

Canadian Electrical Stewardship Association Annual Report to the Director 2015

Submitted to: Director, Extended Producer Responsibility Programs
PO Box 9341, STN PROV GOVT
Victoria, BC V8W 9M1

Prepared by: Laura Selanders, President
Canadian Electrical Stewardship Association
15 Allstate Parkway, Suite 601
Markham, ON L3R 5B4
(905) 752-2575

June 30, 2016

CESA 2015 Report to Director

Table of Contents

1. EXECUTIVE SUMMARY	3
2. PROGRAM OUTLINE	5
3. PUBLIC EDUCATION MATERIALS & STRATEGIES	6
3.1 Program Awareness and General Marketing.....	6
3.2 Community-Based Social Marketing.....	7
3.3 Media Coverage	8
3.4 Website and Social Media.....	9
3.5 Consumer Communications.....	9
3.6 Depot Committee Meetings & Stakeholder Relations.....	10
4. COLLECTION SYSTEM AND FACILITIES.....	10
5. PRODUCT ENVIRONMENTAL IMPACT REDUCTION, REUSABILITY AND RECYCLABILITY	11
5.1 Sustainability Standard	12
5.2 Energy Consumption during Use	12
5.3 Product Design	12
5.4 Material Use.....	12
6. POLLUTION PREVENTION HIERARCHY AND PRODUCT / COMPONENT MANAGEMENT	12
7. PRODUCT SOLD AND COLLECTED	14
7.1 Product Reported Sold.....	14
7.2 Product Collected.....	14
8. SUMMARY OF REVENUES AND EXPENDITURES.....	15
9. PLAN PERFORMANCE.....	16
APPENDIX A: PROGRAM PRODUCT CATEGORIES	18
APPENDIX B: COLLECTION FACILITY NETWORK	19
APPENDIX C: AUDITED FINANCIAL STATEMENTS	27
APPENDIX D: INDEPENDENT ASSURANCE REPORT.....	41

CESA 2015 Report to Director

1. EXECUTIVE SUMMARY

The CESA Stewardship Plan includes portable electrical appliances, powered by 12V, 120V, 60 Hz input power or batteries. See Appendix A for a full list of product categories.

Products within plan	<ul style="list-style-type: none"> • Small appliances • Power tools • Sewing machines • Exercise, sports and leisure equipment • Arts, crafts and hobby devices
Program Website	www.electrorecycle.ca

The following chart summarizes the deliverables associated with the requirements set out in the Regulation.

Recycling Regulation Reference	Topic	Summary of 2015 Performance
Part 2, Section 8(2)(a)	Public Education and Strategies	<ul style="list-style-type: none"> • Traditional mediums of advertising were used for public education including radio, television ads, digital and print campaigns as well as community-based social marketing, which included a year-round ambassador program and direct to consumer marketing • The ambassador team held 80 events in 16 regional districts • Several pilot programs were launched, including a collection box project on university campuses, a series of small appliance collection events in partnership with retailers and a district-wide elementary school collection challenge • A new website was launched which combined the CESA and Electrorecycle websites into one
Part 2, Section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> • Two product streams are defined for collection: <ul style="list-style-type: none"> ○ “very large” (treadmills, elliptical, stationary bikes, very large power tools); and ○ “regular” (all other products included in the program).

CESA 2015 Report to Director

Recycling Regulation Reference	Topic	Summary of 2015 Performance
		<ul style="list-style-type: none"> The collection network includes both advertised and non-advertised sites As of December 31, 2015, the Program had 197 contracted collection sites, including 191 sites for regular products and 67 sites for very large products. Of the 191 sites, 181 were advertised In 2015 the collection network expanded to include 24 additional contracted collection facilities for CESA products
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> Reduction of packaging weight and volume General trend to use more recyclable materials in product design
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> Contracted processors must adhere to the EPSC Electronics Recycling Standard Processors must submit to performance reviews by CESA or a third party auditor Over 90% of material commodities collected were recycled/recovered
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> 7,519,401 units of CESA product were sold in B.C in 2015, as reported by members Approximately 4,225,141 kg of CESA product was collected in B.C in 2015
Part 2, section 8(2)(e.1)		See Section 7 for breakdown by regional district
Part 2, section 8(2)(f)	Summary of Deposits, Refunds, Revenues and Expenses	See Appendix C for the independently audited financial statements

The Stewardship Plan sets out a number of key performance targets for the Program. The following chart summarizes the targets, performance in 2015, and CESA's strategies for improvement in warranted.

CESA 2015 Report to Director

Key Performance Targets		
Part 2 section 8(2)(g); See full list of targets in Plan Performance		
Priority Stewardship Plan Targets (as agreed with ministry file lead)	2015 Performance	Strategies for Improvement
1. Number of Collection Sites: 75 by the end of 2013; 100 by the end of 2014 ¹	197	n/a
2. Absolute Collection: CESA will have a 5% annual increase in total tonnage collected for each year between 2014 and 2016	Absolute collection for the program grew by 15% from 2014 to 2015	n/a
3. Accessibility: 95% of BC population with access by 2013	99.5%	n/a
4. Consumer Awareness: 62.5% (Part 1), 30% (Part 2) awareness in 2014 ²	73%	n/a

2. PROGRAM OUTLINE

The Canadian Electrical Stewardship Association (CESA) is a not-for-profit Product Stewardship Agency of manufacturers, brand owners and retailers of electrical small appliances, power tools, sewing machines, exercise, sports and leisure equipment, and arts, crafts and hobby devices. CESA's purpose is to assist manufacturers, brand owners and other legally obligated parties (e.g. retailers, importers or distributors) in their responsibility to establish end-of-life product collection and recycling programs. CESA assists obligated parties by providing them the opportunity to join an industry-governed and operated recycling program to fulfill their legal obligations under the British Columbia Recycling Regulation (Reg. 449/2004, O.C. 995/2004).

CESA is incorporated under the Canada Not-for-Profit Corporation Act and is governed by a Board of Directors. Additionally, CESA works with manufacturer and retailer associations, including the Canadian Hardware and Housewares Manufacturers Association (CHHMA), the Association of Home Appliance Manufacturers Canada (AHAM) and the Retail Council of Canada (RCC).

¹ Targets regarding collection site accessibility do not apply to "very large" CESA products that may require special handling due to their size. These products represent a very small percentage of the total number of products in the ElectroRecycle program

² Consumer Awareness of the program as a whole is measured. Part 1 and Part 2 awareness is not measured independently.

CESA 2015 Report to Director

In December 2009, the B.C. Ministry of Environment amended the Electronics and Electrical Product Category (Schedule 3) of the British Columbia Recycling Regulation requiring an approved stewardship program for small appliances, operational by October 2011. On October 1, 2011, CESA launched its “Part 1” program for small appliances under the “Unplugged” brand. Additional amendments to the Regulation expanded the scope of products to include electrical and electronic tools, leisure and sports equipment, with a required operational date of July 2012. On July 1, 2012, the program expanded (“Part 2”) to include power tools, sewing machines, sports, leisure and exercise machines, and arts, crafts and hobby devices, and rebranded the Program “ElectroRecycle”.

CESA has engaged Product Care Association (PCA) to act as Program Manager, overseeing the administration and day to day operations of the ElectroRecycle Program.

The ElectroRecycle Program uses a depot system, incorporating 197 contracted collection facilities throughout the Province at the end of 2015. Occasionally, collection events have been used in areas where a permanent collection facility does not exist.

More information about CESA, for both members and consumers can be found at www.electrorecycle.ca.³

3. PUBLIC EDUCATION MATERIALS & STRATEGIES

The following is a summary of the public education initiatives employed in 2015, which included traditional advertising, community-based social marketing, and direct to consumer marketing.

3.1 Program Awareness and General Marketing

Traditional mediums of advertising were utilized by ElectroRecycle in 2015, which included both radio and television ads, in addition to digital and print campaigns.

Advertisements promoting the ElectroRecycle Program ran on radio stations throughout the Province. In 2015, these radio spots were targeted towards remote communities, with a specific focus on the northern regions. Radio spots reached more than 12 of BC’s regional districts including Fort-Fraser George, Central Kootenay, Kitimat-Stikine and Mount Waddington.

The ElectroRecycle Program engaged in a series of television advertisements taking place from late August to early September on Global, CTV and CKPG in the Fraser Fort George, Bulkley Valley East, Northern Cariboo, & Mackenzie Regions. This was the Program’s first time using a television advertising platform. With the campaign successfully reaching an audience of 110,000+ consumers, additional 15-second advertisements were taken out provincially on Global, BC1, and Shaw’s US Spill channels (A&E, TLC, SPIKE, FOX, CNN, CNBC, and AMC), which continued until the end of December.

³ In May 2015, CESA consolidated both member-facing and consumer-facing websites into one: www.electrorecycle.ca

The ElectroRecycle Program also made use of digital display advertising with an ElectroRecycle Tim's TV campaign. This consisted of 15-second in-store commercials in 204 Tim Horton's restaurant locations across BC, reaching all top regional district targets including Greater Vancouver and the Northern Rockies. A special campaign through Cineplex also ran for one week in three target area locations, where a version of 2014's "One Time Bruce" film aired as a pre-roll before feature presentations. The campaign led to 50,400 impressions and a short-term website traffic increase of 20 per cent above average.

