

Canadian Electrical Stewardship Association Annual Report to the Director

2017

Submitted to: Director, Extended Producer Responsibility
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1. EXECUTIVE SUMMARY

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

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

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

Recycling Regulation Reference	Topic	Summary of 2017 Performance
Part 2, Section 8(2)(a)	Public Education and Strategies	<ul style="list-style-type: none">• Traditional advertising was used for public education including television ads, digital and print campaigns, multi-lingual radio ads, as well as community-based social marketing, which included a year-round ambassador program• The ambassador team held 118 events in 47 communities, throughout 22 regional districts• The 2016 consumer awareness survey revealed a 79% awareness level, an increase of 6% increase over 2014 survey results. The next survey is scheduled for 2018.• The Program further developed outreach initiatives to expand the program's reach into new and remote communities. Events were held in collaboration with First Nations communities, municipalities, retailers and other community partners throughout B.C.
Part 2, Section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none">• Two product streams are defined for collection:<ul style="list-style-type: none">○ "very large" (treadmills, elliptical machines, stationary bikes, very large power tools); and○ "regular" (all other products included in the program).

Recycling Regulation Reference	Topic	Summary of 2017 Performance
		<ul style="list-style-type: none"> The collection network includes both advertised and non-advertised sites As of December 31, 2017, the Program had 215 contracted collection sites, including 210 sites for regular products and 76 sites for very large products. Of the 215 contracted sites, 198 were advertised. In 2017 the collection network added 16 additional contracted collection facilities across the province
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> Reduction of packaging weight and volume Application of energy efficiency features General trend to use pre-and/or post-consumer recycled materials in product design
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> Contracted processors must adhere to the EPSC Electronics Recycling Standard Processors must submit to performance reviews by CESA or a third party auditor More than 90% of material commodities collected were recycled/recovered
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> 8,334,554 units of CESA product were sold in B.C. in 2017, as reported by members Approximately 4,913,400 kg of CESA product was collected in B.C. in 2017
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

A new stewardship plan was submitted on September 30, 2016, revised on December 8, 2017 and June 22, 2018 and is awaiting approval. Until the revised plan is approved, the existing approved stewardship plans are referenced herein. The approved Stewardship Plans set out a number of key performance targets for the Program. The following chart summarizes the targets and performance in 2017, as well as CESA's strategies for improvement, if warranted.

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)	2017 Performance	Strategies for Improvement
1. Number of Collection Sites: 75 by the end of 2013; 100 by the end of 2014	215	n/a
2. Absolute Collection: CESA will have a 5% annual increase in total tonnage collected for each year between 2014 and 2016	Absolute collection for the program grew by 8% from 2016 to 2017	n/a
3. Accessibility: 95% of BC population with access by 2013 ¹	99.5%	n/a
4. Consumer Awareness: 62.5% (Part 1), 30% (Part 2) awareness in 2014	Total program awareness: 79% ²	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 to provide end-of-life product management by handling products in adherence of the order of the pollution prevention hierarchy. CESA supports 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").

¹ 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.

² 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 is 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.

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 having stewards that represent both manufacturers and retailers from as many product categories as possible. Additionally, CESA works with 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).

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 215 contracted collection facilities throughout the Province at the end of 2017. The Program augmented its collection system as needed by participating in collection events in areas of the province where a permanent collection facility may not be economically feasible.

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

3. PUBLIC EDUCATION MATERIALS & STRATEGIES

The following is a summary of the public education initiatives employed in 2017, which included traditional advertising, community-based social marketing, and consumer marketing. ElectroRecycle saw nearly nine million TV media impressions, over three and a half million radio impressions, and nearly a million impressions for print ads, earned media, social media, events and digital advertising combined. In total, the Program received more than 13.2 million impressions across BC in 2017

3.1 Program Awareness and General Marketing

Traditional advertising was utilized by ElectroRecycle in 2017, which included both [radio and television ads](#), in addition to digital and print campaigns.

A key element of ElectroRecycle’s marketing campaign for 2017 was radio advertising. Ads promoting the ElectroRecycle Program ran on radio stations across the province. Radio spots reached 10 of BC’s 29

regional districts distributed across Southern BC, Northern BC and Vancouver Island. Partnerships with Vista Radio ensured that special focus was given to regions and smaller communities that required additional program support. Fewer radio stations are available in these areas, which allowed for a more captured audience in these districts. ElectroRecycle continued its engagement with multilingual radio stations in the Greater Vancouver region, which included Hindi and Punjabi language advertisements to broaden its outreach initiatives.

