

ANNUAL REPORT 2011



ELECTRONICS STEWARDSHIP
ASSOCIATION
OF BRITISH COLUMBIA

January 1 – December 31, 2011

NUMBER OF RETURN-IT
COLLECTION SITES:

125



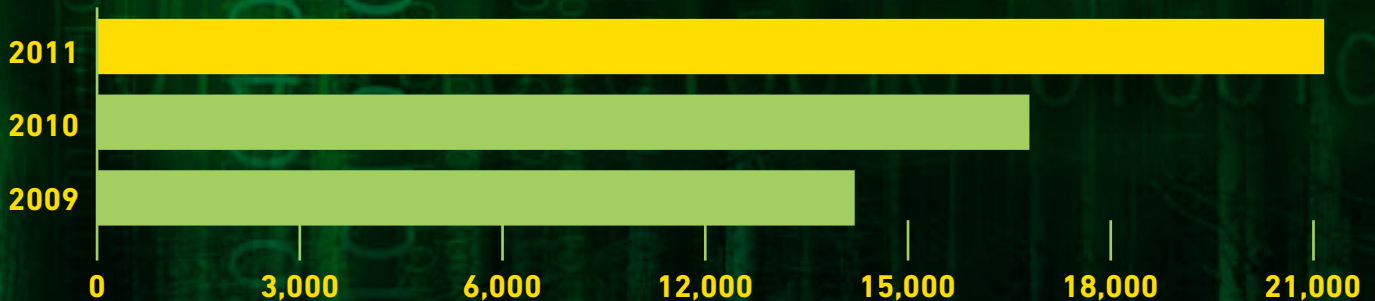
REGISTERED
ESABC MEMBERS:

1,607







ELECTRONIC WASTE COLLECTED
THROUGH ESABC IN 2011:

21,255

metric
tonnes



Electronics Weight Collected

REGION	2011			2010		
	WEIGHT COLLECTED (kg) 	POPULATION 	PER CAPITA (kg) 	WEIGHT COLLECTED (kg) 	POPULATION 	PER CAPITA (kg) 
Fraser Valley	1,481,371	286,981	5.2	1,232,415	284,995	4.3
Kootenays	618,897	152,833	4.0	481,570	152,530	3.2
Lower Mainland	11,241,617	2,446,290	4.6	9,063,452	2,414,984	3.8
North	814,353	335,697	2.4	671,517	333,732	2.0
Okanagan	2,714,271	539,030	5.0	2,070,383	536,663	3.9
Vancouver Island	4,117,769	717,110	5.7	3,412,851	757,617	4.5
Sunshine Coast	266,729	50,882	5.2	229,867	50,439	4.6
Grand Total	21,255,006	4,528,823	4.7	17,162,055	4,530,960	3.8

Program Highlights

Introduction

In the last decade, product stewardship programs have grown in popularity across Canada and around the world. They allow governments to divert materials from the waste stream and improve recycling efforts by shifting the responsibility and cost of recycling from taxpayers to the producers and consumers of the products. In British Columbia (BC) these principles are incorporated into the requirements of the BC Recycling Regulation.

The electronics industry has worked proactively with the BC government since 2002 to develop the Electronics Stewardship Association of British Columbia (ESABC), an industry-led, not-for-profit electronics stewardship organization. ESABC operates in accordance with the requirements of the Recycling Regulation and industry developed recycling standards which ensure that all products collected and processed by ESABC are handled safely and not shipped offshore to developing countries.

In accordance with the requirements of their approved stewardship plan, the Program has developed and delivered an effective, cost efficient and environmentally responsible electronics recycling program to consumers and businesses for regulated electronic products on behalf of more than 1600 members.

By the end of 2011, ESABC had safely and responsibly diverted more than 60 million kilograms of electronic waste from BC landfills. This represents an increase in the collection rate of 24% since 2010. Based on the 2011 per capita weight collected of 4.7 kilograms, ESABC continues to be one of the most successful electronic recycling programs in North America.

In December 2011, ESABC indicated to the Ministry of Environment the intention to shift the responsibility for the electrical and electronics collection and management program operated under the approved ESABC stewardship plan to the newly formed Electronics Product Recycling Association (EPRA). Under the 2012 – 2016 Stewardship Plan originally submitted by ESABC, all obligations and responsibilities will be assumed by EPRA.

In 2011, the fourth full year of operation, ESABC:

- Increased the amount of product collected in 2011 by 24%
- Expanded a depot network that covers over 97% of the province
- Responsibly recycled over 21 million tonnes of electronics



Message from the Chair

As Chair of the 2011 ESABC Board, and now a member on the Board of Directors of the Electronic Products Recycling Association, I am honoured to present the 2011 ESABC Annual Report.

In 2011 the ESABC Board of Directors focused on ensuring the delivery of an effective, cost efficient and environmentally responsible electronics recycling program to consumers and businesses throughout the province on behalf of their more than 1,600 members.

2011 also saw the beginning of ESABC's transition to the EPRA. The EPRA is a new, national governance structure that streamlines electronic stewardship programs across Canada. The EPRA will allow us to deliver, in British Columbia, a more cost-effective program for consumers while improving service quality for program members and maintaining the high environmental standards that have led us to become one of the leading electronics recycling programs in North America. The EPRA Stewardship Plan for 2012-2016, submitted to the Ministry of Environment in September 2011, can be found on the ESABC website at www.esabc.ca.

The effectiveness of the EPRA program on the ground is reflected by the continuous growth in collection volumes. In 2011 program collections increased once again by over 20%. To date, since the program's inception, ESABC has already responsibly recycled more than 60,000 metric tonnes of obligated electronic products.

The EPRA Board remains committed to the highest environmental standards. To ensure that obligated products collected by the EPRA are managed to the highest environmental standards, the Recycler Qualification Office has been diligent in overseeing the recycler approval process for Recycler Qualification Program, launched in July 2011.

Preparation is well underway for a major expansion of the program on July 1, 2012, the program's largest to date. As we move forward with Phase V planning, the EPRA remains committed to continuous improvement by adhering to industry-leading standards for electronics recycling, reuse and refurbishment, while exploring and developing new, innovative service delivery models.

All of these accomplishments would not have been possible without the efforts of my fellow Board Members, the Executive Director and staff, Encorp Pacific, depot operators, transporters and recyclers. We appreciate all your hard work in making 2011 another very successful year.



Nick Aubry

Chair, 2011 ESABC Board of Directors
Board of Directors, EPRA

Message from the Executive Director

As Executive Director for the Electronic Products Recycling Association (EPRA), I am pleased to report on the accomplishments of our Program in 2011. In 2011 the ESABC Board of Directors, national harmonization staff and Encorp management team undertook work on several major initiatives. These included approval of our 2012-16 Stewardship Plan, laying the groundwork for a further program expansion in July of 2012, and probably most significantly, ESABC's transition to the EPRA.

As part of an ongoing effort to harmonize provincial electronic stewardship programs, on June 1, 2012, ESABC transitioned into the national organization the EPRA. A joint venture between the Electronic Products Stewardship Council and the Retail Council of Canada, the EPRA will leverage a national organization to the benefit of consumers and other provincial stewards by enabling our ability to deliver best practices in industry-led electronics recycling. By streamlining provincial stewardship programs, the EPRA will provide a more cost-effective program while improving service quality for program members, supporting higher performance, and ultimately facilitating our future ability to achieve increased capacity with reduced costs for consumers.

Our Stewardship Plan for 2012-16 was submitted to the Ministry of Environment as required under the Recycling Regulation in fall 2011. The Plan includes both the five year review of the EPRA program and an expansion to add Phase V products commencing July 1, 2012.

The Phase V expansion of the program will be the largest. Planning for this expansion is well underway with EPRA members and the operations team who oversee the Return-it™ electronics depot network established by our Program Manager, Encorp Pacific.

Building on our momentum in 2011, the EPRA remains committed to continuous improvement. We continue to examine and evaluate current collection models for the delivery of cost effective collection services for end-of-life electronics, including voluntary return to retail and joint take back events throughout the province. Our goal remains to be recognized as a national leader within the EPRA in environmentally sound management of end-of life electronics.



Craig Wisehart
Executive Director
Electronic Products Recycling Association

Message from the Director of Harmonization

In 2011, the Harmonization Office worked on a number of cross-cutting initiatives for ESABC and its sister programs in Saskatchewan, Nova Scotia and PEI. The focus of this work was to ensure consistency in key policies and strategic initiatives, and to provide both leadership and tools for undertaking joint initiatives with other programs and jurisdictions.

In December 2009 the Province of British Columbia released a major amendment to their existing Recycling Regulation, an unprecedented expansion of regulated electronics, requiring an industry-led stewardship solution for essentially all electronic and electrical products with a plug or battery by July 2012. The Harmonization Office played a key role from the beginning, recognizing that the framework for this expansion would provide the model for similar amendments across Canada. Working closely with ESABC, a special industry committee was struck to develop innovative program models to serve the diverse range of newly obligated products.