ElectroRecycle ran one of its largest print advertising campaigns in 2015 with "The Province" newspaper through the "Become a Recycling Hero" contest. Entrants were asked to visit ElectroRecycle.ca and find an accepted product with an "H" in it, in order to enter to win a grand prize getaway trip to Whistler, BC. The campaign included two full-page and seven half-page full colour ads, 600,000 online impressions including a homepage takeover, E-blast, Twitter & Facebook social media support. The month-long campaign saw 2,537 entries, as well as 575 email "opt-ins" to receive more information about the ElectroRecycle Program.

3.2 Community-Based Social Marketing

The ElectroRecycle Program continued to channel a significant portion of its advertising efforts to support community-based social marketing initiatives in 2015. These initiatives included a full-time ElectroRecycle Ambassador, community events and pilot collection programs. These events generated exposure in 16 regional districts and collected more than 13,823kg worth of Program Products.

Ambassador Program

Given the success of the community-based marketing strategy in 2014, a full-time Ambassador was employed for 2015 to find new ways to engage the public with the ElectroRecycle Program and to continue to support an ambitious community collection event schedule. The position was also tasked with working with collection stakeholders to improve connections between local depots and retailers in communities across the Province. An additional university student was also employed for the summer to assist with these initiatives.

Community Events

Events continued to be an important aspect of the ElectroRecycle outreach strategy and, with the addition of a full-time Ambassador, event offerings were extended into the winter months. Over the course of 2015 the ElectroRecycle Ambassadors held 80 events in 16 regional districts. Several different types of events platforms were used, including organizing remote events hosted by local depots and/or community groups.

Community events focused on remote communities, such as Quesnel, Stewart, Fort Nelson and Haida Gwaii. The ElectroRecycle Program was able to host events in all of the aforementioned communities and more, including four dedicated collection events in the Haida Gwaii region.

ElectroRecycle also sponsored two major event initiatives in 2015, including the BC Recycles Summer Ambassador Tour and the Kitsilano Farmer's Market.

Pilot Programs

In 2015, several pilot programs were launched to increase collection volumes at community events, including branded collection boxes for university campuses, retail events, and district-wide school collection challenges.

In April, a branded collection box project was tested at four Kwantlen University campuses in the Lower Mainland. The goal was to offer a convenient drop-off location for student-aged individuals at university campuses, as well as to create precedent for regular collection drives or year-round collections. After two weeks, the project collected 24 items which, while limited in tonnage, offered fantastic exposure for the ElectroRecycle Program amongst the 20,000 students enrolled at the university.

The ElectroRecycle Program also initiated a series of events at appliance retail locations across the Province, including London Drugs, Home Hardware and Walmart. The objective of these events was to facilitate positive relations with members by hosting collection events outside their businesses, while also creating an opportunity for consumers to learn more about the ElectroRecycle Program at the time of purchase. There were seven events held in total, which proved to be a great way to connect not only with small appliance purchasers, but also with retail staff who were then able to help promote the ElectroRecycle Program further at check-out.

The last initiative, established and tested in 2015, was a district-wide school collection challenge. This was launched in the Delta School District where eight elementary schools in the area participated to see who could collect the most small appliances and power tools over one week. With huge uptake by over 2,257 students, staff and parents, 1,953kg of products were collected and the results published in local media.

RecycleFest 2015

In response to the success of 2014's "Summer in the Park Recycling Challenge" in Burnaby, BC, ElectroRecycle launched a similar event in 2015 called RecycleFest. This event also aimed to set a new record for a single day collection event of small household appliances and power tools, however this time it was hosted in Vancouver at the Trout Lake Community Centre. Not only did this event see more than 2,000 attendees, but it also saw 1,044kg of product collected; a 38 per cent increase over 2014. The advertising reach from this event exceeded one million, and drew media attention from Global News.

3.3 Media Coverage

2015 coverage of the ElectroRecycle Program principally stemmed from community-based social marketing initiatives. CESA was featured in media stories in communities across British Columbia,

including the Lower Mainland, Northern Rockies and Haida Gwaii. Specifically, the ElectroRecycle Program was featured in community newspaper coverage, including the *Vancouver Sun*, and the *Haida Gwaii Observer*. ElectroRecycle was also featured on local radio stations, such as 102.7 the Peak in Vancouver and EZ Rock 97.7 CKTK FM in Terrace & Kitimat. Lastly, ElectroRecycle received a television hit on CJDCTV News in Fort St John. In total, it is estimated that earned print, radio and web coverage achieved more than 5,090,000 impressions.

3.4 Website and Social Media

On May 5, 2015, a new, fully integrated website was launched, which combined the CESA and ElectroRecycle websites into one improved user experience for members and consumers alike. This included an updated interface with quick, easy navigation for members to access key information and documents, as well as a CESA-built depot locator tool for consumers. Between January 1 and December 31, 2015, the new ElectroRecycle website (electrorecycle.ca) received 52,141 visits, 78.9 per cent of which were unique visits. In 2014, full year site traffic was 45,947 visits, 81.7 per cent of which were unique visits. Unique visits represent the number of consumers entering the website for the first time.

In 2015, the budget for social media was allocated towards increasing Facebook followers, with the addition of professionally managed content and sponsored Facebook contests. With these additions, Facebook page likes jumped from 139 at the end of 2014, to 2,734 in 2015. Additionally, ElectroRecycle had over 1,068 Twitter™ followers at the end of 2015, up 20.5 per cent from 886 at the end of 2014. The ElectroRecycle Program-specific Instagram™ page which launched in October 2013, had 154 followers at the end of 2015. Campaigns to increase fan acquisition on both of these social media channels included ElectroRecycle's community based social marketing tactics, and general social media maintenance and content development.

3.5 Consumer Communications

On an ongoing basis, consumers are able to ask questions or submit comments about the ElectroRecycle Program through a number of channels. In 2015, these channels included an email submission box on the ElectroRecycle website, entitled "Ask ElectroRecycle," a general information email address, info@electrorecycle.ca, and a consumer inquiry toll-free phone number, 1-877-670-2372.

CESA partnered with the Recycling Council of B.C. (RCBC) to provide Hotline and Recyclepedia depot location services. RCBC is a trusted public information resource used by BC consumers to learn about the recycling options available in their communities. The Recyclepedia application is a user-friendly online/web/mobile tool established by RCBC to help consumers find recycling information 24/7. Between January 1 and December 31, 2015, Product Care and RCBC collectively answered 7,774 phone and email consumer inquiries on products included in the ElectroRecycle Program.

3.6 Depot Committee Meetings & Stakeholder Relations

Employing a year-round ElectroRecycle Ambassador encouraged ongoing feedback throughout the year with key stakeholders. Over the course of 2015, numerous meetings were held with depot operators, local municipalities, members and subscribers to receive valuable insights and suggestions to increase collection rates in the upcoming year.

ElectroRecycle also continued to issue quarterly program updates via its branded e-newsletter to its email database of over 400 members and subscribers.

4. COLLECTION SYSTEM AND FACILITIES

CESA's collection network for the ElectroRecycle Program is primarily based on a drop-off system for the collection of Program Products. The system is, on occasion, augmented by the use of collection events. In both cases, there is no charge to drop-off Program Products.

Collection facilities are located across the Province, providing convenient access to British Columbians. Facilities are independently contracted by the ElectroRecycle Program and include private drop-off centres, local government sites and service organizations. CESA defines two streams of products included in the ElectroRecycle Program when sourcing collection facilities: "regular" and "very large items". Products that are considered "very large items" include products such as treadmills, elliptical trainers, stationary cycling machines and large, free-standing power tools with built-in stands. All other products are considered "regular".

At the end of 2015, the ElectroRecycle Program had 197 contracted collection facilities for CESA products, of which 191 accepted regular CESA products and 67 accepted very large CESA products. The majority of very large items collection facilities overlap with regular product collection facilities.

Of the 197 contracted collection facilities, 181 were advertised sites, while 16 were unadvertised sites. Advertised collection facilities accept public drop-off of products included in the ElectroRecycle Program. Unadvertised sites do not allow public drop-off and are not listed as a facility on the ElectroRecycle website or through RCBC. These sites include large volume generators and thrift stores.

A GIS analysis was conducted by the ElectroRecycle Program in March 2015 to determine collection site accessibility. Based on the SABC standard⁴, 99.5 per cent of British Columbians had convenient access to a collection site for regular products included in the ElectroRecycle Program. Subsequently in 2015, the collection network expanded to include 24 additional contracted collection facilities for CESA products, of which 14 accepted regular CESA products, 9 accepted regular and very large CESA products and one accepted very large products only. Of the 24 new collection facilities, 23 were advertised sites and one

⁴ defined as a 30-minute drive or less for those within urban areas and a 45-minute drive or less for those in rural areas of the province

CESA 2015 Report to Director

was unadvertised. Additionally, one existing collection facility expanded to accept very large CESA products in addition to regular CESA products. Three collection facilities closed during 2015. Table 1 lists the number of contracted collection facilities by Regional District, including those that accept regular products, very large items, advertised facilities and unadvertised facilities. Table 10 in Appendix B provides a complete list of collection facilities by Regional District contracted to participate in the ElectroRecycle Program.