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 continued a wide ranging campaign of 30-second promotional ads, which aired from January through December in over 80 First Nations communities in Central and Northern BC, including the major centres of Terrace, Prince Rupert, Kitimat, Smithers, Burns Lake, Fort Nelson, Stewart, Williams Lake and Quesnel. ElectroRecycle continued its position as the feature sponsor for CFNR's "Community 411" segment. In addition, ElectroRecycle was highlighted on Vancouver radio stations including a winter through spring campaign on Z95.3, and was the sponsorship for a contest called "Whose song is it anyway" through Z95.3 during the month of January. ElectroRecycle was also featured during TSN's Super Bowl radio broadcast in late January and early February. Thirty second commercials leading up to and during the Super Bowl were broadcasted on stations serving Vancouver, Kelowna, Kamloops, Victoria and Prince Rupert.

In addition to the reach of the radio campaigns, the Program engaged in a series of television advertisements from March through December on 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. ElectroRecycle also utilized the reach of print advertising in numerous community bulletins, community newspapers, and municipal recycling calendars across BC including the Central Okanagan, Powell River, Kitimat-Stikine, East Kootenay and Greater Vancouver regional districts.

3.2 Community-Based Social Marketing

The ElectroRecycle Program's community-based social marketing initiatives in 2017 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 47 communities in 22 regional districts, as well as the collection of more than 35,172 kg of Program Products at events.

3.2.1 Community Events and Ambassador Program

Over the course of 2017, the ElectroRecycle Program attended 118 events in communities across the province, including several remote communities. These events were organized with the help of community partnerships, many of which have been established during previous Ambassador tours. The Ambassador program employed a year-round ambassador plus the addition of two co-op students employed from May to August. The three person team returned to many areas visited in previous years,

but also expanded its reach to focus on remote regions of the province. The Program collaborated with community partners at several types of events, such as community festivals, municipal round-ups, school and university partnerships as well as organizing and hosting remote events. Each event focused on public engagement and increasing collection tonnage.

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 over the past two years in collaboration with the City of Vancouver, Keep Vancouver Spectacular and the Trout Lake Community Centre Youth group. In 2017 RecycleFest was hosted at Trout Lake collecting 1,809 kg of Program Product; a 50 per cent increase in collection tonnage compared to 2016. 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 local community groups and promotion from online blogs and community calendars. Local and sustainable vendors increased the overall foot traffic of the event’s success and contributed to growing audience reach.

The ElectroRecycle Program’s sponsorships in 2017 included Recycle BC’s First Nations Recycling Initiative and Vancouver Summer and Winter Farmer’s Markets.

3.2.2 Expanded Program Reach

Community events in 2017 focused on remote communities including Port Hardy, Tofino, Vanderhoof, McLeod Lake and Fort Nelson. In addition to these regional districts, ElectroRecycle organized a series of events across the islands of Haida Gwaii. The visit to Haida Gwaii included collaboration with the Skidegate Band Council as well as outreach to local government, retailers, depots and First Nations communities.

Efforts to collaborate with First Nations communities spanned into Northern BC as well. The ElectroRecycle Ambassadors partnered with the McLeod Lake Indian Band to attend their “Education Celebration and Annual General Assembly” in August. In addition, the ambassador team traveled to the Northern Rockies regional district to attend the Fort Nelson First Nations Annual Celebration. The Program intends to expand collaborative efforts with these groups in future years.

The Program also hosted both round-ups and program awareness events at local retailer businesses to further educate and promote the program. These events increased interactions with consumers to provide information about the ElectroRecycle Program at point of purchase.

In 2017, ElectroRecycle expanded its partnerships with municipal collection events, which resulted in some of the Program’s most successful community collection events 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 9,859 kg of small appliances over eight events. In addition to these round-up events, the Program participated alongside the City of Surrey and Salvation

Army in the municipality's "Pop-Up Junk Drop", which resulted in the collection of 13,330 kg over four events.

3.3 Media Coverage

Media coverage of the ElectroRecycle Program in 2017 was mainly attributed to community-based social marketing initiatives. The presence of the Ambassador program throughout the province was the primary source of earned media in 2017, generating features in media stories in communities across British Columbia, including the Alberni-Clayoquot Regional District and the Metro Vancouver Regional District.

The ElectroRecycle Program was featured on a live on-air segment with CityTV's Breakfast Television morning show to discuss small appliance recycling in B.C. Breakfast Television reaches an average of 85,000 viewers in B.C. in addition to a following of 100,000 people online.

3.4 Website and Social Media

Between January 1 and December 31, 2017, the ElectroRecycle website (www.electrorecycle.ca) received 51,939 visits, a decrease of six per cent from 2016, with 76.6 per cent of all visits representing new visitors entering the website for the first time.

ElectroRecycle's social media platforms were used to employ 2017 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 347,000 impressions, becoming a primary source of contact for the public. The Facebook page increased its number of followers by 16 per cent from 2016 with a total of 4,547 followers in 2017. Additionally, ElectroRecycle had 1,428 Twitter followers in 2017, an increase of 8 per cent from 2016, and the Program's dedicated Instagram page experienced an increase of followers with 388 Instagram followers, up from 288 followers in 2016.

