



Ministry of Environment
Attention: Director, Extended Producer Responsibility Programs
PO Box 9341, STN PROV GOVT
Victoria, BC V8W 9M1

Via Email: ExtendedProducerResponsibility@gov.bc.ca

June 30, 2020

Dear Director:

Re: 2019 OPEIC Annual Report

Pursuant to the British Columbia Recycling Regulation, 449/2004, issued under the Environmental Management Act (O.C. 995/2004), please find attached the Outdoor Power Equipment Institute of Canada's 2019 annual report for the OPEIC program for electric outdoor power equipment for the period January 1, 2019 through December 31, 2019.

Please provide confirmation of receipt. We will also be posting the report on OPEIC's website as per the Regulation.

If you have any questions regarding this report, please contact me at (703) 549-7600 or bmartin@opei.org.

Yours truly,

A handwritten signature in black ink that reads 'Brandon Martin'.

Brandon Martin

Director of Battery and Electric Products and Industry Affairs
Outdoor Power Equipment Institute of Canada

cc. Mark Kurschner
Kristi MacMillan



Annual Report to the Director 2019

Submitted to: Director, Extended Producer Responsibility Section
Environmental Standards Branch
Ministry of Environment and Climate Change Strategy
PO Box 9341, STN PROV GOVT
Victoria, BC V8W 9M1

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June 30th, 2020

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1 Executive Summary

The Outdoor Power Equipment Institute of Canada (OPEIC) manages an approved extended producer responsibility program (“Program”) for electric outdoor power equipment (EOPE) in British Columbia. Launched on July 1, 2012, the Program operates pursuant to the terms set out in the Outdoor Power Equipment Stewardship Program for Outdoor Power Equipment (“Program Plan”) approved by the Ministry of the Environment and Climate Change Strategy (MoECCS) on April 20, 2012. This report covers the period of January 1 to December 31, 2019 in accordance with the Program Plan.

As required under the BC Recycling Regulation, OPEIC initiated a program plan review in 2017 and submitted an amended program plan to the MoECCS in February 2018. The MoECCS provided its response to the program plan in August 2018. OPEIC initiated a comprehensive review of the program in late 2018 in response to the issues identified and submitted a revised program plan on June 1st, 2019 addressing the issues raised by the MoECCS. OPEIC received a preliminary decision letter on December 31st, 2019 addressing the changes to the plan. An amended plan has since been submitted and is awaiting approval.

Products within Plan	Electric outdoor power equipment, categorized into four groups: hand-held, walk-behind, free-standing and lawn tractors.
Program Website	www.opec.ca

Regulation Provision	Topic	Summary
Part 2, section 8(2)(a)	Public Education Materials and Strategies	<ul style="list-style-type: none"> Updated and maintained easy-to-use website www.opec.ca with an up-to-date collection site locator tool. Renewed contract with Recycling Council of BC (RCBC) for hotline, website and Recyclepedia services. Continued membership with the Stewardship Agencies of BC (SABC). Continued participation in the First Nations Recycling Initiative (FNRI). Ran radio advertising on JRFM country radio and select Vista stations, targeting rural communities and the Lower Mainland Advertised in municipal waste calendars distributed in three communities. Ran Google search advertising campaign targeting users

Regulation Provision	Topic	Summary
		<p>performing Google searches.</p> <ul style="list-style-type: none"> Conducted Google display advertising campaign, targeting BC residents who showed interest in EOPE or related topics. Distributed OPEIC promotional materials (rack cards) on request.
Part 2, section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> OPEIC collection sites are located at metal recycling facilities, depots, local government sites and retailers of electric outdoor power equipment. There were 74 contracted collection sites in 2019. Consumers can drop-off their broken or unwanted electric outdoor power equipment at OPEIC collection sites at no charge.
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> Producers maximize the use of materials that can be recycled and reused. Producers optimize product design to reduce the materials used, reducing product weight, material content and product volume. Supply chain initiatives include the use of returnable-reusable packaging for components from suppliers.
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> At OPEIC collection sites, EOPE is combined with other metal accumulated on-site, which is then eventually sold to a larger metal recycler. Metals are the primary commodities recovered from EOPE. The metals in EOPE are primarily steel, aluminum and copper. The shredders successfully extract approximately 99% of the metal. This material is then shipped to smelters and formed into ingots for reuse. The Program accepts all batteries recycled with program product CARI members are required to comply with all environmental requirements, ensuring that batteries are managed in a responsible manner.

Regulation Provision	Topic	Summary
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> Program participants reported 214,020 units of EOPE were sold between December 1, 2018 and November 30, 2019. In 2019, 10 metal recycling facilities were sampled for EOPE. These sampling studies were conducted to estimate the quantity of EOPE that is managed through the scrap metal system as part of the Program's collection system, as per the approved Program Plan. 2019 sampling studies showed that approximately 0.60% of the sampled material was EOPE. SABC members participated in a waste composition audit in Cariboo Regional District in 2019. No EOPE was found in the audit.
Part 2, section 8(2)(f)	Summary of Revenues and Expenses	<ul style="list-style-type: none"> The Program management costs are funded by environmental handling fees (EHF) applied to the sale of EOPE in or into BC. Retailers may choose to build the EHF into the product's price or display it as a separate charge to consumers at point of sale. See Appendix D for the independent financial audit for the fiscal reporting year.

2 Program Outline

The Outdoor Power Equipment Institute of Canada (OPEIC) operates an approved extended producer responsibility program ("Program") for electric outdoor power equipment (EOPE) in BC in accordance with its Program Plan ("Program Plan") approved by the BC Ministry of Environment and Climate Change Strategy (MoECCS) pursuant to the *BC Recycling Regulation* (BC Reg. 449/2004) ("Regulation") on April 20, 2012.

EOPE is included in Article 2(1) of Schedule 3 of the Regulation ("Electronic and Electrical Product Category") and includes items such as electric snow blowers, electric lawn mowers and other electric gardening tools. The Program categorizes these products into four groups of EOPE: hand-held, walk-behind, free-standing and lawn tractors.

OPEIC is a Canadian federal non-profit organization incorporated under Part 2 of the *Canada Not-for-profit Corporations Act* formed as the legal entity to govern the Program. As of December 2019, the Program had 43 participants who represented the majority of the EOPE market in British Columbia. Participants included manufacturers, distributors and dealers. Product Care Association of Canada ("Product Care") continued to be engaged as Program Manager by OPEIC in 2019.

OPEIC's collection network spans the Province, providing convenient drop-off locations, including retailers, local government facilities, private metal recycling facilities and recycling depots. Consumers can drop-off their electric outdoor power equipment at any contracted collection site without charge.