Table 1: Number of Collection Facilities by Regional District

Regional District	# of CF	Regional District	# of CF	Regional District	# of CF
Alberni Clayoquot	3	East Kootenay	2	Okanagan Similkameen	9
Bulkley Nechako	4	Fraser Fort George	3	Peace River	3
Capital	21	Fraser Valley	10	Powell River	3
Cariboo	5	Kitimat Stikine	3	Skeena-Queen Charlotte	3
Central Coast	3	Kootenay Boundary	4	Squamish Lillooet	5
Central Kootenay	3	Metro Vancouver	61	Strathcona	3
Central Okanagan	7	Mt. Waddington	2	Sunshine Coast	1
Columbia Shuswap	4	Nanaimo	4	Thompson Nicola	16
Comox Valley	2	North Okanagan	6	Total	197
Cowichan Valley	6	Northern Rockies	1		

In addition to the ElectroRecycle Program's drop-off collection facility network, the ElectroRecycle Program participated in 80 collection events in 2015. Table 2 lists the number of collection events by Regional District.

Table 2: Number of Collection Events by Regional District

Regional District	# of CE	Regional District	# of CE	Regional District	# of CE
Capital	2	East Kootenay	2	Northern Rockies	2
Cariboo	2	Fraser-Fort George	2	Okanagan-Similkameen	2
Central Kootenay	1	Fraser Valley	1	Peace River	2
Central Okanagan	3	Kitimat-Stikine	3	Skeena Queen Charlotte	5
Columbia-Shuswap	4	Metro Vancouver	47	Thompson-Nicola	2
				TOTAL	80

5. PRODUCT ENVIRONMENTAL IMPACT REDUCTION, REUSABILITY AND RECYCLABILITY

The following is a summary of the ongoing efforts undertaken by producers to reduce the environmental impact associated with the production and use of small appliances, in response to market-driven changes across the industry.

5.1 Sustainability Standard

Members of the Association of Home Appliance Manufacturers Canada (AHAM Canada) continue to engage with the retail sector on the sustainability of home appliances. In August 2014, AHAM Canada published the “Sustainability Standard for household portable and floor care appliances”, a comprehensive sustainability standard, for over 80 different small appliances. The Standard provides meaningful environmental performance information to consumers about products, with attributes that cover a product’s entire life cycle.

5.2 Energy Consumption during Use

The home appliance industry has increased the energy efficiency of its products considerably over the past two decades. The reduction in standby energy usage has been a major focus as well as the development of timer features, new electronic display technologies and EnergyStar® features. These developments have contributed to a reduction in the amount of energy a typical small appliance utilizes during use.

5.3 Product Design

Small appliance producers have been actively working to maximize the use of pre-and/or post-consumer recycled materials without impacting the integrity of the product. Trends include the reduction in increased use of post-consumer recycled content and more recyclable materials, as well as a move towards using fewer chemicals and using more environmentally friendly pigments.

5.4 Material Use

Where feasible, manufacturers have included the responsible use of materials in product design. The AHAM Canada Sustainability Standard includes criteria on pre-and post-consumer recycled content in the product, reducing materials of concern, and material resource efficiency.

6. POLLUTION PREVENTION HIERARCHY AND PRODUCT / COMPONENT MANAGEMENT

CESA strives to manage collected materials in accordance with the pollution prevention hierarchy set out under Section 8(2)(d) of the Recycling Regulation wherever feasible and economically viable. These end-of-life products are shipped to processors that break them down into component parts to be recycled and/or recovered.

CESA’s processors are required to conform to the Electronics Product Stewardship Canada (EPSC) Electronic Recycling Standard, the industry standard for like-products (e.g., electrical, electronic and

battery-operated). The EPSC Electronic Recycling Standard defines the minimum requirements for handling end-of-life electronics and contains mandatory environmental, occupational health and safety, and material handling requirements. Given that CESA accepts a wide variety of more than 300 products, materials are reported out by commodity only, and not by product type or component.

In 2015, CESA contracted with two processors to process collected materials. Table 3 provides the approximate percentage of material commodity processed from both processors accounting for all collected material processed in 2015, as well as a description of the downstream process for each commodity type. Due to the complexity of the disassembly process, it is difficult for commodities to be completely segregated for measurement purposes.

Table 3: Percentage of Total Volumes Processed by Material Commodity in 2015

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Volumes Processed	Downstream Process⁵
Ferrous Steel		X			50.9%	Consolidate/Shred/Sort/Process
Plastics		X			25.3%	Shred, extrude and pelletize
Aluminum		X			3.0%	Consolidate/Shred
Wire and Cables and String lights		X			3.9%	Sort/Smelt
Copper		X			2.5%	Consolidate/Shred/Smelt
Glass		X			2.4%	Wash and grind/Crush
Circuit Boards		X			2.2%	Smelt
Refuse				X	8.1%	Landfill
Rechargeable Batteries		X			1.3%	Consolidate
Paper Based Materials		X			0.1%	Recycle
Non Rechargeable Batteries		X			0.1%	Consolidate
Heating Oil	X		X	X	0.2%	Reuse/Recovery/Landfill

The estimated greenhouse gas (GHG) impact of the recycling of small appliances and power tools was calculated using a GHG emission inventory tool developed specifically for CESA by a third party based on nationally and internationally recognized reference protocols and standards.⁶ This estimation is based on the limited available information from downstream processors and the numerous assumptions that had to be made to determine the GHG impact. The GHG emissions for 2015 were estimated to be 7,000 tonnes

⁵ Downstream Processes are based on the descriptions provided by the Recycler Qualification Office (RQO) and EPSC Electronic Recycling Standard verified Processors detailing the end disposition of product managed.

⁶ The estimated greenhouse gas emissions associated with the recycling of small appliances and power tools was not subject to independent third-party assurance.

of equivalent carbon dioxide (CO₂e). This value is based on 1.8 tonnes of CO₂e generated per tonne of material managed.

7. PRODUCT SOLD AND COLLECTED

7.1 Product Reported Sold

Total product sold is reported in units. Total sales reported by CESA members for the period of January 1 to December 31, 2015 was 7,519,401 units in British Columbia.

7.2 Product Collected

In 2014, CESA submitted collection targets to the Ministry of Environment for approval. The Ministry approved a 5 per cent annual increase in collection volumes over the 2013 baseline for 2014, 2015 and 2016. Table 4 sets out the annual collected volumes and variances against the 2013 baseline.

Table 4: Annual Volumes Collected and Variance

Year	Volume Collected (tonnes)	Volume Increase (%)
2013	3,204	-
2014	3,672	15%
2015	4,225	15%

Very Large Products

Very large products collected under the ElectroRecycle Program by contracted collection sites are managed as scrap metal and sent to scrap metal collection facilities. As part of the contract, the majority of collection sites are still required to submit monthly unit-based tracking forms to the ElectroRecycle Program that report the number of very large products collected. In 2015, 2,236 pieces of large exercise equipment and 1,196 pieces of large power tools were collected, according to tracking sheets submitted to the ElectroRecycle Program by contracted collection facilities.

Regular Products

According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 4,225,141 kg of regular CESA products was collected between January 1 and December 31, 2015 from contracted collection facilities, large volume end-users and collection events. Table 5 illustrates the approximate volumes collected (not including very large items) by Regional District in 2015.

CESA continues to partner with Product Care Association's LightRecycle Program co-mingling residential light fixtures with ElectroRecycle products in CESA's collection bags at regular collection facilities. This partnership is an example of how programs working together create efficiencies at the collection facility

CESA 2015 Report to Director

level, reduce consumer confusion, and provide “one-stop-shops” for residents. CESA’s reported collection tonnage is net of the fixture tonnage collected on behalf of the ElectroRecycle Program. To determine CESA’s net tonnage in 2015, CESA’s recyclers were obligated by contract to submit monthly sampling reports for 10 per cent of collection material processed. Data from the sampling reports was extrapolated to determine the total proportion of CESA products collected versus the proportion of LightRecycle products collected in each particular month. This percentage was applied to the weight of every pick-up from contracted collection facilities during that month.

Table 5: Approximate Weights Collected by Regional District for Regular Products and Collection Events in 2015

Regional District	Approximate Weight Collected (kg)	Regional District	Approximate Weight Collected (kg)
Alberni Clayquot	16,217	Kootenay Boundary	50,255
Bulkley Nechako	11,849	Metro Vancouver	2,008,841
Capital	425,994	Mount Waddington	14,476
Cariboo	26,342	Nanaimo	215,476
Central Coast	6,835	North Okanagan	113,289
Central Kootenay	41,766	Northern Rockies	1,003
Central Okanagan	346,043	Okanagan-Similkameen	122,815
Columbia Shuswap	47,059	Peace River	41,233
Comox Valley	50,222	Powell River	16,465
Cowichan Valley	77,590	Skeena Queen Charlotte	13,399
East Kootenay	30,346	Squamish Lillooet	49,488
Fraser Fort George	87,586	Strathcona	22,623
Fraser Valley	223,298	Sunshine Coast	35,725
Kitimat Stikine	20,677	Thompson Nicola	108,279

8. SUMMARY OF REVENUES AND EXPENDITURES

The ElectroRecycle Program is funded by membership fees, known as Environmental Handling Fees (EHFs), remitted to CESA by its members based on the quantity of sales of the designated products sold in British Columbia.