In December 2011, as part of their performance measurement framework, Canada's industry-led electronics stewardship programs published the first annual scorecard on key performance indicators (KPIs) for the ESABC, SWEEP, OES and ACES programs. This scorecard provides a comparison snap-shot of how each of the programs fared

across 10 KPIs divided into four major groups: collection, access, awareness and costs. The Harmonization Office spear-headed the framework for the scorecard and will continue to collect data and refresh it, as well as coordinate the development of new indicators in the coming years. ESABC's performance on these KPIs can be found on page 13 of this report.

The Harmonization Office also led a special project to ensure that industry-led electronics stewardship programs had the ability to track their program's overall financial sustainability. The Mid-Term Review of Revised Environmental Handling Fees (EHFs) for Phase I Regulated Electronics provides a principle-based approach and toolset for monitoring and evaluating EHFs for regulated electronics in programs such as ESABC. This work fills a temporary gap in the ability to track EHFs until the comprehensive methodology review of the current EHF framework is undertaken in 2012.

Looking forward to 2012, the Harmonization Office will continue to work on the EHF review. Ultimately, this work will focus on simplifying the EHF framework in order to better engage industry members, consumers, regulators and stakeholders in understanding and implementing the successful EHF-based model across Canada.



Jay Illingworth

Director of Harmonization
Electronic Products Recycling Association

Message from the Director of the Recycler Qualification Office

Until 2011, electronic products collected in the ESABC program were processed by recyclers that were verified to the Electronics Recycling Standard (ERS). The ERS, first developed by Electronics Product Stewardship of Canada (EPSC) in 2004, has been revised on four occasions to ensure that it meets and reflects the unique needs of provincial stewardship programs and the electronics recycling industry. After the development of our most recent version of the standard (in 2010), and incorporating it into the broader Recycler Qualification Program (RQP), ESABC and the other provincial programs created the Recycler Qualification Office (RQO) to manage the recycler assessment process on their behalf.

Since the launch of the RQP on July 1, 2011, it has been a very busy time for the RQO, not only conducting the re-assessments of all previously audited and approved recyclers, but also assessing additional recyclers new to the RQP process. And while it was expected that the transition to this revised program would be a significant undertaking

with the number of assessments required, the RQO has additionally spent a considerable amount of time and effort in educating the recycling community on the requirements of the standard, in order to drive responsible recycling and ensure that the recyclers are meeting the requirements on their own accord.

Having completed the assessments of the 26 previously approved Primary Recyclers, the RQO's focus has now turned to re-assessing the 100+ previously approved downstream recyclers. In addition, now being part of the Electronic Products Recycling Association (EPRA), the RQO will work with new provincial electronics stewardship programs, including those being developed in Manitoba and Quebec in 2012.

The RQO continues to look forward to working closely with each of the stewardship programs to ensure that the programs' high environmental standards are not compromised and continue to be met by the approved recyclers.



Sean De Vries

Director, Recycler Qualification Office
Electronic Products Recycling Association

Program Outline

ESABC is a not-for-profit Extended Producer Responsibility (EPR) program set up by the major producers and retailers of electronics in British Columbia. It is designed to shift the responsibility for the environmentally safe and responsible recycling of end-of-life electronics from taxpayers, through Municipalities and Regional Districts, to the producers and consumers of these products.

ESABC Business Model

ESABC is not funded by public taxpayers or the government, but by an Environmental Handling Fee (EHF) on members' products. This fee is remitted to ESABC on the distribution and sale of designated products in the Province. The end-user pays the EHF, which is paid once in the supply chain. Many of the electronic items recycled by customers are old (historic) or are produced by manufacturers no longer in business (orphaned). The EHF's on the sale of new products assist in covering the costs of recycling historic and orphaned waste. The ESABC EHF ensures that end-of-life electronics are processed responsibly and do not end up in our landfills or exported to developing nations.

Role of ESABC / Guiding Principles

ESABC operates in accordance with its Stewardship Plan, submitted to the BC Provincial Government in September 2011, to ensure materials are diverted from landfills, processed and recycled in a manner that safeguards the environment, worker health and safety, and prevents electronics from being exported to developing countries.

ESABC has contracted Encorp Pacific (Canada) to manage operations under the Return-It™ Electronics label.

ESABC has established the following guiding principles to ensure the program serves the public and ESABC members in an environmentally sound, cost-effective and equitable manner:

- 1. Level playing field:** All obligated producers will participate in an approved stewardship program to maintain a level and competitive playing field.
- 2. No cross-subsidization:** The EHF charged on each product category will accurately reflect the costs of managing that category within the program, and will not subsidize the costs of managing other product categories.
- 3. Environmental improvement:** Policies and programs will be used to improve the program's environmental performance by establishing industry-leading standards for product reuse and processing, increasing public accessibility to the program, raising consumer awareness, and driving economic efficiencies.

4. Operational efficiencies: ESABC will provide value to members by driving operational efficiencies through nationwide harmonization and by leveraging competitive markets for services to ensure financial resources are used effectively and efficiently.

5. Harmonization: To the greatest extent possible, the ESABC program will work with other Canadian electronics stewardship programs to achieve harmonization to leverage economies of scale and minimize producers' compliance burdens. To facilitate this goal, ESABC has jointly-funded the hiring of two harmonization staff along with sister programs ACES in Nova Scotia and SWEEP in Saskatchewan.

Since the program began, ESABC has collaborated with multiple stakeholders who have helped contribute to the success of the program, including the British Columbia Ministry of Environment (BC MOE), The Recycling Council of British Columbia (RCBC), Regional Districts and Municipalities.

Governance

ESABC is a member-based association representing obligated producers, as defined in the Recycling Regulation. ESABC operates according to the Bylaws approved in November 2006 and is registered with the British Columbia Corporate Registry as a not-for-profit association.

ESABC is accountable to its members, the general public and the Government of British Columbia through the Ministry of Environment by means of its Annual Report and Annual General Meeting. ESABC also meets its obligations as outlined in the British Columbia Society Act by filing the required reports with the Corporate Registry.

Members of the ESABC Board of Directors are committed to maintaining a high standard of corporate governance. The Board of Directors is responsible for the overall stewardship of the organization, establishing policies and standards for ESABC and approving the annual business plan. The Board also monitors the performance and progress attained by the Association with respect to meeting ESABC's goals.

Governance

ESABC Board Executive 2011 ESABC Board Composition

The ESABC Board is comprised of five directors and two observers who are elected by members of the association. The following are the members of the ESABC Board of Directors and Observers:



Nick Aubry, Chair
Sony Canada



Christa Copeland, Director
Best Buy Canada



Ralph McMillen, Director
HP



Elena Papakosta, Director
Dell



Cedric Tetzl,
Secretary/Treasurer
London Drugs



Shelagh Kerr, Observer
Electronic Products
Stewardship Canada



Allen Langdon, Observer
Retail Council of Canada

The Board has struck three standing committees to assist with the stewardship role:

- a) Audit and Budget Committee
- b) Governance Committee
- c) Executive Committee

Executive Director and Staff

The Board has retained Craig Wisehart as Executive Director. In 2011 there were two staff members, the cost of which was shared with sister programs in Nova Scotia (ACES) and Saskatchewan (SWEEP): Jay Illingworth, Director of Harmonization for ACES, ESABC and SWEEP and Sean De Vries, Director of Technical Harmonization for ACES, ESABC and SWEEP. Day-to-day management of ESABC is the responsibility of the Executive Director, Craig Wisehart, and the Program Manager, Encorp Pacific.

Advisory Committee

ESABC has established an Advisory Committee to provide input to the Board on the ESABC Stewardship Program from a broad spectrum of interested parties. The position of Chair of the Advisory Committee is not fixed but rotates regularly with all members having an opportunity to sit as Chair. Members of the 2011 ESABC Advisory Committee were:

Kim Day
Executive Director –
Ridge Meadows
Recycling Society

Andrew Doi
Environmental Planner –
Metro Vancouver

Ifny Lachance
Free Geek

Brock MacDonald
President –
Recycling Council of
British Columbia

Barry Osman
Branch Manager –
Port Moody Community
Branch – Vancouver City
Savings Credit Union

Helen Spiegelman
Mary-Em Wadington
Executive Director –
Computers for Schools

2011 Program Highlights

New Developments

Since program commencement, ESABC has been working proactively to expand the list of electronic products accepted for recycling on a harmonized and phased basis, consistent with the Canadian Council of Ministers of the Environment (CCME) Canada-wide principles.

In 2011, ESABC's 2012-16 Stewardship Plan was approved by the Ministry of Environment as required under section 4 of the Recycling Regulation. The Stewardship Plan includes both ESABC's five-year program review, and an expansion to add Phase V products commencing July 1, 2012.

In 2012, ESABC intends to shift the responsibility for the electrical and electronics collection and management program operated under the approved ESABC stewardship plan to the newly formed EPRA. Under the 2012 – 2016 Stewardship Plan originally submitted by ESABC, all obligations and responsibilities will be assumed by EPRA.

