paint aerosols were very small (0.66%) of all paint processed in 2024 and represent a variety of product formulations that limit options for recycling. Paint aerosol containers were punctured, the propellant filtered through activated carbon and the contents drained. The residual paint was used for energy recovery.

Energy Recovery

Not all oil-based paint collected is of suitable quality for recycling. In some cases, the paint may be in the form of skins or sludge, of an undesirable color, contaminated, or of the wrong chemistry for paint recycling. In addition, regulations such as the Federal VOC Regulations, require more stringent limits on certain chemical constituents, which tend to be found in higher concentrations in older paints, making it difficult to recycle. Finally, the market for recycled oil-based paint is significantly smaller than that for water-based products and demand continues to decline.

Due to the high oil content of oil-based paints, these products are suitable for energy recovery. Oil-based paint collected by the Program that was not suitable for recycling was used as an alternative energy source in applications such as permitted incinerators. During the reporting period, 36,743 litres of oil-based paint and paint from paint aerosols processing were blended with other fuels and utilized for energy value at licensed facilities.

Incineration

During the reporting period, no material was sent for incineration.

Landfill

The sorting and bulking of the water-based paint by Laurentide Re-sources generated 79,745 litres of non-recyclable water-based sludge/solid, which was solidified and disposed of at an engineered landfill.

4.3.1. PERCENTAGE OF POST-CONSUMER PAINT BY MANAGEMENT METHOD

In 2024, the Program achieved a reuse and recycling rate of 75.7 percent for paint, and 100 percent for containers, exceeding the 70 percent targets in the Program Plan. Table 9 below shows the breakdown of post-consumer paint and empty containers that were reused, recycled, recovered for energy or disposed of in an engineered landfill. Paint is shown in litres and as a percentage, and empty containers are shown in tonnes and as a percentage.

Table 9: Management Post-Consumer Paint and Containers

| Post-Consumer Paint (litres) | | | | |
|------------------------------|-----------------|------------|--|--|
| Method | Volume (litres) | Percentage | | |
| Reuse – PaintShare Program | 3,342 | 0.7% | | |
| Reuse – Paint Recycling | 360,352 | 75% | | |
| Energy Recovery | 36,743 | 7.7% | | |
| Landfill | 79,745 | 16.6% | | |
| Incineration | - | - | | |
| Total | 480,182 | 100% | | |
| Paint Containers (tonnes) | | | | |
| Method | Volume (tonnes) | Percentage | | |
| Reuse | - | - | | |
| Recycle | 166.9 | 100% | | |
| Energy Recovery | - | - | | |
| Landfill | - | - | | |
| Incineration | - | - | | |
| Total | 166.9 | 100% | | |

Figure 2 below shows the percentage of post-consumer paint by management method from 2021 to 2024.

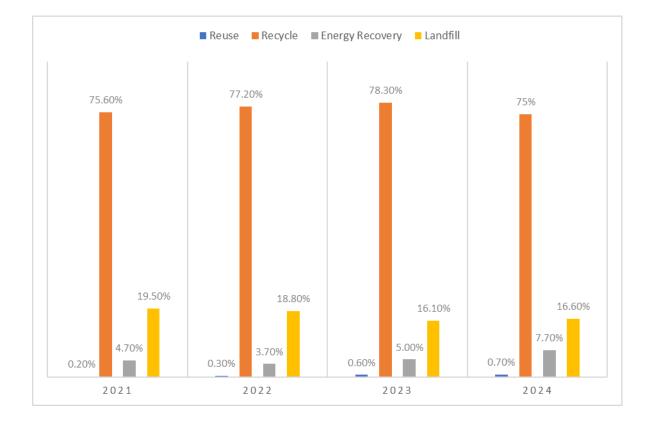


Figure 2: Paint by Management Method (2021-2024)

4.4. DESIGN FOR ENVIRONMENT

Product Environmental Impact Reduction, Reusability and Recyclability

The paint and coatings industry has been working tirelessly to make their products safer for the environment. This effort is driven by the growing awareness of the negative impact of chemical products on the environment. In recent times, the industry has made significant strides towards reducing the environmental impact of their products. The industry's offerings are not only becoming safer to handle but are increasingly eco-efficient, reflecting the latest available science. The industry evaluates the impacts of their products along their entire life cycle and continuously develops new offerings. Sustainable production processes are top priorities.