OPEIC has taken an environmentally-conscious, non-conventional approach to EOPE collection. Unlike traditional stewardship programs where a new and separate collection system is developed to divert products from the waste stream, the Program utilizes the existing collection and transportation network operated by the scrap metal recycling industry. OPEIC's website (www.opec.ca) offers an up-to-date collection site locator providing listings of the current collection facilities. The website also outlines the OPEIC's policies for participants and program information for consumers and retailers.

3 Public Education Strategies

The Program pursued an ongoing engagement strategy with consumers, collection sites, municipalities and retailers in 2019. The following is a summary of the public education and promotion strategies executed during the reporting year.

Website

In 2019, OPEIC's dedicated program website (OPEIC.ca) was rebranded to be more consistent with the branding of its US counterpart (opei.org). Similar to the old version of the website, the refreshed site includes the following content to fulfill the related program plan commitment:

- Collection site locator (a map displaying locations of all OPEIC collection sites – See Appendix A)
- Hours of operations and addresses for all recycling locations
- Details of products accepted and not accepted by the Program
- Other program information (e.g. environmental handling fees, program news, program history, etc.)
- Contact information, including email address (info@opec.ca) and a toll-free consumer inquiry phone number (1-877-592-2972 ext. 226)
- A list of frequently asked questions to address stakeholder inquiries

OPEIC.ca saw 7,486 unique visitors and 15,082 page views in 2019. New visitors were the largest category of OPEIC website users in 2019 (88%), suggesting that consumers are continuing to learn about the Program and are exploring recycling options for EOPE.

Partnerships

OPEIC continued to contract with the Recycling Council of BC ("RCBC") to provide consumer support through RCBC's phone hotline (604-RECYCLE) and free Recyclepedia smart phone app. RCBC is a trusted public information resource that consumers use to learn about the recycling options available in their community. Between January 1, 2019 and December 31, 2019, RCBC collectively answered 1,258 phone, email, and smart phone app inquiries with regard to products included in the OPEIC Program.

OPEIC also continued its participation in the Stewardship Agencies of British Columbia (SABC), a consortium of stewardship programs in the Province connected by a mandate to simplify recycling for

the public. BCRecycles.ca – SABC’s consumer-oriented website – is a one-stop resource for detailed information on materials that can be recycled in British Columbia. BCRecycles.ca includes a comprehensive recycling locator tool, a downloadable recycling handbook and contact information for the OPEIC Program.

In addition, OPEIC continued to participate in the First Nations Recycling Initiative (FNRI). The initiative is supported by ten stewardship agencies providing support to indigenous communities who are interested in starting recycling programs in their communities. A First Nations Field Service Specialist is dedicated to raising awareness of the initiative, offering resources to support recycling, and organizing community collection events in indigenous communities. In 2019, FNRI visited 14 indigenous communities across eight different regional districts meeting with public works managers, band administrators, chiefs and councils.

As well, FNRI collaborates with Indigenous Services Canada (ISC) and the Indigenous Zero Waste Technical Advisory Group (IZWTAG) to collectively increase recycling accessibility for indigenous communities across the province. FNRI represented OPEIC in quarterly meetings with both groups, and plans to continue to build strong partnerships moving forward.

Radio Advertising

In 2019, a key advertising initiative for OPEIC was radio advertising. The OPEIC Program was promoted using 30-second radio commercials, which aired on JRFM country radio—throughout the Lower Mainland. The ads ran during the peak season of May through October, generating an estimated 5,637,492 impressions.

Radio spots also aired on select Vista stations from May–September 2019 to target audiences in more rural areas outside of the Lower Mainland including:

- 100 Mile House
- Campbell River
- Castlegar
- Duncan
- Grand Forks
- Nanaimo/Sechelt
- Nelson
- Powell River
- Prince George
- Quesnel

This campaign generated an estimated 2,365,460 impressions.

Print Advertising

In 2019, the Program advertised in municipal waste and recycling calendars in Chilliwack, Invermere, and Mission. More than 22,000 calendars were distributed between these communities.

Please see Appendix A for examples of print advertisements.

Google Search Advertising

OPEIC conducted a Google search advertising campaign between January and December 2019 targeting users performing Google searches for keywords related to EOPE, OPEIC, and recycling. Ads targeted the entire province of British Columbia, generating a total of 11,291 impressions and 1,091 clicks through to OPEIC.ca. See Appendix A for examples of Google search advertisements.

Google Display Advertising

OPEIC conducted a Google display advertising campaign between April and December 2019, targeting the entire province of British Columbia. The campaign was further targeted to primarily reach residents who showed an interest in EOPE or related topics, such as landscaping equipment, home improvement and the environment. The ads generated more than 1.4 million impressions and 3,125 clicks through to OPEIC.ca.

Marketing Materials

OPEIC promotional materials, such as rack cards, were distributed to Program stakeholders on request. All stakeholders were able to re-order promotional materials free of charge by emailing or phoning OPEIC. Digital files of Program rack cards and FAQ sheets were also made available online to download free of charge.

4 Collection System and Facilities

OPEIC contracts with existing collection sites to create a network that provides year-round recycling options for consumers wishing to return their broken or unwanted EOPE at no charge. OPEIC has taken a market-driven approach in establishing the network, contracting with private scrap metal recycling facilities, local government facilities, recycling depots and return-to-retail locations.

As of December 31, 2019, the OPEIC collection network consisted of 74 contracted collection sites. OPEIC continues to work toward expanding its collection network. Table 1 provides a breakdown of the different types of collection sites across the Province. See also Appendix B for a detailed list of all of the OPEIC collection sites contracted in 2019 and Appendix C for a breakdown of the number of collection sites by regional district.

Table 1: OPEIC Collection Sites by Type 2019

Type of Collection Site	# in 2018	# in 2019
Metal Recycling Facility	46	44
Local Government	7	7
Recycling Depot	19	19
Retailer	4	4
Total	76	74

Waste Composition Audits

Waste composition audits are regularly conducted by select local and regional governments with the participation of SABC members, including OPEIC. The purpose of the audits is to identify whether program products are entering landfill as a measure of program success.

In 2019, SABC participated in a waste composition audit in Cariboo Regional District at three sites including: Quesnel, Williams Lake and 100 Mile House. The audit is an indicator that EOPE is not entering landfills as no EOPE products were found.

5 Product Environmental Impact Reduction, Reusability and Recyclability

Manufacturers continue to produce products that focus on sustainable environmental impacts while keeping end of life processing in mind for recycling or reusability. As the foundation of communities, manufacturers continue to make substantial investments over time to minimize their environmental footprint by increasing energy efficiency, saving and recycling water and implementing initiatives to reduce pollution and waste.

Product Design

Product design influences the durability and reliability of products, which has a direct impact on the life of a product and end-of-life management options. Producers optimize product design to reduce the materials used, which in turn reduces product weight, material content and product volume. Specifically, Producers conduct analyses on the use of plastics and other materials in the design and manufacture of EOPE; maximizing the use of materials that can be recycled and reused.