Continuous Improvement

In accordance with its commitment to continuous improvement set out in its Stewardship Plan, ESABC intends to undertake the following initiatives in 2012:

- Transition to the EPRA in an effort to harmonize provincial electronic stewardship programs, thereby reducing costs and improving program delivery;
- Employ industry leading standards for product recycling, refurbishment and reuse;
- Sustain consumer awareness and encourage voluntary participation in the program;
- Continue to expand the consumer collection network to increase accessibility and convenience;
- Develop and implement new service delivery models for Phase V products; and
- Implement new performance indicators to track operational, accessibility, awareness and environmental aspects of the program.



First Place Winners (from left): Laura, Sutherland Secondary; Caitlyn and Caitlyn, Yorkhouse Elementary

Program Outlook

Reuse

ESABC respects the recycling hierarchy. We are transparent with our end-of-life policy and encourage consumers, through our website, to ask themselves a series of questions to determine whether or not reuse is a viable option for their electronic product before taking it to a Return-It™ depot for recycling.

To ensure responsible recycling, the Program has adopted the EPSC RQP standard, which ensures a high level of environmental health and safety standards. As well, this standard ensures that socially responsible practices are met by Program recyclers. In 2010, the Program developed and adopted an electronics reuse and refurbishment standard (ERRP), which matches the EPSC recycling standard.

The ESABC ERRP is designed to foster responsible environmental, safety and social management practices related to the reuse and refurbishing of electronics. This provides donors with a level of assurance that products donated to a program audited to this standard are handled in a responsible manner, thus facilitating the extended use of electronics products before their disposition into an end-of-life recycling program.

The ERRP aims to maximize the amount of materials available for reuse and further ensure that materials entering the reuse stream are utilized to the greatest extent possible. It also recognizes that it is the right of the owner/donor of the electronic equipment to ultimately choose the end destination of the equipment.

ESABC has also partnered with the Recycling Council of British Columbia (RCBC) to develop a specialized materials exchange. The British Columbia Electronics Materials Exchange (BC EMEX) is for individuals who want to donate or sell small quantities of electronics at a nominal cost (www.bcemex.ca). ESABC pays 100% of the annual cost of operating the materials exchange, which is actively promoted on the ESABC and Encorp Pacific websites, and in print advertising.

The ESABC end-of-life electronics recycling program has been designed to focus on the collection of unwanted, end-of-life electronics in order to not impact existing reuse and refurbishing operations.





Performance Indicators

Section 5 (1) (a) of the *Recycling Regulation* allows the Director to adopt performance requirements (other than the default 75% recovery rate) where considered appropriate. In the original stewardship plan approved in December of 2006, the Program identified multiple problems associated with the recovery rate metric as a meaningful performance measure for durable goods, such as end-of-life electronics, including:

- The lack of knowledge of consumer behaviours surrounding return patterns and product lifespan for obligated electronics products;
- The wide range in estimated product life-spans between product categories;
- The lack of relevance of average sales as a predictor of return volumes; and
- The inability to estimate with any accuracy the size of the historic waste pile.

The 2006 Stewardship Plan also committed to undertake a worldwide study of the metrics used in End-Of-Life (EOL) programs after two full years of operational data was available in order to determine which measures would be appropriate for electronic products.

In the summer of 2009, the Program, along with the stewardship programs in Atlantic Canada (ACES), Ontario (OES) and Saskatchewan (SWEEP), commissioned a study to develop a core suite of performance indicators that could be used to allow each program to track its performance over time, facilitate comparisons and benchmarking between jurisdictions and communicate performance accomplishments and targets to government and other stakeholders.

To assist in the selection of a core suite of performance indicators which accomplished these goals, the following guiding principles were adopted. All potential performance indicators were screened to determine if they were:

- Representative of performance;
- Easily communicated to and understood by stakeholders;
- Based on data that is feasible to collect, maintain and report with accuracy and ideally verified by third parties;
- Cost effective; and
- Comparable across programs.

Section 4.5.4 of the Intergroup *Study Research and Recommendations for Performance Measures for Regulated, Industry-led, End-of-life Electronics Recycling Programs in Canada* reviewed the recovery/capture rate metric and identified serious analytical problems that arose when this metric was extended to durable goods such as electronics. The report concluded that as a result of these shortcomings, the recovery/capture rate was not a meaningful performance measure for durable goods such as electronic products.

As a result, the Program asked the Director to approve (as an alternative to the recovery rate) the comprehensive suite of 12 core performance indicators identified in the Intergroup Study. These performance indicators fall into the following five categories: operational; accessibility, awareness; financial and environmental impact. Approval of these indicators as an alternative to the recovery rate was granted by the Director on July 9, 2010. The Program has been tracking and reporting on many of these key indicators commencing in the first full year of operation, 2008. A full list of the approved performance indicators and the date that reporting in the Program's Annual Report has or will commence is set out on the following page.

ESABC Performance Indicators

OPERATIONAL INDICATORS	REPORTING COMMENCEMENT DATE
Total WEEE ¹ Collected (tonnes)	June 30, 2008
Total WEEE Collected Per Capita (tonnes)	June 30, 2009
Total WEEE Collected Per Capita by Regional District (tonnes) ²	June 30, 2009
ACCESSIBILITY INDICATORS	
Total Collection Sites	June 30, 2008
Total Collection Events	June 30, 2009
Percentage of Population Covered by Collection Sites	June 30, 2010
AWARENESS INDICATORS	
Percentage of the Population aware of the Program	June 30, 2009

FINANCIAL INDICATORS	REPORTING COMMENCEMENT DATE
Total Program Costs per Tonne	June 30, 2009
Operational Costs per Tonne	June 30, 2009
Overhead Costs per Tonne	June 30, 2009
ENVIRONMENTAL IMPACT INDICATORS	
Total Weight of Material Recycled as percentage of Material Collected (by weight)	June 30, 2013
Mass Balancing	June 30, 2013
Trends in Processing	June 30, 2013

¹ Waste Electrical and Electric Equipment Program

² This measure will be reported for consumer WEEE collected by the Program at collection sites and via take back events. Phase V materials collected by new service delivery models such as industry self management will not be included in this number.

Electronics Weight Collected

This chart shows the total weight collected per capita, in kilograms, of end-of-life electronics in BC, broken down by region.

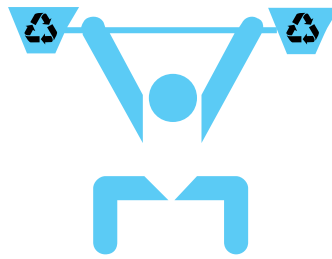
MAJOR REGION	REGION	WEIGHT (kg)	POPULATION	PER CAPITA (kg)	WEIGHT (kg)	POPULATION	PER CAPITA (kg)
Fraser Valley	Fraser Valley	1,481,371	286,981	5.2	1,232,415	284,995	4.3
Kootenays	Central Kootenay	193,180	60,681	3.2	128,165	60,378	2.1
	East Kootenay	195,232	60,301	3.2	151,943	60,267	2.5
	Kootenay Boundary	230,485	31,851	7.2	201,463	31,885	6.3
Lower Mainland	Greater Vancouver	11,044,555	2,404,911	4.6	8,909,956	2,374,628	3.8
	Squamish-Lillooet	197,062	41,379	4.8	153,496	40,356	3.8
North	Bulkley/Nechako	58,303	39,371	1.5	52,145	39,183	1.3
	Cariboo	127,870	65,847	1.9	91,072	65,471	1.4
	Central Coast	4,395	3,182	1.4	8,017	3,174	2.5
	Fraser-Fort George	291,239	96,928	3.0	242,540	96,575	2.5
	Kitimat-Stikine	110,609	40,283	2.7	85,443	40,256	2.1
	Peace River	162,810	64,280	2.5	147,472	63,368	2.3
	Skeena-Queen Charlotte	56,907	19,482	2.9	44,829	19,497	2.3
Okanagan	Central Okanagan	1,154,053	187,234	6.2	799,826	185,443	4.3
	Columbia Shuswap	238,706	53,748	4.4	163,408	53,680	3.0
	North Okanagan	486,046	83,052	5.9	431,982	83,139	5.2
	Okanagan-Similkameen	358,967	82,644	4.3	306,672	82,760	3.7
	Thompson-Nicola	476,500	132,352	3.6	368,496	131,641	2.8
Sunshine Coast	Powell River	103,459	20,525	5.0	92,346	20,455	4.5
	Sunshine Coast	163,270	30,357	5.4	137,522	29,984	4.6
Vancouver Island	Alberni/Clayoquot	182,323	31,664	5.8	146,398	31,635	4.6
	Capital Regional District	2,104,526	374,675	5.6	1,737,401	372,339	4.7
	Comox-Strathcona	318,877	64,805	4.9	242,297	64,643	3.7
	Cowichan Valley	427,273	83,300	5.1	381,303	82,871	4.6
	Mount Waddington	53,441	12,034	4.4	65,880	12,057	5.5
	Nanaimo	884,477	150,632	5.9	721,067	149,686	4.8
Northern Rockies		2,220	6,324	0.4	-	6,209	
Grand Total		21,255,006	4,528,823	4.7	17,162,055	4,530,960	3.8

2011-12 Key Performance Indicators

Collection

Operational Indicators.