3.5 Consumer Communications

A number of channels are consistently available to consumers to ask questions or submit feedback about the ElectroRecycle Program. In 2017, these channels included an email submission box on the ElectroRecycle website, entitled "Ask ElectroRecycle," a general information email address, 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 BC (RCBC) to provide Hotline and Recyclepedia collection site location services. RCBC is a trusted public information resource used by the B.C. public to learn about 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, 2017, Product Care Association and RCBC collectively answered 6,006 phone, email and app consumer inquiries regarding 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. The next consumer awareness survey will be conducted in 2018, with results reported in the 2018 annual report.

3.7 Stakeholder Relations

The ElectroRecycle Ambassador program encouraged ongoing feedback throughout the year with key stakeholders. Over the course of 2017, 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.

In 2017, CESA also attended annual conferences hosted by the Recycling Council of BC (RCBC) and Coast Waste Management Association (CWMA) in Whistler and Victoria, at which CESA connected with stakeholders, depot operators, municipalities and RDs regarding the Program. RCBC's 2017 conference was attended by 140 delegates, including those from businesses (66), government (41), stewardship groups (15), non-profits (10), industry associations (7), and an institution (1). The CWMA conference was attended by 309 delegates from similar industries, over a third of which came from the Vancouver Island and Coastal Communities region, more than half came from the rest of B.C., and the remaining attendees came from other provinces and countries.

ElectroRecycle also continued to issue program updates via its branded notice to its email database of more than 450 members and subscribers.

4. COLLECTION SYSTEM AND FACILITIES

CESA employs a system of permanent year-round collection facilities located across British Columbia to provide access to recycle Program Products at no cost to consumers. This collection system has been developed in collaboration with other stewardship programs to enhance program performance through increased operation efficiencies. This also assists in reducing consumer confusion by providing consumers with a one-stop-shop for designated products where they can recycle multiple products at one location. The collection system is augmented by the use of one-day collection events and direct pick-up from large volume generators.

CESA does not directly own or manage any collection facilities, but contracts with organizations that can provide a collection location. Collection facilities include any location that accepts Program Products, including but not limited to private drop-off centres, local government sites, service organizations and return-to-retail. Regardless of the type of collection facility, there is no charge to the consumer to drop off Program Products.

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 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 2017, the ElectroRecycle Program had 215 contracted collection facilities for CESA products, of which 210 accepted regular items and 76 accepted very large items. The majority of very large item collection facilities overlap with regular product collection facilities. The Program’s website provide the consumer with access to a depot finder tool that indicates if a collection site will accept regular and/or very large items.

Of the 215 contracted collection facilities, 198 were advertised, while 17 were unadvertised. Advertised collection facilities accept public drop-off of products included in the ElectroRecycle Program. Unadvertised sites, which include large volume generators who may operate in the commercial or institutional (ICI) sector, municipal facilities and landfills, do not allow public drop-off and are not listed as a facility on the ElectroRecycle website or through RCBC’s consumer hotline. However, the Program offers direct pick-up of designated CESA products as a part of the unadvertised service. Many thrift stores are also unadvertised due to limited space available to collect Program Products.

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.³ Subsequently in 2017, an additional 16 contracted collection sites were added to the collection network and three collection facilities closed. Ten of the new sites accepted regular products and six accepted regular and very large items. All 16 of the collection facilities were advertised sites.

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.

³ 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.

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	4
Capital	22	Fraser Valley	10	Powell River	3
Cariboo	5	Kitimat Stikine	4	Skeena-Queen Charlotte	4
Central Coast	3	Kootenay Boundary	3	Squamish Lillooet	5
Central Kootenay	3	Metro Vancouver	66	Strathcona	3
Central Okanagan	7	Mt. Waddington	2	Sunshine Coast	2
Columbia Shuswap	10	Nanaimo	4	Thompson Nicola	18
Comox Valley	4	North Okanagan	6	Total	215
Cowichan Valley	6	Northern Rockies	1		

Permanent collection facilities exist where there are sufficient populations to support it, as well as the desire by private industry or municipalities to operate such a collection site. In the cases where a permanent collection facility may not exist, the ElectroRecycle Program augmented its permanent collection network through the participation in 118 collection events in 2017. 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	4	Fraser Valley	3	Powell River	2
Capital Regional District	1	Metro Vancouver	75	Skeena-Queen Charlotte	4
Cariboo	2	Mount Waddington	1	Squamish Lillooet	6
Central Kootenay	1	Nanaimo Regional District	1	Strathcona	2
Central Okanagan	2	North Okanagan	1	Sunshine Coast	1
Columbia Shuswap	2	Northern Rockies	1	Thompson Nicola	2
Cowichan Valley	1	Okanagan-Similkameen	2		
Fraser Fort George	3	Peace River	1		
				Total	118