The ElectroRecycle Program organizes Program Products into 18 product categories, with an EHF designated for each category is listed in Table 6 below.

When the ElectroRecycle Program launched in 2011, CESA indicated the fees would be reviewed within two years and adjusted if necessary. As a result of this review, fees applying to certain types of small household appliances under the ElectroRecycle Program were reduced on June 1, 2013. While the recycling fees on a number of other categories remained unchanged, no recycling fees were increased.

CESA 2015 Report to Director

CESA continues to streamline its operation while maintaining its high environmental standards. Due to operational efficiencies gained in the previous year, the ElectroRecycle Program administered a reduction of recycling fees for a number of product categories on July 1, 2015. This fee reduction was applied to the majority of product categories. In addition to the fee reduction, CESA also reduced the number of categories from 21 to 18 to simplify product categorization for members.

Table 6: CESA Product Categories and Environmental Handling Fees

Product Category		Fee Rate Per Unit, effective July 1, 2015	Fee Rate Per Unit, until June 30, 2015
1	Kitchen Countertop – Motorized	\$ 0.50	\$ 0.75
2	Kitchen Countertop – Heating Appliances (toasters)	\$ 0.80	\$ 1.25
3	Kitchen Countertop – Heating Appliances (coffee/tea)	\$ 0.70	\$ 1.00
4	Microwave Ovens <i>[previously Microwaves (large) and Microwaves (small) categories]</i>	\$ 6.25	\$ 10.00 / \$6.25
5	Time Measurement & Display Devices	\$ 0.40	\$ 0.50
6	Weight Measurement	\$ 0.40	\$ 0.50
7	Garment Care Appliances	\$ 0.70	\$ 1.00
8	Air Treatment Appliances <i>[previously Air Treatment Appliances, Desk & Tabletop Fans categories]</i>	\$ 1.00	\$ 1.00 / \$1.25
9	Personal Care Appliances	\$ 0.40	\$ 0.50
10	Full-Size Floor Cleaning Appliances	\$ 2.50	\$ 2.50
11	Smaller Floor/Surface Cleaning Appliances	\$ 0.50	\$ 0.75
12	Test and Measurement Tools	\$ 0.50	\$0.75
13	Hand-held Power Tools	\$ 0.80	\$ 1.25
14	Bench-Top, Demolition, Free-Standing Power Tools	\$ 2.20	\$ 2.75
15	Sewing / Textile Machines	\$ 2.75	\$ 2.75
16	Exercise Machines	\$ 2.60	\$ 4.25
17	Sports, Leisure, Arts, Crafts and Hobby Devices	\$ 0.75	\$ 0.75
18	Designated Very Small Items <i>[previously Part 1 & 2 Designated Very Small Items categories]</i>	\$ 0.20	\$ 0.25 / \$0.25

See Appendix C for CESA's independently audited financial statements.

9. PLAN PERFORMANCE

CESA continues to assess the performance of the ElectroRecycle Program with quantitative measures, in response to the commitments in its Stewardship Plans. Although the ElectroRecycle Program has exceeded performance targets, CESA is continuously focused on maintaining, at a minimum, the current performance levels while striving to improve all aspects of the ElectroRecycle Program, including operational efficiencies, cost efficiencies, consumer awareness, accessibility and collection volumes. Table 7 summarizes the ElectroRecycle Program's targets and 2015 performance.

Table 7: 2015 Program Performance Targets

Performance Measure	Plan Target	2015 Results	Strategies for Improvement
# of Collection Sites	75 by the end of 2013; 100 by the end of 2014	197	n/a
Absolute Collection	5% annual increase in total tonnage collected for each year between 2014 and 2016	Absolute collection for the program grew by 15% from 2014 to 2015	n/a

Consumer awareness and accessibility targets were originally set individually for Part 1 products (small appliances) and Part 2 products (power tools etc.), as outlined in the Part 1 and Part 2 Stewardship Plans. However, consumer awareness and accessibility are assessed for the ElectroRecycle Program as a whole and reported together as there is no feasible way to distinguish between Part 1 and Part 2.

Consumer awareness levels were determined through the use of a third-party, independent consumer awareness survey. Accessibility was determined through the use of a Geographic Information System (GIS) analysis, where “access” is defined according to the Stewardship Association of BC’s Accessibility Standard as being within a 30-minute drive of an ElectroRecycle collection site for those living in urban areas with a population greater than 4,000, and within a 45-minute drive for those living in rural areas with a population greater than 4,000.

Table 8 summarizes the ElectroRecycle Program’s targets and 2015 performance in terms of consumer awareness and accessibility. Separate targets were set for Part 1 and Part 2 on the basis that collection of Part 1 products had started earlier (2011) and therefore, it was expected that consumers would have greater awareness about recycling options for those products than the newer Part 2 products. However, when the accessibility study was undertaken in 2014, CESA elected to survey on awareness of the Program as a whole, applying the higher of the two targets (i.e., 62.5%) across both Part 1 and Part 2 products. Targets regarding collection site accessibility do not apply to “Very Large” CESA products that may require special handling due to their size (see Section 4 for definitions). These products represent a very small percentage of the total number of products in the ElectroRecycle program.

Table 8: Consumer Awareness and Accessibility Targets – Part 1 & 2

Performance Measure	Historical Target	Result
Part 1: Consumer Awareness	62.5% by 2014; 65% by 2016	73% in 2014
Part 2: Consumer Awareness	30% by 2014; 40% by 2016	
Part 1: % of population with access to a collection site	95%	99.5% in 2015
Part 2: % of population with access to a collection site	90% by end of 2014	

APPENDIX A: PROGRAM PRODUCT CATEGORIES

Table 9 lists the 18 Product Categories, and examples of Program Products from each category.

Table 9: CESA Product Categories

Products within plan	Product Category	Examples
	1. Kitchen Countertop – Motorized	Blender, coffee grinder, food processor, hand mixer
	2. Kitchen Countertop – Heating	Fondue pots, hot air corn poppers, panini press, toaster ovens, toasters
	3. Kitchen Countertop – Heating (coffee/tea)	Drip coffee makers, espresso/cappuccino makers, kettles, pod coffee makers
	4. Microwave Ovens	
	5. Time Measurement & Display Devices	Clocks, timers
	6. Weight Measurement	Bathroom scales, countertop food scales, household body scales
	7. Garment Care	Garment steamers, household irons, clothes shavers
	8. Air Treatment	Aromatherapy machines, portable fans, portable heaters, desktop fans, tabletop fans
	9. Personal Care	Beard trimmers, curling irons, hair dryers, hot roller/curler set, toothbrushes, vanity mirrors with lighting
	10. Full-size Floor Cleaning	Upright vacuum cleaners, floor care scrubber/polishers, robotic vacuums
	11. Smaller Floor/Surface Cleaning	Handheld vacuum cleaners, steam mops, stick vacuum cleaners
	12. Test and Measurement Tools	Laser level, emission analyzer, laser range meter
	13. Handheld Power Tools	Hand drill, sander, band saw
	14. Bench-top, Demolition and Free-Standing Power Tools	Table saw, drum sander, lathe
	15. Exercise Equipment	Treadmills, elliptical machines, cycling machines
	16. Sewing and Textile Machines	Sewing machines, embroidery machine, serger
	17. Sports, Leisure, Arts, Crafts & Hobby Devices	Mosquito traps, bubble machine, abdominal toning belt, circuit machine, air brusher, rock polisher
	18. Designated Very Small Items	Air fresheners, personal fans, razors (primary cell), Stud finder, glue gun, bike/fitness computer without GPS capability

APPENDIX B: COLLECTION FACILITY NETWORK

Table 10 shows locations of contracted CESA collection facilities. The column titled “Changes in 2015” denotes additions and closures since the previous reporting date, December 31, 2014.