Measures related to the weight of regulated electronics collected by the program for recycling.



Total Waste Equipment Collected

21,255
tonnes



Total collected

4.7
kg/capita



Total collected per capita
BC Population 4,597,919

Access

Accessibility Indicators.

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Events

97%



% of the B.C. population within
45 minutes (rural) or 30 minutes
(urban) of an ESABC collection depot



125

Total collection sites



21

Total collection Events

Awareness

Public Awareness and Industry Participation Indicators.

Measures related to the public's awareness of the program, and the direct participation of obligated industry in the program for environmental compliance.



Public Awareness and Industry Participation

73%



Percentage of population aware
of where to take obsolete and
end-of-life electronics for recycling

1607



Participating
manufacturers,
retailers and other
industry members of ESABC

Cost

Financial Indicators for fiscal year Jan. 1 – Dec. 31.

Measures related to the overall costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Total Program Costs per Tonne

\$1284
per tonne



Total program cost per tonne



\$1126

Operational costs
per tonne

\$158

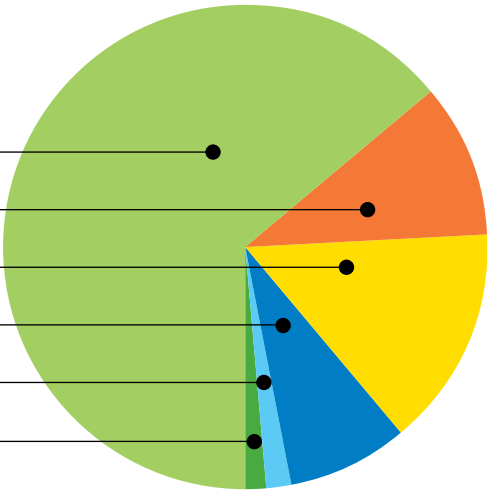
Total overhead costs
per tonne

This scorecard lists the recommended and harmonized Key Performance Indicators (KPI) which each of the four regulated, industry-led electronics stewardship programs in Canada (ACES, ESABC & OES) report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010: <http://estewardship.ca/docs/Performance-Measurement-Report-FINAL-2010.pdf>)

Weight Collected by Category

This graph shows the total weight, in kilograms, of end-of-life electronics collected in BC, broken down by product category.

● Display Devices (TVs and Monitors)	64%
● Computers (Desktops and Laptops)	10.4%
● Desktop Printers/Fax Machines/Scanners/Peripherals	14.7%
● Personal Portable Audio/Video	8.1%
● Home Theatre in a Box/Home Audio/Video	1.5%
● Vehicle Audio/Video	1.3%



2011 ESABC Tonnage Collected and Program Costs

Total tonnage collected	21,255
Overhead costs per tonne	\$90
Communications costs per tonne	\$68
Collection, transportation, processing costs per tonne	\$1,126
Total Program cost per Tonne	\$1,284



Public Education

In 2011, ESABC collected over 21.2 million kilograms, which is about 4.7 kilograms for every man, woman and child in BC. This is an increase from 3.78 kg per person in 2010. Keeping the returns coming and the system functioning smoothly is ESABC's primary mission.

In the fourth year of operation, ESABC implemented several marketing initiatives, using television, community and provincial daily newspapers and other mediums to deliver a large amount of program information to consumers. Research shows we have reached a high level of awareness: 73% of BC residents know where to take end-of-life electronics for recycling.

Marketing initiatives have been focused on three important messages:

- Awareness of collection locations;
- Knowledge of acceptable products; and
- The responsible way to recycle end-of-life electronics in British Columbia.

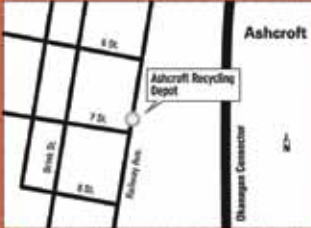
In 2011, ESABC used several types of media — including television, radio, newspapers and the internet — to reach consumers and raise awareness about the Program. Different types of media are used to strategically target specific audiences with tailored messaging, and the publishing of each advertisement is carefully timed to ensure that the target audience is reading, listening or watching.

To maintain high levels of awareness, consumers need consistent messaging on a regular basis. As ESABC operations mature, our consumer awareness messaging will become more strategic and targeted to reach the right people at the right time with a meaningful message. Simultaneously, we will continue to maintain our high levels of awareness of locations and acceptable product knowledge. Moving forward, ESABC plans to increase the distribution of information about how electronic products are recycled responsibly through our program. We will work to heighten the credibility of the Return-It™ Electronics Program and the Industry Product Stewardship model as the best way to operate Extended Producer Responsibility programs.

A full 12-month tactical plan will keep recycling top of mind for residents of British Columbia.


WANT TO RECYCLE YOUR UNWANTED ELECTRONICS IN ASHCROFT?


Come to the Return-It™ Drop-Off Event:





ASHCROFT RECYCLING DEPOT


420 Railway Avenue
Date → Sunday, May 8, 2011
Time → 10 am – 3 pm



DESKTOP DEVICES



DESKTOP COMPUTERS



PORTABLE COMPUTERS



COMPUTER PERIPHERALS



SERVER COMPUTER SYSTEMS


DESKTOP MONITORS & TV MONITORS


NEW CELLULAR PHONES & PERSONAL COMMUNICATORS


MOBILE MUSIC & VIDEO SYSTEMS (MP3/MP4)


HOME AUDIO & VIDEO SYSTEMS


PERSONAL, PORTABLE VIDEO & IMAGE SYSTEMS



Q: WHAT IS THE ELECTRONICS STEWARDSHIP ASSOCIATION OF BRITISH COLUMBIA (ESABC) PROGRAM?
A: ESABC is a not-for-profit extended producer responsibility program set up by the producers and retailers of electronics in British Columbia to provide a province wide recycling system for unwanted electronics.

Q: WHAT ARE THE ACCEPTABLE ELECTRONIC ITEMS INCLUDED IN THE PROGRAM?
A: Effective July 1, 2010, the following items can be recycled free of charge at any Encorp Return-It Electronics™ Collection Site: display devices, desktop computers, portable computers, computer peripherals, computer scanners, printers and fax machines, non-cellular phones and answering machines, vehicle audio and video systems (aftermarket), home audio and video systems, and personal or portable audio and video systems.

Q: IF I RETURN MY RECYCLABLE ELECTRONIC PRODUCTS, HOW DO I KNOW MY PERSONAL INFORMATION WON'T BE SEEN OR STOLEN?
A: For your own personal security you need to take adequate steps to ensure that no private data remains on your electronic products prior to donation or return to a Collection Site. Once an electronic item has been delivered to an Encorp Return-It Electronics™ Collection Site, it will not be reused. All items collected will be recycled. ESABC, Encorp, or Return-It™ does not accept any liability for any data that remains on your electronic products.

Q: WHAT IF I HAVE A TELEVISION OR COMPUTER MONITOR WITH A SMASHED SCREEN?
A: Monitors and televisions with smashed screens are considered hazardous materials under provincial regulations and can only be accepted at specific locations as they require special handling procedures. Find these locations at return-it.ca/specialhandling.

RETURN-IT.CA/ELECTRONICS 1-800-330-9767

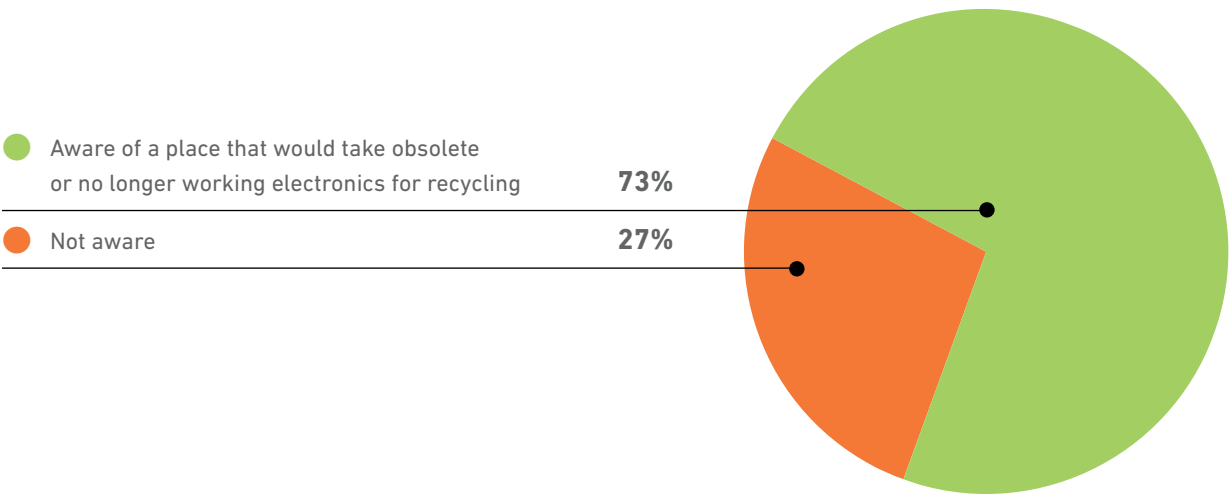
Research Highlights

Every year, ESABC, through its program operator Encorp Pacific, engages a professional research company to survey hundreds of BC consumers to measure their awareness, attitudes and behaviours. The results are compared to years past to measure progress and are also used as a guide in developing programs for consumer awareness.