5. PRODUCT ENVIRONMENTAL IMPACT REDUCTION, REUSABILITY AND RECYCLABILITY

CESA works with its service providers to ensure Program Products are managed, where feasible, in accordance with the Pollution Prevention Hierarchy (PPH). As CESA's focus is managing a product at end-

of-life, the following section details the considerations and current management options for Program Products based on 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 2017, 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 2017, 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 2017

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Tonnage Processed	Downstream Process ⁴
Ferrous Steel		X			52.8%	Production, Processing
Plastics		X			26.2%	Processing, Non-processing
Aluminum		X			1.7%	Processing
Wire and Cables and String lights		X			4.0%	Processing, Refining
Copper		X			2.2%	Processing, Refining
Glass		X			2.6%	Processing, Refining
Circuit Boards		X			2.7%	Refining
Refuse				X	5.9%	Landfill
Rechargeable Batteries		X			1.1%	Non-Processing
Paper Based Materials		X			0.4%	Processing
Non Rechargeable Batteries		X			0.3%	Non-Processing
Heating Oil		X	X	X	0.4%	Processing

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

⁴ 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.

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 2017 were estimated to be 7,000 tonnes of equivalent carbon dioxide (CO₂e). This value is based on 1.8 tonnes of CO₂e generated per tonne of material managed.⁵

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 8,334,554 units for the period of January 1 to December 31, 2017. CESA conducts compliance reviews on its membership to ensure accurate product categorization and reporting. Compliance reviews are administered over a regular cycle and general findings are communicated out to the membership to allow for corrective actions to be implemented as required.

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%
2017	4,913	8%

7.2.1 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 sites that accept very large items are required to submit monthly unit-based tracking forms to the ElectroRecycle Program reporting the number of very large items collected. In 2017, 2,765 pieces of large exercise equipment and 1,383 pieces of large power tools were collected, according to tracking sheets submitted to the ElectroRecycle Program by contracted collection facilities.

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

7.2.2 Regular Items

According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 4,913,400 kilograms of regular CESA products were collected between January 1 and December 31, 2017 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 2017.

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 2017, 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 2017

Regional District	Approximate Weight Collected (kg)	Regional District	Approximate Weight Collected (kg)
Alberni Clayoquot	15,715	Kootenay Boundary	59,792
Bulkley Nechako	19,018	Metro Vancouver	2,353,931
Capital	492,545	Mount Waddington	19,624
Cariboo	38,824	Nanaimo	240,416
Central Coast	4,153	North Okanagan	123,532
Central Kootenay	46,523	Northern Rockies	447
Central Okanagan	402,720	Okanagan-Similkameen	146,936
Columbia Shuswap	56,327	Peace River	40,786
Comox Valley	98,516	Powell River	18,297
Cowichan Valley	96,123	Skeena Queen Charlotte	14,682
East Kootenay	32,349	Squamish Lillooet	55,232
Fraser Fort George	234,268	Strathcona	23,752
Fraser Valley	88,145	Sunshine Coast	29,544
Kitimat Stikine	30,717	Thompson Nicola	130,528

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

Product Category		2017 Fee Rate Per Unit
1	Kitchen Countertop – Motorized	\$ 0.50
2	Kitchen Countertop – Heating Appliances (toasters)	\$ 0.80
3	Kitchen Countertop – Heating Appliances (coffee/tea)	\$ 0.70
4	Microwave Ovens <i>[previously Microwaves (large) and Microwaves (small) categories]</i>	\$ 6.25
5	Time Measurement & Display Devices	\$ 0.40
6	Weight Measurement	\$ 0.40
7	Garment Care Appliances	\$ 0.70
8	Air Treatment Appliances <i>[previously Air Treatment Appliances, Desk & Tabletop Fans categories]</i>	\$ 1.00
9	Personal Care Appliances	\$ 0.40
10	Full-Size Floor Cleaning Appliances	\$ 2.50
11	Smaller Floor/Surface Cleaning Appliances	\$ 0.50
12	Test and Measurement Tools	\$ 0.50
13	Hand-held Power Tools	\$ 0.80
14	Bench-Top, Demolition, Free-Standing Power Tools	\$ 2.20
15	Sewing / Textile Machines	\$ 2.75
16	Exercise Machines	\$ 2.60
17	Sports, Leisure, Arts, Crafts and Hobby Devices	\$ 0.75
18	Designated Very Small Items <i>[previously Part 1 & 2 Designated Very Small Items categories]</i>	\$ 0.20

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

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 2017 performance.