Producers also work to reduce the environmental impact associated with product packaging waste. Trends include the reduction in packaging weight and volume, more efficient use of packaging materials, the use of recycled content and recyclable materials.

Manufacturing Processes

Producers are reducing air emissions, increasing energy efficiency, saving and recycling water, limiting waste and producing safe products and solutions so others in the economy can do the same. These include the collection, recycling, and reuse of remnant ferrous and non-ferrous metals that result from

the manufacture of components. Other waste materials, including plastic, corrugated and paper materials, can be recovered and recycled during the manufacturing process for productive uses.

The use of recycled plastics in the manufacturing of EOPE is limited because of standards on specific material and performance characteristics required of these products, such as flame retardants, impact resistance, electrical conductivity, or extreme temperature capabilities. In these instances, a specially formulated plastic resin is essential to the product's performance. In Canada and the US, EOPE products are tested and certified to Canadian Standards Association (CSA), International Electrotechnical Commission (IEC), and Underwriters Laboratories (UL) safety standards. As part of these certification processes, follow-up on-site visits are conducted that include verification of the actual virgin resin against the original certification. The use of recycled plastics in these instances is not possible because of the variability in its composition and properties.

Supply chain initiatives include the use of returnable/reusable packaging for components from suppliers. Suppliers are encouraged to locate support operations in close proximity to manufacturing operations, thereby reducing transportation-related energy use in the delivery of components.

Producers seek to reduce water consumption in water-dependent manufacturing processes through improved process efficiencies. Initiatives include the treatment and reuse of process water to reduce total needs.

Reuse and Repair

The reuse market for EOPE is very well developed. Valuable EOPE products that are not at the end of the functional life are not expected to be dropped off at collection sites or collection events because they have residual value. The market facilitates the repair and reuse of EOPE products through a variety of channels, including re-selling websites (e.g., Craigslist and garage sales), charitable organizations (e.g., Salvation Army or local product dealerships) and trade-ins on new product purchases. The Program recognizes that there is a robust and effective reuse system already in place outside the parameters of the Program and hence will focus on the collection and recycling of the end-of-life EOPE.

Greenhouse Gas Emissions

The estimated greenhouse gas (GHG) impact of the recycling of outdoor power equipment was calculated using a GHG emission inventory tool developed specifically for OPEIC by a third party based on national and internationally recognized reference protocols and standards. Based on the limited available information from downstream processors and the numerous assumptions that had to be made to determine the GHG impact, the final GHG emission numbers are accurate to only one significant digit. The GHG emissions for 2019 were estimated based on these calculations, to be 1000 tonnes of equivalent carbon dioxide (CO₂e). This value is estimated based on 2 tonnes of CO₂e generated per tonne of material managed.

6 Pollution Prevention Hierarchy and Product / Component Management

The following information is based on the understanding of the market-driven system obtained from conversations with industry representatives and downstream processors. No further due diligence was performed on the information in terms of site visits or other investigations and therefore there is some degree of uncertainty surrounding the end fate of the products.

Recycling Processes

EOPE includes, amongst others, electric lawn mowers, electric snow blowers and electric garden equipment. They can be battery powered (primarily lithium ion and some lead-acid), or plugged-in electric-powered. Metals are the primary commodities recovered from EOPE. Metals are divided into two primary classifications: ferrous metals (constituting about 90% of the metal waste stream) that can be sorted through electromagnetic separation, and non-ferrous metals (representing approximately 10% of total metals). Ferrous metals include mainly steel and cast iron; non-ferrous metals include aluminum, lead, copper, nickel and zinc. According to industry members, the metals in EOPE are primarily steel, aluminum and copper.

A description of the recycling stream of these OPEIC products provided by a Canadian Association of Recycling Industries (CARI) spokesman explains that individuals and commercial entities typically deliver EOPE to a contracted collection site either loose or in a bin. The collected EOPE is combined with other metal accumulated on-site, which is then sold to a larger metal recycler, usually a member of CARI, who processes the majority of metal-bearing products collected in BC for recycling. All CARI facilities follow a set of Guiding Principles³ that include a commitment to comply with all legal requirements that affect their operations and products to ensure proper recycling methods are employed.

Once sold to a larger metal recycler, the EOPE products are sorted by commodity and loaded into bins or baled on-site. EOPE material is sent to a shredder due to the high cost of dismantling by hand or with other tools. EOPE is characterized as tin, which is usually shredded here in BC, but can also be barged or trucked to a nearby facility in Tacoma, Washington State. After shredding, the resulting material is sorted into ferrous metal, non-ferrous metal and waste material (plastics, fabrics, etc.). According to information provided by metal processors, the shredders successfully pull out approximately 99% of the metal. This material is then shipped to smelters and formed into ingots. Ingots are then sold to manufacturers to make consumer and/or industrial goods.

There is a common misconception that all plastics are recyclable and available to be used in the manufacturing of EOPE and other products. Most recycling facilities collect #1 and #2 types of plastic, or the plastic bottles made from PETE/PET and HDPE resin. The end markets for #1 and #2 plastics (bottles) were stable and numerous in 2019. However, plastics used in the manufacturing of EOPE (i.e. plastics #3 through #7) are landfilled because of their properties and the consequential challenges in recycling them. These plastics are made with an injection molding or stamp molding process and involve additives.

Management of Embedded Products

The Program accepts all batteries recycled with Program Products. Based on conversations with a representative sample of scrap metal collectors, batteries are removed from products diligently, in part due to the potential fire hazard. This includes batteries that are designed not to be removed by the user. A majority of Regional District operators collecting EOPE also have battery management operations in place. Lead-acid battery collections are considered particularly robust. Generally, batteries are removed prior to the product being bailed and shredded, and are managed separately. CARI members are required to comply with all environmental requirements, ensuring that batteries are managed in a responsible manner. Scrap metal facilities make their own business decision as to whom they contract with to recover and process batteries. Facilities consider this information to be private and do not disclose it to OPEIC. Consequently, the end fate of embedded products is unknown.