Table 10: CESA Collection Network, Including Changes in Sites in 2015

Collection Facility	City	Regional District	Depot Type	Change in 2015
70 Mile House Eco Depot	70 Mile House	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Abbotsford Bottle Depot	Abbotsford	Fraser Valley	Regular	
Abbotsford Community Services Recycling	Abbotsford	Fraser Valley	Bulky & Regular	
Agassiz Bottle Depot	Agassiz	Fraser Valley	Regular	
Aldergrove Bottle Depot	Aldergrove	Metro Vancouver	Bulky & Regular	
Alpine Disposal & Recycling	Langford	Capital	Bulky & Regular	
Armstrong Spallumcheen Bottle Depot	Armstrong	North Okanagan	Regular	
Asset Investment Recovery – Glanford	Victoria	Capital	Regular	
Asset Investment Recovery – Surrey	Surrey	Metro Vancouver	Regular	
Augusta Recyclers (non-advertised)	Powell River	Powell River	Bulky Only	
Bella Coola Recycling Depot	Bella Coola	Central Coast	Regular	
Bill's Bottle Depot	Salmon Arm	Columbia Shuswap	Regular	
Bings Creek Solid Waste Mgmt Complex	Duncan	Cowichan Valley	Bulky & Regular	
Blue River Eco Depot	Blue River	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Bottle Depot (Queens)	Victoria	Capital	Regular	
Bottle Depot (Saanich)	Saanich	Capital	Regular	
Boucherie Bottle Depot & Self Storage	West Kelowna	Central Okanagan	Regular	
Brentwood Thrift Store	Brentwood Bay	Capital	Regular	
Bridgeview Return-It	Surrey	Metro Vancouver	Regular	
Bulkley Valley Bottle Depot	Smithers	Bulkley Nechako	Regular	
Burns Lake Return-It Depot	Burns Lake	Bulkley Nechako	Regular	New addition - Aug. 7, 2015
Campbell Mountain Sanitary Landfill	Penticton	Okanagan Similkameen	Regular	
Campbell River Waste Management Centre	Campbell River	Strathcona	Bulky Only	
Carney's Waste Systems - Squamish	Squamish	Squamish Lillooet	Regular	
Castlegar Return-It Depot	Castlegar	Central Kootenay	Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Cedar Hill Thrift Store (non-advertised)	Victoria	Capital	Regular	
Chasers Bottle Depot Ltd.	Vernon	North Okanagan	Regular	
Chetwynd Recycling and Bottle Depot	Chetwynd	Peace River	Regular	
Chilliwack Bottle Depot Ltd	Chilliwack	Fraser Valley	Regular	
Clearwater Eco Depot	Clearwater	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Clinton Eco Depot	Clinton	Thompson Nicola	Regular	New addition - Jan. 29, 2015
CM Recycling Ltd. (FKA Cariboo Metal Recycling)	Quesnel	Cariboo	Bulky & Regular	
Columbia Bottle Depot – Dease	Kelowna	Central Okanagan	Bulky & Regular	
Columbia Bottle Depot - Kirschner	Kelowna	Central Okanagan	Bulky & Regular	New addition - Dec. 2, 2015
Columbia Bottle Depot - St. Paul	Kelowna	Central Okanagan	Bulky & Regular	
Columbia Recycle (non-advertised)	Trail	Kootenay Boundary	Bulky Only	New addition - Mar. 24, 2015
Comox Valley Waste Management Centre	Cumberland	Comox Valley	Bulky Only	
Coquitlam Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Courtenay Return-It Depot	Courtenay	Comox Valley	Regular	
Cranbrook Bottle Depot	Cranbrook	East Kootenay	Regular	
D&G Recycling (Tsawassen Bottle Depot)	Tsawassen	Metro Vancouver	Regular	
D.C. Campbell Recycling Ltd.	Dawson Creek	Peace River	Bulky & Regular	
East 12th Avenue Thrift Store	Vancouver	Metro Vancouver	Regular	
Edmonds Return-It Depot	Burnaby	Metro Vancouver	Regular	
Enderby Bottle Depot	Enderby	North Okanagan	Bulky & Regular	New addition - Mar.18, 2015
Fell Avenue Thrift Store (non-advertised)	North Vancouver	Metro Vancouver	Regular	
Fernie Bottle Depot	Fernie	East Kootenay	Regular	
Fleetwood Bottle Return Depot	Surrey	Metro Vancouver	Regular	
Fraser Lake Bottle Depot	Fraser Lake	Bulkley Nechako	Regular	
Fraser Valley Return-It Depot	Langley	Metro Vancouver	Regular	
FSJ Eco-Depot Recycling Centre	Ft. St. John	Peace River	Regular	
Galiano Island Recycling	Galiano Island	Capital	Regular	
General Grant's North Shore Bottle Depot	Kamloops	Thompson Nicola	Regular	
General Grant's Sahali	Kamloops	Thompson Nicola	Regular	
Gibsons Disposal Ltd.	Gibsons	Sunshine Coast	Regular	
Go Green Depot & Recycling	Vancouver	Metro Vancouver	Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Gold Trail Recycling	100 Mile House	Cariboo	Bulky & Regular	
Grand Forks Bottle Depot	Grand Forks	Kootenay Boundary	Regular	
Granville Thrift Store (non-advertised)	Vancouver	Metro Vancouver	Regular	
Guildford Bottle Depot	Surrey	Metro Vancouver	Regular	
Haney Bottle Depot	Maple Ridge	Metro Vancouver	Regular	
Hart Return-It Depot	Prince George	Fraser Fort George	Regular	
Hartland Recycling Depot	Victoria	Capital	Bulky & Regular	
Hazelton Bottle Depot	New Hazelton	Kitimat Stikine	Regular	New addition - Apr.1, 2015
Heffley Creek Eco Depot	Heffley Creek	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Heiltsuk Environmental Bella Bella Eco-Depot	Bella Bella	Central Coast	Bulky & Regular	
Hillside Thrift Store	Victoria	Capital	Regular	
Hope Bottle Depot Ltd	Hope	Fraser Valley	Regular	
Houston Recycling	Houston	Bulkley Nechako	Bulky & Regular	
Interior Freight & Bottle Depot	Vernon	North Okanagan	Bulky & Regular	
Ironwood Bottle Depot	Richmond	Metro Vancouver	Regular	
Island Return-It Recycling Centre Campbell River (FKA Campbell River Bottle Depot)	Campbell River	Strathcona	Bulky & Regular	
Island Return-it Recycling Centre Duncan (FKA Cowichan Valley Bottle Depot)	Duncan	Cowichan Valley	Bulky & Regular	
Island Return-it Recycling Centre Esquimalt (FKA Westshore Bottle Depot)	Esquimalt	Capital	Regular	
Island Return-It Recycling Centre Sidney (FKA Sidney Bottle Depot)	Sidney	Capital	Bulky & Regular	
Island Return-It Recycling Centre South Cowichan	Cobble Hill	Cowichan Valley	Regular	New addition - Jun. 16, 2015
Islands Solid Waste Management – Port Clements	Port Clements	Skeena-Queen Charlotte	Regular	
Islands Solid Waste Management – Queen Charlotte	Queen Charlotte	Skeena-Queen Charlotte	Regular	
J&C Bottle Depot	Penticton	Okanagan Similkameen	Regular	
Jenill Bottle Depot	Surrey	Metro Vancouver	Bulky & Regular	New addition - Aug. 17, 2015
Junction Bottle Depot	Ladysmith	Cowichan Valley	Regular	
Kensington Return-It	Burnaby	Metro Vancouver	Bulky & Regular	New addition - Aug. 12, 2015

