

# **Canadian Electrical Stewardship Association Annual Report to the Director 2016**

**Submitted to:** Director, Extended Producer Responsibility  
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## CESA 2016 Report to Director

### 1. EXECUTIVE SUMMARY

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

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

The following chart summarizes the annual reporting requirements as set out under Section 8 of the Regulation.

Recycling Regulation Reference	Topic	Summary of 2016 Performance
Part 2, Section 8(2)(a)	Public Education and Strategies	<ul style="list-style-type: none"> <li>• 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</li> <li>• The ambassador team held 135 events in 22 regional districts</li> <li>• The 2016 consumer awareness survey showed a 79% awareness level, an increase of 6% increase over 2014 survey results.</li> <li>• The Program further developed outreach initiatives, such school district collaboration, originally launched in 2015 to increase collection tonnage at events and to expand the program's reach into new communities through university campuses and collection events in partnership with retailers and other community partners throughout B.C.</li> </ul>
Part 2, Section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> <li>• Two product streams are defined for collection:</li> </ul>

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Recycling Regulation Reference	Topic	Summary of 2016 Performance
		<ul style="list-style-type: none"> <li>○ “very large” (treadmills, elliptical machines, stationary bikes, very large power tools); and</li> <li>○ “regular” (all other products included in the program).</li> <li>• The collection network includes both advertised and non-advertised sites</li> <li>• As of December 31, 2016, the Program had 202 contracted collection sites, including 197 sites for regular products and 71 sites for very large products. Of the 202 sites, 186 were advertised</li> <li>• In 2016 the collection network added 7 additional contracted collection facilities</li> </ul>
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> <li>• Reduction of packaging weight and volume</li> <li>• General trend to use pre-and/or post-consumer recycled materials in product design</li> </ul>
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> <li>• Contracted processors must adhere to the EPSC Electronics Recycling Standard</li> <li>• Processors must submit to performance reviews by CESA or a third party auditor</li> <li>• Over 90% of material commodities collected were recycled/recovered</li> </ul>
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> <li>• 7,942,513 units of CESA product were sold in B.C. in 2016, as reported by members</li> <li>• Approximately 4,544,860 kg of CESA product was collected in B.C. in 2016</li> </ul>
Part 2, section 8(2)(e.1)		See Section 7 for breakdown of collection weight 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 2016, and CESA’s strategies for improvement if warranted.

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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)	2016 Performance	Strategies for Improvement
<b>1. Number of Collection Sites:</b> 75 by the end of 2013; 100 by the end of 2014 <sup>1</sup>	202	n/a
<b>2. Absolute Collection:</b> 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 7.5% from 2015 to 2016	n/a
<b>3. Accessibility:</b> 95% of BC population with access by 2013	99.5%	n/a
<b>4. Consumer Awareness:</b> 62.5% (Part 1), 30% (Part 2) awareness in 2014	Total program awareness: 79% <sup>2</sup>	n/a

## 2. PROGRAM OUTLINE

The Canadian Electrical Stewardship Association (CESA) is a not-for-profit product stewardship agency representing manufacturers, brand owners and retailers of electrical small appliances, power tools, sewing machines, exercise, sports and leisure equipment, and arts, crafts and hobby devices ("Program Products"). CESA's purpose is to assist its members 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) ("Regulation").

CESA is incorporated under the Canada Not-for-Profit Corporation Act and is governed by a Board of Directors. The Board is structured with the intent of allowing representation from as many product categories as possible. Additionally, CESA works with manufacturer and industry 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).

<sup>1</sup> 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

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

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In December 2009, the B.C. Ministry of Environment amended the Electronics and Electrical Product Category (Schedule 3) of the Regulation to require 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 as “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 employed a network of 202 contracted collection facilities throughout the Province at the end of 2016. The Program augmented its collection system as needed by participating in collection events in some areas of the province where a permanent collection facility does not exist.

More information about CESA, for both members and consumers can be found at [www.electrorecycle.ca](http://www.electrorecycle.ca).

### **3. PUBLIC EDUCATION MATERIALS & STRATEGIES**

The following is a summary of the public education initiatives employed in 2016, 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 2016, which included both radio and television ads, in addition to digital and print campaigns.

A primary pillar of ElectroRecycle’s marketing campaign for 2016 was radio advertisements. Ads promoting the ElectroRecycle Program ran on radio stations throughout the province. These radio spots were distributed across southern BC, northern BC and Vancouver Island. Radio spots reached more than 14 of BC’s 29 regional districts with special focus given to regions needing additional program support. A wider reach was achieved compared to previous years by working with multilingual radio stations in the Greater Vancouver region, which included Hindi and Punjabi language advertisements.

As part of the Program’s strategy to improve service and awareness in remote and First Nations communities around British Columbia, ElectroRecycle worked closely with Canadian First Nations Radio, CFNR, and began a wide ranging campaign of 30 second promotional ad, which aired from March through December in over 80 First Nations communities across the province. The Program was also the feature sponsor for their “Community 411” segment. In addition, ElectroRecycle was highlighted on Vancouver radio stations, including the Peak in Vancouver for a short campaign in the summer and again during the holiday season in December.

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In addition to the reach of the radio campaigns, the ElectroRecycle Program engaged in a series of television advertisements from March through May and again from September through November with Global TV, reaching the entirety of the province. The 30 second ad campaigns successfully reached millions of consumers and were viewed more than eight million times.

The ElectroRecycle Program also made use of digital display advertising with an ElectroRecycle Tim's TV campaign in January and February of 2016. This consisted of 15-second in-store commercials in 221 Tim Horton's restaurant locations across BC, reaching all the way from Greater Vancouver to the Northern Rockies.

