

New Brunswick Paint Program

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Submitted by: Productor

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1 About Product Care

The New Brunswick 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 all regulated post-consumer paints and aerosols.

Product Care is a federally incorporated, not-for-profit product stewardship association, formed in response to stewardship regulations and governed by a multi-sector industry board of directors. Product Care has developed and managed paint, 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 Designated Materials Regulation 2008-54 ("Regulation") under the category of architectural paint.

1.1 Reporting Period

This report covers the 2023 calendar year (January 1 to December 31, 2023). All content has been prepared in accordance with section 45(1) of the Regulation.

1.2 Program Summary

Product Care has had an approved paint stewardship program plan with Recycle New Brunswick ("Recycle NB") operating in accordance with the Regulation since 2009. This annual report summarizes the performance for the reporting year 2023 in accordance with the requirements set out in the Program Plan.

"Program Products" are defined by the Regulation as "a tinted or untinted water-based, oil or solvent-based architectural coating used for commercial or household purposes, including stain, and includes the coating's container" or a "coloured or clear paint or stain sold in an aerosol container and includes the paint's or stain's container, but does not include coatings intended for marine antifouling, industrial or automotive applications". A detailed list of products accepted by the Program is found on Product Care's website (https://www.productcare.org/products/paint/new-brunswick/).

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 New Brunswick. The fees are used to operate the Program, including collection, transportation and management of leftover paint, as well as program administration and consumer education.

The Program offers collection sites throughout the Province where consumers can bring leftover household paint. Collection services are offered through redemption centres, retail locations, local government recycling/waste facilities and collection events. The Program supplies collection sites with standard reusable collection containers ("tubskids" and drums). The Program contracts with a hauler to deliver empty collection containers and pick-up full ones from collection sites and events, and consolidate the full collection containers into loads, which are shipped to a processor for processing. Additional Program elements managed by Product Care include revenue management, communications, and administration.

2 Brand Owner Information

As of December 31, 2023, 71 Brand Owners were registered under the Program (<u>Appendix 1</u> provides a list of registered Brand Owner's). Program members reported the sale of approximately 4,638,961 litres¹ of Program Products in New Brunswick for the reporting period.

3 Collection

The following section provides the total amount of post-consumer paint collected in New Brunswick, as well as the location of collection sites.

3.1 Total Amount of Post-Consumer Paint Collected

In accordance with section 45(1)(a) of the Regulation, Table 1 below shows the total amount of post-consumer paint collected by the Program for the 2023 reporting period.

Table 1: Total Amount of Post-consumer Paint Collected in 2023

Item	Number of tubskids ²	Number of Aerosol Drums ³	of Residual Paint Aerosol Volume from Paint		Paint Share volume (L) ⁶	Total Residual Paint Volume (L)
Volume Collected	2,271	226	279,787	1,215	539	281,541

Table 2 provides the 2023 recovery rate, which is the volume of paint collected as a function of the volume of paint sold in New Brunswick in 2023. It also shows the volume available to collect as a function of sales and the calculated capture rate for 2023.

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

² Each collection bin (tubskid) measures 42 x 42 x 48" with a nominal capacity of 108 one-gallon containers.

³ Each drum holds approximately 175 aerosol containers.

⁴ To determine the residual volume of paint collected from tubskids, the number of tubskids collected is multiplied by a conversion rate of 123.2 L per tubskid. Residual paint volume from tubskids has been rounded up. This conversion rate is obtained by dividing the total actual residual paint extracted (including both water-based and solvent-based) by the number of tubskids processed in the same year. Solvent-based paint that was not processed in 2022 was processed in 2023, resulting in higher residual paint volumes (see Section 3.1.1).

⁵ Based on a conversion rate of 5.25 liters per drum for 226 aerosol drums, plus 0.114 liters per aerosol can for 249 aerosol cans shipped in paint tub skids, which were separated and processed by the paint processor.

⁶ PaintShare volume is calculated assuming that containers are 75% full.

Table 2: 2023 Paint Sales, Residual Recovery Volume, Recovery Rate, Available to Collect and Capture Rate

	Total
Sales (litres)	4,638,961
Residual Recovery Volume (litres)	281,541
Recovery Rate (%)	6.1%
Total Available to Collect (litres) ⁷	422,145
Available to Collect (%) ⁸	9.1%
Capture Rate (% collected/available)	66.7%

In 2021, the 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. It is important to acknowledge that any sampling and surveys have a degree of uncertainty. Factors such as sample size, selection methodology, question phrasing, and response rates can all contribute to variations in results, limiting their precision. Therefore, the results of the study only serve as a general estimate when evaluating program performance. Overall, the results highlight that the New Brunswick paint program has been successful.

3.1.1 2022 Recovery Rate

In the 2022 Annual Report, Product Care reported a recovery rate of 5.6%. This figure was calculated using limited actual processed and estimations of solvent-based paint due to the temporary storage of solvent-based paint in 2022. Product Care is restating the 2022 solvent-based residual volume to reflect the actual residual volumes of solvent-based paint for 2022 as opposed to using estimations. The revised residual volume for 2022 is 261,413 L, and the restated recovery rate is 5.3%. In future reports, Product Care will use actual residual volumes from processing to minimize the need for estimation.

Table 3 shows the total amount of paint tubskids and aerosol drums collected by the individual regions of New Brunswick.

⁷ The 2023 total available to collect volume was calculated based on the results of the Atlantic Availability to Collect Study conducted in 2021.

⁸ The Atlantic Availability to Collect Study conducted in 2021 established the percentage of available to collect as 9.1% for 2021-2026.

Table 3: Collection Containers Collected by Region in 2023

Regional Service Commissions	Paint (tubskids)	Aerosol (drums)
Acadian Peninsula	98	4
Chaleur	95	11
Fundy	452	29
Kent	65	4
Miramichi	89	2
Northwest	89	14
Restigouche	76	12
RSC 8	87	7
RSC 11	314	6
Southeast	755	130
Southwest	69	3
Western Valley	82	4
TOTAL	2,271	226

3.2 Collection Sites

As of December 31, 2023, 61 collection sites were participating in the Program, exceeding the program commitment of 60 collection sites. See Table 4 for the breakdown of collection site changes in 2023.

Table 4: Collection Site Changes in 2023

# of Collection Sites		Changes
2023	61	1 site closed
2022	62	No sites closed or opened

In accordance with section 45(1)(f) of the Regulation, <u>Appendix 2</u> provides details on the collection sites, including location and participation in the PaintShare program.

3.3 Collection Site Visits

In accordance with the program commitment "to visit all depots biennially to ensure adequate training", a Product Care representative visited 61 collection sites in 2023 (see list in Table 5 below) and 54 collection sites in 2022, providing in-person support to the collection site staff, delivering informational brochures and providing any necessary training. Every site has been visited at least once in the previous two years, thus fulfilling the Program's obligations.