Table 7: 2017 Program Performance Targets

Performance Measure	Plan Target	2017 Results	Strategies for Improvement
Number of Collection Sites	75 by the end of 2013; 100 by the end of 2014	215	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 8% from 2016 to 2017	n/a

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, 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 2017 performance in terms of consumer awareness and accessibility.

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

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

APPENDIX B: COLLECTION FACILITY NETWORK

Table 10 shows locations of contracted CESA collection facilities. The column titled “Changes in 2017” denotes additions and closures since the previous reporting date, December 31, 2016.

Table 10: CESA Collection Network, Including Changes in Sites in 2017

Collection Facility	City	Regional District	Depot Type	Change in 2017
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	
Ashcroft Bottle Depot	Ashcroft	Thompson Nicola	Bulky & Regular	New - April 10, 2017
Asset Investment Recovery - Glanford (Not Advertised)	Victoria	Capital Regional District	Regular	
Asset Investment Recovery - Surrey	Surrey	Metro Vancouver	Regular	
Augusta Recyclers (Not Advertised)	Powell River	Powell River Regional District	Bulky Only	
B&D Bottlers Ltd. / Revelstoke Bottle Depot	Revelstoke	Columbia Shuswap	Regular	
Bella Coola Recycling Depot	Bella Coola	Central Coast	Regular	
Biggar Bottle Depot	Port Coquitlam	Metro Vancouver	Regular	New - November 27, 2017
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	
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	

Collection Facility	City	Regional District	Depot Type	Change in 2017
Campbell River Waste Management Centre	Campbell River	Strathcona	Bulky Only	
Carney's Waste Systems	Squamish	Squamish Lillooet	Regular	
Castlegar Return-It Depot	Castlegar	Central Kootenay	Regular	
Cedar Hill Thrift Store (Not 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 (Not Advertised)	Trail	Kootenay Boundary	Bulky Only	
Comox Return Centre	Comox	Comox Valley	Regular	
Comox Valley Waste Management Centre	Cumberland	Comox Valley	Bulky Only	
Coquitlam Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Courtenay Return-It Depot	Courtenay	Comox Valley	Regular	
Cranbrook Bottle Depot	Cranbrook	East Kootenay	Regular	
D.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	
Edmonds Return-it Depot	Burnaby	Metro Vancouver	Regular	
Emterra Environmental - Coquitlam	Coquitlam	Metro Vancouver	Bulky & Regular	New - January 1, 2017
Emterra Environmental - North Vancouver	North Vancouver	Metro Vancouver	Bulky & Regular	New - January 1, 2017
Enderby Bottle Depot	Enderby	North Okanagan	Bulky & Regular	
Falkland Refuse Disposal Facility	Falkland	Columbia Shuswap	Regular	New - February 14, 2017
Fell Avenue Thrift Store (Not 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	
Galiano Island Recycling	Galiano Island	Capital Regional District	Regular	
Garbage Recycling in Pender Society (GRIPS)	Maderia Park	Sunshine Coast	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	

Collection Facility	City	Regional District	Depot Type	Change in 2017
Glenemma Refuse Disposal Facility	Salmon Arm	Columbia Shuswap	Regular	New - February 14, 2017
Go Green Bottle Depot & Recycling	Vancouver	Metro Vancouver	Regular	
Gold Trail Recycling	100 Mile House	Cariboo	Bulky & Regular	
Golden Refuse Disposal Facility	Golden	Columbia Shuswap	Regular	New - February 14, 2017
Grand Forks Bottle Depot	Grand Forks	Kootenay Boundary	Regular	
Granville Thrift Store (Not 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 (Not Advertised)	Vancouver	Metro Vancouver	Regular	
Kitchener Bottle Depot	Burnaby	Metro Vancouver	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2017
Kitimat Understanding the Environment Society (KUTE)	Kitimat	Kitimat Stikine	Regular	
Kitwanga Transfer Station	Kitwanga	Kitimat Stikine	Regular	New - October 17, 2017
Ladner Bottle Depot	Delta	Metro Vancouver	Bulky & Regular	
Langford Thrift Store (Not Advertised)	Langford	Capital Regional District	Regular	
Langley Bottle Depot	Langley	Metro Vancouver	Bulky & Regular	
Lax Kw'alaams Band (Waste Transfer Station)	Prince Rupert	Skeena-Queen Charlotte	Bulky & Regular	New - April 10, 2017
Lee's Bottle Depot	Burnaby	Metro Vancouver	Regular	
Lillooet Waste & Recycling Centre	Lillooet	Squamish Lillooet	Bulky & Regular	
Logan Lake Bottle Depot	Logan Lake	Thompson Nicola	Bulky & Regular	New - April 10, 2017
Logan Lake Eco Depot	Logan Lake	Thompson Nicola	Regular	
Lonsdale Bottle Depot	North Vancouver	Metro Vancouver	Regular	New - July 31, 2017
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	
Malakwa Refuse Disposal Facility	Malakwa	Columbia Shuswap	Regular	New - February 14, 2017
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	