ElectroRecycle also utilized the reach of print advertising in the Surrey Leader newspaper during September and October of 2016. The full page advertisements were seen in the Home and Garden issue, Renovation issue and Abbotsford Real Estate Guide reaching more than 70,000 people.

### **3.2 Community-Based Social Marketing**

The ElectroRecycle Program's community-based social marketing initiatives in 2016 resulted in a significant increase of both in-person interactions as well as online traffic through the Program's website and social media channels. The Program's outreach strategy included the ElectroRecycle Ambassador program, which resulted in collaboration with 54 communities in 22 regional districts, as well as the collection of more than 45,374 kg of Program Products at events.

#### *Community Events and Ambassador Program*

Over the course of 2016, the ElectroRecycle Program attended 135 events in communities across the province, including several remote communities. These events were organized with the help of community partnerships established during previous ambassador tours. The Ambassador Program employed a year-round ambassador, plus the addition of two co-op students from May to August. The three person team returned to many areas visited in previous years, but also expanded its reach to include new regions of the province. The Program took advantage of several types of events, such as community festivals, municipal round-ups, school and university collaboration as well as organizing and hosting remote events. Each events varied in focus and objective, with some fixing on public engagement and others focused towards increasing collection tonnage.

Community events in 2016 focused on remote communities, including Bella Coola, Tofino, Kimberly and Dawson Creek. The ElectroRecycle Program organized a series of events in the Central Coast Regional District, marking the first time the Program has hosted an event in this regional district since program inception. The visit to the Central Coast region included outreach to local government, retailers, depots and First Nations communities.

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ElectroRecycle has established a tradition of hosting an annual signature event: RecycleFest. This event has been built on the success of the previous events held in Burnaby over the past two years. In 2016 RecycleFest was hosted at Trout Lake attracting more than 4,000 attendees and collecting 1,244 kg of Program Product; a 19 per cent increase in collection tonnage compared to 2015. The advertising reach from this event exceeded one million with a “live on location” event provided by The Peak Radio, as well as extensive support from the Trout Lake Youth Group.

The ElectroRecycle Program’s sponsorships in 2016 included the BC Recycles Summer Ambassador Tour and the Kitsilano Farmer’s Market. The BC Recycles Program promoted ElectroRecycle and other product stewards in BC at 23 community events across the province last summer.

### *Expanded Program Reach*

In 2016, the ElectroRecycle Program further developed several pilot programs originally launched in 2015, in order to increase collection tonnage at community events, and expand these programs into new communities. ElectroRecycle increased its participation in university campus round-ups in the province and became a regular feature on many campuses including UNBC, UBC, Kwantlen Polytechnique University, Langara and Camosun College.

The Program also continued to collaborate with retailers to further educate and promote the program by hosting both round-up and program awareness events at local businesses. These events increased interactions with consumers to provide information about the ElectroRecycle Program at point of purchase.

In 2016, ElectroRecycle expanded its partnerships with municipal collection events, which resulted in the Program’s most successful community collection event to date. The Keep Vancouver Spectacular round-ups, held in various locations of Vancouver in collaboration with the City of Vancouver’s GreenestCity 2020 initiative, collected 4,046 kg over eight events. In addition to these round-up events, the Program participated alongside the City of Surrey and Salvation Army in the Surrey’s “Pop-Up Junk Drop”, which resulted in the collection of 31,568 kg over six events.

### **3.3 Media Coverage**

The 2016 coverage of the ElectroRecycle Program in the media stemmed primarily from community-based social marketing initiatives. The presence of the Ambassador program throughout the province was the primary source of earned media in 2016, generating features in media stories in communities across British Columbia, including the Alberni-Clayoquot Regional District, the East Kootenay Regional District and the Metro Vancouver Regional District.

The ElectroRecycle Program was highlighted in community newspapers, including the Delta Optimist, the Surrey Now Newspaper as well as Tofino’s Tuff City Radio. ElectroRecycle’s 2016 signature event RecycleFest was also featured on the front cover of the Vancouver Metro Newspaper.



### **3.4 Website and Social Media**

2016 was the first full calendar year with the redesigned CESA/ElectroRecycle website in place, which debuted on May 5, 2015. The updated interface allows for easy navigation for members and consumers alike. Between January 1 and December 31, 2016, the ElectroRecycle website ([www.electrorecycle.ca](http://www.electrorecycle.ca)) received 55,477 visits, an increase of five per cent from 2015, with 74.6 per cent of all visits were new visitors entering the website for the first time.

The baseline of social media followers established by the ElectroRecycle Program in 2015 was used to employ 2016 strategies to focus on community interaction and organic reach. Significant increases to ElectroRecycle's social media reach were achieved through targeted posts to communities throughout the province, specifically within remote regions. As a result, the ElectroRecycle Facebook page generated a total of 406,000 impressions, becoming a primary source of contact for the public. The Facebook™ page increased its number of followers by 44 per cent from 2015 with a total of 3,945 followers in 2016. Additionally, ElectroRecycle had 1,310 Twitter followers in 2016, an increase of 21 per cent from 2015, and the Program's dedicated Instagram page experienced an increase of followers with 288 Instagram followers, up from 154 followers in 2015.

### **3.5 Consumer Communications**

A number of channels are made available to consumers to ask questions or submit comments about the ElectroRecycle Program. In 2016, these channels included an email submission box on the ElectroRecycle website, entitled "Ask ElectroRecycle," a general information email address, [info@cesarecycling.ca](mailto:info@cesarecycling.ca), and a consumer inquiry toll-free phone number, 1-877-670-2372, in addition to ElectroRecycle's various social media platforms.