The 2011 study conducted by Vision Critical highlighted program awareness and knowledge benchmarks. A total of 756 British Columbia residents, aged 18 or older, were interviewed from October 3 – October 10, 2011 with an overall margin of error of ±3.6.

Collection Facility Awareness

73% of British Columbians are aware of a place that would take obsolete or no longer working electronics products for recycling — more than three times the awareness of 23% in April 2007, before the program launched.



Base: Do you know of any places in your area that would take obsolete or no longer working electronic products for recycling?



Public Awareness

Outreach Initiatives and Stakeholder Engagement

ESABC has developed a comprehensive outreach strategy. As part of this strategy, ESABC's Executive Director spent a considerable amount of time engaging with stakeholders, presenting the program, answering questions and providing solutions when stakeholder issues arose. Listed to the right are some of the 2011 outreach initiatives the Executive Director actively participated in.

- Coast Waste Management Conference – October 2011
- E-Scrap Conference – Orlando, Florida – September 2011
- Union of British Columbia Municipalities (UBCM) convention – September 2011
- Recycling Council of British Columbia (RCBC) Annual Conference – May 2011
- Globe 2011 Conference – March 2011
- Solid Waste Association of North America (SWANA) Conference – February 2011
- Communication updates to MLAs and constituency offices
- Meetings with Regional District boards and staff



Collection Sites and Methods

Permanent Collection Sites

Collection sites consist of a group of Encorp Return-It™ Depots, regional government locations, non-profit organizations, and provincial government locations.

Since the launch of the program on August 1, 2007, the Return-It™ Electronics program increased the number of collection sites from 70 to 125 locations by the end of 2011.

In 2011, there were 125 collection sites operating throughout the Province: 80 Return-It™ collection sites, 22 Salvation Army thrift stores, 10 non-Return-It™ for-profit collection sites, six local or provincial government locations and seven not-for-profit sites. ESABC also established four business to business collectors who specialize in collecting from businesses or offices. This collection site network provides coverage to over 97% of the Province through a blend of profit and not-for-profit locations.

Collection Through Drop-Off Events

The current ESABC collection network provides comprehensive coverage of both rural and urban locations throughout the province.

ESABC and Encorp Pacific have committed to continuously seek permanent collection sites in the few remaining rural areas needed to complete the provincial network. In the interim, we will work with community partners to conduct Drop-Off Events in these areas.

In 2011, Encorp Pacific conducted 21 Drop-Off Events in 21 locations in the province on behalf of ESABC.

2011 Drop-Off Events

- Invermere, BC October 22, 2011
- Clearwater, BC September 24, 2011
- Village of Queen Charlotte, BC..... September 17, 2011
- Masset, BC September 17, 2011
- Burns Lake, BC September 11, 2011
- New Hazelton, BC..... September 10, 2011
- Fort Nelson, BC..... September 10, 2011
- Fort St. James, BC..... September 10, 2011
- Invermere, BC June 25, 2011
- Vanderhoof, BC June 19, 2011
- Mackenzie, BC..... June 18, 2011
- Princeton, BC June 11, 2011
- Saltspring Island, BC May 30, 2011
- Clearwater, BC May 29, 2011
- Valemount, BC..... May 28, 2011
- Lillooet, BC May 15, 2011
- Logan Lake, BC May 8, 2011
- Ashcroft, BC..... May 8, 2011
- Cache Creek, BC May 7, 2011
- Clinton, BC May 7, 2011
- Sicamous, BC April 16, 2011

2011 Collection Sites

End-of-Life Electronics BC Collection Sites with GIS Coverage Map

Analysis

In 2010, ESABC had a third-party consultant conduct an analysis of the coverage provided by the ESABC Depot Network in rural and urban areas. The study indicated excellent service coverage, with 97.4% of the population serviced by an ESABC depot in 2010.

Rural Drop-Off Centres

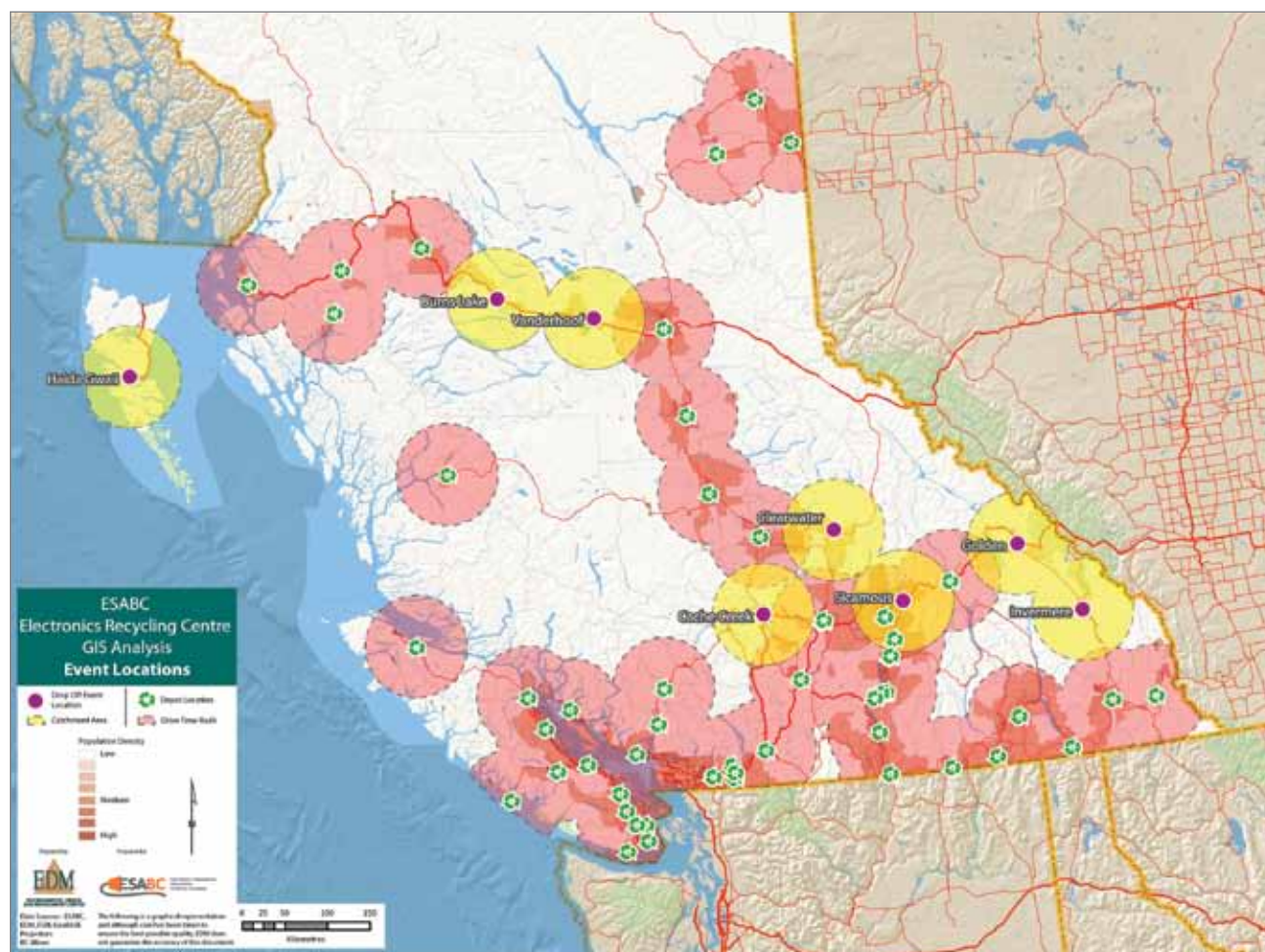
An analysis of the rural distribution was conducted using Geographic Information Systems (GIS) technology by Environmental Design and Management Ltd. A population criteria of 4,000 people within a 45-minute drive time was set as a desired level of service. To determine drive time, a circle with a 60 km radius was drawn around each depot. The circles were used to sample the census data and provide information on rural coverage.

Urban Drop-Off Centres - Lower Mainland

An analysis of the urban drop-off centres in the Lower Mainland was conducted using Geographic Information Systems (GIS) technology by Environmental Design and Management Ltd. The urban criteria set out in the ESABC Stewardship Plan were based on the expectation that a depot should serve a population of approximately 150,000 within a 30-minute drive. The drop-off centres were located on a map and drive time areas were calculated using the street network representing a 30 minute trip from each drop-off centre. The area was then overlaid with Census data from StatsCan. In this way, the population served by each urban drop-off centre was calculated.