Beyond their primary function of protecting built infrastructure, coatings are also essential components in the production processes of various industries. Functional coatings provide additional properties to materials, leading to upgraded infrastructure, innovative products, and resource efficiency.

Here are some measures that the industry is taking to make their products more environmentally friendly:

Transition to Water-Based Paints

The paint industry has increasingly favored water-based (latex) paint products over oil-based (alkyd) paints in the last decade, significantly impacting the architectural paint sector. In the past five years, there has been an additional 10% shift toward water-based paints. According to representatives from the Canadian paint industry, this transition has led to a reduction of around 44 kilotonnes of volatile organic compound (VOC) emissions over the past 15 years.

VOC Reduction in Paint Formulation and Future Trends

Paint manufacturers are actively finding ways to reduce volatile organic compounds (VOCs) in their products, though achieving zero VOC might take time. Regulations and innovations in biobased products are driving the reduction of VOCs. Proposed regulations for VOC in architectural paints, industrial, commercial adhesives & sealants, and auto refinish coatings are expected to further reduce VOC emissions.

Several of our members offer Greenguard-certified paint products, which help consumers easily identify options that meet rigorous third-party standards for low chemical emissions. This certification supports healthier indoor environments and reinforces consumer confidence in making sustainable choices.

According to representatives from the Canadian paint industry, low-VOC and VOC-free paints now account for approximately 50% of all paint sold, particularly within the architectural and decorative segments. The widespread adoption of these formulations reflects both regulatory progress and growing consumer demand for safer, more environmentally responsible products.

Industry is steadily increasing the use of bio-based ingredients. Suppliers are offering more plant-derived and renewable inputs for formulations, replacing traditionally petroleum-based or toxic substances. It is expected that these reformulation trends will result in a further decrease of approximately 2 kilotons of VOC emissions over the next 5 years.

Sustainable Packaging Innovations in the Paint Sector

The paint industry is witnessing a notable shift towards more sustainable packaging solutions, as companies increasingly adopt materials with higher recycled content. Currently, some industry players are utilizing packaging that contains 15% recycled content, contributing to a circular economy. There is also an industry-wide goal to achieve 50% recycled content by 2030. This aligns with federal mandates aiming for significant reductions in non-recyclable packaging materials. The composition of these recycled materials varies, with plastics and other innovative components being considered to meet these evolving standards.

Additionally, the sector is exploring alternative materials, like cellulose and seaweed, to reduce reliance on traditional, less environmentally friendly packaging options. These efforts are part of a broader industry commitment to decrease non-recyclable material usage by 10% by 2030, in line with governmental objectives.

5. COMMUNICATION AND EDUCATION

Consumers are an integral component of the recycling ecosystem; without their participation, responsible endof-life management of consumer products cannot be achieved. For this reason, a concerted communications strategy must be deployed to ensure consumers of regulated products:

- 1. Are aware that the product can be recycled; and
- 2. Know the steps/process for how to recycle said product.

The Program encourages consumers to buy the right amount of a consumable product for their needs resulting in less waste and a reduction in the volume of product needlessly purchased. This is achieved through the "BUD" Rule, promoted through the Program website and promotional material, which encourages consumers to:

- Buy no more than you need.
- Use all that you buy, and
- Dispose of leftovers safely.

In 2024, Product Care Recycling implemented a range of promotion and education activities as part of our communication plan to meet these objectives, complying with our obligations in section 18(F)(1)(h).

5.1. STRATEGY

Consumers of the program's products are diverse; they range across demographics and vary in their purchase, use, and disposal behaviour. Recognizing these nuances and that different segments of our audience will access information in different ways and at different times, we utilize a multi-channel approach for communication activities. This comprehensive strategy ensures broad market coverage, giving consumers a variety of ways to receive and access information about the program.

5.2. ACTIVITIES

Manage an online information hub for consumers

Product Care owns and manages productcare.org that serves as a program information hub. The site is consumer-facing and has been designed to meet their specific needs. Website content includes:

- Recycling locator:
 - Interactive map displaying the locations of *all* paint collection sites within the province, along with their hours of operation and contact information (see <u>Appendix 2</u>).
- Program information
 - o Listing of accepted and non-accepted products, along with tips for drop-off
 - Program funding and Environmental Handling Fees
 - Videos describing the recycling process

 Dedicated page for PaintShare program, educating consumers on opportunity for to access free paint and how collected paint is utilized

Provide toll-free number and email address to respond to consumer questions and provide information

To increase access to information regarding recycling for Nova Scotia residents, Product Care manages a consumer-facing toll-free number and email address.