Table 5: Collection Sites Visited in 2023

Collection Site Name	Date of Visit	Municipality	County
Airport General Store	May 11	Saint John	Saint John
Baie Ste Anne Home Building Centre	July 12	Baie Ste Anne	Northumberland
Betts Home Hardware Building Centre	July 6	Doaktown	Northumberland
Billy's Bottle Exchange (Atholville)	August 29	Campbellton	Restigouche
Billy's Bottle Exchange (Dalhousie)	August 29	Dalhousie	Restigouche
BMR D.E Landry (formerly RONA #2125)	August 1	St Francois de Madawaska	Madawaska
BMR Parent - Kedgwick (formerly RONA #7786)	August 1	Kedgwick	Restigouche
BMR Parent - Saint-Quentin (formerly RONA #7200)	August 1	St Quentin	Restigouche
Boyd Bros. Home Hardware Building Centre	May 30	St George	Charlotte
Brooks Redemption Centre	July 31	Southhampton	York
Caissie Home Hardware Building Centre	July 6	Rogersville	Northumberland
Canadian Tire Oromocto	July 6	Oromocto	Sudbury
Caraquet Centre De Renovation Home Hardware	August 30	Caraquet	Gloucester
Carpet Ranch / Grange a Tapis	August 29	Beresford	Gloucester
Centre de remboursement SAMJ	August 29	St Quentin	Restigouche
Centre De Remboursement Shippagan Les Iles Ltee	August 30	Shippagan	Gloucester
Centre de Transboursement	August 30	Tracadie	Gloucester
Dupuis Home Hardware Building Centre	April 24	Memramcook	Westmorland
Fredericton Region Solid Waste - Landfill	July 31	Fredericton	York
Fundy Regional Service Commission - Crane Mountain Landfill	May 11	Saint John	Saint John
Golden Mile Redemption Centre	May 11	Saint John	Saint John
Gorbers Bottle Exchange	June 16	Moncton	Westmorland
Grand Bay Redemption Centre	May 11	Grand Bay- Westfield	Kings
Grand-Digue Home Building Centre	July 12	Grand-Digue	Kent
Hampton Recycling Centre	June 16	Hampton	Kings
Hebert's Bottle Exchange & Scrap Metal	August 31	Miramichi	Northumberland
Hillsborough Recycling Depot	June 16	Hillsborough	Albert
Horsman's Bottle Exchange Inc.	June 16	Salisbury West	Westmorland
J&L Warehousing Inc.	July 31	Edmundston	Madawaska
Keith's Building Supplies Ltd.	May 30	St Stephen	Charlotte
La Societe Cooperative de Lameque Ltee	August 30	Lameque	Gloucester

Collection Site Name	Date of Visit	Municipality	County
Le Legumier du Madawaska Inc.	August 1	Riviere Verte	Madawaska
Maison de Tapis	August 30	Bertrand	Gloucester
Mapleview Redemption Centre	July 31	Weaver	Victoria
Norrad's Express and Redemption Centre Ltd.	June 16	Sussex	Kings
Northside Redemption	July 6	Fredericton	York
Northwest Regional Service Commission	July 31	Riviere Verte	Madawaska
Pub's Redemption Centre	May 11	Saint John	Saint John
Recyclage Chaleur	August 29	Petit-Rocher	Gloucester
Recyclage Kent Recycling Inc	July 12	St Louis de Kent	Kent
Redpine Landfill	May 31	Bathurst	Gloucester
Resource Recovery (was Southside Redemption)	July 6	Hanwell	York
Richibucto Home Hardware Building Centre	July 12	Richibucto	Kent
Roblynn Home Hardware Building Centre	July 6	Oromocto	Sunbury
RONA Edmundston	August 1	Edmundston	Madawaska
Sainte Antoine Home Hardware Building Centre	July 12	Sainte-Antoine	Kent
Shediac Redeem Centre	July 12	Shediac	Westmorland
Southeast Regional Service Commission - Eco360 Waste Management Facility	June 16	Moncton	Westmorland
Southern Valley Transfer Station	July 31	Woodstock	Carleton
Southwest New Brunswick Service Commission - Hemlock Knoll	May 30	Lawrence Station	Charlotte
Tediche Home Hardware Building Centre	July 12	Cap-Pele	Westmorland
Tri-R Redemption	July 6	Oromocto	Sudbury
Vail's Bottle Exchange	July 31	Woodstock	Carleton
Valley Redemption - Collishaw	June 16	Moncton	Westmorland
Valley Redemption - Quispamsis	May 11	Quispamsis	Kings
Valley Redemption - Toombs	June 16	Moncton	Westmorland
Valley Redemption Centre	June 16	Dieppe	Westmorland
Village of Grand Manan Transfer Station	September 21	Grand Manan	Charlotte
Watson's Home Building Centre	May 30	Harvey	York
Wheaton's All in One	April 24	Sackville	Westmorland
Wiebe's Home Hardware Building Centre	July 31	Centreville	Carleton

3.4 Regional Service Commission Events

According to information available to Product Care, 45 household hazardous waste (HHW) collection events were held in 2023 (see Table 6). The Program managed all post-consumer paint collected from these events.

Table 6: HHW Collection Event Locations and Dates in 2023

Location	Date
Alma	March 15-16
Alma	May 17-18
Alma	September 13-14
Beaubassin-est	March 1-2
Beaubassin-est	August 30-31
Beaubassin-est	November 29-30
Cap-Pelé	February 1-2
Cap-Pelé	June 28-29
Cap-Pelé	September 27-28
Dieppe	July 19-20
Dieppe	March 22-23
Dieppe	December 20-21
Dorchester	May 10-11
Dorchester	July 5-6
Dorchester	November 7-8
Hillsborough	February 15-16
Hillsborough	April 12-13
Hillsborough	November 15-16
Memramcook	January 11-12
Memramcook	April 5-6
Memramcook	October 4-5
Moncton	April 26-27
Moncton	July 26-27

Location	Date
Moncton	October 25-26
Petitcodiac	February 22-23
Petitcodiac	June 21-22
Petitcodiac	September 20-21
Port Elgin	January 4-5
Port Elgin	May 31-June 1
Port Elgin	December 13-14
Riverside-Albert	March 29-30
Riverside-Albert	August 16-17
Riverside-Albert	October 11-12
Riverview	May 24-25
Riverview	August 23-24
Riverview	November 22-23
Sackville	March 8-9
Sackville	June 14-15
Sackville	September 6-7
Salisbury	January 25-26
Salisbury	April 19-20
Salisbury	October 18-19
Shediac	May 3-4
Shediac	August 2-3
Shediac	November 1-2

4 Processing

In accordance with sections 45(1)(b,c,d,e,g) of the Regulation, this section of the report sets out:

- a) A description of the efforts to redesign paint products to improve reusability and recyclability.
- b) The total amount of post-consumer paint processed or instorage.
- c) The percentage of post-consumer paint collected that was reused, recycled, disposed of in an engineered landfill, recovered for energy, or otherwise treated or disposed of.
- d) 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.
- e) The location of processing or containment facilities for post-consumer paint.

4.1 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 solvent-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 42 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. 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, and there is 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.

4.2 Post-Consumer Paint Processed

All paint collected through the Program is sent to the Laurentide Re-sources Atlantic Inc. facility in Richibucto, New Brunswick for initial processing.

In 2023, a total of 2,271 tubskids of leftover paint (excluding paint aerosols) were shipped to the Laurentide facility in Richibucto, New Brunswick for processing, which includes tubskids collected in 2022 and held at the transporter's (Hebert's Recycling) consolidation facility and processed in 2023. Paint aerosols were sent to the GFL Environmental facility in Sussex, New Brunswick for processing.

During the reporting period, Laurentide processed (i.e., opened, sorted, and bulked into shipping containers) 2,187 tubskids (excluding paint aerosols), which includes tubskids that remained in their inventory from 2022.

Table 7 shows the volume of post-consumer paint and aerosols shipped to processors and the volume processed by collection container (tubskids and drums) and by residual volume (litres).

Table 7: Total Amount Post-Consumer Paint Processed in 2023

Item	Number of Tubskids	Residual Paint Volume (L)	Number of Aerosol Drums ⁹	Residual Aerosol Paint Volume (L) ¹⁰	Total Residual Paint Volume (L) ¹¹
Volume Shipped to Processor	2,271	279,787 ¹²	140	763	280,551
Volume Processed	2,187	269,475 ¹³	140	763	270,238

Table 8 shows the number of tubskids and drums that were collected and processed in each of the reporting years, and inventory that is carried over for processing in the following year. Inventory carried over is material that has been collected, but not processed. This includes material in transit, in storage at transit hubs, and in storage at the processor.