CESA partnered with the Recycling Council of B.C. (RCBC) to provide Hotline and Recyclepedia collection site 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, 2016, Product Care and RCBC collectively answered 8,596 phone, email and app consumer inquiries on products included in the ElectroRecycle Program.

### **3.6 Consumer Awareness**

CESA surveys consumers every two years to determine awareness levels of the program. In 2016, 79 per cent of British Columbians said they were aware of the existence of a program that recycles electrically powered small appliances and power tools. This represents a six per cent increase over results from 2014. The awareness study employs methods such as omnibus polling, online surveys, focus groups, etc. to understand consumer awareness levels.

### **3.7 Depot Committee Meetings & Stakeholder Relations**

The ElectroRecycle Ambassador Program encouraged ongoing feedback throughout the year with key stakeholders. Over the course of 2016, numerous meetings were held with depot operators, local municipalities, members and subscribers throughout the province to receive valuable insights and suggestions to improve the program overall in the upcoming year.

ElectroRecycle also continued to issue program updates via its branded quarterly notice to its email database of more than 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, augmented by the use of collection events, return to retail collection, and direct pick-up from large volume generators. In each case, 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. Very large items collected through the Program are managed as scrap metal by each contracted collection facility independent of the Program. All other products are considered regular items.

At the end of 2016, the ElectroRecycle Program had 202 contracted collection facilities for CESA products, of which 197 accepted regular items and 71 accepted very large items. The majority of very large item collection facilities overlap with regular product collection facilities.

Of the 202 contracted collection facilities, 186 were advertised, while 16 were unadvertised. Advertised collection facilities accept public drop-off of products included in the ElectroRecycle Program. Unadvertised sites do not accept public drop-off and are not advertised to the public, such as thrift stores.

A GIS analysis conducted by the ElectroRecycle Program in March 2015 determined that 99.5 per cent of British Columbians had convenient access to a collection site for regular products included in the ElectroRecycle Program.<sup>3</sup> Subsequently in 2016, the collection network expanded to include 7 additional contracted collection facilities for CESA products, three of which accepted regular CESA products and four

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<sup>3</sup> Accessibility is determined in accordance with the Stewardship Agencies of BC Accessibility Standard. The Standard defines access as a 30-minute drive or less for those within urban areas with a population greater than 4,000 and a 45-minute drive or less for those in rural areas of the province with a population greater than 4,000.

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accepted regular and very large items. All seven of the new collection facilities were advertised sites. Additionally, three existing collection facilities expanded to accept very large items in addition to regular items. Two collection facilities closed during 2016. Table 1 lists the number of contracted collection facilities by Regional District, including those that accept regular items, 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 (CF) by Regional District**

Regional District	# of CF	Regional District	# of CF	Regional District	# of CF
Alberni Clayoquot	3	East Kootenay	2	Okanagan Similkameen	8
Bulkley Nechako	4	Fraser Fort George	3	Peace River	3
Capital	23	Fraser Valley	10	Powell River	3
Cariboo	5	Kitimat Stikine	3	Skeena-Queen Charlotte	3
Central Coast	3	Kootenay Boundary	3	Squamish Lillooet	5
Central Kootenay	3	Metro Vancouver	63	Strathcona	3
Central Okanagan	7	Mt. Waddington	2	Sunshine Coast	2
Columbia Shuswap	4	Nanaimo	4	Thompson Nicola	16
Comox Valley	4	North Okanagan	6	<b>Total</b>	<b>202</b>
Cowichan Valley	6	Northern Rockies	1		

In addition to the ElectroRecycle Program's drop-off collection facility network, the ElectroRecycle Program participated in 135 collection events in 2016. Table 2 lists the number of collection events by Regional District.

**Table 2: Number of Collection Events (CE) by Regional District**

Regional District	# of CE	Regional District	# of CE	Regional District	# of CE
Alberni Clayoquot	3	Cowichan Valley	2	Northern Rockies	1
Bulkley Nechako	2	East Kootenay	7	Peace River	3
Capital Regional District	1	Fraser Fort George	2	Skeena-Queen Charlotte	1
Cariboo	2	Fraser Valley	8	Squamish Lillooet	2
Central Coast	2	Kitimat Stikine	1	Sunshine Coast	6
Central Kootenay	3	Metro Vancouver	74	Thompson Nicola	4
Central Okanagan	1	Nanaimo Regional District	3		
Columbia Shuswap	6	North Okanagan	1		
				<b>Total</b>	<b>135</b>

## **5. PRODUCT ENVIRONMENTAL IMPACT REDUCTION, REUSABILITY AND RECYCLABILITY**

Although extended producer responsibility (EPR) programs do not have the ability to influence product design, industry continues to seek approaches to reduce the environmental impact of Program Products through continuous improvement in energy efficiency and the use of recycled materials in product design. The following is a summary of the ongoing efforts undertaken by Producers (manufacturers, brand owners, distributors or retailers) to reduce the environmental impact associated with the production and use of small appliances and power tools, in response to market-driven changes.

### **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 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 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 consumes during use.

### **5.3 Product Design**

Shifts in product design have resulted in a higher percentage of plastic in many small appliances. Small appliance producers have been actively working to maximize the use of pre-and/or post-consumer recycled materials where feasible, without impacting the integrity of the product and its packaging. Other trends include using fewer chemicals and using more environmentally friendly pigments in product manufacturing.