7 Products Sold and Collected

OPEIC participants reported 214,020 units of EOPE were sold in BC during the fiscal reporting year from December 1, 2018 to November 30, 2019. (See Table 3 for a breakdown of units sold by product category).¹

Table 2: Total Units of Electric Outdoor Power Equipment Sold in BC in 2019 fiscal reporting year

EOPE Category	Total Units Sold
Hand-Held OPE	143,979
Walk-Behind OPE	33,779
Free-Standing OPE	36,258
Lawn Tractors	4
Total	214,020

As noted previously, EOPE is recycled through the network of existing private metal recycling facilities and other government and private collection facilities that accept metal products. These facilities manage various types of scrap metal obtained from a range of products. Given the relatively small size and volume of EOPE products, the manner in which metals are received at collection facilities, and the space and resources required to separate EOPE on site, it is not practical or profitable for collection sites to segregate EOPE from the mixed-stream of recycled metal products and provide discrete collection volumes, and therefore to report out on units collected. In previous years, OPEIC spoke with numerous regional districts and private collectors, a vast majority of which indicated that they were not interested

¹ In 2017, OPEIC changed its accounting policy for the recognition of revenue from Environmental Handling Fees (EHFs). In previous periods, OPEIC had recognized revenues from EHFs in the period that the related program materials were sold by the member. As of 2017, OPEIC decided to recognize revenue from EHFs at the end of the month following the reporting period that the program materials were sold by the member. Management believes that the new policy is preferable because it better reflects the requirements of OPEIC's membership agreements, which defines the members' obligations under the various programs. Accordingly, in order to align non-financial reporting of units sold with OPEIC's financial revenues, the units sold reported for 2019 reflect units sold between December 2018 and November 2019.

in reporting out on units of EOPE collected because it was both impractical and too time-consuming for such a marginal product category.

To estimate the quantity of EOPE managed through the scrap metal system, OPEIC conducted sampling studies at ten collection sites in the Lower Mainland and Vancouver Island. It is OPEIC's experience and understanding that the vast majority of scrap metal recycled in BC moves through eight CARI member companies. Therefore, these company's locations were used as sampling sites for four sampling events in 2019 (April, June, August, October)); the same sites that were sampled in the previous year. Initial selection of these locations was based on the specific amenities of each site, the ability to complete sampling safely and geographic location. Table 4 lists the metal recycling facilities where the four sampling events were conducted in 2019.

Table 3: Collection Sites Sampled in 2019

Collection Site Sampled	Site Address	City
ABC Metals Recycling	8081 Meadow Ave	Burnaby
ABC Metals Recycling	4318 Terminal Place	Campbell River
Davis Trading & Supply Ltd.	1100 Grant Street	Vancouver
Richmond Steel Recycling	11760 Mitchell Road	Richmond
Rypac Aluminum Recycling Ltd.	11849 Tannery Road	Surrey
Schnitzer Steel Pacific Recycling	5551 Duncan Bay Road	Campbell River
Schnitzer Steel Pacific Recycling	13271 Trans Canada Hwy	Cassidy
Coast Environmental	3015 Boys Road	Duncan
Schnitzer Steel Pacific Recycling	307 David Street	Victoria
Schnitzer Steel Pacific Recycling	12301 Musqueam Dr.	Surrey

While all collection sites where sampling was conducted were within the Lower Mainland and Vancouver Island, these locations also received materials from smaller scrap metal collectors located in other parts of the province.

Sampling focused on recycling streams identified to most likely contain EOPE products: tin², electric motors (ELMO)³, aluminum⁴ and breakage⁵, heavy steel⁶ and stainless steel⁷. The results of the sampling events found approximately 0.60% of the sampled material was derived from EOPE. This result was based on the inclusion of actual and estimated weights for sampled material (i.e., in the majority of

² Tin: lower grade ferrous metal, typically steel with various non-ferrous metals or other contaminants, to be shredded for magnetic and eddy current sorting.

³ ELMO: mixed electric motors, whole or dismantled with primarily copper windings but may contain aluminum windings.

⁴ Aluminum: cast, clean, light dirty and heavy dirty grades; dirty implies a greater percentage of iron and other metal contaminants.

⁵ Breakage: aluminum and copper with miscellaneous contaminants like iron, dirt and plastic.

⁶ Heavy steel: recyclable steel and wrought iron.

⁷ Stainless steel: steel alloy that contains chromium and sometimes another element (such as nickel or molybdenum) that makes the steel practically immune to rusting and ordinary corrosion.

instances, OPEIC was not able to get an actual weight on a sample pile and had to estimate the weight.)⁸ If available, for each scrap metal pile weights were recorded by facility. In cases where no weight was available due to operational limitations, estimates were made by site staff or PCA staff.

The percentage of sampled material identified as EOPE product increased in 2019. Table 5 provides a comparison of the percentages of sampled material identified as EOPE in years 2013 through 2019. This variability is consistent with the information that we received from a third-party statistician during the preparation of our program plan. Generating a statistically significant estimate of the total amount of EOPE recycled in British Columbia would require a sampling effort that would be both cost prohibitive and logistically problematic, requiring year round sampling at considerable disruption to scrap metal recycling businesses.

Table 4: Percentage of Sampled Material that was Electric Outdoor Power Equipment

Year	Percentage (%)
2013	0.12%
2014	0.17%
2015	0.18%
2016	0.15%
2017	0.014%
2018	0.14%
2019	0.60%

8 Revenues and Expenditures

A summary of Program revenues and expenditures is provided in OPEIC's audited financial statements found in Appendix D.

The Program is funded through environmental handling fees (EHFs), which are remitted to OPEIC by program participants based on unit sales of new EOPE in or into British Columbia. EHF rates are set by OPEIC in consultation with industry and retailers. In some cases, retailers recover the EHFs from consumers as a separate fee. Program revenues are applied to the management cost of the program, including education, outreach and administration. Table 6 provides the EHFs applied to sales in 2019.

⁸ Sampled piles with an estimated weight of more than 100,000lbs were excluded from the total material sampled on the basis that the pile was too large to estimate with any degree of confidence.

Table 5: Environmental Handling Fees for Electric Outdoor Power Equipment

Product Category	2019 EHF Per Unit
Hand-Held EOPE	\$2.00
Walk-Behind EOPE	\$8.00
Free-Standing EOPE	\$4.50
Lawn Tractors	\$16.00

9 Plan Performance


Table 7 sets out program performance indicators.

Table 6: Program Performance Indicators (BC Recycling Regulation, Part 2 section 8(2)(g))

Program Area	2019 Performance	Strategies for Improvement
Consumer Awareness	No consumer awareness survey was conducted in 2019.	Starting in 2020, OPEIC will work with its contracted service provider to enhance its outreach activities. OPEIC will also refine its survey methodology to obtain greater accuracy in consumer awareness.
Collection Sites	OPEIC had 74 contracted collection sites that accepted all EOPE at no charge by the end of 2019.	With a directive to move from a market-driven to traditional stewardship model and the resulting wholesale change in the program's collection network, the accessibility study was put on hold as the program shifts to a new collection. OPEIC will transition its collection network once the revised program plan has been approved, by contracting with a service provider to utilize their collection network.