Drop-Off Centres - Vancouver Island, Sunshine Coast, Squamish, Lillooet

To find up-to-date information on collection locations, addresses, maps, hours and other details, go to www.return-it.ca/electronics/locations



Collection Sites and Methods

Transportation

Transport companies provide two functions: first to transport returned electronics from the collectors to the consolidation locations, and then on to the approved recyclers. The transport companies are also an integral part of the chain of custody of materials. They are instrumental in maintaining the safety of the program by checking that products are safely packaged before they are picked up.

The program operates with a total of 12 local carriers that bring products to the consolidation sites, and three long-haul carriers that transport collected materials to ESABC-approved recyclers from the consolidation sites. These 12 local carriers handled over 63,000 pallets and over 21.2 million kilograms of material in 2011.

Consolidation Sites

Consolidation sites form an important part of the system's chain of custody. They verify that the end-of-life electronics are properly packaged to withstand transportation to the ESABC-approved recyclers. They also confirm that Cathode Ray Tube TVs and monitors are not broken or smashed, as these goods are considered hazardous and cannot be transported for recycling with regular carriers.

As of December 2011, there were six approved consolidation sites. The consolidation sites combine the pallets for shipment in larger, more economical truckload quantities to the program recyclers, verify the weights of the pallets received from the collection sites, and confirm that the collected materials are appropriate for acceptance.



Environmental Report

Recycling

Recycling end-of-life electronics diverts materials from landfills and prevents the shipment of these materials offshore to developing countries. Recycling also saves energy, as materials recovered can be used to create new useful products, ultimately reducing the energy demands associated with the extraction and processing of new raw material.

Where Do the Recovered Materials Go?

MATERIAL/COMPONENT	PROCESS	RESULT	PROCESS LOCATION
Leaded Glass	Manually and/or mechanically separated, cleaned and processed into cullet for use in glass production	Glass Recovery	Canada / USA / Mexico
	Manually and/or mechanically separated smelted for reclaim of lead from the glass	Metal Recovery	Canada
Non-leaded Glass	Manually separated and processed into cullet for use in glass products or construction materials	Glass Recovery	Canada / USA
	Mechanically processed and used as a silica flux substitute in the precious metals smelting process	Substitute Resource	Belgium
Plastic	Manually and/or mechanically separated, ground, and pelletized	Plastic Recovery	Canada / USA / China
	Manually and/or mechanically separated and consumed in smelting process	Energy Recovery	Canada
Circuit Boards	Manually and/or mechanically separated and smelted for reclaim of precious metals	Metal Recovery	Canada / USA / Belgium / Japan
Cables and Wires	Manually and/or mechanically separated and smelted for metal recovery	Metal Recovery	Canada / Belgium / USA
Metals	Manually and/or mechanically separated and smelted for reclaim	Metal Recovery	Canada / USA / Belgium / Japan
Batteries	Mechanically separated and smelted and metal recovery	Metal Recovery	Canada / USA
Mercury Containing Lamps	Mechanical separation of lamps to capture glass, metal and phosphor powder. Phosphor powder is further distilled for mercury recovery	Mercury Recovery	Canada / USA
Inks & Toners	Cleaned and reconditioned for reuse	Cartridge Reuse	Canada
	Processed through energy from waste process	Energy Recovery	USA
Ethylene Glycol	Manually recovered for refinement and purification	Glycol Recovery	Canada
Wood	Mechanically processed for energy recovery or other disposition	Energy Recovery	Canada
		Landfill	Canada

Recycling Process by Commodity Type

Recycling of electronics involves processing to recover raw materials such as metals, glass and plastics. Electronics are usually separated into the following categories:

Non-Hazardous Materials

Ferrous and non-ferrous materials, including steel, aluminum, copper, wires and cables, other metals (brass, bronze, metal fines), plastics, wood and glass (non-leaded). These will be used for the production of raw materials.

Electronic Scrap

Cables and wires, printed circuit boards (high, medium and low grade), components including hard drives, chips and other electronic components.

Commodity Recycling Challenges

With the challenges currently facing the global economy, there has been pressure placed on different recycling programs. With the decrease of commodity revenues, many of these programs have struggled.

The ESABC recycling program was developed to make sure the responsible recycling of end-of life electronics is conducted according to high, internationally recognized standards, regardless of commodity revenues.



Efficiencies Built into the Handling of Products

Products are palletized at different collection sites. Higher palletized weights for the products are optimal as this drives cost savings through the logistics chain.

While making sure load weights are optimal, safety is of first importance. The program makes sure that products are packaged for safe transport to recyclers. Proper packaging of the end-of-life electronics prevents breakage. This is important given that a broken / smashed Cathode Ray Tube, for example, is considered hazardous waste.

Not all of our recyclers process end-of-life electronics the same way. Below are the two processes currently undertaken by our recyclers:

Process 1

- Lead, zinc, cadmium, tin, germanium, indium and other elements that fume are captured and processed.
- Silica, iron, and aluminum remain in a slag which is further converted into value-added products for the construction/cement industry.
- Aluminum is also removed to be sent for further refining.
- Plastics, wood and other organics are used as fuel, providing heat to the furnace and being converted to steam. This steam is captured and used to heat process vessels.
- Copper and circuit boards are removed at shredding operations and are sold to specialty metal refiners.

Process 2

- Display devices, such as TVs and computer monitors, are hand-dismantled by removing the leaded glass Cathode Ray Tubes. Also, plastics, copper and circuit boards are hand-sorted in this process and sent to downstream recyclers.
- Computers, computer mice and keyboards are sent through shredding processes whereby plastics are machine sorted.
- Aluminum, copper and steel are sorted through a mix of hand-sorting and machine-sorting to be sent for further recycling.
- Plastics are machine-sorted and sent to downstream recyclers for further processing.

Recycling Vendor Standards

The Recycler Qualification Office (RQO) was established by Electronics Products Stewardship Canada (EPSC) and industry-led provincial end-of-life electronics stewardship programs to ensure that environmentally sound electronics reuse and recycling standards are established, met, maintained and continually improved.

The RQO manages all recycler assessments and approvals on behalf of the provincial stewardship programs, to ensure assessments are undertaken in a timely manner, and results are objective, thorough, and sufficiently detailed to provide confidence in the results of the assessment.

All electronic products collected in the ESABC program are recycled by processors that meet the Electronics Recycling Standard (ERS) developed by the technical committee of EPSC in 2006. The standard is revised regularly (most recently in 2010) and incorporated into the Recycler Qualification Program (RQP) to ensure that it meets and reflects the unique needs of provincial stewardship programs and the electronics recycling industry. The RQP effectively prevents illegal export to developing countries and unnecessary landfilling of regulated electronic products. The standard goes beyond the provisions of ISO 14001 and addresses specific issues relating to the safe and responsible recycling of electronics. The RQP may be viewed on the RQO website at www.rqp.ca.

The RQP audit is conducted by an independent third party and takes eight to 12 months to complete. To be approved as an ESABC primary recycler, the RQP requires:

- Sound upstream practices – recyclers (primary and all downstreams) must handle the material they receive in an environmentally responsible manner.
- Disallowance of prison labour or shipping of end-of-life electronic scrap or products offshore to developing non-OECD (Organisation of Economic Co-operation and Development) countries.

To achieve this goal, the RQP establishes minimum standards that electronics recyclers must meet to be approved in the ESABC program, including:

- Enhanced requirements for environment, health and safety (EH&S);
- A prohibition on the use of prison labour;
- A prohibition on the shipping of end-of-life or scrap material to developing/non-OECD countries;
- Reinforcement of downstream accountability of materials.

As of December 31, 2011 the following were approved as ESABC primary processors:

eCycle Solutions

Chilliwack, BC
www.ecyclesolutions.com

Global Electric Electronic Processing (GEEP)

Edmonton, AB
www.geepglobal.com

Genesis Recycling Ltd.

Aldergrove, BC
www.genesisrecycling.ca

Teck

Trail, BC
www.teck.com

FCM Recycling

Delta, BC
www.fcmrecycling.com



Design for the Environment (DfE)

Measures taken by the electronics industry to improve environmental performance goes beyond the work of electronics stewardship programs and setting the standards for electronics recycling. The electronics industry continues to take steps toward reducing its environmental footprint. In fact, an analysis of the industry in recent years demonstrates that product design is being continuously viewed through a green lens. While continuing its substantial progress in developing the capability to deliver end-of-life programs, the industry also has moved forward with trends and advancements in its DfE programs that are yielding environmental benefits.

The electronics industry continues to participate in global voluntary initiatives which have created environmental labels, programs, and cooperative industry standards. These tools identify best practices to minimize adverse environmental impact during material selection, product and component design, product use and the end-of-life phase. Purchasers' access to products through these programs is very strong in Canada, further amplifying a market-driven incentive for manufacturers to reduce their environmental impact.

These programs include:

- **EPEAT™** – Electronic Product Environmental Assessment Tool (EPEAT) is a system to help purchasers evaluate, compare and select electronic products based on their environmental attributes
- **ENERGY STAR®** – A government-backed program helping businesses and individuals protect the environment through superior energy efficiency
- **EcoLogo®** – North America's largest, most respected environmental standard and certification mark, which provides customers – public, corporate and consumer – with assurance that the products and services bearing the logo meet stringent standards of environmental leadership
- **Bluetooth™** – The low-power replacement technology that has become the industry standard to connect computers, printers, monitors, and more without the use of cables

1. Environmentally Sensitive Materials:

The availability and viability of new materials and technologies has facilitated the reduced use of environmentally sensitive materials, especially lead in CRTs as they are being replaced by flat panel displays, and mercury in mercury-bulb backlit liquid crystal displays (LCD) as mercury-free light-emitting diode (LED) technologies are becoming more common.