In previous years, reported carried-over volumes only included inventory at the processor. This year's report expands the carried-over volume to include inventory at the processor, transport hub, and in transit. As a result, more material is reported at the hubs, leading to an increase in the reported carry-over from previous years. The new reporting process requires transporters to conduct year-end inventories and provide shipping information, ensuring accurate capture of all material in storage and transit. This methodology will be used for future carry-over reporting.

⁹ See footnote 3.

¹⁰ See footnote 5. Includes residual aerosol paint from aerosol cans that were shipped in tubskids (28.4 L).

¹¹ The values shown do not add up to the total value due to rounding.

¹² Residual paint volume shipped to the processor has been rounded up. To determine the residual volume of paint shipped to processors from tubskids, the number of tubskids shipped is multiplied by a conversion rate of 123.2 L per tubskid. This conversion rate is obtained by dividing the total actual residual paint extracted (including both water-based and solvent-based) by the number of tubskids processed in the same year. Solvent-based paint that was not processed in 2022 was processed in 2023, resulting in higher residual paint volumes (see Section 3.1.1).

¹³ Actual volume of residual paint recovered from processed tubskids, including both water-based and solvent-based paint.

Table 8: Total Amount of Post-consumer Paint Collected, Processed and Inventory Carried Over¹⁴

2021	Number of Tubskids	Number of Aerosol Drums
Inventory carried over (2020)	176	50
Collected	2,746	261
Processed	2,835	302
Inventory carried over	87	9
2022	Number of Tubskids	Number of Aerosol Drums
Inventory carried over (2021)	87	9
Collected	2,390	233
Processed	2,378	233
Inventory carried over	99	9
2023	Number of Tubskids	Number of Aerosol Drums
Inventory carried over (2022)	99	9
Collected	2,271	226
Processed	2,187	140
Inventory carried over	183	95

Metal and Plastic Containers Collected and Processed

As part of contractual obligations to Product Care, Laurentide, is required to adhere to approved material disposition, including metal and plastic containers management. Requirements for standardized inventory reporting combined with periodic inspections by Product Care ensure materials are managed in accordance of Product Care requirements.

Table 9 lists the amount of metal and plastic containers managed between 2021 and 2023.

Table 9: Metal and Plastic Containers Collected and managed between 2021 and 2023.

	2021		2022		2023	
Container Type	Collected (tonnes)	Managed (tonnes)	Collected (tonnes)	Managed (tonnes)	Collected (tonnes)	Managed (tonnes)
Metal ¹⁵	67.4	67.4	81	81	75.5	75.5
Plastic (HDPE 2)	5.5	5.5	5.3	0	5.3	10.6
Plastic (polypropylene)	28.8	0	32.8	0	32.7	94.3

¹⁴ In previous years, reported inventory carried over did not include materials in transit, or in storage at transit hubs.

 $^{^{15}}$ Metal weight for aerosol paint cans is calculated using a conversion factor of 35.5 kg per aerosol drum.

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. Table 10 lists processors and management process for metal containers.

Table 10: A list of metal container processors with their management processes

Name of processors	Location	Management process
DR Metal Recycling	New Brunswick	Processed with other scrap metal
Copal Metal	Quebec	and sold as a metal commodity

In the 2022 Annual Report, Product Care reported that a total of 61.6 tonnes of empty polypropylene containers and 5.3 tonnes of empty HDPE 2 containers were placed in temporary storage during 2021 and 2022, due to challenges with downstream recyclers and market conditions. Prior to 2021, the program did not have challenges with recycling plastic containers.

Product Care endeavored to find recycling options for these plastics containers. In 2023, Product Care was successful in finding and cultivating recycling and energy recovery solutions for plastics containers, allowing the plastics that were generated in 2023 and the temporary stored plastics inventory to be completely processed.

Table 11 provides a detailed account of the different processors engaged in 2023 to facilitate the sustainable management of the plastic containers collected between 2021 and 2023.

Table 11: Plastic processors with their management process for materials collected between 2021 and 2023 and processed in 2023.

Name of processors	Management process	Type of Management	% of Total Containers Managed ¹⁶
Sustane Tech	Plastic containers are converted into kerosene and diesel	Recycling	41.1%
EverestPlastik	Plastic containers are pelletized and processed for use as raw material.	Recycling	43.3%
RPM Eco	Plastic containers are pelletized and processed for use as raw material.	Recycling	11.3%
Covanta Holdings (One trial load)	Plastic containers are processed and the material used as an alternative fuel (energy recovery).	Energy recovery	4.2%

¹⁶ The values shown do not add up to 100% due to rounding.

4.3 Management Methods

The following section describes each method the Program used to manage post-consumer paint and the amount of paint managed through each method.

4.3.1 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. PaintShare was offered at 27 collection sites in 2023 (see <u>Appendix 2</u> for a list of sites offering PaintShare). Participating collection sites reported approximately 539 litres of paint given away for reuse in 2023.

The amount of paint taken through the Paint Share Program is subject to consumer demand. The accuracy of volumes managed through the Paint Share Program is predicated on users completing the reuse tracking form. PaintShare volumes are estimated by assuming that each container is 75% full on average.

4.3.2 Recycling

At the Laurentide Re-sources facility, paint containers are removed from collection bins, inspected, opened, sorted by type, colour and quality, and poured into shipping containers according to management options. Bulked paint of recyclable quality is then transferred to an affiliated processor Peintures Recuperées du Quebec (PRQ) in Victoriaville, QC or transferred to other international recyclers. Table 12 provides the quantities of water-based paint and solvent-based paint that were reprocessed and recycled into paint. The diminishing market for solvent-based paint has made it increasingly difficult to recycle. Consequently, while limited amounts of solvent-based paints continue to be recycled, a large portion of the volume is sent for energy recovery.

Table 12: Quantity and Type of Paint Recycled in 2023¹⁷

Туре	Litres	Percentage
Water-based paint	169,788	83%
Solvent-based paint	34,212	17%
Total	204,000	100%

¹⁷ Volumes managed through the PaintShare Program are not included in Table 12.

4.3.3 Energy Recovery

Not all solvent-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 colour, 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 solvent-based paint is significantly smaller than that for water-based products and demand continues to decline.

Due to the high solvent content of solvent-based paints, these products are suitable for energy recovery. Through the process of fuel blending, solvent-based paint collected that is not suitable for paint recycling is used as an alternative energy source in applications such as permitted incinerators. During the reporting period, 20,523 litres of solvent-based paint and paint from paint aerosols processed were blended with other fuels and utilized for energy value at licensed facilities.

4.3.4 Landfill

The sorting and bulking of the water-based paint by Laurentide Re-sources generated 45,715 litres of non-recyclable water-based sludge/solid, which were solidified and disposed of at a synthetic-lined landfill cell with leachate collection.

4.3.5 Incineration

No material was incinerated during the reporting period.

Table 13 shows the breakdown of post-consumer paint and empty containers collected in 2023 that were reused, recycled, recovered for energy or disposed of in an engineered landfill. For post-consumer paint each amount is shown in litres and as a percentage and for empty containers each amount is shown in tonnes and as a percentage.

Table 13: Management of 2023 Post-Consumer Paint and Empty Paint Containers Collected

Post-Consumer Paint (litres)					
Method	Volume(litres)	Percentage			
Reuse	539	0.2%			
Recycle	204,000	75.3%			
Energy Recovery	20,523	7.6%			
Landfill	45,715	16.9% ¹⁸			
Incineration	0	0%			
Total	270,777	100%			
	Empty Paint Containers (tonne	es)			
Method	Volume (tonnes)	Percentage			
Reuse	0	0%			
Recycle	113.5	100%			
Energy Recovery	0	0%			
Landfill	0	0%			
Incineration	0	0%			
Total	113.5 ¹⁹	100%			

4.4 Location of Processing and Containment Facilities

The following is a list of facilities contracted by the Program to handle and process paint.