APPENDIX A: Educational Materials

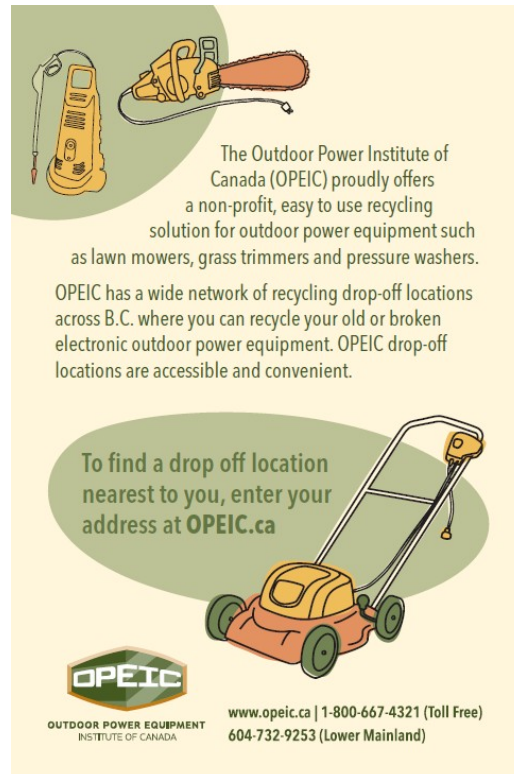
OPEIC Consumer Rack Card – Front (left) and Back (right):



It's easy to recycle your outdoor power equipment!

OPEIC
OUTDOOR POWER EQUIPMENT
INSTITUTE OF CANADA

Find your nearest drop-off location!
1-800-667-4321 | www.opec.ca



The Outdoor Power Institute of Canada (OPEIC) proudly offers a non-profit, easy to use recycling solution for outdoor power equipment such as lawn mowers, grass trimmers and pressure washers.

OPEIC has a wide network of recycling drop-off locations across B.C. where you can recycle your old or broken electronic outdoor power equipment. OPEIC drop-off locations are accessible and convenient.

To find a drop off location nearest to you, enter your address at OPEIC.ca

OPEIC
OUTDOOR POWER EQUIPMENT
INSTITUTE OF CANADA

www.opec.ca | 1-800-667-4321 (Toll Free)
604-732-9253 (Lower Mainland)

Municipal Calendar Ad

The background of the advertisement features several illustrations of outdoor power equipment, including a chainsaw, a trimmer, a lawnmower, and a blower, scattered across a dark green field.

**Clean up your
yard and our
environment by
recycling your
outdoor power
equipment!**

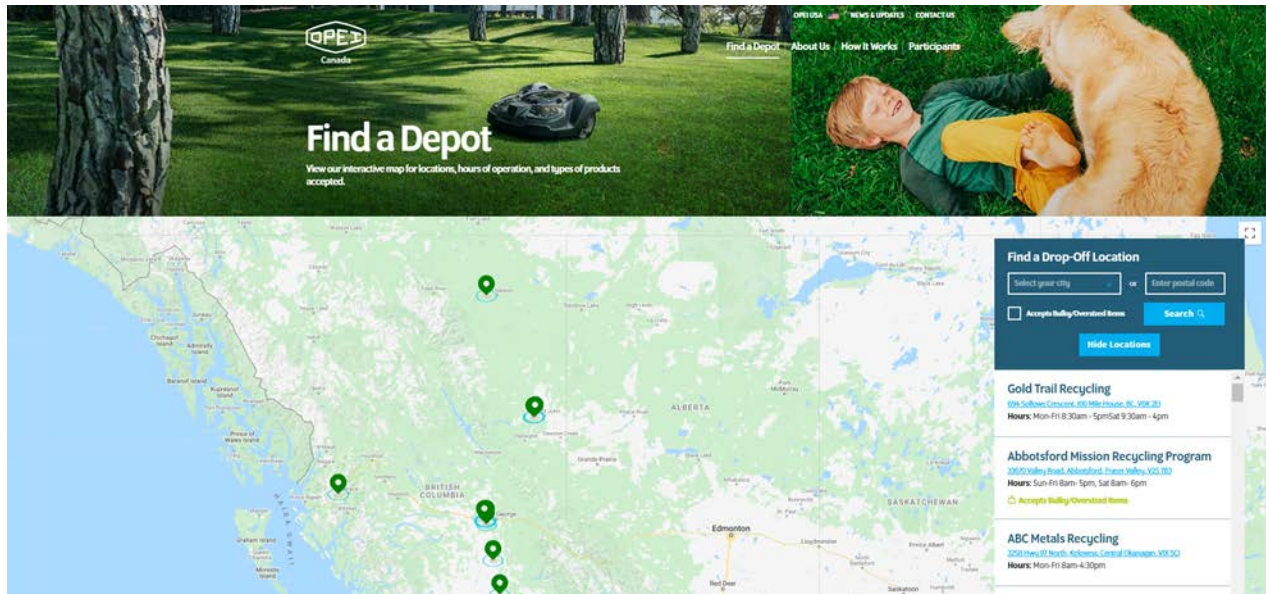
Find a depot near you
and a complete list of
accepted products on
our website

OPEIC.ca

The OPEIC logo, which is a hexagonal shape containing the letters "OPEIC" in a stylized font.

**OUTDOOR POWER EQUIPMENT
INSTITUTE OF CANADA**

Website Depot Locator



Google Search Advertising Campaign

Recycle Your Old Lawn Mower | Free-To-Use
Recycling Program | Reduce Landfill Waste

Ad www.opec.ca/

Find a recycling location and drop off today. BC's free-to-use recycling program for lawnmowers and outdoor power equipment.

Google Display Advertisement



APPENDIX B: OPEIC 2019 Contracted Collection Sites

Collection Site Name	City	Regional District
Sherwood Auto Recyclers	Port Alberni	Alberni-Clayoquot
Sun Coast Waste	Port Alberni	Alberni-Clayoquot
Alpine Recycling	Langford	Capital
Brentwood Auto and Metal Recyclers	Saanichton	Capital
District of Oak Bay Public Works Yard (Oak Bay Residents Only)	Oak Bay	Capital
Hartland Landfill & Recycling Depot	Victoria	Capital
Island Return-It Recycling Centre Sidney	Sidney	Capital
Salt Spring Recycling Depot	Saltspring Island	Capital
Sandy's Auto Wreckers	Langford	Capital
Schnitzer Steel Pacific Recycling	Victoria	Capital
Williams Scrap Metal Recycling	Victoria	Capital
Cariboo Metal Recycling	Quesnel	Cariboo
Gold Trail Recycling	100 Mile House	Cariboo
Williams Lake Scrap Metal Recycling	Williams Lake	Cariboo
Scrap King Auto Wrecking & Towing Ltd	Salmo	Central Kootenay
Smokey Creek Salvage Ltd.	Nelson (20 Km outside - South Slocan)	Central Kootenay
Starlight Tool Services Ltd	Nelson	Central Kootenay
Western Auto Wreckers Ltd	Nelson	Central Kootenay
ABC Metals Recycling	Kelowna	Central Okanagan
Knox Mountain Metals	Kelowna	Central Okanagan
Planet Earth Recycling	West Kelowna	Central Okanagan
Comox Valley Waste Management Centre	Cumberland	Comox Valley
Powerhouse Auto Recycler	Cumberland	Comox Valley
Bings Creek Recycling Depot	Duncan	Cowichan Valley
Island Return-It Recycling Centre Duncan	Duncan	Cowichan Valley
Meade Creek Recycling Drop-off Depot	Lake Cowichan	Cowichan Valley
Peerless Road Recycling Drop-off Depot	Ladysmith	Cowichan Valley
Abbotsford Mission Recycling Program	Abbotsford	Fraser Valley
CCON Steel Inc	Abbotsford (Matsqui)	Fraser Valley
Mission Recycling Depot	Mission	Fraser Valley
Regional Recycling Abbotsford	Abbotsford	Fraser Valley
ABC Metals Recycling	Prince George	Fraser-Fort George
Allen's Scrap & Salvage Ltd.	Prince George	Fraser-Fort George
PG Recycling & Return-It Centre	Prince George	Fraser-Fort George
Richmond Steel Recycling	Prince George	Fraser-Fort George
The Salvation Army	Prince George	Fraser-Fort George
ABC Metals Recycling	Terrace	Kitimat-Stikine

