

**The Canadian Brandowner Residual
Stewardship Corporation's**

Stewardship Plan

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Executive Summary

The Canadian Brandowners Residual Stewardship Corporation (CBRSC) has been created to provide a National platform for Brandowners to comply with the ever-increasing number of Extended Producer Responsibility (EPR) regulations across Canada and to evolve EPR requirements beyond compliance through the environmental supply chain of its membership.

The National Platform provided by the CBRSC will:

- Provide modernized collection and processing systems for existing and newly regulated products;
- Implement cutting edge consumer and product-based communication and awareness programs with the goal of increasing overall recycling rates;
- Minimize the potential negative environmental impacts of regulated and non-regulated products that are unwanted;
- Extract value from unwanted products by maximizing commodity values;
- Increase operational efficiency to become more sustainable;
- Reduce total program costs for CBRSC members and their customers.

The CBRSC will be organized into regulated or non-regulated categories comprised of Producer Associations, Retailers, individual members, or combinations thereof. Individual program plans for each organization will be delineated in the form of Appendix to this Stewardship Plan with compartmental plans individually designed around the requirements of legislation and the goals of the members. The intent of this organizational template is to promote flexibility in methodology especially for newly regulated products that have no historical reference. The plan will be amended as required in the form of additional appendices with added products or members and re-submitted for the approval of regulators.

CBRSC may be funded by eco-fees remitted by its members based on product category and sales or may be funded privately by the member organization. Funding strategy will be clearly spelled out in each Appendix.

1 Introduction

The main body of this document outlines the Canadian Brandowner Residual Stewardship Corporation's (CBRSC) stewardship approach in British Columbia while each Appendix describes the stewardship approach specific to each product category or Producer. The producers, retailers or first importers associated with each product category will be summarized in each Appendix as they are identified and appoint CBRSC steward for their operational program.

During the establishment of the CBRSC, producers, retailers and manufacturers expressed the desire to be part of a Stewardship Program that:

- takes a national perspective so that administrative functions are simplified and administrative costs are minimized;
- engages the customer (where possible) at return collection locations using rewards programs, events and social networking; and,
- has the potential to manage multiple regulated products so that producers and retailers have a ready-designed platform.

In addition, the CBRSC's stewardship program was designed to be flexible so that the environmental goals of the producer, retailers and manufacturers can be incorporated into the plan. Today's retailers and manufacturers have evolved their thinking and their environmental goals include the concept of Zero Waste, estimating carbon footprint, achieving renewable energy and the development of sustainable products.

The approach used by the CBRSC is important for stewardship of unwanted products and will be good for:

- producers and brandowners as it provides a comprehensive stewardship solution that is effective and efficient;
- consumers as it provides convenient and cost effective solutions for unwanted products; and,
- the environment as it strives for integrated solutions that have a low environmental footprint.

2 The Canadian Brandowner Residual Stewardship Corporation

2.1 Governance

The Canadian Brandowner Residual Stewardship Corporation (CBRSC) is a Federally registered Not-for-Profit Association under Part 2 of the Canada Corporations Act. The membership of the CBRSC is open to individual companies or Industry Associations that have one or more products managed through the CBRSC's Stewardship Plan.

The Board of Directors will have representatives from each Stewardship Program and may include individuals from the community to provide different and independent perspectives.

The CBRSC is managed by an Executive Director that ensures the Corporation is in good standing as a Federally registered Not-for-Profit Corporation as well as ensures the Stewardship Program meets the needs of the regulators and its members.

2.2 Goals and Objectives

The goal of the CBRSC is to provide a National comprehensive, cost-effective, individualized stewardship program for unwanted products that meets the needs of its members.

To achieve that goal, CBRSC's has five objectives:

1. integrate the individual elements of the member's Stewardship Program into their Sustainability initiatives including Zero Waste, renewable energy and carbon reduction programs;
2. develop multi-product programs for Producers or Brandowners that can be implemented effectively across Canada;
3. engage the consumer and their children to recycle with innovative rewards, events and social networking programs;
4. use supply chain management best practices to minimize carbon footprints;
5. minimize the organization's administrative and environmental footprint.