2. Environmentally Preferable Materials Selection:

Industry efforts focus primarily on two areas – dematerialization and alternative materials. Demand for smaller, lighter items that consume less power has increased. Not only does this result in less use of primary materials in production, this dematerialization also yields dividends in reduced transport impacts throughout the product lifecycle and reduced product packaging.

3. Energy:

Industry continues to be a partner in the development of ENERGY STAR® and other voluntary energy-management programs such as the 80 Plus Program and the Climate Savers Computer Initiative (CSCI).

4. Design for End-of-Life:

Due to EPEAT™, EcoLogo® and other voluntary environmental ecolabel programs, the design of electronics products has become more streamlined than in the past. Fewer screws, more snap-fit parts, as well as fewer different types of materials are found in these products.

These design changes make them easier to recycle at end-of-life. Additionally, manufacturers are providing more transparent information on how products can be disassembled either for recycling or for upgrading and life extension by end-users.

5. Product Expandability:

The industry established common specifications for key aspects of electronics product design and functionality. Manufacturers are designing an array of electronic products that communicate and function efficiently with one another, giving rise to a more streamlined, enhanced digital experience for the end-user. This has already effectively lengthened the life of products through upgradability and refurbishment, and by decreasing production and end-of-life disposal of proprietary connectors and cables.

Recycler Qualification Office

92 Caplan Ave, Ste. 102
Barrie ON L4N 0Z7



April 2, 2012

RE: ELECTRONICS RECYCLER ASSESSMENTS AND APPROVALS

Since the inception of the Electronics Stewardship Association of British Columbia (ESABC) program, all of the program approved recyclers have been audited against the requirements of the Electronics Recycling Standard (ERS) and approved for use, prior to processing any of the end-of-life electronics collected through the program. The purpose of this assessment process is to ensure that the electronics and subsequent material streams are handled in a safe, environmentally sound and responsible manner.

In 2010, ESABC along with its counterpart provincial programs, undertook a detailed review and revision of the ERS and developed the comprehensive Recycler Qualification Program (RQP) 2010. The RQP defines the auditable criteria that the program recyclers must meet, along with the detailed assessment process. As of the July 1, 2011, launch of this revised program all ESABC recyclers were required to submit an application and supporting information to demonstrate conformance to the requirements of the RQP.

In addition, ESABC and its counterpart provincial programs (Atlantic Canada Electronics Stewardship, Ontario Electronic Stewardship and the Saskatchewan Waste Electronic Equipment Program) established the Recycler Qualification Office to conduct recycler assessments on their behalf and verify that the recyclers are operating in accordance with the requirements of the RQP. The Recycler Qualification Office has initiated the RQP assessment process with each of the ESABC primary recyclers, and the following have been verified under the RQP:

- FCM Recycling Inc.
- Genesis Recycling Ltd.
- Sims Recycling Solutions

The remaining ESABC primary recyclers have been audited and verified under the previous version of the ERS (Version 2.1), and are currently in the process of re-verification under the RQP.

Sean De Vries,
Director, Recycler Qualification Office
Electronic Products Recycling Association

Financing the System

ESABC is funded by Environmental Handling Fees (EHFs) remitted by member producers, distributors and retailers on new regulated electronic products sold in British Columbia. Regulated products currently include desktop computers, notebook computers, monitors, televisions and desktop printers. Many of the electronic items that consumers drop off at Return-It™ Electronics Collection Sites for recycling are quite old or are produced by manufacturers no longer in business. The ESABC EHFs cover the costs of recycling all regulated products, including historic and orphaned waste, and ensure that end-of-life electronics are processed responsibly and do not end up in our landfills and are not exported to developing nations. The EHF is paid by consumers at the point of purchase. ESABC EHFs were reduced August 1, 2009 to reflect the ongoing cost of operating the program. The current EHFs are:

PRODUCT CATEGORY	EHF
Desktop Computers	\$5.50
Portable Computers	\$1.20
Display Devices 29" and Smaller	\$9.00
Display Devices 30" and Larger	\$31.75
Desktop Printers	\$6.50
Keyboards and Mice	\$0.90
Desktop Computer Scanners	\$6.50

Phase II Product Category EHFs (as of July 2010):

PRODUCT CATEGORY	EHF
Personal/Portable Audio/Video Playback and/or Recording Systems	\$0.40
Home Audio/Video Playback and/or Recording Systems	\$3.50
Home Theatre in a Box	\$6.00
Vehicle Audio & Video Systems	\$2.75
Non-Cellular Telephones and Answering Machines	\$0.85

The ESABC end-of-life electronics stewardship program is an industry-led extended producer responsibility program designed to ensure that producers and consumers fund the cost of recycling obligated electronic products.

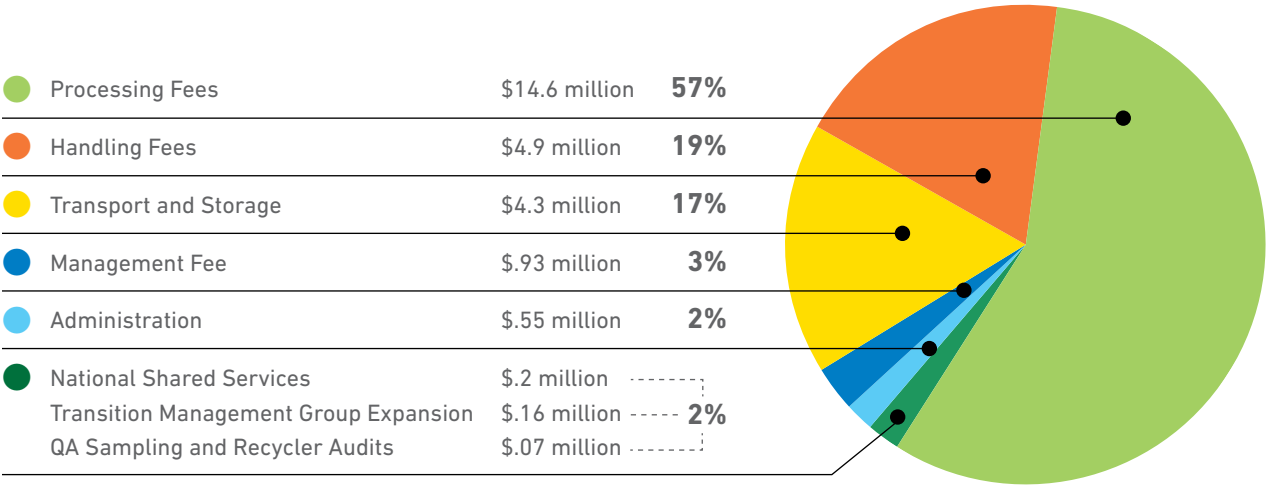
Expenditures

100% of the ESABC program revenue is used for the administration, collection, transportation and responsible recycling of regulated electronic products. Program expenditures include:

- **Handling Fees** – Fee per metric tonne paid to collection sites for collecting end-of-life electronic products.
- **Processing Fees** – Fee per metric tonne paid to the approved recyclers that process collected material for ESABC. This is the largest single cost for the program.
- **Transportation and Storage** – Fees paid for short and long haul transportation and consolidation of collected material at centres in Nanaimo, Castlegar, Coquitlam, Prince George and Kelowna before final shipment to approved recyclers.
- **Consumer Education & Awareness** – Programs which encourage consumers to recycle end-of-life regulated electronics.
- **Administration and Management Fees** – Management of contracts, collection of revenues and payment of expenses.

Reserves

Any funds remaining after all expenses are paid are placed in two reserves: (1) an operating contingency reserve and (2) an effectiveness and efficiency fund reserve. The ESABC Board carefully reviewed the ESABC program after its first full year of operation and, in conjunction with the Intergroup review of the current EHF, has determined it is prudent and appropriate to accrue and maintain contingency reserves to ensure stable operations through variable economic conditions and also to accrue the effectiveness and efficiency fund reserve.



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Independent Auditors' Report

To the Members of
Electronics Stewardship Association of British Columbia

We have audited the accompanying financial statements of Electronics Stewardship Association of British Columbia, which comprise the statement of financial position as at December 31, 2011, and the statements of operations, changes in net assets 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 generally accepted accounting principles, 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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.

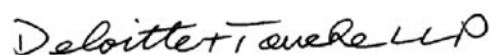
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Electronics Stewardship Association of British Columbia as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

We draw attention to Note 8 (a) to the financial statements which describes an agreement to dissolve Electronics Stewardship Association of British Columbia and distribute its remaining property and assets to Electronic Products Recycling Association. Our opinion is not qualified in respect of this matter.