### **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 products, 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 400 products, materials are reported out by commodity only, and not by product type or component.

In 2016, 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 regular items collected through the Program and processed in 2016, 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 Tonnage Processed by Material Commodity in 2016**

<b>Material Commodity</b>	<b>Reuse</b>	<b>Recycle</b>	<b>Recovery</b>	<b>Landfill</b>	<b>% of Total Tonnage Processed</b>	<b>Downstream Process<sup>4</sup></b>
Ferrous Steel		X			51.5%	Shred & Consolidate, Sorting/Processing
Plastics		X			26.2%	Sorting, Separation, Grinding, Extrusion & Pelletizing, Shredding/Granulation
Aluminum		X			1.7%	Shred & Consolidate
Wire and Cables and String lights		X			3.8%	Smelt, Sorting/Processing
Copper		X			2.1%	Shred & Consolidate, Shred & Smelt, Processing
Glass		X			3.8%	Crush, Smelt, Washing & Grinding
Circuit Boards		X			2.7%	Smelt
Refuse				X	6.3%	Landfill
Rechargeable Batteries		X			1.1%	Consolidate

<sup>4</sup> 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.

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Paper Based Materials		X			0.2%	Recovery
Non Rechargeable Batteries		X			0.1%	Consolidate
Heating Oil		X	X	X	0.4%	Waste-to-Energy, Process, 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. 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 2016 were estimated to be 7,000 tonnes of equivalent carbon dioxide (CO<sub>2</sub>e). This value is based on 1.8 tonnes of CO<sub>2</sub>e generated per tonne of material managed.<sup>5</sup>

## 7. PRODUCT SOLD AND COLLECTED

### 7.1 Product Reported Sold

Total product sold is reported in units. CESA members reported sales in British Columbia of 7,942,513 units for the period of January 1 to December 31, 2016.

### 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 tonnage over the 2013 baseline for 2014, 2015 and 2016. Table 4 sets out the annual collected tonnage and variances against the 2013 baseline.

**Table 4: Annual Tonnage Collected and Year over Year Variance**

Year	Tonnage Collected (metric tonnes)	Tonnage Increase (%)
2013	3,204	-
2014	3,672	15%
2015	4,225	15%
2016	4,545	7.5%

### *Very Large Items*

Very large items collected under the ElectroRecycle Program by contracted collection facilities were managed as scrap metal through the metal recycling system. Under the terms of their contract, collection

<sup>5</sup> The estimated greenhouse gas emissions associated with the recycling of small appliances and power tools was not subject to independent third-party assurance.

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sites that accept very large items were required to submit monthly unit-based tracking forms to the ElectroRecycle Program reporting the number of very large items collected. In 2016, 2,539 pieces of large exercise equipment and 1,292 pieces of large power tools were collected, according to tracking sheets submitted to the ElectroRecycle Program by contracted collection facilities.

### *Regular Items*

According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 4,544,860 kg of regular CESA products were collected between January 1 and December 31, 2016 from the Program's contracted collection facilities, large volume end-users, return to retail locations, and collection events. Table 5 provides the approximate tonnage collected (not including very large items) by Regional District in 2016.

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 contracted collection facilities. This partnership is an example of how stewardship programs working together create efficiencies at the collection facility 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 LightRecycle Program. To determine CESA's net tonnage in 2016, CESA's processors were obligated by contract to submit monthly sampling reports 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. The proportion was applied to the weight of the collection tonnage during that month.

**Table 5: Approximate Weights Collected by Regional District for Regular Products and Collection Events in 2016**

Regional District	Approximate Weight Collected (kg)	Regional District	Approximate Weight Collected (kg)
Alberni Clayquot	14,342	Kootenay Boundary	53,623
Bulkley Nechako	17,855	Metro Vancouver	2,182,460
Capital	448,577	Mount Waddington	17,514
Cariboo	30,470	Nanaimo	240,911
Central Coast	4,094	North Okanagan	115,557
Central Kootenay	43,525	Northern Rockies	1,066
Central Okanagan	359,412	Okanagan-Similkameen	127,916
Columbia Shuswap	42,058	Peace River	44,413
Comox Valley	70,910	Powell River	16,075
Cowichan Valley	93,540	Skeena Queen Charlotte	15,512
East Kootenay	30,947	Squamish Lillooet	51,157
Fraser Fort George	90,713	Strathcona	20,703
Fraser Valley	228,321	Sunshine Coast	37,787
Kitimat Stikine	23,035	Thompson Nicola	122,365

## **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 as listed in Table 6 below.

**Table 6: CESA Product Categories and Environmental Handling Fees**

	<b>Product Category</b>	<b>Fee Rate Per Unit, effective July 1, 2015</b>	<b>Fee Rate Per Unit, until June 30, 2015</b>
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 &amp; 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 &amp; 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 or exceeding current



## CESA 2016 Report to Director

performance levels; striving to improve all aspects of the ElectroRecycle Program, including operational efficiencies, cost efficiencies, consumer awareness, accessibility and collection tonnage. Table 7 summarizes the ElectroRecycle Program's targets and 2016 performance.

**Table 7: 2016 Program Performance Targets**

Performance Measure	Plan Target	2016 Results	Strategies for Improvement
Number of Collection Sites	75 by the end of 2013; 100 by the end of 2014	202	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 7.5% from 2015 to 2016	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 consumer awareness survey conducted by an independent, third party. Accessibility was determined through the use of a Geographic Information System (GIS) analysis conducted by an independent third party, where "access" is defined according to the Stewardship Agencies 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 2016 performance in terms of consumer awareness and accessibility. Separate targets for consumer awareness were originally 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 first awareness 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. This approach was applied for the consumer awareness study conducted in 2016. Targets regarding collection site accessibility do not apply to "Very Large" items as these products 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.