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Keremeos Sanitary Landfill	Keremeos	Okanagan Similkameen	Regular	
Kerrisdale Thrift Store (non-advertised)	Vancouver	Metro Vancouver	Regular	
Kitchener Bottle Depot Ltd.	Burnaby	Metro Vancouver	Regular	
Kitimat Understanding the Env. Soc. (KUTE)	Kitimat	Kitimat Stikine	Regular	
Ladner Bottle Depot Co. Ltd.	Delta	Metro Vancouver	Bulky & Regular	
Langford Thrift Store (non-advertised)	Langford	Capital	Regular	
Langley Bottle Depot	Langley	Metro Vancouver	Bulky & Regular	
Langley Thrift Store	Langley	Metro Vancouver	Regular	CLOSED - June 8, 2015
Lee's Bottle Depot	Burnaby	Metro Vancouver	Regular	
Lillooet Waste & Recycling Centre	Lillooet	Squamish Lillooet	Bulky & Regular	
Logan Lake Eco Depot	Logan Lake	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Lorne Street Bottle Depot	Kamloops	Thompson Nicola	Regular	
Lougheed Return-It Depot Inc.	Coquitlam	Metro Vancouver	Regular	
Louis Creek Eco Depot	Louis Creek	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Lower Nicola Eco Depot	Merritt	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Lytton Eco Depot	Lytton	Thompson Nicola	Regular	New addition - Jan. 29, 2015
Maple Ridge Bottle Depot	Maple Ridge	Metro Vancouver	Regular	
Maple Ridge Recycling Depot	Maple Ridge	Metro Vancouver	Bulky & Regular	
Mayne Island Recycling Society (MIRS)	Mayne Island	Capital	Regular	
Meade Creek Recycling Drop-off Depot	Lake Cowichan	Cowichan Valley	Bulky & Regular	
Merritt Return-It Depot (FKA George Hale Transfer Ltd)	Merritt	Thompson Nicola	Regular	
Metrotown Bottle Return-It Centre	Burnaby	Metro Vancouver	Bulky & Regular	New addition - Mar. 10, 2015
Mica Ventures Inc (100 Mile House) (formerly Bee-Line Courier)	100 Mile House	Cariboo	Regular	
Mica Ventures Inc (Williams Lake) (formerly Bee-Line Courier)	Williams Lake	Cariboo	Regular	
Mill Bay Thrift Store	Mill Bay	Capital	Regular	
Mission Flats Landfill	Kamloops	Thompson Nicola	Bulky & Regular	
Mission Recycle Center Ltd.	Mission	Fraser Valley	Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Mission Recycling Depot	Mission	Fraser Valley	Bulky & Regular	
Nanaimo Recycling Exchange Society	Nanaimo	Nanaimo	Bulky & Regular	
Nelson Leafs Recycling Center	Nelson	Central Kootenay	Regular	
New Life Furniture and Recycling	Creston	Central Kootenay	Regular	
New Westminster Thrift Store	New Westminster	Metro Vancouver	Regular	
Newton Bottle Depot	Surrey	Metro Vancouver	Bulky & Regular	
Norbert Recycling	Bridgesville	Kootenay Boundary	Bulky & Regular	New addition - Feb. 19, 2015
North Burnaby (Hastings) Thrift Store (non-advertised)	Burnaby	Metro Vancouver	Regular	
North Shore Bottle Depot	North Vancouver	Metro Vancouver	Regular	
North Shuswap Bottle Depot	Chase	Thompson-Nicola	Regular	
North Van Recycling Ltd	North Vancouver	Metro Vancouver	Regular	
North Vancouver Thrift Store	North Vancouver	Metro Vancouver	Regular	
Northern Recycling	Quesnel	Cariboo	Bulky & Regular	New addition - Dec. 7, 2015
OK Bottle Depot	Richmond	Metro Vancouver	Regular	
Okanagan Falls Sanitary Landfill	Okanagan Falls	Okanagan Similkameen	Regular	
Oliver Sanitary Landfill	Oliver	Okanagan Similkameen	Regular	
Osoyoos Bottle Depot	Osoyoos	Okanagan Similkameen	Bulky & Regular	
Panorama Village Return-It	Surrey	Metro Vancouver	Regular	
Parksville Bottle & Recycling Depot Ltd.	Parksville	Nanaimo	Bulky & Regular	
Peerless Road Recycling Drop-off Depot	Ladysmith	Cowichan Valley	Bulky & Regular	
Pemberton Recycling Centre	Pemberton	Squamish Lillooet	Regular	
Pender Island Recycling Society (PIRS)	Pender island	Capital	Bulky & Regular	
PG Recycling & Return-It Centre	Prince George	Fraser Fort George	Bulky & Regular	
Pitt Meadows Bottle & Return-it Depot Ltd.	Pitt Meadows	Metro Vancouver	Regular	
Planet Earth Recycling Ltd.	Westbank	Central Okanagan	Bulky & Regular	
Port Coquitlam Thrift Store	Port Coquitlam	Metro Vancouver	Regular	
Port Hardy Return-It Centre	Port Hardy	Mt. Waddington	Regular	
Powell Street Bottle Depot	Vancouver	Metro Vancouver	Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Pud's Auto Wrecking and Towing	Osoyoos	Okanagan Similkameen	Bulky Only	
Queensborough Landing Return-it	New Westminster	Metro Vancouver	Bulky & Regular	
R&T Bottle Depot	Abbotsford	Fraser Valley	Regular	
Regional Recycling Abbotsford	Abbotsford	Fraser Valley	Bulky & Regular	
Regional Recycling Burnaby	Burnaby	Metro Vancouver	Bulky & Regular	
Regional Recycling Cloverdale	Surrey	Metro Vancouver	Bulky & Regular	
Regional Recycling Fremont (FKA Nanaimo Bottle Depot - Fremont)	Nanaimo	Nanaimo	Bulky & Regular	
Regional Recycling Nanaimo	Nanaimo	Nanaimo	Bulky & Regular	
Regional Recycling Richmond	Richmond	Metro Vancouver	Bulky & Regular	
Regional Recycling Vancouver	Vancouver	Metro Vancouver	Bulky & Regular	
Regional Recycling Whistler	Whistler	Squamish Lillooet	Bulky & Regular	
Revelstoke Bottle Depot	Revelstoke	Columbia Shuswap	Regular	
Richmond Recycling Depot	Richmond	Metro Vancouver	Bulky & Regular	
Saanich Thrift Store (non-advertised)	Saanich	Capital	Regular	
Salt Spring and Southern Gulf Islands Comm. Services Society	Salt Spring Island	Capital	Bulky & Regular	
Salvation Army - Lower Mainland Divisional	Langley	Metro Vancouver	Bulky & Regular	
Salvation Army - Prince George	Prince George	Fraser Fort George	Regular	
Salvation Army - Victoria Consolidation Centre	Victoria	Capital	Regular	
Sapperton Return-It Depot	New Westminster	Metro Vancouver	Regular	
Sardis Bottle Depot Ltd.	Chilliwack	Fraser Valley	Bulky & Regular	
Scotch Creek Bottle Depot	Scotch Creek	Columbia Shuswap	Regular	
Scott Road Bottle Depot Ltd.	Surrey	Metro Vancouver	Regular	
Semiahmoo Bottle Depot	Surrey	Metro Vancouver	Bulky & Regular	
Seven Mile Landfill and Recycling Centre	Port McNeill	Mt. Waddington	Bulky & Regular	
Sherwood's Auto Parts	Port Alberni	Alberni Clayoquot	Bulky Only	
Skeena Queen Charlotte - Regional Recycling	Prince Rupert	Skeena-Queen Charlotte	Bulky & Regular	
Sooke Thrift Store	Victoria	Capital	Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
Sorrento Bottle Depot	Sorrento	Columbia Shuswap	Regular	
South Thompson Eco Depot	Pritchard	Thompson Nicola	Regular	New addition - Jan. 29, 2015
South Van. Bottle Depot (Zims) Ltd.	Vancouver	Metro Vancouver	Regular	
Steveston Return-it Depot	Richmond	Metro Vancouver	Regular	
Sun Coast Waste Services	Port Alberni	Alberni Clayoquot	Bulky & Regular	New addition - Dec.14, 2015
Sunset Coast Bottle Depot	Powell River	Powell River	Regular	
Surrey Central Return-It Centre	Surrey	Metro Vancouver	Regular	
Surrey Thrift Store (non-advertised)	Surrey	Metro Vancouver	Regular	
T2 Market	Oliver	Okanagan Similkameen	Regular	
Terrace Bottle & Return-It Depot	Terrace	Kitimat Stikine	Regular	
The Bargain Bin	Castlegar	Central Kootenay	Regular	CLOSED - Jul. 31, 2015
The Battery Doctors	Kelowna	Central Okanagan	Bulky & Regular	
The Hut Bottle Depot	Princeton	Okanagan Similkameen	Regular	
The Re-Use-It Centre	Whistler	Squamish Lillooet	Regular	
The Salvation Army Alberni Valley	Port Alberni	Alberni Clayoquot	Regular	CLOSED - Dec. 11, 2015
Thorsen Creek Recycling Depot	Bella Coola	Central Coast	Bulky & Regular	New addition - Jun. 8, 2015
Town Center Mall Recycle Depot	Powell River	Powell River	Regular	New addition - Feb. 1, 2015
Trail Bottle Depot	Trail	Kootenay Boundary	Bulky & Regular	
Ucluelet Bottle Depot	Ucluelet	Alberni Clayoquot	Regular	
Urban Impact Recycling (non-advertised)	Richmond	Metro Vancouver	Regular	
Vancouver Central Return-It Depot	Vancouver	Metro Vancouver	Regular	
Vancouver West Bottle Depot Ltd.	Vancouver	Metro Vancouver	Regular	
Venture Bottle Depot	Lumby	North Okanagan	Regular	
Venture Training	Vernon	North Okanagan	Bulky & Regular	
Victoria Thrift Store (non-advertised)	Victoria	Capital	Regular	
View Royal Thrift Store	View Royal	Capital	Regular	
Village of Gold River	Gold River	Strathcona	Bulky & Regular	
Walnut Grove Bottle Depot Ltd.	Langley	Metro Vancouver	Regular	
Wastech Services (non-advertised)	Coquitlam	Metro Vancouver	Bulky & Regular	

CESA 2015 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2015
West 4th Avenue Thrift Store (non-advertised)	Vancouver	Metro Vancouver	Regular	
West Broadway Thrift Store (non-advertised)	Vancouver	Metro Vancouver	Regular	
West Van Thrift Store (non-advertised)	West Vancouver	Metro Vancouver	Regular	
White Rock Thrift Store (non-advertised)	White Rock	Metro Vancouver	Regular	
Wide Sky Disposal Ltd.	Fort Nelson	Northern Rockies	Regular	
Willowbrook Recycling Inc.	Langley	Metro Vancouver	Regular	
Winfield Return-It Centre	Lake Country	Central Okanagan	Regular	

APPENDIX C: AUDITED FINANCIAL STATEMENTS

**CANADIAN ELECTRICAL
STEWARDSHIP ASSOCIATION**

FINANCIAL STATEMENTS

31 DECEMBER 2015

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION

Financial Statements

For the year ended 31 December 2015

Contents

Independent Auditors' Report	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12



ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

1500 – 1090 West Georgia Street
Vancouver, B.C. V6E 3V7
Tel: 604-684-1101 Fax: 604-684-7937
E-mail: admin@rolfebenenson.com

INDEPENDENT AUDITORS' REPORT

To the Members,
Canadian Electrical Stewardship Association

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Electrical Stewardship Association, which comprise the statement of financial position as at 31 December 2015, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Electrical Stewardship Association as at 31 December 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
26 May 2016

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Financial Position
31 December 2015