Collection Site Name	City	Regional District
Big Y Auto	Grand Forks	Kootenay-Boundary
ABC Metals Recycling	Surrey	Metro Vancouver
ABC Metals Recycling	Burnaby	Metro Vancouver
Allied Salvage & Metals	Richmond	Metro Vancouver
Capital Salvage	Vancouver	Metro Vancouver
Davis Trading & Supply	Vancouver	Metro Vancouver
Foreshore Equipment & Supply	Burnaby	Metro Vancouver
Happy Stan's Recycling Services Ltd.	Port Coquitlam	Metro Vancouver
Newton Bottle Depot	Surrey	Metro Vancouver
Queensborough Landing Return-It	New Westminster	Metro Vancouver
Regional Recycling Richmond	Richmond	Metro Vancouver
Regional Recycling Vancouver	Vancouver	Metro Vancouver
Richmond Steel Recycling	Richmond	Metro Vancouver
Rypac Aluminum Recycling Ltd.	Surrey	Metro Vancouver
Schnitzer Steel Pacific Recycling (Amix)	Surrey	Metro Vancouver
Semiahmoo Bottle Depot	White Rock	Metro Vancouver
Westcoast Metal Recycling	Langley	Metro Vancouver
Highway 4 Auto Recyclers	Coombs	Nanaimo
Regional Recycling Nanaimo	Nanaimo	Nanaimo
Schnitzer Steel Pacific Recycling	Cassidy	Nanaimo
Enderby Rentals	Enderby	North Okanagan
Venture Training	Vernon	North Okanagan
Wide Sky Disposal	Fort Nelson	Northern Rockies
Action Steel Sales	Penticton	Okanagan-Similkameen
ABC Metals Recycling	Fort St. John	Peace River
Recycle-It Resource Recovery	Fort St. John	Peace River
Richmond Steel Recycling	Fort St. John	Peace River
Augusta Recyclers Inc.	Powell River	Powell River
Blackpoint Auto Recyclers	Powell River	Powell River
Pemberton Return-It Depot	Pemberton	Squamish-Lillooet
ABC Metals Recycling	Campbell River	Strathcona
Campbell River Waste Management Centre	Campbell River	Strathcona
Island Return-It, Campbell River	Campbell River	Strathcona
Schnitzer Steel Pacific Recycling	Campbell River	Strathcona
W.T.M. Recycling Services Ltd.	Gibsons	Sunshine Coast
Central Salvage Ltd.	Kamloops	Thompson-Nicola
Clearwater Towing Ltd.	Clearwater	Thompson-Nicola

APPENDIX C: OPEIC 2019 Contracted Collection Sites by Regional District

Regional District	# of Collection Sites
Alberni-Clayoquot	2
Bulkley-Nechako*	0
Capital	9
Cariboo	3
Central Coast*	0
Central Kootenay	4
Central Okanagan	3
Columbia Shuswap*	0
Comox Valley	2
Cowichan Valley	4
East Kootenay	0
Fraser-Fort George	5
Fraser Valley	4
Kitimat-Stikine	1
Kootenay Boundary	1
Metro Vancouver	16
Mount Waddington*	0
Nanaimo	3
North Okanagan	2
Northern Rockies	1
Okanagan-Similkameen	1
Peace River	3
Powell River	2
Skeena-Queen Charlotte	0
Squamish Lillooet	1
Strathcona	4
Sunshine Coast	1
Thompson Nicola	2
TOTAL	75

APPENDIX D: OPEIC 2019 Financial Statement

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA

FINANCIAL STATEMENTS

31 DECEMBER 2019

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA

Financial Statements

For the year ended 31 December 2019

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ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members,
Outdoor Power Equipment Institute of Canada

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Outdoor Power Equipment Institute of Canada ("OPEIC"), which comprise the statement of financial position as at 31 December 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of OPEIC as at 31 December 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of OPEIC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises information, other than the financial statements, our auditors' report thereon and the independent reasonable assurance report, in OPEIC's Annual Report.

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

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



INDEPENDENT AUDITORS' REPORT - Continued

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

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

In preparing the financial statements, management is responsible for assessing OPEIC'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 OPEIC or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OPEIC's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITORS' REPORT - Continued

- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on OPEIC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause OPEIC to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
25 June 2020

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Statement of Financial Position
31 December 2019

	2019	2018
Assets		
Current		
Cash and cash equivalents	\$ 1,513,008	\$ 1,346,938
Accounts receivable	19,447	36,914
Prepaid expenses	6,110	6,068
GST receivable	13,595	5,783
	<u>1,552,160</u>	<u>1,395,703</u>
Reserve (Note 4)	<u>621,887</u>	<u>615,120</u>
	<u>\$ 2,174,047</u>	<u>\$ 2,010,823</u>
Liability		
Current		
Accounts payable and accrued liabilities	<u>\$ 79,014</u>	<u>\$ 81,902</u>
Net Assets		
Unrestricted	1,473,146	1,313,801
Internally restricted reserve (Note 4)	<u>621,887</u>	<u>615,120</u>
	<u>2,095,033</u>	<u>1,928,921</u>
	<u>\$ 2,174,047</u>	<u>\$ 2,010,823</u>

APPROVED BY THE DIRECTORS:

_____ Director

_____ Director

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

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Statement of Changes in Net Assets
For the year ended 31 December 2019

	Unrestricted	Internally Restricted Reserve	Total 2019	Total 2018
Balance - beginning of year	\$ 1,313,801	\$ 615,120	\$ 1,928,921	\$ 1,669,059
Excess of revenues over expenses for the year	166,112	-	166,112	259,862
Transfer to reserve (Note 4)	(6,767)	6,767	-	-
Balance - end of year	\$ 1,473,146	\$ 621,887	\$ 2,095,033	\$ 1,928,921