Collection Facility	City	Regional District	Depot Type	Change in 2017
Newton Bottle Depot	Surrey	Metro Vancouver	Bulky & Regular	
North Burnaby (Hastings) Thrift Store (Not Advertised)	Burnaby	Metro Vancouver	Regular	
North Shore Bottle Depot	North Vancouver	Metro Vancouver	Regular	
North Shuswap Bottle Depot	Chase	Thompson Nicola	Regular	
North Van Recycling Ltd	North Vancouver	Metro Vancouver	Regular	
North Vancouver Thrift Store	North Vancouver	Metro Vancouver	Regular	
Northern Recycling	Quesnel	Cariboo	Bulky & Regular	
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	
Queensborough Landing Return-it	New Westminster	Metro Vancouver	Bulky & Regular	
R&T Bottle Depot	Abbotsford	Fraser Valley	Regular	
Recycle-It Resource Recovery	Fort St John	Peace River	Bulky & Regular	New - March 1, 2017
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	

Collection Facility	City	Regional District	Depot Type	Change in 2017
Regional Recycling Whistler	Whistler	Squamish Lillooet	Bulky & Regular	
Richmond Recycling Depot	Richmond	Metro Vancouver	Bulky & Regular	
Saanich Thrift Store (Not Advertised)	Saanich	Capital Regional District	Regular	
Salt Spring Garbage & Transfer Station	Salt Spring island	Capital Regional District	Bulky & Regular	
Salt Spring Island Recycling Depot	Salt Spring island	Capital Regional District	Bulky & Regular	
Salvation Army - Comox Valley	Comox	Comox Valley	Bulky & Regular	
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 72 Bottle & Return-It Depot	Surrey	Metro Vancouver	Regular	New - May 8, 2017
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 Only	
Sicamous Refuse Disposal Facility	Sicamous	Columbia Shuswap	Regular	New - February 14, 2017
Skeena Queen Charlotte Regional Recycling	Prince Rupert	Skeena-Queen Charlotte	Bulky & Regular	
Skimikin Refuse Disposal Facility	Tappen	Columbia Shuswap	Regular	New - February 14, 2017
Sooke Thrift Store	Victoria	Capital Regional District	Regular	Closed - April 30, 2017
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	Closed - November 22, 2017
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 (Not 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	

Collection Facility	City	Regional District	Depot Type	Change in 2017
The Hut Bottle Depot	Princeton	Okanagan Similkameen	Regular	
The Re-Use-It Centre	Whistler	Squamish Lillooet	Regular	
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	
Tsawwassen Bottle Depot	Tsawwassen	Metro Vancouver	Regular	
Ucluelet Bottle Depot	Ucluelet	Alberni Clayoquot	Regular	
Urban Impact Recycling (Not 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 (Not 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	Closed - January 1, 2017
West 4th Avenue Thrift Store (Not Advertised)	Vancouver	Metro Vancouver	Regular	
West Broadway Thrift Store (Not Advertised)	Vancouver	Metro Vancouver	Regular	
West Van Thrift Store (Not Advertised)	West Vancouver	Metro Vancouver	Regular	
White Rock Return-It Depot	White Rock	Metro Vancouver	Bulky & Regular	
White Rock Thrift Store (Not 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 2017

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION

Financial Statements

For the year ended 31 December 2017

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ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Members,
Canadian Electrical Stewardship Association

Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Electrical Stewardship Association, which comprise the statement of financial position as at 31 December 2017, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT - Continued

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Electrical Stewardship Association as at 31 December 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
24 May 2018

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Financial Position
31 December 2017

	2017	2016
Assets		
Current		
Cash	\$ 1,018,683	\$ 7,037,345
Accounts receivable (Note 3)	1,766,958	1,252,429
GST/HST receivable	111,600	153,395
Prepaid expenses	33,821	25,452
	<u>2,931,062</u>	<u>8,468,621</u>
Internally restricted investments (Note 4)	12,021,568	11,459,561
Long-term investments (Note 5)	<u>6,158,786</u>	<u>-</u>
	<u>\$ 21,111,416</u>	<u>\$ 19,928,182</u>

Liability

Current		
Accounts payable and accrued liabilities	<u>\$ 1,228,035</u>	<u>\$ 1,076,826</u>

Commitments (Note 6)

Net Assets

Unrestricted	7,861,813	7,391,795
Internally restricted - Reserve Fund (Note 8)	<u>12,021,568</u>	<u>11,459,561</u>
	<u>19,883,381</u>	<u>18,851,356</u>
	<u>\$ 21,111,416</u>	<u>\$ 19,928,182</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 2017