## CESA 2016 Report to Director

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

Performance Measure	Plan Target	Results	Strategies for Improvement
Part 1: Consumer Awareness	62.5% by 2014; 65% by 2016	73% in 2014 79% in 2016	n/a
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	n/a
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**

<b>Products within plan</b>	<b>Product Category</b>	<b>Examples</b>
	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

## CESA 2016 Report to Director

### APPENDIX B: COLLECTION FACILITY NETWORK

Table 10 shows locations of contracted CESA collection facilities. The column titled “Changes in 2016” denotes additions and closures since the previous reporting date, December 31, 2015.

**Table 10: CESA Collection Network, Including Changes in Sites in 2016**

Collection Facility	City	Regional District	Depot Type	Change in 2016
70 Mile House Eco Depot	70 Mile House	Thompson Nicola	Regular	
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 Regional District	Bulky & Regular	
Armstrong Spallumcheen Bottle Depot	Armstrong	North Okanagan	Regular	
Asset Investment Recovery - Glanford	Victoria	Capital Regional District	Regular	
Asset Investment Recovery - Surrey	Surrey	Metro Vancouver	Regular	
Augusta Recyclers (non-advertised)	Powell River	Powell River Regional District	Bulky	
B&D Bottlers Ltd. / Revelstoke Bottle Depot	Revelstoke	Columbia Shuswap	Regular	
Bella Coola Recycling Depot	Bella Coola	Central Coast	Regular	
Bill's Bottle Depot	Salmon Arm	Columbia Shuswap	Regular	
Bings Creek Solid Waste Management Complex	Duncan	Cowichan Valley	Bulky & Regular	
Blue River Eco Depot	Blue River	Thompson Nicola	Regular	
Bottle Depot (Queens)	Victoria	Capital Regional District	Regular	
Bottle Depot (Saanich)	Saanich	Capital Regional District	Regular	
Boucherie Bottle Depot & Self Storage	West Kelowna	Central Okanagan	Regular	
Brentwood Auto & Metal Recyclers	Brentwood Bay	Capital Regional District	Bulky & Regular	New - February 9, 2016
Brentwood Thrift Store	Brentwood Bay	Capital Regional District	Regular	
Bridgeview Return-It Bottle Depot	Surrey	Metro Vancouver	Regular	
Bulkley Valley Bottle Depot	Smithers	Bulkley Nechako	Regular	
Burns Lake Return-It Depot	Burns Lake	Bulkley Nechako	Regular	
Campbell Mountain Sanitary Landfill (CMSL)	Penticton	Okanagan Similkameen	Regular	
Campbell River Waste Management Centre	Campbell River	Strathcona	Bulky	
Carney's Waste Systems	Squamish	Squamish Lillooet	Regular	
Castlegar Return-It Depot	Castlegar	Central Kootenay	Regular	

## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
Cedar Hill Thrift Store (non-advertised)	Victoria	Capital Regional District	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	
Clinton Eco Depot	Clinton	Thompson Nicola	Regular	
CM Recycling Ltd. (formerly 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	
Columbia Bottle Depot - St. Paul	Kelowna	Central Okanagan	Bulky & Regular	
Columbia Recycle 1996 Ltd (non-advertised)	Trail	Kootenay Boundary	Bulky	
Comox Return Centre	Comox	Comox Valley	Regular	New - August 2, 2016
Comox Valley Waste Management Centre	Cumberland	Comox Valley	Bulky	
Coquitlam Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Courtenay Return-It Depot	Courtenay	Comox Valley	Regular	
Cranbrook Bottle Depot	Cranbrook	East Kootenay	Regular	
D.C. Campbell Recycling Ltd.	Dawson Creek	Peace River	Regular	
East 12th Avenue Thrift Store	Vancouver	Metro Vancouver	Regular	
East Hastings Bottle Depot	Burnaby	Metro Vancouver	Regular	New - October 3, 2016
Edmonds Return-it Depot	Burnaby	Metro Vancouver	Regular	
Enderby Bottle Depot	Enderby	North Okanagan	Bulky & Regular	
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	Bulky & Regular	
Garbage Recycling in Pender Society (GRIPS)	Maderia Park	Sunshine Coast	Regular	New - November 21, 2016
Galiano Island Recycling	Galiano Island	Capital Regional District	Regular	
General Grant's North Shore Bottle Depot	Kamloops	Thompson Nicola	Regular	
General Grant's Sahali (FKA Full Refund Bottle Depot)	Kamloops	Thompson Nicola	Regular	
Gibsons Recycling Depot	Gibsons	Sunshine Coast	Regular	

## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
Go Green Bottle Depot & Recycling	Vancouver	Metro Vancouver	Regular	
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 Regional District	Bulky & Regular	
Hazelton Bottle Depot	New Hazelton	Kitimat Stikine	Regular	
Heffley Creek Eco Depot	Heffley Creek	Thompson Nicola	Regular	
Heiltsuk Environmental Bella Bella Eco-Depot	Bella Bella	Central Coast	Bulky & Regular	
Hillside Thrift Store	Victoria	Capital Regional District	Regular	
Hope Bottle Depot	Hope	Fraser Valley	Regular	
Houston Bottle Depot	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 / Victoria	Capital Regional District	Regular	
Island Return-It Recycling Centre Sidney (FKA Sidney Bottle Depot)	Sidney	Capital Regional District	Bulky & Regular	
Island Return-It Recycling Centre South Cowichan	Cobble Hill	Cowichan Valley	Regular	
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	Bulky & Regular	
Jenill Bottle Depot	Surrey	Metro Vancouver	Bulky & Regular	
Junction Bottle Depot	Ladysmith	Cowichan Valley	Regular	
Kensington Return-It Depot	Burnaby	Metro Vancouver	Bulky & Regular	
Keremeos Sanitary Landfill	Keremeos	Okanagan Similkameen	Regular	
Kerrisdale Thrift Store (non-advertised)	Vancouver	Metro Vancouver	Regular	
Kitchener Bottle Depot	Burnaby	Metro Vancouver	Regular	

## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
Kitimat Understanding the Environment Society (KUTE)	Kitimat	Kitimat Stikine	Regular	
Ladner Bottle Depot	Delta	Metro Vancouver	Bulky & Regular	
Langford Thrift Store (non-advertised)	Langford	Capital Regional District	Regular	
Langley Bottle Depot	Langley	Metro Vancouver	Bulky & Regular	
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	
Lorne Street Bottle Depot	Kamloops	Thompson Nicola	Regular	
Lougheed Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Louis Creek Eco Depot	Louis Creek	Thompson Nicola	Regular	
Lower Nicola Eco Depot	Merritt	Thompson Nicola	Regular	
Lytton Eco Depot	Lytton	Thompson Nicola	Regular	
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 Regional District	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	
Mica Ventures Inc ( 100 Mile House)	100 Mile House	Cariboo	Regular	
Mica Ventures Inc (Williams Lake)	Williams Lake	Cariboo	Regular	
Mill Bay Thrift Store	Mill Bay	Capital Regional District	Regular	
Mission Flats Landfill	Kamloops	Thompson Nicola	Bulky & Regular	
Mission Recycle Center Ltd.	Mission	Fraser Valley	Regular	
Mission Recycling Depot	Mission	Fraser Valley	Bulky & Regular	
Nanaimo Recycling Exchange Society	Nanaimo	Nanaimo Regional District	Bulky & Regular	
Nelson Leafs Recycling Centre	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	Closed - June 13, 2016
North Burnaby (Hastings) Thrift Store (non-advertised)	Burnaby	Metro Vancouver	Regular	
North Shore Bottle Depot	North Vancouver	Metro Vancouver	Regular	

## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
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	
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 Regional District	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 Regional District	Bulky & Regular	
PG Recycling & Return-It Centre (FKA BBK Bottle Depot)	Prince George	Fraser Fort George	Bulky & Regular	
Pitt Meadows Bottle and Return-it Depot Ltd	Pitt Meadows	Metro Vancouver	Regular	
Planet Earth Recycling Ltd.	West Kelowna	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 Return-It Bottle Depot	Vancouver	Metro Vancouver	Regular	
Puds Auto Wrecking & Towing	Osoyoos	Okanagan Similkameen	Bulky	Closed - August 2, 2016
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 Regional District	Bulky & Regular	
Regional Recycling Nanaimo (FKA Mostar Bottle Depot)	Nanaimo	Nanaimo Regional District	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	



## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
Richmond Recycling Depot	Richmond	Metro Vancouver	Bulky & Regular	
Saanich Thrift Store (non-advertised)	Saanich	Capital Regional District	Regular	
Salt Spring Garbage & Transfer Station	Salt Spring island	Capital Regional District	Bulky & Regular	New - April 1, 2016
Salt Spring Island Recycling Depot	Salt Spring island	Capital Regional District	Bulky & Regular	
Salvation Army - Comox Valley	Comox	Comox Valley	Bulky & Regular	New - November 1, 2016
Salvation Army - Lower Mainland Divisional Headquarters	Langley	Metro Vancouver	Bulky & Regular	
Salvation Army - Prince George	Prince George	Fraser Fort George	Regular	
Salvation Army - Victoria Consolidation Centre	Victoria	Capital Regional District	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	
Sherwoods Auto Parts	Port Alberni	Alberni Clayoquot	Bulky	
Skeena Queen Charlotte Regional Recycling	Prince Rupert	Skeena-Queen Charlotte	Bulky & Regular	
Sooke Thrift Store	Victoria	Capital Regional District	Regular	
Sorrento Bottle Depot	Sorrento	Columbia Shuswap	Regular	
South Thompson Eco Depot	Pritchard	Thompson Nicola	Regular	
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	
Sunset Coast Bottle Depot	Powell River	Powell River Regional District	Regular	
Surrey Central Return-It Centre	Surrey	Metro Vancouver	Bulky & 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 Battery Doctors	Kelowna	Central Okanagan	Bulky & Regular	
The Hut Bottle Depot	Princeton	Okanagan Similkameen	Regular	
The Re-Use-It Centre	Whistler	Squamish Lillooet	Regular	

## CESA 2016 Report to Director

Collection Facility	City	Regional District	Depot Type	Change in 2016
Thorsen Creek Recycling Depot	Bella Coola	Central Coast	Bulky & Regular	
Town Center Mall Recycle Depot	Powell River	Powell River Regional District	Regular	
Trail Bottle Depot	Trail	Kootenay Boundary	Bulky & Regular	
Tsawassen Bottle Depot	Tsawassen	Metro Vancouver	Regular	
Ucluelet Bottle Depot	Ucluelet	Alberni Clayoquot	Regular	
Urban Impact Recycling (non-advertised)	New Westminster	Metro Vancouver	Regular	
Vancouver Central Return-It Depot	Vancouver	Metro Vancouver	Regular	
Vancouver West Bottle Depot	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 Regional District	Regular	
View Royal Thrift Store	View Royal	Capital Regional District	Regular	
Village of Gold River	Gold River	Strathcona	Bulky & Regular	
Walnut Grove Bottle Depot Ltd.	Langley	Metro Vancouver	Regular	
Wastech Services Ltd	Coquitlam	Metro Vancouver	Bulky & Regular	
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 Return-It Depot	White Rock	Metro Vancouver	Bulky & Regular	New - April 1, 2016
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 2016**

# **CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**

## **Financial Statements**

For the year ended 31 December 2016

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**ROLFE, BENSON LLP**

CHARTERED PROFESSIONAL ACCOUNTANTS

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E-mail: admin@rolfebenson.com

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## INDEPENDENT AUDITORS' REPORT

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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 2016, 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.