These goals and objectives will be used to drive the design, implementation and evaluation of the CBRSC's stewardship programs.

2.3 Accountability and Transparency

The CBRSC is a non-profit society dedicated to collection, transportation and processing of multiple regulated and non-regulated products from coast to coast.

An independent accounting firm will prepare the financial statements annually if eco-fees have been collected at the retail level.

The CBRSC will employ, several different audit procedures to assure compliance with required laws and regulations and general efficiency, including:

- compliance with all local, provincial and federal regulatory agencies;
- verification of program accomplishments;
- periodic environmental audits of its collection and processing facilities;
- certificates of recycling to CBRSC members that require documentation;
- adherence to the spirit of the Basel Convention and the associated agreements with OECD countries and the United States of America.

In addition, the CBRSC will invite environmental groups, local governments and interested parties to review programs, processing facilities and participate in events to demonstrate environmental performance and ensure transparency.

2.4 Financing Mechanism

Funding of the collection, transportation and processing of the unwanted products will be calculated on a fee-for-service basis with program members on a program specific basis.

Visible consumer eco-fees at the retail level will be optional and will be program specific. The decision to charge visible eco-fees will be the decision of the CBRSC program members and their retail customers. Each appendix and future appendices will outline the funding strategy by customer or product type.

Program costs will be based upon a fair cost structure system that includes the following criteria:

- 1) weight;
- 2) volume;
- 3) ease of dismantling;
- 4) hazard rating of materials;
- 5) value of recovered commodities.

Future enhancements of the program will include incentives for environmentally designed products.

Activities in advance of program funding (such as developing the plan, establishing the collection network, assessing qualified processors and developing the communication strategy) will be initially borne by the CBRSC and then repaid from future program revenues from the program.

2.5 Annual Reporting

The CBRSC will be responsible for compilation of the data collected by the different Stewardship Programs for the purposes of regulatory reporting, consultation and reviewing of the effectiveness of the stewardship program.

Each Stewardship Program will have a separate Annual Report as required by the Recycling Regulation.

3 Product Life Cycle Management

The management of unwanted products can result in environmental impacts including energy, water, fuel, carbon and waste. Because of this complexity, managing performance and making decisions on how to reduce these impacts can be extremely challenging.

To address this complexity, the CBRSC will use the following Product Life Cycle elements in each of the CBRSC Stewardship Programs. The elements are:

- The adoption of the Pollution Prevention Hierarchy as a principle of the management of residuals collected in the Stewardship Programs;
- Open and transparent on-line tracking of the residuals and recovered commodities so that the consumer can track the fate of their products;
- Integration of Corporate or Association's specific requirements (e.g., Zero Waste, Carbon Neutral) into the stewardship program.

These three principles will be used in every stewardship program to guide the design and modification of the program's implementation. Program specific details will be outlined in the different Stewardship Programs that will form the Appendices to this document.

3.1 The Pollution Prevention Hierarchy

The Pollution Prevention (P2) Hierarchy was first developed in the 1990's by the Ministry of Environment as a method to guide and provide

direction for the management of residuals generated at industrial sites or unwanted products.

The P2 Hierarchy is:

- (a) *reduce* the environmental impact of producing the product by eliminating toxic components and increasing energy and resource efficiency;
- (b) *redesign* the product to improve reusability or recyclability;
- (c) *eliminate* or reduce the generation of unused portions of a product that is consumable;
- (d) *reuse* the product;
- (e) *recycle* the product;
- (f) *recover* material or energy from the product;
- (g) *dispose* of the waste from the product in compliance with the Environmental Management Act.

The first priority of a Product Stewardship Program is avoidance of the product from landfills. Once a Stewardship Program has achieved its first priority, there is a responsibility of the Stewardship Program to move the unwanted products up the P2 Hierarchy and consider reuse, recycling and energy recovery in that order. It is also the responsibility of the Stewardship Program to feedback information to the Producers so that the reduce, redesign and eliminate steps in the P2 Hierarchy can be achieved.

The P2 Hierarchy provides direction and where feasible, residuals recovered by the Stewardship Program will be moved up the P2 Hierarchy.