	Unrestricted	Internally Restricted - Reserve Fund	Total 2017	Total 2016
Balance - beginning of year	\$ 7,391,795	\$ 11,459,561	\$ 18,851,356	\$ 18,487,428
Excess of revenues over expenses for the year	1,032,025	-	1,032,025	363,928
Fund transfer - Reserve Fund (Note 8)	(562,007)	562,007	-	-
Balance - end of year	\$ 7,861,813	\$ 12,021,568	\$ 19,883,381	\$ 18,851,356

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**Statement of Operations****For the year ended 31 December 2017**

	2017	2016
Revenues (Note 7)	\$ 6,765,180	\$ 6,377,255
Expenses		
Collection, transportation and processing	4,742,651	4,628,728
Administration	1,166,062	1,113,653
Communications	551,761	596,924
	6,460,474	6,339,305
Excess of revenues over expenses from operations	304,706	37,950
Other income (expense)		
Unrealized gain on market value of investments	590,079	172,966
Investment income	187,348	192,468
Investment management fees	(50,108)	(39,456)
	727,319	325,978
Excess of revenues over expenses for the year	\$ 1,032,025	\$ 363,928

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION**Statement of Cash Flows****For the year ended 31 December 2017**

	2017	2016
Cash provided by (used in):		
Operating activities		
Excess of revenues over expenses for the year	\$ 1,032,025	\$ 363,928
Item not involving cash		
Unrealized gain on market value of investments	(590,079)	(172,966)
	<u>441,946</u>	<u>190,962</u>
Changes in non-cash working capital balances		
Accounts receivable	(514,529)	83,659
GST/HST receivable	41,795	4,751
Prepaid expenses	(8,369)	10,590
Accounts payable and accrued liabilities	151,210	104,197
	<u>112,053</u>	<u>394,159</u>
Investing activities		
Purchase of long-term investments - net	(6,032,816)	-
Transfer to Reserve Fund	(97,899)	(147,883)
	<u>(6,130,715)</u>	<u>(147,883)</u>
Net increase (decrease) in cash	(6,018,662)	246,276
Cash - beginning of year	<u>7,037,345</u>	<u>6,791,069</u>
Cash - end of year	\$ 1,018,683	\$ 7,037,345

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

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 providing certain requirements are met.

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 meeting regulatory requirements to establish end-of-life product collection and recycling programs under the British Columbia Recycling Regulation (Reg. 449/2004, O.C. 995/2004) (the "Regulation").

2. Summary of significant accounting policies

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

(a) Revenue recognition

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

Members who join the program after the program's start date are obligated to remit EHF back fees for all products sold from the earlier of the program's start date or the date on which the member started selling designated products. The back fees are recognized as revenue when the amounts are determinable by the Association.

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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

2. Summary of significant accounting policies - Continued

(c) Financial instruments

(i) Measurement of financial instruments

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

Financial assets measured at amortized cost include cash and accounts receivable.

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

Financial assets measured at fair value include long-term investments and internally restricted investments.

(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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

3. Accounts receivable

	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 1,798,362	\$ 1,272,029
Allowance for doubtful accounts	<u>(31,404)</u>	<u>(19,600)</u>
	<u>\$ 1,766,958</u>	<u>\$ 1,252,429</u>

During the year, the Association recorded bad debt expense of \$13,488 (2016 - \$24,548) that have been included in communications and program administration expense.

4. 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 8):

	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
Cash equivalents	\$ 760,814	\$ 760,814	\$ 1,030,353	\$ 1,030,353
Fixed income	7,478,318	7,491,443	7,674,845	7,755,873
Equity	<u>3,782,436</u>	<u>3,133,996</u>	<u>2,754,363</u>	<u>2,551,031</u>
	<u>\$ 12,021,568</u>	<u>\$ 11,386,253</u>	<u>\$ 11,459,561</u>	<u>\$ 11,337,257</u>

5. Long-term investments

	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
Cash equivalents	\$ 287,604	\$ 286,425	\$ -	\$ -
Fixed income	4,052,829	4,057,164	-	-
Equity	<u>1,818,353</u>	<u>1,689,227</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,158,786</u>	<u>\$ 6,032,816</u>	<u>\$ -</u>	<u>\$ -</u>

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

6. Commitments

The Association has a lease agreement for its office premises that will expire on 1 April 2019. The minimum annual payments required by the lease are as follows:

2018	\$ 28,017
2019	<u>6,900</u>
	<u>\$ 34,917</u>

7. Revenues

Revenues from EHF's are comprised of the following amounts:

	<u>2017</u>	<u>2016</u>
EHF revenue - current year	\$ 6,534,936	\$ 6,091,923
EHF revenue - back fees	<u>230,244</u>	<u>285,332</u>
	<u>\$ 6,765,180</u>	<u>\$ 6,377,255</u>

8. 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;
- (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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

8. Reserve Fund - Continued

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 4).