Provide printed educational assets to Points of Sale (PoS) and Point of Return (PoR) sites

The optimal time to educate a consumer that a product is recyclable is at the time of purchase. Similarly, informing consumers who regularly recycle that other products they may own can *also* be recycled is equally valuable, as these consumers are already demonstrating an interest in recycling. For these reasons, Product Care has a suite of printed educational materials that are available at no cost to retailers or collection sites. Online forms available on both websites facilitate ease-of-ordering and shipment.

Execute multi-channel advertising campaign

Advertising campaigns are a proactive mechanism to reach consumers and influence their future behaviour. To maximize the effectiveness of these efforts, we undertake a multi-channel approach, utilizing a mix of traditional and digital platforms. Campaigns are released across the province, targeting both rural areas and urban centres.

Advertising with product purchase and usage trends is coordinated to maximize the relevance and effectiveness of campaigns with residential and commercial audiences. For instance, warmer summer months coincide with high volumes of paint in our collection network and increased traffic to the online recycling locator. As a result, we Invest In additional digital and traditional campaigns from April to September. We also maintain a year-long Google Search advertising campaign to capture consumers deliberately seeking information regarding paint recycling.

Digital advertising (Video, display, social)

Digital advertisements appear on websites, apps, and social media platforms through targeting and tracking technology. A suite of Product Care branded assets across formats (text, graphic, video, etc.) (see <u>Appendix 3</u>) are distributed through the Google Display Network and Meta Audience Network and are displayed to relevant consumers based on their demographics, interest, browsing behaviour, or past online interactions. Based on their ability to target a specified audience (consumers of paint products), digital advertisements form a foundational component of our advertising strategy.

Streaming channels

Video advertisements on the streaming platform Spotify help us reach audiences beyond traditional digital and social channels. Not only are these ads shown when users are actively engaging with the app, ensuring high visibility, by leveraging video on a platform primarily known for audio content, advertisements uniquely stand out.

Traditional channels

Traditional advertising supports our multi-channel strategy by reaching those not actively engaged online. In 2024, linear television advertisements (Global & CBC), provided a tangible brand presence for the stewardship program.

Consumer awareness

Product Care coordinates consumer awareness surveys to validate the impact of our promotion and education activities for the provincial stewardship programs we oversee. A reputable third party conducts the surveys every two years, compiling responses by program product and by province. Harmonizing the biennial process between provincial programs achieves cost and resource efficiencies.

The 2024 survey found that 84% of Nova Scotia respondents who purchased paint are aware it can be recycled in the province, a 1% increase from 2022's results, surpassing the Program Plan's target of 75%.

| Year | Target | Actual |
|------|---------|--------|
| 2024 | 75% | 84% |
| 2022 | 60%-70% | 83% |

Table 10: Biennial Consumer Awareness Survey Targets and Results 2022-2024

6. FINANCIAL INFORMATION

Product Care's audited financial statements are attached in Appendix 4.