Location Address	Facility Type
Hebert's Recycling Inc. 53 Walsh Avenue, Miramichi, NB E1N 3A5	Containment Facility
Laurentide Re-sources Atlantic Inc. 9322 Rue Main, Richibucto, NB E4W 4C7	Processing and Containment Facility
Société Laurentide Inc. 345 Bulstrode Street, Victoriaville, QC G6T 1P7	Processing and Containment Facility
GFL Environmental 17 Jones Court, Sussex NB E4E 2S2	Processing and Containment Facility

¹⁸ The amount of paint that can recycled back into paint is heavily dependent on the quality of the paint coming into the collection systems. Poor quality paint (e.g. previously frozen) cannot be recycled back into paint.

¹⁹ The 113.5 tonnes of containers in 2023 does not include the 66.9 tonnes of containers that were collected and temporarily stored in 2021 and 2022 and which were managed in 2023.

5 Communication and Education

5.1 Promotion and Education

Section 45(1)(h) of the Regulation requires the Program to report on the types of consumer information, educational materials and strategies adopted by the brand owner. In 2023, Product Care implemented a number of different methods to raise consumer awareness of the paint recycling program in New Brunswick. The following sections provide details regarding communications and public education for the program in 2023.

5.2 Program Awareness

In fall 2022, an online survey was conducted that was representative of New Brunswick's adult population. The survey found that 82% of residents who purchased paint are aware it can be recycled in the province; seven percentage points above the awareness target of 75%. The next consumer awareness study will be conducted in 2024.

5.3 Website

The productcare.org (English) / agrp.ca (French) websites include the following bilingual resources for the New Brunswick paint recycling program:

- Recycling locator (a searchable map displaying locations of all New Brunswick paint collection sites see Appendix 3).
- Collection sites' hours of operation and contact information.
- Tips for buying the correct amount of paint.
- A list of the Program's accepted and non-accepted products.
- Annual reports and other program information, including details about environmental handling fees, and safe storage and handling of program products.

Other information available on the Product Care website, not required by the program plan includes:

- Information about the PaintShare program
- Consumer videos describing the recycling process.
- Fillable forms for members, retailers and collection sites to order promotional materials, such as rack cards and brochures.
- Information about the environmental benefits of paint stewardship

In 2023, productcare.org had an estimated 547,411 sessions of which 23,487 were from New Brunswick. Productcare.org and Recycle New Brunswick's website cross-promoted one another with backlinks.

5.4 Program Hotline

Recycle New Brunswick continues to operate a toll-free, bilingual "hotline" where consumers obtained information about the Program. Product Care offers call support and has the capability to respond to inquiries in both English and French.

5.5 Television

Television ads were broadcasted on CBC Television in English (CBAT) and in French (CBAFT) from August to October 2023, resulting in more than 6.5 million impressions.

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

In 2023, Product Care distributed PoS and PoR materials as requested by retailers and collection sites (see <u>Appendix 4</u>). The following materials were available to <u>order via online forms</u>:

- Bilingual brochures (English and French)
- Posters (English and French)

5.7 Digital Advertising

All digital campaigns were set to reach the entire province. In 2023, they achieved a total of more than 7.6 million impressions and approximately 28,000 clicks to visit the New Brunswick section of Product Care's website.

Campaign Type	Description	Duration	Impressions	Video Views	Clicks
Google Search (EN & FR)	Text ads shown on Google & other search engines	Jan-Dec	1,469	-	349
Google Video (EN & FR)	Skippable video ads displayed across YouTube and Google's video partners. This year's approach was to use video only for remarketing, to increase brand recall.	Apr-Sep	583,963	186,179	979
Google Display (EN & FR)	Responsive banners displayed across Google display network, YouTube and Gmail	May-Sep	5,256,256	-	19,045
Meta Ads (EN & FR)	Responsive graphic ads displayed across Facebook and Instagram	Apr-Sep	645,316	393,257	6,863
Media IQ ²⁰ Video (EN & FR)	15 second digital video displayed across the Media IQ network for consumers in NB.	Aug-Oct	545,050	532,981	39
Media IQ ²¹ Display (EN &	Digital banners in NB retargeted consumers	Aug-Oct	137,019		686

²⁰ Media IQ is a vendor that offers programmatic display and video ads. Similar to the channels we buy through Google ads.

²¹ See footnote 20.

Campaign	Description	Duration	Impressions	Video	Clicks
Туре				Views	
FR)	who previously visited				
	website				
Connected TV	Geo targeted ads	Sep-Oct	465,273	434,943	
(EN & FR)	showcasing a video				
	framed by a banner				
	showcasing the collection				
	site nearest to the user				

See Appendix 5 for examples of digital advertising activities.

5.8 Print Advertising

An inside cover print ad was featured in CPCA Insight Trade Publication. An estimated 1,000 copies were distributed across Canada to industry members. A digital version of the publication is posted on CPCA's website (see Appendix 6).

5.9 Recycle New Brunswick Partnership

Product Care continued to partner with Recycle New Brunswick in 2023 (see <u>Appendix 7</u>). The two organizations collaborated by sharing in-market promotional strategies with one another to ensure maximum audience reach, synergies, and to avoid duplication of efforts.

6 Financial Information

In accordance with section 45(1)(I) of the Regulation, the Program's audited financial statements are provided in <u>Appendix 8</u> of this report detailing the revenues received and the expenditures incurred by the Program.

7 Audit of NB Paint Stewardship Program

In accordance with section 45(1)(j), this annual report was reviewed by an independent auditor. The auditor's report is attached in Appendix 9.

APPENDIX 1 – Brand Owners as of December 31, 2023

	Brand Owner Name				
1	1439174 Ontario Ltd (NLS Products)	2	3M Canada Company		
3	Acklands - Grainger Inc.	4	Alexandria Moulding		
5	Amazon.com.ca, Inc.	6	Avanti Sports Group Inc.		
7	BASF Canada Inc.	8	Bass Pro Canada ULC		
9	Behr Process Corp.	10	Benjamin Moore & Co. Ltd.		
11	Bestbuy Distributors Ltd	12	Canadian Building Restoration Products, Inc		
13	Canadian Tire Corporation, Limited	14	Cansel Survey Equipment Inc.		
4.5	Class C Solutions Group, MSC Industrial	1.0	Classandala Baint In a		
15	Supply LLC	16	Cloverdale Paint Inc.		
17	Comfort & Stuff imports Ltd.	18	Country Chic Paint		
19	CRC Canada Co.	20	Denalt Paints Ltd.		
21	Diamond Vogel Paints Inc Dynamic Paint Products Inc. DBA Lancaster	22	Ducan Products Inc.		
23	Canada	24	Farrow & Ball Canada Ltd.		
25	Fastenal Canada Ltd.	26	Forrest Paint Co. US\$		
27	Groupe BMR inc.	28	Henry Company Canada, Inc.		
29	Home Depot of Canada Inc.	30	Home Hardware Stores Limited		
31	Homestead House Paint Co INC	32	IRL Supplies (2011) Ltd.		
33	Jaguar Land Rover Canada ULC	34	John Deere Canada ULC		
35	Kent Building Supplies	36	K-G Spray-Pak Inc.		
37	Kleen-Flo Tumbler Industries Ltd.	38	Kubota Canada LTD		
39	Laurentide Re-sources Inc.	40	Lawson Products, Inc.		
41	Les Produits Techniseal	42	Loop Recycled Products Inc.		
43	LPS Canada - Division of LPS Laboratories	44	Martin & Associates Inc.		
45	Michaels Stores Inc.	46	Modern Sales Co-op		
47	Motion Industries (Canada), Inc.	48	Orgill Canada Hardlines ULC		
49	Peintures MF Inc.	50	PPG Architectural Coatings Canada Inc.		
51	Princess Auto Ltd.	52	Produits de Plancher Finitec Inc.		
53	RONA Inc.	54	Rust-Oleum Consumer Brands Canada		
55	Saman Corporation (3777472 Canada Inc.)	56	SCP Distributors Canada Inc.		
57	Selectone Paints Inc.	58	Seymour of Sycamore, Inc.		
59	Sherwin-Williams Canada Inc	60	Sika Canada Inc.		
61	Soprema Inc.	62	TENAQUIP Limited		
63	The Sansin Corporation	64	The Sherwin-Williams Company		
65	Timber Pro Coatings Ltd.	66	UAP INC.		