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

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Statement of Operations
For the year ended 31 December 2019

	2019	2018
Revenues	\$ 776,209	\$ 672,019
Expenses		
Program administration (Note 5)	476,283	402,624
Communications and events	133,814	9,533
	<u>610,097</u>	<u>412,157</u>
Excess of revenues over expenses for the year	\$ 166,112	\$ 259,862

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

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA

Statement of Cash Flows For the year ended 31 December 2019

	2019	2018
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 166,112	\$ 259,862
Changes in non-cash working capital balances		
Accounts receivable	17,467	(6,165)
Prepaid expenses	(42)	(5,000)
GST receivable	(7,812)	2,371
Accounts payable and accrued liabilities	(2,888)	13,543
	<u>172,837</u>	<u>264,611</u>
Investing activity		
Transfer to reserve	<u>(6,767)</u>	<u>(6,747)</u>
Net increase in cash	166,070	257,864
Cash and cash equivalents - beginning of year	<u>1,346,938</u>	<u>1,089,074</u>
Cash and cash equivalents - end of year	\$ 1,513,008	\$ 1,346,938

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

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA

Notes to the Financial Statements

For the year ended 31 December 2019

1. Incorporation and nature of operations

Outdoor Power Equipment Institute of Canada ("OPEIC") was incorporated under the Canada Not-for-profit Corporations Act on 15 February 2012 and commenced operations on 1 July 2012. OPEIC is a not-for-profit organization and it is not subject to income taxes providing certain requirements are met. OPEIC currently operates a stewardship program in the Province of British Columbia to assist the outdoor power equipment industry in discharging its obligation to establish end of life product collection and recycling programs under the British Columbia Recycling Regulations.

2. Summary of significant accounting policies

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

(a) Revenue recognition

Environmental Handling Fees (EHFs) are received from registered members that participate in OPEIC's programs. OPEIC recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. EHF revenues are recognized as individual members report and remit them as required by OPEIC's membership agreement which is by the end of the month following the reporting period that the designated program materials were sold by the member.

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

(b) Cash and cash equivalents

OPEIC's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2019

2. Summary of significant accounting policies - Continued

(c) Financial instruments

(i) Measurement of financial instruments

OPEIC initially measures its financial assets and liabilities at fair value and subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and the reserve.

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

(ii) Impairment

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

(iii) Transaction costs

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

(d) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Accounts subject to estimates include accrued liabilities and revenue recognized for EHF's receivable. Actual results could differ from these estimates.

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2019

2. Summary of significant accounting policies - Continued

(e) Foreign exchange

Transactions denominated in foreign currencies are recorded in Canadian dollars at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are converted to Canadian dollars at the exchange rate prevailing at year end. Exchange gains and losses are recorded in the statement of operations for the year.

3. Financial instruments

OPEIC is exposed to various risks through its financial instruments. The following analysis provides a measure of OPEIC's risk exposure and concentrations at the statement of financial position date, 31 December 2019.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. OPEIC's main credit risks relate to its cash and accounts receivable. Cash is in place with major financial institutions. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of members. OPEIC has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible. There has been no change to this risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. OPEIC is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. OPEIC maintains adequate cash to meet obligations as they become due. There has been no change to this risk exposure from the prior year.

(c) Market risk

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

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2019

3. Financial instruments - Continued

(d) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. OPEIC does not utilize any derivative instruments to mitigate this currency risk. There has been no change to this risk exposure from the prior year.

(e) Interest rate risk

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

4. Reserve

In a previous year, the Board of Directors passed a resolution to establish the reserve fund. The purpose of the reserve fund is to ensure financial stability in case of unforeseen events such as:

- Fluctuations in costs;
- The risk that OPEIC will be wound-up by the decision of the participants or as a consequence of regulatory change;
- Claims against OPEIC, its Board of Directors, or staff in excess of OPEIC's insurance coverage; and
- To cover the cost of unanticipated or extraordinary items.

Transfers to the reserve fund are made upon resolutions passed by the Board of Directors. Total contributions to the reserve fund are not to exceed two years' worth of expenses.

The reserve fund consists of an investment in a term deposit and is independently managed. All income earned on the investment is initially reported in the unrestricted fund and then transferred to the reserve fund. During the year, \$6,767 (2018 - \$6,747) was transferred from unrestricted net assets to the reserve fund, representing the investment income earned on the term deposit.

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2019

5. Related party transactions

OPEIC is related to Outdoor Power Equipment Institute (OPEI), an organization incorporated in the United States, through a common Board of Directors.

During the year, program administration services of \$119,812 (2018 - \$94,803) were provided by OPEI to OPEIC.

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

Included in accounts payable and accrued liabilities is \$18,176 (2018 - \$16,738) due to OPEI for program administration services. This amount is unsecured, non-interest bearing and is subject to normal trade payable payment terms.

6. Common control

By virtue of a common Board of Directors, OPEIC and OPEI are under common control.

OPEI has not been consolidated in OPEIC's financial statements. OPEI's year end is 31 August and its financial statements are prepared in accordance with US generally accepted accounting principles FASB ASU 2016-14, Presentation of Financial Statements for Not-for-Profit Entities. The financial summary as at 31 August 2019 and for the year then ended are based on the audited financial statements. All amounts are presented in US dollars.

OPEI

	31 August 2019	31 August 2018
Financial Position		
Total assets	\$ 19,466,505	\$ 18,374,536
Total liabilities	9,089,756	8,895,003
Total net assets	10,376,749	9,479,533
	\$ 19,466,505	\$ 18,374,536

OUTDOOR POWER EQUIPMENT INSTITUTE OF CANADA
Notes to the Financial Statements
For the year ended 31 December 2019

6. Common control - Continued

	31 August 2019	31 August 2018
Results of Operations		
Total revenues	\$ 6,393,008	\$ 7,336,873
Total expenses	5,495,792	5,517,303
Excess of revenue over expenses	\$ 897,216	\$ 1,819,570
	31 August 2019	31 August 2018
Cash Flows		
Cash flows from Operating activities	\$ 1,040,545	\$ 1,396,137
Cash flows from Investing activities	(1,193,419)	(1,022,093)
(Decrease) increase in cash	\$ (152,874)	\$ 374,044

7. Subsequent events

Subsequent to the year end, in January 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty that has led to volatility in the international markets and disrupted business operations around the world. OPEIC's primary source of revenue is derived from Environmental Handling Fees charged by its members on the sale of approved program products which are dependent on the members' ongoing business operations. At the date of the Independent Auditors' Report, management estimates that future revenues will be decreased as a result of lower traffic to retail locations, but is unable to determine the full impact of the COVID-19 pandemic on future expenses and operations.