APPENDIX 1 – COLLECTION SITES

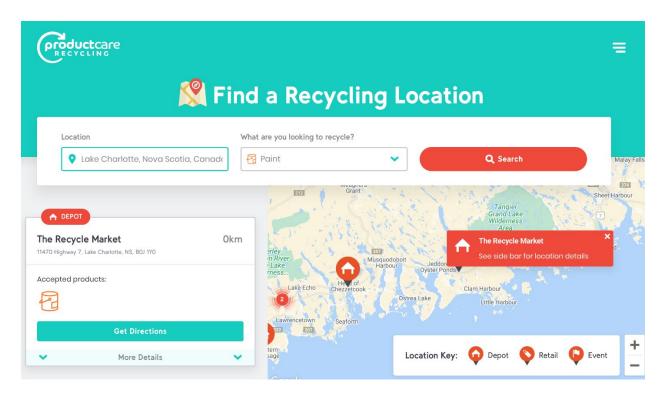
| Region | Collection site | City |
|-------------|---|-------------------|
| | Admiral Recycling Ltd. | Port Hood |
| | Burke's Recycling Depot Ltd | Louisbourg |
| | Camdon Recycling Limited | Edwardsville |
| | Cheticamp Recycling | Cheticamp |
| | Glace Bay Recycling Ltd. | Glace Bay |
| | Kenloch Waste Management Facility | Inverness |
| | Isle Madame Bottle Exchange | Arichat |
| Cape Breton | Keltic Recycling Inc | Sydney River |
| | Municipality of C. of Victoria-Baddeck Landfill | Baddeck |
| | Dingwall Transfer Station | Dingwall |
| | North Sydney Recycling | North Sydney |
| | St. Peter's Bottle Exchange | St. Peter's |
| | Strait Bottle Exchange | Port Hawkesbury |
| | Total Recycling Ltd. | Sydney |
| | Triple B Recycling Depot | Sydney |
| | Beech Hill Waste Management Site (County of Antigonish) | Antigonish |
| | Decoste Recovery Depot | Tracadie |
| | MacMillian's Service Center Ltd | Lower South River |
| Eastern | Mason's Recycling Centre | Canso |
| | Mount William Waste Management Site (Pictou County SWM) | Mount William |
| | Guysborough Waste Management Facility | Guysborough |
| | St. Mary's Transfer Station | Sherbrooke |
| | 3K Enviro Depot | Sheet Harbour |
| | Beaver Redemption & Recycling | Halifax |
| | Bluenose Bottle Exchange | Dartmouth |
| | Bluewater Recycling Corp. | Bedford |
| | Bluewater Recycling Corp. | Goodwood |
| | Burnside Recycling | Dartmouth |
| Halifax | Canadian Recycling Limited | Dartmouth |
| | Clifton Recycling Centre | Halifax |
| | E.T. Bottle Exchange | Dartmouth |
| | O'Connell's Recycling | Lower Sackville |
| | Friends Depot | Ingramport |
| | Green Tree Recycling Depot | Lower Sackville |
| | Greenleaf Recycling Limited | Porter's Lake |

| Region | Collection site | City | |
|----------|--|-------------------|--|
| | Halifax Hazardous Waste Depot | Halifax | |
| | Karen's Recycling Ltd. | Dartmouth | |
| | Matt's Bottle Exchange | Eastern Passage | |
| | Preston Recycling | East Preston | |
| | Dulux Akerly | Dartmouth | |
| | Dulux Halifax | Halifax | |
| | Dulux Tacoma | Dartmouth | |
| | Rona - Pierceys Almon | Halifax | |
| | Rona - Pierceys Elmsdale | Elmsdale | |
| | Rona - Pierceys Tantallon | Upper Tantallon | |
| | Tanner's Transfer | Halifax | |
| | The Recycle Market | Lake Charlotte | |
| | Timberlea Bottle Exchange | Timberlea | |
| | A & J Superette | Joggins | |
| | Cumberland Central Landfill | Little Forks | |
| | Durant's Enviro Depot | Parrsboro | |
| | East Hants Waste Management Centre | Georgefield | |
| | Elmsdale Recycling Ltd | Elmsdale | |
| | John Ross & Sons Ltd. | Truro | |
| | Keep Garbage Beneficial Inc | Pugwash | |
| | M&R Recycling | Springhill | |
| Northern | Moore Nickels & Dimes for You Recycling | Oxford | |
| | Municipality of Colchester | Debert | |
| | New Germany Enviro Center | New Germany | |
| | Nova 4 Enviro Ltd. | Amherst | |
| | Rawdon Recycling | Upper Rawdon | |
| | Subway Bottle Exchange | Truro | |
| | T'N'T Recycling | Shubenacadie East | |
| | Tatamagouche Recycling Depot | Tatamagouche | |
| | Two Capes Recycling (Advocate Country Store Inc.) | Advocate Harbour | |
| | Adam's Bottle Exchange Limited | Gold River | |
| | Cogmagun Landfill Site | Cogmagun | |
| | Corkum Recycling Limited | Lunenburg | |
| | Harlow Construction Limited | Shelburne | |
| | Municipality of Barrington – Construction and Demolition Debris Disposal Site | Barrington | |
| | Municipality of Shelburne HHW Depot | Shelburne | |