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 4). 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, \$562,007 (2016 - \$320,849) was transferred from the unrestricted fund to the Reserve Fund.

9. 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 2017.

(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. There has been no change to this risk exposure from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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. There has been no change to this risk exposure from the prior year.

(c) Market risk

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2017

9. Financial instruments - Continued

(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 8% (2016 - 7%) of the Association's investments are denominated in foreign currency. Consequently, some assets are exposed to foreign exchange fluctuations. There has been no change to this risk exposure from the prior year.

(e) Interest rate risk

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

(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 long-term and 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. There has been no change to this risk exposure from the prior year.

APPENDIX D: INDEPENDENT ASSURANCE REPORT



June 27, 2018

Independent Reasonable Assurance Report

To: The Directors of the Canadian Electrical Stewardship Association (CESA) on selected non-financial information included in the CESA 2017 Annual Report to the Director

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 2017 Annual Report (the "report") to the Director of Extended Producer Responsibility Programs at the Ministry of the Environment, Government of British Columbia ("MOE"), as hosted on the CESA website¹ for the year ended December 31, 2017:

- 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");
- 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
- the total amount of the producers' product collected for the year ended December 31, 2017 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 – 2017 Reporting Year*, dated October, 2017 ("Assurance Requirements"), published by the MOE.

¹ 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



CESA

CESA is responsible for the preparation and fair presentation of the Selected Information in accordance with the evaluation criteria as listed in Appendix A. Management is also responsible for such internal control as management determines is necessary to enable the preparation of the Selected Information such that it is free from material misstatement. Furthermore, management is responsible for preparation of suitable evaluation criteria in accordance with the Assurance Requirements as specified by the Director under section 8(2)(h) of the Recycling Regulation.

Management are 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, 2017 presents fairly, in all material respects, in accordance with the evaluation criteria listed in Appendix A:

- 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;
- 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
- the total amount of the producers' product collected for the year ended December 31, 2017 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

Chartered Professional Accountants, Licensed Public Accountants
June 27, 2018



Appendix A - Results and evaluation criteria

1. The location of collection facilities, and any changes in the number and location of collection facilities from the previous report as presented on pages 5, 6, 11, 12, 18 and Appendix B of CESA's 2017 Annual Report to the Director.

Result:

The number of collection facility locations by December 31 is 215. During the year, 16 contracted collection sites were added and three collection facilities closed.

Reference: pages 5, 6, 11, 12 and 18 and Appendix B of CESA's 2017 Annual Report to the Director.

Method of reporting:

- Reporting Period: January 1st to December 31st annually.
- The number of Collection Facilities is reported on the basis of the number of Collection Facilities that have signed contracts with Product Care Association (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.

Definitions:

- "Collection Facilities" are centres that have a signed contract as of December 31, 2017 with 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."

2. The description of how recovered product was managed in accordance with the pollution prevention hierarchy in accordance with 8(2)(d) of the Recycling Regulation as presented on page 14 of CESA's 2017 Annual Report to the Director.

Result:

The end of fate and downstream processes listed in Table 3: Percentage of Total Tonnage Processed by Material Commodity in 2017:

Percentage of Total Tonnage Processed by Material Commodity in 2017

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Tonnage Processed	Downstream Process
Ferrous Steel		X			52.8%	Production, Processing
Plastics		X			26.2%	Processing, Non-processing
Aluminum		X			1.7%	Processing
Wire and Cables and String lights		X			4.0%	Processing, Refining
Copper		X			2.2%	Processing, Refining
Glass		X			2.6%	Processing, Refining
Circuit Boards		X			2.7%	Refining
Refuse				X	5.9%	Landfill
Rechargeable Batteries		X			1.1%	Non-Processing
Paper Based Materials		X			0.4%	Processing
Non Rechargeable Batteries		X			0.3%	Non-Processing
Heating Oil		X	X	X	0.4%	Processing

Reference: page 14 of CESA's 2017 Annual Report to the Director.

Method of reporting:

- Reporting Period: January 1st to December 31.
- 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.

**Definitions:**

- 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.

3. The total amount of the producer’s product sold and collected and the recovery rate as presented on page 4, 15 and 16 of CESA’s 2017 Annual Report to the Director.**Results:**

An estimate of 4,913,400 kg of regular CESA products were collected between January 1 and December 31, 2017.

Reference: Executive Summary and Section 7 of the CESA’s 2017 Annual Report to the Director.

Method of reporting:

- Reporting Period: January 1 to December 31.
- 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.

Definitions:

- “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.



Appendix B - Exclusions

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, 2017 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, 2017 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.