	Brand Ow	ner Na	ame	
67	UCP PAINT INC	68	Uni-Select Inc.	
69	Wal-Mart Canada Corp.	70	Wood Essence Distributing	
71	Wurth Canada			

APPENDIX 2 – Collection Site Details as of December 31, 2023

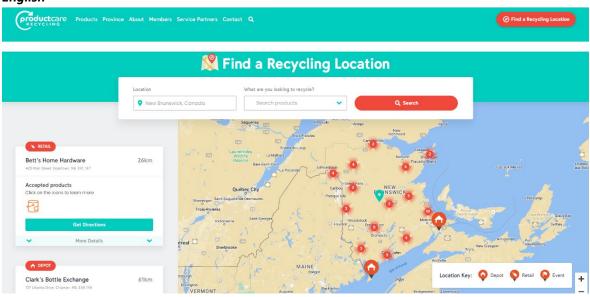
	Collection Site Name	Address	City	Paint Share
1	Airport General Store	4105 Loch Lomond Road	Saint Johns	Yes
2	Baie Ste Anne Building Supplies	6 Ch Riviere du Portage	Baie Ste Anne	No
3	Betts Home Hardware Building Centre	420 Main Street	Doaktown	No
4	Billy's Bottle Exchange - Atholville (formerly Marina Bottle Exchange)	15 C Boom Lane	Atholville	No
5	Billy's Bottle Exchange - Dalhousie	524 Darlington Drive	Dalhousie	No
6	BMR D.E Landry (formerly RONA #2125)	1976 Rue Commerciale	Saint-Francois- de-Madawaska	No
7	BMR Parent - Kedgwick (formerly RONA #7786)	115 rue Notre-Dame	Kedgwick	No
8	BMR Parent - Saint-Quentin (formerly RONA #7200)	38 Chemin Labrie	Saint-Quentin	No
9	Boyd Bros. Home Hardware Building Centre	#9 - Route 172	St. George	No
10	Brooks Redemption Center	496 Campbell Settlement Rd	Hartfield	Yes
11	Caissie Home Hardware Building Centre	11301 rue Principale	Rogersville	No
12	Canadian Tire Oromocto	345 Miramichi Road	Oromocto	No
13	Caraquet Centre De Renovation Home Hardware	42 Blv St-Pierre Est.	Caraquet	No
14	Carpet Ranch / Grange a Tapis	1263 Rue Principale	Beresford	No
15	Centre de Remboursement SAMJ Inc.	6416 Route 17	St-Quentin	Yes
16	Centre De Remboursement Shippagan Les Iles Ltee	4008 Route 113	Savoie Landing	Yes
17	Centre de Transbordement	220 rue de L'entreprise	Tracadie	Yes
18	Dupuis Home Hardware Building Centre	8 Ch Pont Rouge	Memramcook	No
19	Fredericton Region Solid Waste Commission Landfill	1775 Alison Blvd	Fredericton	No
20	Fundy Regional Service Commission - Crane Mountain Landfill	10 Crane Mountain Road	Saint John	No
21	Golden Mile Redemption Centre	35 Linton Road	Saint John	Yes
22	Gorbers Bottle Exchange	216 High Street	Moncton	Yes
23	Grand Bay Redemption Centre	301 Highland Road	Grand Bay - Westfield	No
24	Grande-Digue Home Building Centre	3957 NB-134	Grande-Digue	No
25	Hampton Recycling Center	401 William Bell Drive	Hampton	Yes
26	Hebert's Bottle Exchange & Scrap Metal	293 Wellington Street	Miramichi	Yes
27	Hillsborough Recycling Depot	110 Steeves St.	Hillsborough	Yes
28	Horsman's Bottle Exchange Inc.	3493 Route 106	Salisbury West	Yes
29	J&L Warehousing Inc.	500 Blvd. de L'Acadie, C.P. Box 548	Edmundston	Yes
30	Keith's Building Supplies Ltd.	169 Route 1	St. Stephen	No

	Collection Site Name	Address	City	Paint Share
31	La Societe Cooperative de Lameque Ltee	68 rue Principale	Lameque	No
32	Le Legumier du Madawaska Inc. (formerly Centre Remboursement-Recyclage)	13790 Rte 144	Riviere Verte	Yes
33	Maison du Tapis	832 Boulides Acadiens	Bertrand	No
34	Mapleview Redemption Center	182 Route 385	Weaver	Yes
35	Norrad's Express and Redemption Centre Ltd.	40 Albert St	Sussex	No
36	Northside Redemption	213 McFarlane Street	Fredericton	No
37	Northwest Regional Service Commission	248 Chemin Clement Roy Rd.	Riviere-Verte	Yes
38	Pub's Redemption Centre	346 Rothesay Ave	Saint John	Yes
39	Recyclage Chaleur	571 Rue De L'Industrie	Petit-Rocher	Yes
40	Recyclage Kent Recycling Inc	10296 Route 134	Portage St Louis de Kent	Yes
41	Redpine Landfill	1300 Route 360	Allardville	No
42	Resource Recovery (formerly Southside Redemption)	70 Timothy Avenue	Hanwell	No
43	Richibucto Home Hardware Building Centre	45 Cartier Blvd	Richibucto	No
44	Roblynn Home Hardware Building Centre	257 Restigouche Road	Oromocto	No
45	RONA Edmundston	595 Rue Carrier	Edmundston	No
46	Sainte Antoine Home Hardware Building Centre	4612 Rue Principale	Sainte-Antoine	No
47	Shediac Redeem Center	610 Main St	Shediac	Yes
48	Southwest New Brunswick Service Commission - Hemlock Knoll	5749 Route 3	Lawrence Station	No
49	Southeast Regional Service Commission - Eco360 Waste Management Facility	100 Enviro Drive	Berry Mills	No
50	Southern Valley Transfer Station	155 Moffatt St	Woodstock	Yes
51	Tediche Home Hardware Building Centre	2499 Acadie Road	Cap-Pele	No
52	Tri-R Redemption	16 Lewis Street	Oromocto	No
53	Vail's Bottle Exchange	522 Main St.	Woodstock	Yes
54	Valley Redemption Centre	665 Babin Street	Dieppe	Yes
55	Valley Redemption - Collishaw	323 Collishaw St.	Moncton	Yes
56	Valley Redemption - Quispamsis	1 Market Street	Saint John	Yes
57	Valley Redemption - Toombs	88 Toombs St.	Moncton	Yes
58	Village of Grand Manan Transfer Station	9 Curling Rink Road	Grand Manan	Yes
59	Watson's Home Building Centre	2686 Route 3	Harvey York Co	No
60	Wheaton's All in One	13 Industrial Drive	Sackville	Yes
61	Wiebe's Home Hardware Building Centre	3151 Main Street	Centreville	No