| Region | Collection site | City | |
|--------------|--|---------------------|--|
| South Shore/ | Municipality of the District of Chester - Kaizer Meadow Landfill | Sherwood | |
| | Lunenburg Regional Community Recycling Centre | Whynotts Settlement | |
| West Hants | The Region of Queens Waste Management Facility (landfill) | Milton | |
| | O'Leary's Bottle Depot | Windsor | |
| | Oak Park Bottle Exchange | Barrington | |
| | Queen's Enviro Centre | Brooklyn | |
| | Victor & Douglas Oickle's Bottle Exchange | Bridgewater | |
| | Windsor Recycling Depot | Windsor | |
| | Beehive Adult Service Center | Alyesford | |
| | Greenwood Recycling Centre | Greenwood | |
| | Lequille Enviro Depot | Annapolis Royal | |
| Valley | L.W. Layton Salvage Ltd. | Canning | |
| valley | New Minas Recycling | New Minas | |
| | Valley Recycling | Greenwich | |
| | Valley Waste - Eastern Waste Management Centre | Kentville | |
| | Valley Waste - Western Waste Management Centre | Lawrencetown | |
| | Comeau's Bottle Exchange | Meteghan Centre | |
| | Digby Salvage & Disposal | Digby | |
| Western | Municipality of Clare Transfer Station | Meteghan | |
| VVESLEIII | Paperchase Bottle Exchange Ltd. | Yarmouth | |
| | Yarmouth County Transfer Station | South Ohio | |
| | Webber's Bottle Exchange | Digby | |

APPENDIX 2 – "FIND A RECYCLING LOCATION" TOOL

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



APPENDIX 3 – PROMOTION AND EDUCATION MATERIALS

Print Advertising

CPCA INSIGHT magazine



French

Website

Blog Posts



Create new colours with latex paint mixing

24th October 2024



How to have an Eco–friendly Thanksgiving 2024

3rd October 2024



30 recycling fun facts to celebrate 30 years

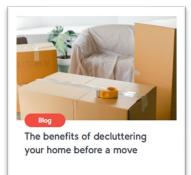
10th September 2024





Illegal dumping – Why you should never abandon products at a recycling location

21st August 2024



14th August 2024



Home touch–ups: Keeping your home vibrant and eco–friendly

31st July 2024



Millions of products diverted from landfills with responsible waste management

1st July 2024



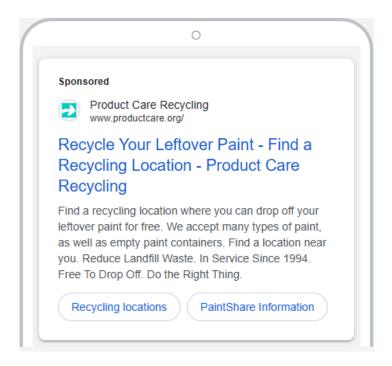
Product Care Recycling Celebrates 30 Years

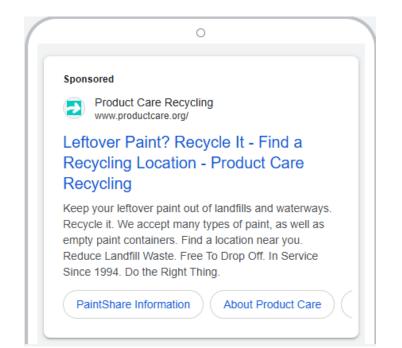
17th June 2024

Advertising Formats

Text Ads

Used for Google Search





Video

Used for TV, YouTube, and Social media (Vertical and square versions were used as well).



productcare.org

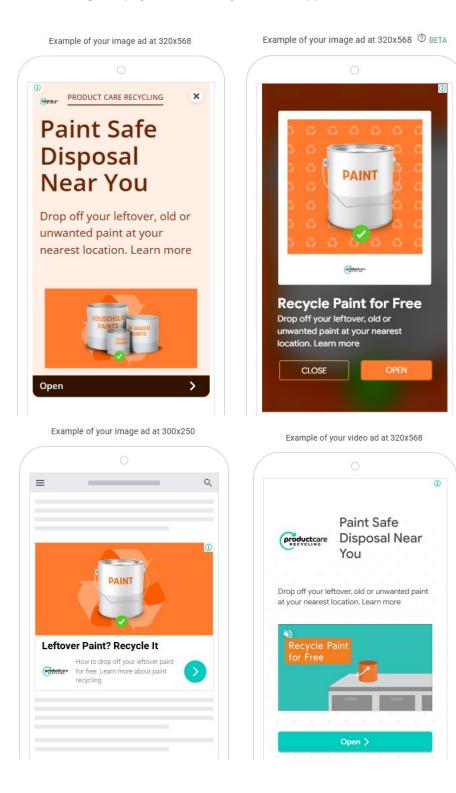
Image Banners

Used for Google Display Network (Including YouTube)