With respect to “reuse” within the P2 Hierarchy, the CBRSC will consider a reuse policy for each of the product categories within this stewardship plan; however, the reuse of some products may have health and safety issues that may guide “reuse” as an option for a given product category.

3.2 Business Intelligence Platform

During the formation of the CBRSC, stakeholders identified access to comprehensive data with the ability to perform timely analysis about environmental, social and economic performance as a key requirement for a Stewardship Program.

As such, the CBRSC will employ advanced data and analysis tools to develop and execute sustainable strategies that will:

1. Identify the “right” programs for unwanted products that deliver the greatest environmental, economic and social value;
2. Avoid blind spots by taking into account a full inventory of environmental impacts;

3. Are based on visibility and transparency across a broad range of operations;
4. Tell great stories about “Green” accomplishments;
5. Provide proactive stakeholder (both internal and external) management;

The Business Intelligence Platform will serve as a mechanism to engage the consumer and the Producer in the tracking of residuals and the fate of recycled commodities. The tracking of products will include:

- Providing Producers with the level of meta-data regarding the collection of unwanted products;
- Providing consumers with the product life cycle of the returned unwanted products including how it was managed during recycling and the fate of the commodities recovered by the recycling process. This could be real time or simulated depending on the product and the desire of the Producer;
- Detailing the Life Cycle Analysis and ecological footprint of the recycling process so that residuals can be moved up the pollution prevention hierarchy.

4 Stakeholder Consultation

Each stewardship program will have a consultation program specifically designed for its product type and potential impact on consumers and the consultation results will be summarized in each Appendix.

The basic consultation program will include:

- Web based consultation and summary of issues using the CBRSC’s website for a minimum of 45 days;
- Email communication to stakeholders and notification through the RCBC;
- Member advisory service as well as other organizations;
- A minimum of 4 regional consultations held in key regions of the Province;
- Written submission provided by stakeholders;
- Meetings with key stakeholders;
- Webinars.

Following the stakeholder consultation process, a summary of the stakeholder’s comments will be prepared and included in the Appendix for that stewardship program.

The consultation and consultation summary will be prepared prior to the submission of the final stewardship program to the Director for Approval.

5 The Recycling Program

5.1 *Demographics in BC*

One of the key challenges of any Stewardship Plan is to provide accessibility to the consumer – especially in rural areas.

The population of British Columbia in 2009 according to Statistics Canada was 4.4 million people. According to Statistics Canada, approximately 88% of the population live in cities, towns or Regional Municipalities with a population greater than 1,000 people.

One of the challenges of a British Columbia's product stewardship program will be providing recovery services to the smaller rural communities. Fort Nelson on the Alaska Highway (population 4,300) and Port Clements on Haida Gwaii (population 432) are important locations as they represent extreme rural location and a transportation challenge for the stewardship plan.

Each CBRSC program will develop a rural strategy and use the “*Stewardship Program Rural Service Level Guidelines for Durable and Semi-Durable Goods” prepared by the BC Product Stewardship Council as guidance for a rural strategy

*The “Stewardship Program Rural Service Level Guidelines for Durable and Semi-Durable Goods” exists in draft form. The CBRSC agrees with the substance of this draft document.

5.2 *Collection and Transportation*

Once the demographics of the province are understood, the CBRSC's Stewardship Program has developed a variety of options to create an efficient reverse-distribution program.

Each program will be designed for the product type to achieve the highest recovery rate at the lowest cost while balancing the challenges faced in rural communities. Each program will be unique and detailed in the Appendices to this Stewardship Plan.

Each product category will use one or more of the following recovery methods that will engage the consumer:

- permanent return collection facilities;
- special events;
- temporary depots (e.g., “depot in a box) for remote locations;
- interactive kiosks at sporting events;
- curb-side collection;

- return-by-mail options as necessary for unique situations;

The CBRSC will design the different stewardship programs utilizing these infrastructures to ensure the product stewardship program is comprehensive, effective and efficient in both rural and urban settings.

5.3 Education and Awareness

Elements of education and awareness will include:

- collection site locator (web based)
- detailed recycling guidelines including storage, safety, packing and shipping information and training videos
- In –store posters and recycling guides
- Monthly updates on individual site locations and collection results
- Co-promotion opportunities with stores/Producers/collection depots.