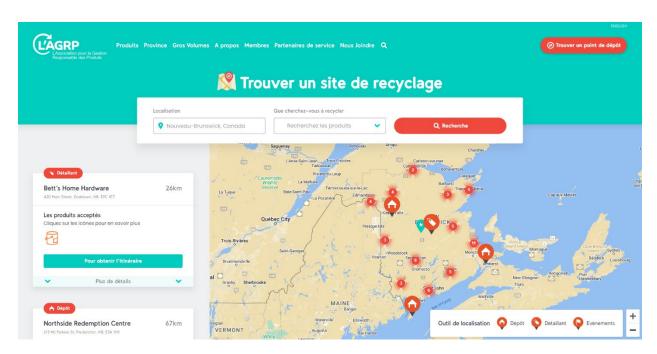
APPENDIX 3 – Recycling Locator Tool

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

English



French



APPENDIX 4 – PoS and PoR Materials

PoS and PoR Poster





PoR/PoS Bilingual Brochure



- Interior and exterior water-based (latex, acrylic) and oil-based consumer paint (alkyd, enamel)
- Undercoat and primers (e.g. metal, wood, etc.)
- Masonry paint, block filler, deck and floor coating (including elastomeric)
- Varnish and urethane (single-component), wood finishing oil, melamine, stain, shellac, anti-rust paint, stain blocking paint
- · Drywall and stucco paint
- Marine paint and wood preservatives (unless registered under Pest Control Products Act)
- Swimming pool paint (single-component)
- Textured paint
- Wood, masonry, driveway sealer or water repellant (non-tar based or bitumen based)
- All paint aerosols including consumer, industrial and automotive
- · Already empty paint and aerosol containers



Maximum container size: 25 litres



Maximum aerosol size: 680 grams or 24 ounces



This program is approved by Recycle NB 1-888-322-8473 www.recyclenb.com



- Unidentifiable or unlabelled containers
- Paint in glass containers or containers with poor integrity (e.g. badly rusted, leaking, bulging, improperly sealed)
- Brushes, rags and rollers
- Non-aerosol industrial paints & finishes (e.g. baked-on, heat resistant, etc.)
- Colorants and Tints
- Products registered as a pesticide under the Pest Control Products Act (has a P.C.P. Registration number on label)
- Non-aerosol craft or automotive paint
- Two-part or component paints containing catalyst or activator
- Roof patch and repair, tar or tar/ bitumen-based products
- · Traffic or line marking paint
- Paint thinner, resins, mineral spirits or solvents
- Deck cleaners
- Caulking compound, epoxies, glues or adhesives
- Other household chemicals

Always Remember the BUD Rule:

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

*Product Care Recycling contributes to the local economy while at the same time protecting the environment, one can at a time.





- Peintures à l'eau (latex ou acrylique), à l'huile ou laque, d'intérieur ou d'extérieur
- Sous-couches et apprêts (pour métal, bois, etc.)
- Peintures pour maçonnerie, coulis pour remplissage des blocs de construction, revêtements pour terrasses et sols (élastomères inclus)
- Vernis à l'uréthane (à composant unique), huiles de finition pour bois, peintures mélamines, peintures bloque-taches pour plafond, gommes laquées, peintures anti-rouille
- · Revêtements pour cloisons sèches et stucc
- Peintures marines et produits de préservation du bois (sauf si homologué en vertu de la Loi sur les produits antiparasitaires)
- · Peintures pour piscine (à composant unique)
- Peintures au fini texturé
- Produits scellants ou hydrofuges pour bois, maçonnerie ou chaussée
- Toutes les peintures en aérosol sont acceptées, y compris les peintures résidentielles: industrielles et automobiles
- Contenants vides



Peinture résidentielle jusqu' à 25 litres



Peinture en aérosol 680 grammes ou 24 onces



Ce programme est approuvé par Recycle NB 1-888-322-8473

Produits de peinture non acceptés

- · Contenants non identifiables ou sans étiquette
- Peintures entreposées dans des contenants en verre ou des contenants en mauvais état (rouillés, avec fuites, mal fermés)
- · Brosses, chiffons et rouleaux
- Peintures et apprêts industriels et finis (ex. cuit au four, résistant à la chaleur, etc.)
- Colorants et teintures
- Produits homologués en vertu de la Loi sur les produits antiparasitaires (doit avoir un numéro d'homologation)
- Peintures pour artisanat (sauf aérosols)
- · Peintures automobiles (sauf aérosols)
- Peintures en 2 composants contenant un catalyseur ou activateur
- Produits pour toitures à base de goudron ou de bitume
- · Peintures de signalisation routière
- · Diluants à peinture, décapants et solvants
- Nettoyants pour terrasses
- Produits de calfeutrage, résines époxy, colles et adhésifs
- Autres produits chimiques domestiques

N'oubliez pas la règle « NUD »

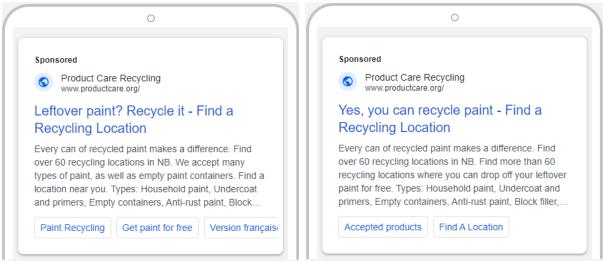
N'achetez que ce dont vous avez besoin Utilisez toute la peinture que vous achetez Déposez vos restes de peinture pour les recycler

*Product Care Recycling contribue à l'économie locale tout en protégeant l'environnement, un contenant à la fois.

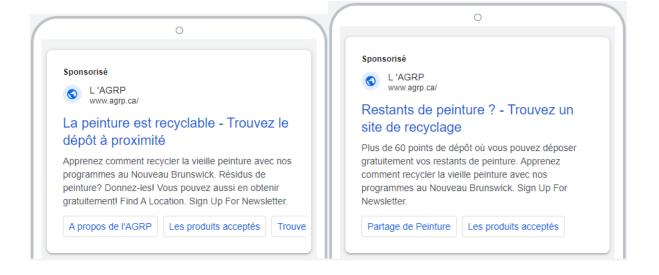


APPENDIX 5 – Digital Advertising Activities

Google Search Ads (EN)²²



Google Search Ads (FR)23



²² Responsive Search ads work with a mix of elements, including several headlines and descriptions, these are a few examples of how an ad could look like.

²³ See footnote 22.

Google Display







Paint can be recycled for FREE!





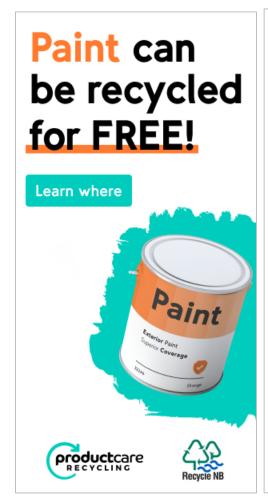




La peinture peut être recyclée gratuitement!