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## INDEPENDENT AUDITORS' REPORT - Continued

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### 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 2016, 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.

*Helpe, Benson LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada  
24 May 2017

**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Statement of Financial Position**  
**31 December 2016**

	2016	2015
		(Note 2 - Restated)
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 7,037,345	\$ 6,791,069
Accounts receivable (Note 4)	1,252,429	1,336,088
GST/HST receivable	153,395	158,146
Prepaid expenses	25,452	36,042
	<u>8,468,621</u>	<u>8,321,345</u>
<b>Internally restricted investments (Notes 2 and 5)</b>	<u>11,459,561</u>	<u>11,138,712</u>
	<u>\$ 19,928,182</u>	<u>\$ 19,460,057</u>

**Liability**

<b>Current</b>		
Accounts payable and accrued liabilities	<u>\$ 1,076,826</u>	<u>\$ 972,629</u>

**Commitments (Note 6)**

**Net Assets**

<b>Unrestricted</b>	7,391,795	7,348,716
<b>Internally restricted - Reserve Fund (Note 7)</b>	<u>11,459,561</u>	<u>11,138,712</u>
	<u>18,851,356</u>	<u>18,487,428</u>
	<u>\$ 19,928,182</u>	<u>\$ 19,460,057</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 2016

	<b>Unrestricted</b>	<b>Internally Restricted - Reserve Fund</b>	<b>Total 2016</b>	<b>Total 2015</b>
				(Note 2 - Restated)
<b>Balance - beginning of year</b>				
As previously reported	\$ 7,348,716	\$ 11,270,750	\$ 18,619,466	\$ 16,996,443
Prior period adjustment (Note 2)	-	(132,038)	(132,038)	(132,256)
As restated	7,348,716	11,138,712	18,487,428	16,864,187
Excess of revenues over expenses for the year	363,928	-	363,928	1,623,241
Fund transfer - Reserve Fund (Note 7)	(320,849)	320,849	-	-
<b>Balance - end of year</b>	<b>\$ 7,391,795</b>	<b>\$ 11,459,561</b>	<b>\$ 18,851,356</b>	<b>\$ 18,487,428</b>

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

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Statement of Operations**  
For the year ended 31 December 2016

	2016	2015
		(Note 2 - Restated)
<b>Revenues</b>	<b>\$ 6,377,255</b>	<b>\$ 7,058,602</b>
<b>Expenses</b>		
Collection, transportation and processing	4,628,728	3,965,446
Administration	1,113,653	1,092,138
Communications	596,924	632,009
	<u>6,339,305</u>	<u>5,689,593</u>
<b>Excess of revenues over expenses from operations</b>	<u>37,950</u>	<u>1,369,009</u>
<b>Other income (expense)</b>		
Investment income	192,468	292,809
Unrealized gain on market value of investments	172,966	218
Investment management fees	(39,456)	(38,795)
	<u>325,978</u>	<u>254,232</u>
<b>Excess of revenues over expenses for the year</b>	<u>\$ 363,928</u>	<u>\$ 1,623,241</u>

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

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Statement of Cash Flows**  
For the year ended 31 December 2016

	2016	2015
		(Note 2 - Restated)
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
Excess of revenues over expenses for the year	\$ 363,928	\$ 1,623,241
Item not involving cash		
Unrealized gain on market value of investments	(172,966)	(218)
	<u>190,962</u>	<u>1,623,023</u>
Changes in non-cash working capital balances		
Accounts receivable	83,659	363,682
GST/HST	4,751	(201,316)
Prepaid expenses	10,590	(10,183)
Accounts payable and accrued liabilities	104,197	142,430
	<u>394,159</u>	<u>1,917,636</u>
<b>Investing activity</b>		
Transfer to Reserve Fund	(147,883)	(248,971)
<b>Net increase in cash</b>	<u>246,276</u>	<u>1,668,665</u>
<b>Cash - beginning of year</b>	<u>6,791,069</u>	<u>5,122,404</u>
<b>Cash - end of year</b>	<u>\$ 7,037,345</u>	<u>\$ 6,791,069</u>

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

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# CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION

## Notes to the Financial Statements

### For the year ended 31 December 2016

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#### 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. Change in accounting policy

Previously, the Association recorded its internally restricted investments, which are comprised of fixed income securities and mutual funds using the cost method. During the year, the Association acquired various equity instruments that are quoted in an active market. The CPA Canada Handbook Accounting Part II, Section 3856, Financial Instruments, requires these equity investments to be measured at fair value. As such, management has irrevocably elected under Section 3856 to change the method of accounting for all investments to the fair value method. The effect of this change in accounting policy has been applied retroactively and results in the following changes to the comparative financial information:

	As previously Reported	Adjustment	Restated
Internally restricted investments, 31 December 2015	\$ 11,270,750	\$ (132,038)	\$ 11,138,712
Unrealized gain on fair value of investment	-	218	218
Net assets, 1 January 2015	16,996,443	(132,256)	16,864,187
Net assets, 31 December 2015	\$ 18,619,466	\$ (132,038)	\$ 18,487,428

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

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**3. 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 dividend and interest income, and realized and unrealized investment gains and losses. Investment income is recognized as revenue when earned. Unrealized gains and losses on investments are recognized in the statement of operations.