	2015	2014
Assets		
Current		
Cash	\$ 6,791,069	\$ 5,122,404
Accounts receivable	1,336,088	1,699,770
GST/HST receivable	158,146	-
Prepaid expenses	36,042	25,859
	<u>8,321,345</u>	<u>6,848,033</u>
Internally restricted cash and investments (Note 3)	<u>11,270,750</u>	<u>11,021,779</u>
	<u>\$ 19,592,095</u>	<u>\$ 17,869,812</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 972,629	\$ 830,199
GST/HST payable	-	43,170
	<u>972,629</u>	<u>873,369</u>
Commitments (Note 4)		
Net Assets		
Unrestricted	7,348,716	5,974,664
Internally restricted - Reserve Fund (Note 5)	11,270,750	5,378,036
Internally Restricted - Program Enhancement Fund (Note 6)	-	5,643,743
	<u>18,619,466</u>	<u>16,996,443</u>
	<u>\$ 19,592,095</u>	<u>\$ 17,869,812</u>

APPROVED BY THE DIRECTORS:

_____ Director

_____ Director

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Changes in Net Assets
For the year ended 31 December 2015

	Unrestricted	Internally Restricted - Reserve Fund	Internally Restricted - Program Enhancement Fund	Total 2015	Total 2014
Balance - beginning of year	\$ 5,974,664	\$ 5,378,036	\$ 5,643,743	\$ 16,996,443	\$ 14,283,304
Excess of revenues over expenses for the year	1,623,023	-	-	1,623,023	2,713,139
Fund transfer - Reserve Fund (Note 5)	(248,971)	248,971	-	-	-
Fund transfer - Program Enhancement Fund (Note 6)	-	5,643,743	(5,643,743)	-	-
Balance - end of year	\$ 7,348,716	\$ 11,270,750	\$ -	\$ 18,619,466	\$ 16,996,443

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Operations
For the year ended 31 December 2015

	2015	2014
Revenues	\$ 7,058,602	\$ 7,547,360
Expenses		
Collection, transportation and processing	3,965,446	3,638,161
Communications and program administration	1,724,147	1,368,640
	<u>5,689,593</u>	<u>5,006,801</u>
Excess of revenues over expenses from operations	<u>1,369,009</u>	<u>2,540,559</u>
Other income (expense)		
Investment income	292,809	201,516
Investment management fees	(38,795)	(28,936)
	<u>254,014</u>	<u>172,580</u>
Excess of revenues over expenses for the year	<u>\$ 1,623,023</u>	<u>\$ 2,713,139</u>

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION

Statement of Cash Flows For the year ended 31 December 2015

	2015	2014
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 1,623,023	\$ 2,713,139
Changes in non-cash working capital balances		
Accounts receivable	363,682	(115,200)
GST/HST	(201,316)	(4,322)
Prepaid expenses	(10,183)	86
Accounts payable and accrued liabilities	142,430	50,645
	<u>1,917,636</u>	<u>2,644,348</u>
Investing activities		
Transfer to Reserve Fund	(248,971)	(617,428)
Transfer to Program Enhancement Fund	-	(51,390)
	<u>(248,971)</u>	<u>(668,818)</u>
Net increase in cash	1,668,665	1,975,530
Cash - beginning of year	<u>5,122,404</u>	<u>3,146,874</u>
Cash - end of year	\$ 6,791,069	\$ 5,122,404

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2015

1. Incorporation

Canadian Electrical Stewardship Association (the "Association") was incorporated under the Canada Corporations Act on 8 March 2010 and commenced operations on 1 October 2011. The Association was issued a certificate of continuance under the Canada Not-for-Profit Corporations Act on 2 August 2012. The Association is a not-for-profit organization and it is not subject to income taxes.

The Association is a Product Stewardship Agency of manufacturers, brand owners and retailers of electrical small appliances, power tools, sewing machines, exercise, sports and leisure equipment, and arts, crafts and hobby devices. The Association's purpose is to assist manufacturers, brand owners and other legally obligated parties (e.g. retailers, importers or distributors) in discharging their obligation to establish end-of-life product collection and recycling programs under the British Columbia Recycling Regulation (Reg. 449/2004, O.C. 995/2004) (the "Regulation").

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

Revenue from environmental handling fees ("EHF") is recognized at the time a EHF applicable product is sold by a member of the Association, and the EHF becomes due and payable. EHF are received from registered members which participate in the Association's program. The Association recognizes these fees as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. EHF revenues are recognized as members report and remit them as required by applicable provincial environmental legislation.

Investment income includes interest income and realized investment gains and losses. Investment income is recognized as revenue when earned.

(b) Cash and cash equivalents

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2015

2. Summary of significant accounting policies - Continued

(c) Financial instruments

(i) Measurement of financial instruments

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

Financial assets measured at amortized cost include cash, accounts receivable and internally restricted cash and investments.

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

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

(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. Key areas where management has made estimates and assumptions include recognition of accrued liabilities, revenue recognition of environmental handling fees and provisions for allowance for doubtful accounts related to accounts receivable. Actual results could differ from these estimates.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2015

3. Internally restricted cash and investments

Internally restricted cash and investments are comprised of the assets which have been internally restricted by the Association's board of directors related to the Reserve Fund (Note 5):

	Cost	2015 Market	Cost	2014 Market
Investments	\$ 9,650,937	\$ 9,518,899	\$ 10,779,015	\$ 10,646,759
Cash	1,619,813	1,619,813	242,764	242,764
	<u>\$ 11,270,750</u>	<u>\$ 11,138,712</u>	<u>\$ 11,021,779</u>	<u>\$ 10,889,523</u>

4. Commitments

The Association has a lease agreement for its office premises that will expire on 31 March 2016. Assuming the lease will be renewed with similar terms for 12 more months at the end of the current lease, the minimum annual payments required by the lease are as follows:

2016	\$ 24,348
2017	<u>6,087</u>
	<u>\$ 30,435</u>

5. Reserve Fund

During the year, the Association's Board of Directors combined the Program Enhancement Fund (Note 6) with the Reserve Fund to establish a new Reserve Fund. As a result, \$5,643,743 was transferred from the Program Enhancement Fund to the Reserve Fund.

The Reserve Fund has the following purposes:

- (a) To manage the year to year cost of fluctuations in volumes and costs and thereby stabilize recycling fees;
- (b) To cover the costs of winding up the Association by the decision of the members or as a consequence of regulatory change;
- (c) To cover any claims against the Association, its staff or Board of Directors in excess of the Association's insurance coverage;
- (d) To enable the Association to reduce its insurance costs for the management of environmental risk, or any other risk;

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2015

5. Reserve Fund - Continued

- (e) To cover any unusual or extraordinary costs not accounted for in the operating budget;
- (f) To be used in the event that unexpected expenses to drive program collection, awareness or expansion are determined necessary to maintain operations; and
- (g) To meet recovery targets in British Columbia or any other province in which the Association may operate in the future.

The Reserve Fund is internally restricted and transfers to the Reserve Fund are at the discretion of the Board of Directors up to a maximum amount, which is the greater of the cumulative forecasted expenses for the following fiscal year and the cumulative prior year expenses, plus other amounts deemed necessary by the Board of Directors. The Reserve Fund is funded by cash and investments which have been internally restricted by the Association's Board of Directors (Note 3).

The assets in the Reserve Fund consist of cash, investments in fixed income and mutual funds and are independently managed (Note 3). All income earned and expenses paid on those investments are initially reported in the unrestricted fund and then transferred to the Reserve Fund. During the year, \$248,971 (2014 - \$617,428) was transferred from the unrestricted fund to the Reserve Fund.

6. Program Enhancement Fund

The Program Enhancement Fund is internally restricted and transfers to the Program Enhancement Fund are at the discretion of the Board of Directors. The Program Enhancement Fund is funded by cash and investments which have been internally restricted by the Association's Board of Directors (Note 3).

During the year, the Association's Board of Directors combined the Program Enhancement Fund with the Reserve Fund (Note 5). As a result, \$5,643,743 was transferred from the Program Enhancement Fund to the Reserve Fund.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at the statement of financial position date, 31 December 2015.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's main credit risks relate to its cash and 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. The Association has evaluation and monitoring processes in place and writes off accounts when they are determined to be uncollectible.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Association is not exposed to this risk due to its strong working capital position.

(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. The Association is mainly exposed to interest rate risk and other price risk.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Association to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Association does not use financial instruments to reduce its risk exposure.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in market. The Association is exposed to other price risk through its investments.

APPENDIX D: INDEPENDENT ASSURANCE REPORT



June 29, 2016

Independent Reasonable Assurance Report

To the Directors of the Canadian Electrical Stewardship Association on selected non-financial information included in the CESA 2015 Annual Report

We have been engaged by the Canadian Electrical Stewardship Association (“CESA”) to perform a reasonable assurance engagement in respect of the following information (the “Selected Information”) detailed in Appendix A, and also included within CESA’s Annual Report to the Director of Waste Management at the Ministry of the Environment, Government of British Columbia (“MOE”), as hosted on the CESA website¹ (<http://www.electrorecycle.ca/stewards/resources/>) for the year ended December 31, 2015:

1. The location of collection facilities, and any changes in the number and location of collection facilities from the prior year in accordance with Section 8(2)(b) of the British Columbia Regulation 449/2004 Recycling Regulation (“Recycling Regulation”);
2. The description of how recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation; and
3. The total amount of the producers’ product collected for the year ended December 31, 2015 in accordance with Section 8(2)(e) of the Recycling Regulation.