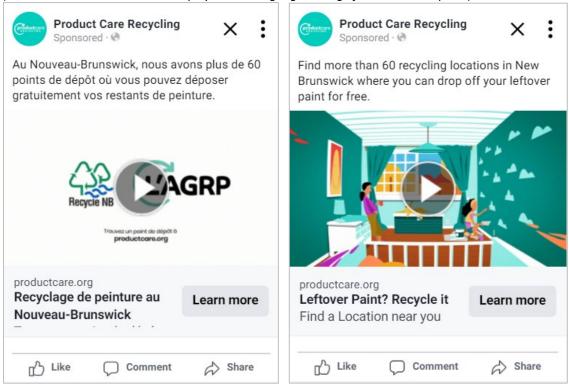


Google Video Ads

- Recyclez la peinture au Nouveau-Brunswick (16 sec) click to watch
- Recycle Paint in New Brunswick (16 sec) click to watch

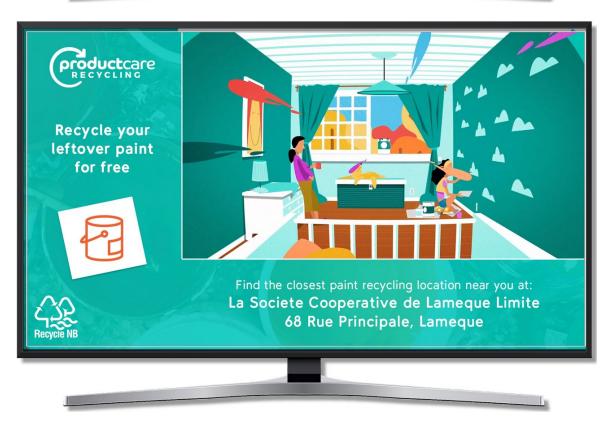
Facebook Ads

(The call to action "Lean more" displays in the language setting of the user's computer)



Dynamic Connected TV





APPENDIX 6 – Print Advertisements

CPCA INSIGHT magazine EN





APPENDIX 7 – Partnerships

Recycle New Brunswick Web Content (cross-promotion)



APPENDIX 8 – Audited Financial Statements

STATEMENT OF REVENUES AND EXPENSES AND ACCUMULATED SURPLUS

31 DECEMBER 2023

Statement of Revenues and Expenses and Accumulated Surplus

For the year ended 31 December 2023

Contents

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



INDEPENDENT AUDITORS' REPORT

To Recycle New Brunswick,

Report on the Audit of the Statement of Revenues and Expenses and Accumulated Surplus

Opinion

As required by the New Brunswick Designated Materials Regulation - Clean Environment Act 45(1)(j), we have audited the Statement of Revenues and Expenses and Accumulated Surplus of the New Brunswick Paint Recycling Program (the "Statement") as reported by Product Care Association of Canada (the "Association") for the year ended 31 December 2023 and a summary of significant accounting policies and other explanatory information.

In our opinion, the Statement presents fairly, in all material respects, the revenue and expenses and accumulated surplus of the New Brunswick Paint Recycling Program for the year ended 31 December 2023 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 Auditor's Responsibilities section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the 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 Recycle New Brunswick. 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 Recycle New Brunswick, and should not be distributed to other parties.

Responsibilities of Management and Those Charged with Governance for the Statement

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





INDEPENDENT AUDITORS' REPORT - Continued

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

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

Auditors' Responsibilities

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

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

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



INDEPENDENT AUDITORS' REPORT - Continued

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

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

CHARTERED PROFESSIONAL ACCOUNTANTS

Rolfe, Berson LLP

Vancouver, Canada 21 March 2024

Statement of Revenues and Expenses and Accumulated Surplus

For the year ended 31 December 2023

	2023		2022
Revenues	\$ 1,161,86	2 \$	1,200,646
Program expenses			
Processing	522,31	9	554,188
Transportation	206,59	0	209,231
Collection	135,15	3	116,620
Administration (Notes 2(b) & (d))	114,36	7	105,344
Communications	96,98	5	76,877
Regulatory	64,65	0	82,700
	1,140,06	4	1,144,960
Excess of revenues over expenses for the year	21,79	8	55,686
Accumulated surplus - beginning of the year	1,153,94	6	1,098,260
Accumulated surplus - end of year	\$ 1,175,74	4 \$	1,153,946

Commitment (Note 3)

Notes to the Statement of Revenues and Expenses and Accumulated Surplus

For the year ended 31 December 2023

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

The Statement is prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue Recognition

Environmental Handling Fees are received from members of the Association making sales of designated program materials within the province of New Brunswick. 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

7

Included in administration expense is \$14,198 (2022 - \$18,200) of amortization expense related to tangible capital assets.

(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, overhead allocation and processing commitments. Actual results could differ from those estimates.

Notes to the Statement of Revenues and Expenses and Accumulated Surplus

For the year ended 31 December 2023

2. Summary of Significant Accounting Policies - continued

(d) General and Administrative Expenses - Overhead Allocation

A portion of the total general and administrative expenses of the Association, net of expense recoveries, has been allocated to the Program. The allocation of general and administrative expenses to the Program is determined using the percentage of program specific operating expenses as compared to total operating expenses for all the Association's programs. Included in administration expense is \$74,612 (2022 - \$61,031) of overhead expense which has been allocated to the Program.

3. Processing Commitment

At year end, the Association had unprocessed program materials on hand related to the Program with an estimated cost to process, transport and recycle of \$71,702 (2022 - \$25,406) which will be incurred in 2024.

8

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APPENDIX 9 – Report of Independent Auditor

New Brunswick Paint Stewardship Program - 2023 Program Review

Prepared by: Kim Hughes, BSc. Submitted: 18 April, 2024

Executive Summary

2023 New Brunswick Stewardship Program

Product Care Association of Canada (Product Care) successfully delivered a province-wide paint recycling program in 2023 that met the regulatory requirements in the *Designated Materials Regulation* 2008-54 and achieved planned program objectives as identified in the Paint Program Stewardship Plan 2021-2025. The program stewardship plan sets out the goals for the program and provides the benchmark for this review. Product Care, as the producer responsibility organization (PRO) for the Paint Industry in New Brunswick (and most jurisdictions in Canada; 8 provinces), developed the Stewardship Plan that was accepted by Recycle NB (as the program administrator) in October of 2021, and continues to demonstrate success in developing and achieving program goals.

In the calendar year 2023 (reporting year), 4,638,961 litres of paint was sold in New Brunswick. Consistent with management approach and goals identified in the program stewardship plan;

- 281,541 litres of post-consumer paint was collected (a 6.1% recovery rate).
- 61 collection sites operated throughout the province. This network of sites, supported by site visits and communication with the provincial Product Care representative, provide an effective and consistent presence to the public, enabling the paint recycling program. The program stewardship plan commits to 60 collection depots. Inspections (site visits) at all of these collection sites took place in 2023. The program stewardship plan commits to this taking place biennially (once every two years).
- 269,475 litres of residual paint processed by Laurentide Re-sources Atlantic (Richibucto).
- 763 litres of residual aerosol paint processed by GFL Environmental (Sussex).
- 539 litres of paint re-used through the Paint Share Program.
- A total of 180.4 tonnes of metal and plastic paint containers were managed, including 66.9 tonnes collected in 2021 and 2022 and 113.5 tonnes collected in 2023.
- Communication/educational tools continue to be improved on.
- Design for Environment goals continue to be pursued by Canadian Paint & Coatings Association members. This effort is an integral part of minimizing the environmental impacts associated with consumer paint products before and after paint products enter the recyclingstream.

In 2023, Product Care delivered a post-consumer paint products recycling program to New Brunswick residents that met regulatory requirements and planned program objectives (New Brunswick Paint Stewardship Plan 2021-2025).

The independent auditor that undertook the review of the 2023 New Brunswick Paint Stewardship Program has extensive experience in environmental management and sustainability consulting (40+ years), including significant knowledge relating to sustainability, stewardship, waste management and recycling. The program auditor is a long time New Brunswick resident who has personally participated in the paint program as a member of the public since its inception. The reviewer is a board member of two not-for-profit organizations that work to enhance environmental awareness and the environmental condition of New Brunswick and the north-eastern North America eco-region (Gulf of Maine). Additionally, the reviewer is a participant in a local government committee on climate change.

Introduction

This report represents the results of an independent assessment of the performance of the New Brunswick Paint Stewardship Program for 2023. This assessment is an annual requirement under the *Designated Materials Regulation* (2008-54)(section 39(g)) — Clean Environment Act, to examine and assess program performance of designated materials (paint) with respect to achieving stewardship goals with for paint products sold in New Brunswick in 2023.

Stewardship programs in Canada continue to migrate towards the Extended Producer Responsibility (EPR) model where the end-of-life product management rests with the producers of the product and the management of the product follows a user-pay model. Product Care has been successfully implementing the model in New Brunswick since 2009. The program plan describes responsible management after product use, describing the hierarchy of management processes (re-use, recycling, energy recovery and environmentally sound disposal) for paint products, including containers, in the province.