APPENDIX E: Third Party Assurance Statement for Non-Financial Information

**OUTDOOR POWER EQUIPMENT
INSTITUTE OF CANADA**

**INDEPENDENT REASONABLE
ASSURANCE REPORT**

31 DECEMBER 2019



INDEPENDENT REASONABLE ASSURANCE REPORT

To the Directors of
Outdoor Power Equipment Institute of Canada,

Assurance Level and Selected Information

We have been engaged by Outdoor Power Equipment Institute of Canada (“OPEIC”) to perform a reasonable assurance engagement in respect of the following information (the “Selected Information”), detailed in Appendix 1, and also included within OPEIC’s Annual Report for the Outdoor Power Equipment Recycling Program to the British Columbia Ministry of Environment and Climate Change Strategy for the year ended 31 December 2019:

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

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

Responsibilities

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



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

Evaluation Criteria

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

Applicable Quality Control Requirements

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

Scope of the Reasonable Assurance Engagement

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

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

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

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

Inherent Limitations

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

**Conclusion**

In our opinion, the Selected Information within OPEIC's Annual Report for the Outdoor Power Equipment Recycling Program for the year ended 31 December 2019 presents fairly, in all material respects, in accordance with the evaluation criteria listed in Appendix 1:

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

Emphasis of Matter

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

1. The Selected Information included in Section 6 - Pollution Prevention Hierarchy and Product/Component Management is based on a general understanding of the free market scrap metal collection system and management's discussions with industry representatives. This information has not been subject to further verification and as such, the information presented is subject to uncertainty.
2. The Selected Information included in Section 7 - relating to Product Collected is based on estimates as described in Appendix 1, and as such the data presented is subject to uncertainty.
3. OPEIC does not present a recovery rate in the Annual Report. As such, the total amount of producer's product sold as presented on Table 3 – Total Units of Electric Outdoor Power Equipment Sold in BC in 2019 fiscal reporting year of the Annual Report has not been included in the Selected Information.

Other Matter

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

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
25 June 2020

Appendix 1

Evaluation Criteria

Collection facilities

Specific disclosures in the annual stewardship report from Section 4 - Collection System and Facilities for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Total number of collection facilities in 2019 – 74	Table 1: OPEIC Collection Sites by Type 2019 Appendix B – OPEIC 2019 Contracted Collection Sites
Decrease in the number of collection facilities in 2019 – 2 collection facilities	Table 1: OPEIC Collection Sites by Type 2019

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

- “Collection facilities” are depots that have a signed contract with OPEIC for the collection of program materials during the reporting period 1 January – 31 December 2019, a physical location that is available to collect program material, and the staff of the facility has an adequate understanding of the program.
- OPEIC maintains a listing of all collection facilities for the program, including the location of the collection facility, the total of which agrees to the number of collection facilities as disclosed in the Annual Report.
- The change in number of collection facilities is calculated by comparing the current number of collection facilities, a sum of all the collection facilities that have a signed contract within a given reporting year and those that closed within the same reporting year, to the number of collection facilities reported in the prior reporting year.

Pollution prevention hierarchy

Specific disclosures in the annual stewardship report from Section 6 - Pollution Prevention Hierarchy and Product/Component Management for which evaluation criteria were developed
Disclosure per Annual Report
“The following information is based on the understanding of the market-driven system obtained from conversations with industry representatives and downstream processors. No further due diligence was performed on the information in terms of site visits or other investigations and therefore there is some degree of uncertainty surrounding the end fate of the products.”
“Metals are the primary commodities recovered from EOPE. Metals are divided into two primary classifications: ferrous metals (constituting about 90% of the metal waste stream) that can be sorted through electromagnetic separation, and non-ferrous metals (representing approximately 10% of total metals). Ferrous metals include mainly steel and cast iron; non-ferrous metals include aluminum, lead, copper, nickel and zinc. According to industry members, the metals in EOPE are primarily steel, aluminum and copper.”

“The collected EOPE is combined with other metal accumulated on-site, which is then sold to a larger metal recycler, usually a member of CARI, who processes the majority of metal-bearing products collected in BC for recycling.”
“Once sold to a larger metal recycler, the EOPE products are sorted by commodity and loaded into bins or baled on-site. EOPE material is sent to a shredder...”
“After shredding, the resulting material is sorted into ferrous metal, non-ferrous metal and waste material (plastics, fabrics, etc.). According to information provided by metal processors, the shredders successfully pull out approximately 99% of the metal. This material is then shipped to smelters and formed into ingots. Ingots are then sold to manufacturers to make consumer and/or industrial goods.”
“...plastics used in the manufacturing of EOPE (i.e. plastics #3 through #7) are landfilled because of their properties and the consequential challenges in recycling them.”
“Generally, batteries are removed prior to the product being baled and shredded, and are managed separately.”
“...the end fate of embedded products is unknown.”

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

- The information on product management has been determined based on a general understanding of the free market collection system and management’s representations regarding conversations with industry representatives.

Product collected

Specific disclosures in the annual stewardship report from Section 7 - Product Sold and Collected for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Sampled material that was EOPE – 0.60%	Table 5: Percentage of Sampled Material that was Electric Outdoor Power Equipment
“...it is not practical or profitable for collection sites to segregate EOPE from the mixed-stream of recycled metal products and provide discrete collection volumes, and therefore to report out on units collected.”	
“It is OPEIC’s experience and understanding that the vast majority of scrap metal recycled in BC moves through eight CARI member companies. Therefore, these company’s locations were used as sampling sites for four sampling events in 2019 (April, June, August, October); the same sites that were sampled in the previous year.”	

“Sampling focused on recycling streams identified to most likely contain EOPE products: tin, electric motors (ELMO), aluminum and breakage, heavy steel and stainless steel.”

“The results of the sampling events found approximately 0.60% of the sampled material was derived from EOPE. This result was based on the inclusion of actual and estimated weights for all sampled material (i.e., in the majority of instances, OPEIC was not able to get an actual weight on a sample pile and had to estimate the weight).”

“Sampled piles with an estimated weight of more than 100,000 lbs were excluded from the total material sampled on the basis that the pile was too large to estimate with any degree of confidence.”

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

Product Collected:

- OPEIC has performed sampling procedures to identify program material collected at the various collection facilities as described in the Annual Report.
- Items identified as program materials during the sampling procedures have been weighed by OPEIC. If it is not possible to weigh the program materials identified during the sampling, OPEIC staff will estimate the item’s weight.
- The weights of the total areas where sampling has been performed are estimated by OPEIC staff.
- The calculation of the estimated collection volume as included in the Annual Report is based on the sampling data described above.

Performance targets

Specific disclosures in the annual stewardship report from Section 9 - Plan Performance for which evaluation criteria were developed	
Disclosure per Annual Report	Reference
Assertion – Target not met: OPEIC had 74 contracted collection sites that accepted all EOPE at no charge by the end of 2019.	Table 7: Program Performance Indicators

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

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