**(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.

**(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 and accounts receivable.

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

Financial assets measured at fair value include internally restricted investments.

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Notes to the Financial Statements**  
For the year ended 31 December 2016

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**3. Summary of significant accounting policies - Continued**

(c) Financial instruments - Continued

(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 EHF and provisions for allowance for doubtful accounts related to accounts receivable. Actual results could differ from these estimates.

**4. Accounts receivable**

	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ 1,272,029	\$ 1,336,088
Allowance for doubtful accounts	<u>(19,600)</u>	<u>-</u>
	<u>\$ 1,252,429</u>	<u>\$ 1,336,088</u>

During the year, the Association recorded bad debt expense of \$24,548 (2015 - \$34,442) that have been included in communications and program administration expense.

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Notes to the Financial Statements**  
For the year ended 31 December 2016

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**5. Internally restricted investments**

Internally restricted investments are comprised of assets which have been internally restricted by the Association's board of directors related to the Reserve Fund (Note 7):

	<b>2016 Market</b>	<b>2016 Cost</b>	2015 Market	2015 Cost
Cash equivalents	\$ 1,030,353	\$ 1,030,353	\$ 1,619,813	\$ 1,619,813
Fixed income	7,674,845	7,755,873	9,518,899	9,650,937
Equity	2,754,363	2,551,031	-	-
	<b>\$ 11,459,561</b>	<b>\$ 11,337,257</b>	<b>\$ 11,138,712</b>	<b>\$ 11,270,750</b>

**6. Commitments**

The Association has a lease agreement for its office premises that will expire on 31 March 2018. The minimum annual payments required by the lease are as follows:

2017	\$ 28,458
2018	<u>7,317</u>
	<u>\$ 35,775</u>

**7. 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;
- (e) To cover any unusual or extraordinary costs not accounted for in the operating budget;

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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

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**7. Reserve Fund - Continued**

- (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 investments which have been internally restricted by the Association's Board of Directors (Note 5).

The assets in the Reserve Fund consist of investments in cash equivalents, fixed income investments, mutual funds, and equity securities and is independently managed (Note 5). 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, \$320,849 (2015 - \$249,189) was transferred from the unrestricted fund to the Reserve Fund.

**8. 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 2016.

(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.



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**CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

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**8. Financial instruments - Continued**

(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.

(d) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 7% (2015 - Nil%) of the Association's investments are denominated in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations.

(e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. 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.

(f) 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 internally restricted investments, which are held in professionally administered funds. These funds are subject to fluctuating returns based on the market and exposed to the risk of market volatility. Risk has been assessed by management and an investment policy adopted to mitigate such market risk.

**9. Comparative figures**

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2016 financial statements.

**APPENDIX D: INDEPENDENT ASSURANCE REPORT**



June 26, 2017

## **Independent Reasonable Assurance Report**

### **To the Directors of the Canadian Electrical Stewardship Association (CESA) on selected non-financial information included in the CESA 2016 Annual Report**

#### **Scope**

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 2016 Annual Report to the Director of Extended Producer Responsibility Programs ("Director") at the Ministry of the Environment, Government of British Columbia ("MOE"), as hosted on the CESA website<sup>1</sup> for the year ended December 31, 2016:

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, 2016 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 Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, published by the International Auditing and Assurance Standards Board (IAASB), 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.

##### **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

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<sup>1</sup> The maintenance and integrity of the CESA website (<http://www.electrorecycle.ca/stewards/resources/>) 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.



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.

### **Our Independence and Quality Control**

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies the International Standard on Quality Control 1, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Methodology and Assurance Procedures**

We conducted our reasonable assurance engagement in accordance with ISAE 3000 Revised. 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, 2016 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, 2016 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 26, 2017



## 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 2016 Annual Report to the Director.**

"At the end of 2016, the ElectroRecycle Program had 202 contracted collection facilities for CESA products"

"...in 2016, the collection network expanded to include 7 additional contracted collection facilities for CESA products"

"Two collection facilities closed during 2016"

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, 2016 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.
- "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."
- Reporting Period: January 1<sup>st</sup> to December 31<sup>st</sup> annually.

### Method of Reporting:

- 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 CESA's 2016 Annual Report to the Director.**

The contents of Table 3: Percentage of Total Tonnage Processed by Material Commodity in 2016

#### **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 1<sup>st</sup> to December 31<sup>st</sup> annually.

#### **Method of Reporting:**

- Processor selection is based on a thorough due diligence process that includes assessment of Recycler Qualification Program approvals.
- The downstream material flows are based on information from the Recycler Qualification Program-approved processor's scope of approved materials and processes documents.



- The expected end of fate of materials are provided by Recycler Qualification Program-approved processors.

#### **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 15 of CESA's 2016 Annual Report to the Director.**

"According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 4,544,860 kg of regular CESA products were collected between January 1 and December 31, 2016."

#### **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 1<sup>st</sup> to December 31<sup>st</sup> 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 monthly sample reports of collection material processed by each processor. The sampling data received from each processor 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.





- 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, 2016 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, 2016 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.