The 2023 program performance review was carried out by reviewing the 2023 Paint Stewardship Program Annual Report and the 2021-2025 New Brunswick Paint Stewardship Plan. Additionally, this review was informed by discussions with regulators, Product Care staff, individuals involved in the application of paint products, and members of the public.

New Brunswick Paint Stewardship Program

The New Brunswick Paint Stewardship Plan 2021-2025 identifies Product Care as the administrator acting on behalf of the Paint Brand Owners selling or distributing paint products in the province. As stated previously, Product Care has undertaken this role and delivered the Paint Stewardship Program since 2009.

As of December 31, 2023 there were 71 Brand Owners registered in the New Brunswick Paint Stewardship Program. The program was delivered throughout New Brunswick by Product Care, with program support from RecycleNB, through a network of 61 collection sites around the province. These locations provide a consistent and easy-to-access service that enables the collection of used paints and coatings (liquid and aerosol) as well as original containers from consumers of paint products in New Brunswick. It is the opinion of this reviewer that this consistent network of collection sites contributes to the ongoing success of the program as they are familiar to the public participating in the program.

Product Care continues to follow their commitment found in the New Brunswick Paint Stewardship Plan 2021-2025; in order of preferred approach to manage regulated left over paint; consumer re-use of paint products when possible, recycle the paint product for future use as paint, use as a feed stock in energy recovery processes, lastly, disposal in an environmentally responsible manner in a secure landfill facility. While incineration is identified as a potential approach to product disposal it was not utilized in 2023.

Metal and plastic containers are collected and directed to appropriate recycling facilities, including those that entered the program in 2021 and 2022 but were not recycled as a result of disruptions in the plastics recycling industry.

Evaluation

Collection Network

There were sixty-one (61) collection sites participating in the program in 2023. These sites provide consistent, province-wide access facilitating public access to participate in the program.

As in previous years, the regular collection opportunities were complemented by household hazardous waste collection events organized by Regional Service Commissions that brought waste paint products into the program that was subsequently managed by Product Care.

Ongoing interaction between the provincial Product Care representative and the collection site operators / Regional Service Commissions continues to support and enable the province-wide collection network.

Collection

Program members reported the sale of 4,638,961 litres of program products in New Brunswick from January 1, 2023 to December 31, 2023. The recovery rate for the program in 2023 was 6.1%.

This rate is calculated by dividing the volume of waste paint collected (281,541) by the volume sold in $2023 (4,638,961 \ \ \) (281,541/4,638,961 = 0.061)$.

Product Care offers a comprehensive collection (61 locations) and logistics system that enables the paint stewardship program across New Brunswick.

In 2023, Product Care offered the Paint Share service at 27 locations, where better quality paint that has been returned to a retailer can be provided to another consumer at no charge. This resulted in 539 litres of paint product being used as originally intended, not entering into the recycling or waste stream.

Processing and Recycling

The New Brunswick Paint Stewardship Program managed 281,541 litres of post-consumer paint in 2023. The New Brunswick Paint Stewardship Plan 2021-2025 outlines the management processes that Product Care does to enable program success.

Of the 281,541 litres of left-over paint collected by the program in 2023;

• re-use 539 litres

recycle 204,000 litres

This represents 75.5 % of the volume of paint in the Paint Stewardship Program (Target 70%). Of the remainder of the post-consumer used paint; 20,523 litres was used for energy recovery and 45,715 litres was disposed of in engineered landfill sites in accordance with provincial regulation. No incineration of waste paint took place.

In 2023, the program collected and processed a total of 113.5 tonnes of paint containers; 75.5 tonnes of metal paint containers and 38 tonnes of plastic (HDPE 2 and polypropylene). As previously noted, this does not include plastic containers that entered into the paint stewardship program in 2021 and 2022 that where not recycled as a result of challenges in the plastics recycling industry in those calendar years (66.9 tonnes). These products enter the recycling stream and are not being landfilled.

The 2023 Paint Program Annual Report identifies the innovative approaches to recycling plastic containers that are being pursued by Product Care.

Communications and Education

Product Care continued to advance the paint stewardship program through communication and outreach efforts. It is the opinion of this reviewer that the ongoing collaborative efforts of Product Care and Recycle NB are a critical part maintaining and increasing participation in the stewardship initiative. Media presence and educational tools re-enforce the importance of paint recycling efforts through the New Brunswick Paint Stewardship Plan.

The communication and education effort from Product Care includes the site visits undertaken by the provincial representative in 2023. This activity, a commitment in the Stewardship Plan, is an important part of ensuring that the public interface at collection sites is as good as it can be.

The Product Care and Recycle NB web-sites provide easy access to information on the program and how to participate in it.

The analysis of site visits on the Product Care web-site in the Product Care Annual Report shows the importance of social media sites in sharing information, and helping the program managers (Product Care, Recycle NB) understand the communications aspect of the program better.

Operations

The collaboration between Product Care, Recycle NB, and the regulator (ELG) continues to facilitate an ongoing, successful program that achieves a part of the provincial waste management strategy. Basically, create less waste, and what is created; manage effectively and responsibly. In brief, the essence of an extended producer responsibility model.

Operationally the paint and coatings industry in Canada and world-wide continues to make steps (these should be tracked over a timeline, outside the scope of this annual program review) to minimize environmental impacts associated with their products through-out the product life-cycle. This aspect is very important. The opportunity for the paint and coatings industry in Canada to inform consumers, and the public in general, about how paint products have been reformulated to reduce environmental and health impacts, should be pursued.

In New Brunswick, the paint and coatings industry, through Product Care, is managing post-consumer paint products in a manner that achieves program and regulatory expectations, and in doing so contributed to the provincial waste management strategy in a positive way in 2023.

It is worth re-stating the importance of the communication and site visits that Product Care has with the collection network. The 61 collection sites are the entry for the public into the stewardship program.

Program Assessment Summary

The 2023 New Brunswick Paint Stewardship Program met program and regulatory expectations. The collaboration between program partners (Product Care, Recycle NB, and ELG) results in an effective and efficient program that manages paint and post-consumer paint products for the citizens of New Brunswick.

The Program is required by the *Designated Materials Regulation* to achieve a reuse/recycle rate of 70%. In 2023, the Program achieved a reuse/recycle rate of 75.5%.

The Program Stewardship Plan 2021-2025 also commits to maintaining a collection system with a minimum of 60 collection depots. In 2023 Product Care had 61 depots that met program standards in the collection network.

Product Care committed to achieving and maintaining an Awareness Level of 75%, as determined in surveys that are undertaken by Product Care every two years. The 2022 survey showed program awareness at 82%.

In 2023, a total of 281,541 liters of post-consumer paint was collected, 270,238 litres were processed, and 180.4 tonnes of metal and plastic containers were managed by the program and were not part of the regular solid-waste management stream.

As in previous years, the New Brunswick Paint Stewardship Program contributes to the New Brunswick economy and community. While developed with a goal of better managing the environmental condition (waste management and pollution reduction), programs like the New Brunswick Paint Stewardship Program are one piece of moving toward sustainability in New Brunswick.

Recommendations

- Product Care continue to invest innovative communications and educational materials to support the Paint Stewardship Program in New Brunswick. As increased use of social media is utilized and the demographic target groups are younger in age (age class) the concept of recycling and awareness about the Paint Stewardship Program will be enhanced, and rates of program participation should be positively influenced by this effort.
- Product Care continue to examine innovative opportunities to recycle plastic packaging.
- Product Care should consider enhancing program awareness at point-of-sale/retail with paint product consumers/users.
- Product Care should examine opportunities to increase awareness and participation (public and collection sites) in the Paint Share component of the program.