Chartered Accountants
Vancouver, British Columbia
May 30, 2012

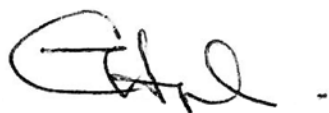
Electronics Stewardship Association of British Columbia

Statement of financial position as at December 31, 2011

	2011	2010
	\$	\$
Assets		
Current assets		
Cash	23,123,954	25,697,813
Accounts receivable (Note 7 (a))	8,573,393	7,714,162
Prepaid expenses	30,720	29,692
	31,728,067	33,441,667
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7 (a))	4,943,969	5,376,934
HST payable	268,624	172,776
	5,212,593	5,549,710
Net assets		
Effectiveness and efficiency fund (Note 3)	1,222,252	1,285,310
Operating contingency fund (Note 4)	25,293,222	26,606,647
	26,515,474	27,891,957
	31,728,067	33,441,667

Commitment (Note 5)

Approved on behalf of the Board



Director



Director

Electronics Stewardship Association of British Columbia

Statement of financial operations year ended December 31, 2011

	2011	2010
	\$	\$
Revenue		
Environmental handling fees	25,596,630	24,027,903
Interest	308,828	156,304
	25,905,458	24,184,207
 Direct operations expenses		
Processing	14,663,986	12,013,622
Handling	4,946,658	4,142,923
Transportation, warehousing and storage	4,324,652	3,422,318
	23,935,296	19,578,863
 Other expenses		
Consumer awareness and communications	1,441,271	1,350,213
Management fees (Note 7 (a))	925,000	975,000
Administration	917,316	840,962
Research and development (Note 3)	63,058	1,875
	3,346,645	3,168,050
(Deficiency) excess of revenue over expenses	(1,376,483)	1,437,294

Electronics Stewardship Association of British Columbia

Statement of changes in net assets year ended December 31, 2011

	2011			2010	
	Effectiveness and Efficiency Fund	Operating Contingency Fund	Unrestricted Fund	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	1,285,310	26,606,647	-	27,891,957	26,454,663
(Deficiency) excess of revenue over expenses (Note 3)	(63,058)	-	(1,313,425)	(1,376,483)	1,437,294
Transfers (Note 4)	-	(1,313,425)	1,313,425	-	-
Balance, end of year	1,222,252	25,293,222	-	26,515,474	27,891,957

Electronics Stewardship Association of British Columbia

Statement of cash flows year ended December 31, 2011

	2011	2010
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(1,376,483)	1,437,294
Changes in non-cash working capital		
Accounts receivable	(859,231)	(2,674,784)
Prepaid expenses and deposits	(1,028)	(14,997)
Phase II start-up costs	-	112,912
Accounts payable and accrued liabilities	(432,965)	1,958,740
HST payable	95,848	85,262
	(2,573,859)	904,427
Net (decrease) increase in cash	(2,573,859)	904,427
Cash, beginning of year	25,697,813	24,793,386
Cash, end of year	23,123,954	25,697,813

Electronics Stewardship Association of British Columbia

Notes to the financial statements

December 31, 2011

1. Nature of operations

Electronics Stewardship Association of British Columbia (the "Association") was incorporated as a not-for-profit under the Society Act of British Columbia on December 1, 2006.

The Association's purpose is to collect environmental handling fees from participating electronic producers and use the funds to pay operational costs when end-of-life electronics are returned for disposal in British Columbia.

The Association has been appointed by electronic producers to carry out their duties pursuant to the amendment of the Recycling Regulation that became effective on February 16, 2006 under the

Environmental Management Act of British Columbia. The stewardship program commenced operations on August 1, 2007.

The Association is exempt from income taxes and carries on its operations without monetary gains to its members.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and reflect the following significant accounting policies:

(a) Revenue

The Association follows the deferral method of accounting for revenue. Environmental handling fees are received from participating producers on the sale of regulated electronic products in the Province of British Columbia. The Association recognizes these fees as revenue when received or receivable if the amount to be received can reasonably be estimated and ultimate collection is reasonably assured.

(b) Direct operations expenses and other expenses

Processing expenses, depot handling expenses, as well as an estimate for anticipated transportation, warehouse and storage expenses are recorded on the date the electronics are picked up from the depots. Other expenses are recognized as they are incurred.

(c) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Association's designation of such instruments.

(i) Classification

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable	Other financial liabilities

The Association has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: 3862 and 3863, which would otherwise have applied to the financial statements of the Association for the year ended December 31, 2011. The Association applies the requirements of Section 3861 of the CICA Handbook.

(ii) Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in the statement of operations.

(iii) Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

(iv) Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method.

(d) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results may differ from those estimates. Key estimates include allowance for doubtful accounts and accrued liabilities.

(e) Capital disclosures

The Association's capital is made up of net assets. The Association's capital management objectives consist of ensuring that it continues as a going concern in order to fulfil its mission as described in Note 1. The Association manages its capital structure by preparing and monitoring its annual budgets to maintain a satisfactory level of capital equal to two years of projected operating expenses (Note 4).

*(f) Future accounting changes**New accounting framework*

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards and generally accepted accounting principles for not-for-profit organizations. The Association currently plans to adopt the new accounting standards for not-for-profit organizations for its fiscal year beginning on January 1, 2012, and is evaluating the impact of adoption.

3. Effectiveness and efficiency fund

The Board of Directors established an Effectiveness and Efficiency Fund to promote best practices for the collection, transportation and processing of end-of-life electronics and ensure overall continual reduction in the environment impact of the Association's program.

The intent of the fund is for the enhancement of non-funded program elements such as ensuring that there is adequate capacity to properly handle end-of-life electronics collected through the program, providing improvements to the metrics of the program and ensuring that best practices are employed for the handling of substances of concern. During the year, the Board approved spending from the fund of \$63,058 (2010 - \$1,875) for research and development expenditures.

Up to 10% of direct operations expenses incurred by the Association are to be transferred to the fund annually when there is an excess of revenues over expenses in the period. In the current year, \$Nil (2010 - \$195,789) was transferred as there was a deficiency of revenues over expenses.

4. Operating contingency fund

The Board of Directors established an Operating Contingency Fund to accumulate sufficient funds to ensure stable program operations through variable economic conditions.

The targeted amount for the fund is the equivalent of one year of projected operating costs. All excess of revenue over expenses after transfers to the Effectiveness and Efficiency Fund are transferred to the Operating Contingency Fund, which may not exceed the targeted amount. In a year where an operating deficit occurs, a transfer is made from the Operating Contingency Fund to the Unrestricted Fund to cover the deficit. During the year, the Association transferred \$1,313,425 from the Operating Contingency Fund to the Unrestricted Fund to cover the current year operating deficit. For the year ended December 31, 2010, the Association transferred \$1,243,380 of unrestricted operating surplus to the Operating Contingency Fund.

5. Commitment

The Association has a service agreement that has an initial term of five years commencing August 1, 2007 with one renewal term of five years.

Annual fees payable by the Association for the remaining year is as follows:

	\$
2012	539,585

6. Financial instruments*(a) Fair values*

The Association's financial instruments consist of cash, accounts receivable, and accounts payable. The carrying values of these items approximate their fair values due to their short-term nature.

(b) Credit risk

The Association is exposed to credit risk that arises from the quality of its registered remitters: credit risks arise from the possibility that the registrants of the Association will be unable to fulfil their obligations. Management closely evaluates the collectibility of its receivables and records appropriate allowances for doubtful accounts when necessary.

7. Encorp Pacific (Canada)

- (a) Encorp Pacific (Canada) ("Encorp") has been contracted by the Association to manage the day-to-day operations under Encorp's Return-It™ Electronics program. During the year, the Association paid management fees of \$925,000 (2010 - \$975,000) to Encorp in respect of this service.

Included in accounts payable and accrued liabilities is \$2,301,778 (2010 - \$3,070,116) owing to Encorp in respect of certain expenses paid on behalf of the Association.

- (b) Included in accounts receivable is an amount totalling \$1,400,000 (2010 - \$1,400,000) owing from Encorp that was advanced in order to finance the Association's operations. This advance is unsecured, non-interest bearing and is due on demand.

8. Subsequent events

- (a) The Association has entered into an agreement with Electronic Products Recycling Association ("EPRA") to dissolve the Association and to distribute its remaining property and assets to EPRA. The agreement states that EPRA will assume the remaining debts and liabilities of the Association and will pay any expenses incurred in connection with the dissolution of the Association. At the time of the audit report, the agreement has not been finalized.
- (b) The Association advanced EPRA a loan of \$1,500,000 in January 2012 for the implementation of an electronics recycling program in the province of Manitoba. Interest will be paid quarterly based on an annual rate of 0.60%.

Mohawk Color Copy in 80lb Cover and 28lb writing uses 99% of paper which has a postconsumer recycled percentage of 100%.

The paper selection preserves 1 tree for the future, saves 404 gallons of wastewater flow, and conserves 673,200 BTUs energy.

Bank: Royal Bank of Canada
Auditors: Deloitte & Touche LLP
Legal: Robert Fenton Law Corporation
Program Manager: Encorp Pacific (Canada)





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