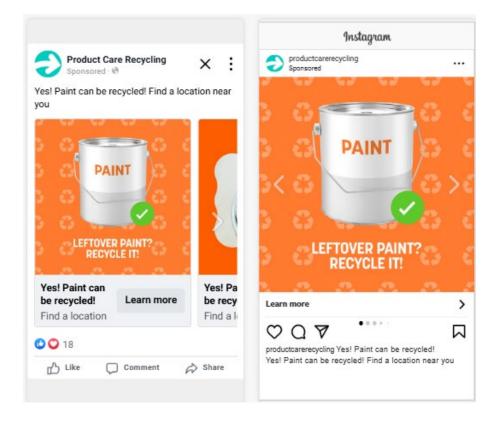
Responsive Ads

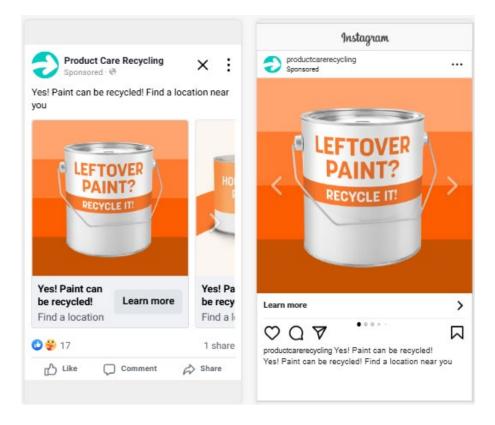
Used for Google Display network, mainly for mobile Apps and websites



Carousel Ads

Used for Meta Ads (Facebook & Instagram)





PoR and PoS Materials

PoR/PoS Brochures

Want free leftover paint for a project?

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

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

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

f ♥ ⊘ #paintshare

How is Product Care funded?

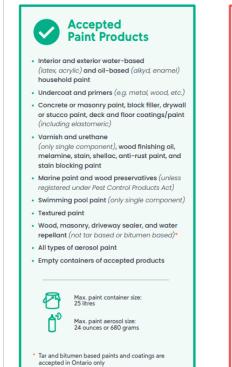
Product Care Recycling programs are funded by environmental handling fees (EHFs), which are remitted to us by our paint industry members.

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

For specific product fees, visit **productcare.org**.







Always remember the BUD Rule:

Buy no more than you need Use the paint you buy Prop off the leftovers for recycling

- Not Accepted Products
- Unidentifiable, unknown, unlabelled, and non-original containers
- Containers with poor integrity (e.g. badly rusted, leaking, bulging, improperly sealed)
- Non-aerosol industrial paints and finishes (e.g. baked-on, heat resistant, etc.)
- Roof patch and repair, tar or tar/bitumen based products*
- Patching stucco and spackling compoundsCaulking compound, epoxies, glues, and
- adhesives
- Non-aerosol traffic or line marking paint
- Non-aerosol craft or automotive paint
- Brushes, rags, and rollers
- Two-part or component paints containing catalyst or activator
- Colourants and tints
- Paint thinner, resins, mineral spirits, and solvents
- Waxes, polishes, sealants, and other household products
- Paint mixed with other products
- Products registered as a pesticide under the Pest Control Products Act (has a P.C.P. registration number on label)
- Paint for skating rinks and curling club floors
- Household cleaners

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

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



Have large volumes of leftover paint?

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

Who is Product Care?