5.4 Processing

The Canadian Brandowner Residual Stewardship Corporation (CBRSC) has adapted the e-waste recycler’s pledge of true stewardship as the principles it will use to process recovered products. All companies processing unwanted products collected in the stewardship programs operated by the CBRSC will be required to follow the following principles.

- The CBRSC will not allow the export of hazardous waste in its stewardship programs to developing countries either directly or through intermediaries consistent with decisions of the international Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.
- The CBRSC will not allow any residuals in its stewardship programs to be sent to prisons for recycling either directly or through intermediaries.
- The CBRSC will assure that the contractors and intermediaries will have a certified, or otherwise comprehensive and comparable “environmental management system” in place.
- The CBRSC will ensure that the entire recycling chain, including downstream intermediaries and recovery operations such as

smelters, are meeting all applicable environmental and health regulations. Every effort will be made to only make use of those facilities (e.g. smelters), which provide the most efficient and least pollution recovery services available globally.

- The CBRSC will provide visible tracking of residuals throughout the product recycling chain. The tracking information should show the fate of all residuals collected in its programs. If there is a concern about trade secrets, an independent auditor acceptable to parties concerned can be used to verify compliance with this pledge.
- The CBRSC will require contractors and intermediaries to provide adequate assurance (e.g. bonds) to cover environmental and other costs of the closure of processing facilities, and additionally to provide liability insurance for accidents and incidents involving residuals under our control and ownership. Additionally the CBRSC will ensure due diligence throughout the product chain.
- The CBRSC will support Extended Producer Responsibility (EPR) programs and/or legislation in order to develop viable financing mechanisms for unwanted products that provide that all legitimate recycling companies have a stake in the process.
- The CBRSC will support design for environment and toxics use reduction programs and/or legislation for products.

5.5 *Monitoring and Reporting*

The generation of meaningful data and information and making it available to Producers and the consumer is one of the key objectives of the CBRSC.

For each Stewardship Program, the CBRSC will develop customized internet based “dashboards” to help understand and continuously monitor and communicate the status of the program.

The reporting and review of each Stewardship Program will be developed over time using the following 4-step process:

5.5.1 *Baseline Development*

- Discovery to determine sustainability goals and appropriate metrics;
- Determine relevant impact areas and appropriate data sources;
- Collection of baseline data for analysis;
- Develop program-specific dashboard and baseline impact inventory;

- Create standardized baseline report(s) for internal and external communication.

5.5.2 Continuous Data Management

- Development of data management strategy in line with the programs current and future sustainability plans;
- Determine frequency of reporting and distribution needs;
- Build internet interface that displays information.

5.5.3 Key Performance Indicators

- Maintain an environmental impact inventory depending on data availability
- Program specific dashboards based on Key Performance Indicator's (KPI's)
- Baseline report – supports initial communication efforts, provides internal benchmarking amongst competing plans, and identifies potential opportunities for improvement.

5.5.4 Reporting

- Ongoing monthly or quarterly updates of program specific dashboards.
- Ongoing monthly or quarterly updates of internal benchmarking reports
- Customized Reporting of
 - Progress against stewardship plan targets and KPIs;
 - Volume of material collected
 - Recovery Rate
 - Post-collection destination of material
 - Expenses (program specific) & distribution
 - Revenue (program specific)
 - Cost per unit of collected material
 - Total cost per kg diverted
 - Greenhouse Gas Emissions from transportation/collection/processing
 - Greenhouse Gas Emissions saved

5.5.5 Management Review

The CBRSC will be responsible for compilation of the data collected by the different Stewardship Programs for the purposes of Management Review. Management Review will include regulatory reporting, ongoing auditing and corrective action and reviewing of the effectiveness of the stewardship program.

6 Program Performance Measures

There are seven strategies that follow the Performance Measure and Reporting Guidelines prepared by Environment Canada. As each stewardship program develops, the CBRSC will quantify the performance measure and set long-term goals and annual targets to support the performance measure.

Performance measures are also expected to evolve over time as programs mature. Further, the Performance Measures will be linked directly to the Business Intelligence Platform outlined in Section 3.2 as the program is developed.