Responsibilities

PricewaterhouseCoopers LLP

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion on the Selected Information based on the procedures we have performed and the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 Revised (ISAE 3000), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, published by the International Federation of Accountants, and the *Guide to Third Party Assurance for Non-Financial Information in Annual Reports – 2015 Reporting Year*, dated February, 2016 (“Assurance Requirements”), published by the MOE.

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.

¹ The maintenance and integrity of the CESA website is the responsibility of CESA; the work carried out by PricewaterhouseCoopers LLP does not involve consideration of these matters and, accordingly, PricewaterhouseCoopers LLP accepts no responsibility for any changes that may have occurred to the reported information or criteria since they were posted on the website

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215, www.pwc.com/ca



In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

CESA

CESA is responsible for the preparation and fair presentation of the Selected Information in accordance with the evaluation criteria as listed in Appendix A. 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 Assurance Requirements as specified by the Director under section 8(2)(h) of the Recycling Regulation.

CESA is responsible for providing us with information about any frauds (including alleged and/or suspected instances of fraud) or illegal (or possibly illegal) acts communicated by employees, former employees, or contractors and all related known facts known by management that may relate to the Selected Information. CESA is also responsible for demonstrating adherence to the Recycling Regulation as outlined within Section 1 of the Annual Report to the Director.

Methodology and Assurance Procedures

We conducted our reasonable assurance engagement in accordance with ISAE 3000. 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 judgment, including the assessment of the risks of material misstatement in the Selected Information due to omissions, misrepresentation 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:

- Obtaining an understanding of the management systems, processes, and controls used to generate, aggregate and report the data;
- Testing relevant controls, documents and records on a sample basis;
- Testing and re-calculating quantitative information related to the Selected Information on a sample basis; and
- Reviewing the consistency of the Selected Information with the related disclosures in the Annual Report to the Director.



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 judgements. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of the evaluation criteria.

Conclusion

In our opinion, the Selected Information for the year ended December 31, 2015 presents fairly, in all material respects, in accordance with the evaluation criteria listed in Appendix A:

1. The location of collection facilities, and any changes in the number and location of collection facilities from the prior year in accordance with Section 8(2)(b) of the Recycling Regulation;
2. The description of how recovered product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation; and
3. The total amount of the producers' product collected for the year ended December 31, 2015 in accordance with Section 8(2)(e) of the Recycling Regulation.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Appendix B which describes why certain items required by the Assurance Requirements have been excluded. Our opinion is not qualified in respect of this matter.

Other matters

Our report has been prepared solely for the purposes of CESA's compliance with the reporting requirements relating to Sections 8(2)(b), (d), (e) and (g) of 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 CESA, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

Our opinion does not constitute a legal determination on CESA's compliance with the Recycling Regulation.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Professional Accountants
June 29, 2016



Appendix A to the Independent Reasonable Assurance Report

Selected Information:

- 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 as presented on page 10 and 11 of CESA's Annual Report to the Director.**

"At the end of 2015, the ElectroRecycle Program had 197 contracted collection facilities for CESA products"

"...in 2015, the collection network expanded to include 24 additional contracted collection facilities for CESA products"

"Three collection facilities closed during 2015"

The contents of Table 1: Number of Collection Facilities by Regional District

Evaluation Criteria:

- "Collection Facilities" are centres that have a signed contract as of December 31, 2015 with Product Care Association (PCA) for the collection of Program Products during the reporting year and may include the following types of centres:
 - Retailers;
 - Recycling Organizations (both for profit and non-profit);
 - Local government recycling centres or transfer stations; or
 - Other associations or businesses.
- Reporting Period: January 1st to December 31st annually.
- "Program Products" are all products included in the program as listed in the currently approved product stewardship plans dated August 17, 2011 and March 9, 2012. CESA defines two streams of products included in the program in sourcing collection facilities: "regular" and "very large items." Products that are considered "very large items" include treadmills, elliptical trainers, stationary cycling machines (Category 19) and large, free-standing power tools with built-in stands (select products in Category 17). All other products are considered "regular."
- The number of Collection Facilities is reported on the basis of the number of Collection Facilities that have signed contracts with PCA during the reporting year including those that accept "regular" products and/or "very large items".
- The number of Collection Facilities and the location of each facility are documented in PCA's Access database. Collection Facilities are entered into the database as of the date of the contract.



- The changes in number and location of Collection Facilities are calculated by summing the Collection Facilities that signed contracts within a given reporting year and those that closed within that year. This value is then compared to the difference in total number of collection facilities reported and the equivalent data from the prior year.

Selected Information:

- 2. 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 as presented on page 13 of the CESA Annual Report to the Director.**

The contents of Table 3: Percentage of Total Volumes Processed by Material Commodity in 2015.

Evaluation Criteria:

- The Pollution Prevention Hierarchy includes the following:
“Reuse” includes all Program Products that are refurbished or can be reused “as-is” through either, resale, return to inventory, or given away as a donation.
“Recycle” includes:
 - Any Program Product that cannot be Reused.
 - Any Program Product where the sales agreement strictly prohibits the reuse of that product or requires its destruction.
 - Any Program Product that is harvested for parts.
 - Any commodities that are captured from the recycling process.“Energy Recovery” relates to processing activities after the recycling stage and includes any element of the Program Product that is harvested to generate energy.
“Waste” includes any products not captured in the three streams above.
- “End of fate” is defined as final processed state of each material commodity before reuse in another product or shipment to landfill.
- Reporting Period: January 1st to December 31st annually.

Method of Reporting:

- Processor selection is based on a thorough due diligence process that includes assessment of Recycler Qualification Program approvals.
- Materials collected are reported by end of fate both by material commodity and by process on the Pollution Prevention hierarchy:
 - Reuse: One product, heating oil is reused.
 - Recycle: Products listed include ferrous steel, plastics, aluminium, copper, glass, etc.



- Recover: One product, heating oil is recovered.
- Waste: Products listed are refuse and heating oil.

Selected Information:

3. The description of total amount of the producer's product collected, in accordance with Section 8(2)(e) of the Recycling Regulation as presented on page 14 of CESA's Annual Report to the Director.

"According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 4,225,141 kg of regular CESA products was collected between January 1 and December 31, 2015."

Evaluation Criteria:

- "Program Products" are all products included in the program as listed in the currently approved product stewardship plans dated August 17, 2011 and March 9, 2012. CESA defines two streams of products included in the program in sourcing collection facilities: "regular" and "very large items." Products that are considered "very large items" include treadmills, elliptical trainers, stationary cycling machines (Category 19) and large, free-standing power tools with built-in stands (select products in Category 17). All other products are considered "regular."
- "Product Collected" is the amount of all regular Program Products collected at Collection Facilities in British Columbia.
- Reporting Period: January 1st to December 31st annually.

Method of Reporting:

- Quantification of Product Collected is based on an estimated portion of the weight of "regular" products collected at the Collection Facilities.
- These reports are generated by the primary processor(s) who receive comingled CESA Program Products and Program Products from another program (LightRecycle) in addition to other waste.
- The estimate of CESA's portion of the collected material is based on a monthly sample of 10% of the first shipment received at each processor. The sampling data received from each recycler, for each month, was extrapolated to determine the proportion of CESA products collected versus the proportion of LightRecycle products collected in each particular month. This percentage is applied to the weight of every pick-up from contracted collection facilities during that month.
- The "other waste" is included in the total weight being split between the two programs as the program retains responsibility for disposing of it.
- These collected weights, now adjusted for LightRecycle tonnage, are then summed to provide the total weight of CESA products collected, as reported by the program's consolidation facilities, by Regional District, or for the province as a whole.
- "Very large items" are not managed through the program's recycling process and are therefore not included in the total weight of Product Collected or the breakdown of collection by region.
- The majority of collection facilities submit monthly unit-based tracking forms to PCA with the number of very large products collected but not their weights.
- Collection Facilities are required to arrange the recycling of these items through a metal recycler of their choice.



- Products Collected are reported by weight broken down by region (based on location of Collection Facility).
- If the conversion of weight to units is conducted, conversion factors used for converting weight to number of units are based on industry provided information per fee category.



Appendix B to the Independent Reasonable Assurance Report

CESA has not reported the recovery rate for the year in accordance with 8(2)(e) of the Recycling Regulations for the year ended December 31, 2015 as the approved stewardship plan does not outline the requirement to report recovery rates. If the stewardship program does not report a recovery rate in the approved plan, assurance for producers' product sold data is not required as outlined in the Assurance Requirements.

CESA has not reported its performance for the year in relation to approved targets in their approved stewardship plans under 8(2)(b), (d) and (e) in accordance with 8(2)(g) of the Recycling Regulation for the year ended December 31, 2015 as CESA is not required to report this to the Director as there are no targets set in the approved stewardship plan for these sections applicable to the reporting year.