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

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

productcare.org 1–877–592–2972 In BC: 1–800–667–4321



PoR/PoS Posters







APPENDIX 4 – AUDITED FINANCIAL STATEMENTS

PRODUCT CARE ASSOCIATION OF CANADA NOVA SCOTIA PAINT RECYCLING PROGRAM

STATEMENT OF REVENUES AND EXPENSES

31 DECEMBER 2024

PRODUCT CARE ASSOCIATION OF CANADA NOVA SCOTIA PAINT RECYCLING PROGRAM Statement of Revenues and Expenses

For the year ended 31 December 2024

Contents

| Independent Auditors' Report | |
|---|-------|
| Statement of Revenues and Expenses | 6 |
| Notes to the Statement of Revenues and Expenses | 7 - 8 |



INDEPENDENT AUDITORS' REPORT

To: Nova Scotia Environment

Report on the Audit of the Statement of Revenues and Expenses

Opinion

As required by the Nova Scotia Solid Waste-Resource Management Regulation - Environment Act Section 102 (18(F(I))), we have audited the Statement of Revenues and Expenses of the Nova Scotia Paint Recycling Program (the "Statement") as reported by Product Care Association of Canada (the "Association") for the year ended 31 December 2024 and a summary of significant accounting policies and other explanatory information.

In our opinion, the Statement presents fairly, in all material respects, the revenue and expenses of the Nova Scotia Paint Recycling Program for the year ended 31 December 2024 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 Nova Scotia 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 Nova Scotia 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, Berson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada 25 May 2025

PRODUCT CARE ASSOCIATION OF CANADA NOVA SCOTIA PAINT RECYCLING PROGRAM

Statement of Revenues and Expenses

For the year ended 31 December 2024

| | | 2024 | 2023 |
|--|--------|--------------|-----------|
| Revenues | \$ | 1,385,964 \$ | 1,372,198 |
| Program expenses | | | |
| Processing | | 1,001,726 | 793,959 |
| Administration (Note 2(b), (d) & (e)) | | 201,172 | 161,939 |
| Collection | | 193,894 | 178,215 |
| Transportation | | 136,624 | 136,609 |
| Communications | 37,251 | | 33,146 |
| | | 1,570,667 | 1,303,868 |
| (Deficiency) excess of revenues over expenses for the year | \$ | (184,703) \$ | 68,330 |

Commitment (Note 3)

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

1. Basis of Presentation

The Statement of Revenues and Expenses (the "Statement") only includes the revenues and expenses related to the Nova Scotia Paint Recycling Program (the "Program"), a segment of the operations of Product Care Association of Canada (the "Association").

2. Summary of Significant Accounting Policies

The Statement is prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant 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 Nova Scotia. The Association recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Environmental Handling Fees revenues are recognized as individual members report and remit them as required by the Association's membership agreement which is at the end of the month following the reporting period that the designated program materials were sold by the member.

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

(b) Tangible Capital Assets

Tangible capital assets are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rate is as follows:

Depot equipment 3 years

Included in administration expense is \$5,425 (2023 - \$7,005) of amortization expense related to tangible capital assets.

PRODUCT CARE ASSOCIATION OF CANADA NOVA SCOTIA PAINT RECYCLING PROGRAM Notes to the Statement of Revenues and Expenses For the year ended 31 December 2024

2. Summary of Significant Accounting Policies - continued

(c) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for notfor-profit organizations requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses and disclosure of contingencies included in the Statement. Accounts subject to estimates include revenue accruals, expense accruals, amortization, the allocation of overhead and salaried and wages expenses and processing commitments. Actual results could differ from those estimates.

(d) General and Administrative Expenses - Overhead Allocation

A portion of the total general and administrative expenses of the Association, net of expense recoveries, has been allocated to the Program. The general and administrative expenses include certain payroll which has not been directly charged to a 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 \$94,587 (2023 - \$85,332) of overhead expense which has been allocated to the Program.

(e) Salaries and Wages Expense

During the year, the Association updated its methodology for charging salaries and wages expense to the Program for certain employees that have been identified as having direct involvement in the program. Previously, these costs were either included in the overhead allocation (Note 2(d)) or charged directly to the Program. Beginning in the 2024 fiscal year, the salaries and wages expense for these employees are charged to the Program based on management's estimate of the employee time spent on the Program. This change in presentation has been accounted for prospectively in the Statement. Included in administration expense is \$30,078 of wages and salaries expense which has been charged to the Program.

3. Processing Commitment

At year end, the Association had unprocessed program materials on hand related to the Program with an estimated cost to process, transport and recycle of \$30,059 (2023 - \$18,348) which will be incurred in 2025.

RESPONSIBLE, TOGETHER.