



BC Refrigeration Units Stewardship Plan

Annual Report to the Director

2020

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

Prepared by: Jim Goetz, President
Canadian Beverage Association
20 Bay St.
Toronto, Ontario M5J 2N8
416-362-2424

June 30, 2021

Table of Contents

Program Outline	4
Public Education Materials and Strategies	5
Collection System and Facilities	5
Product Environmental Impact Reduction, Reusability and Recyclability	6
Pollution Prevention Hierarchy and Product / Component Management	6
Product Sold and Collected and Recovery Rate	9
Plan Performance	12
APPENDIX A:	14
Third Party Assurance Statement for Non-Financial Information	14

Products within Plan	Vending Machines, Refrigeration Coolers, Beverage Dispensing Systems operated for commercial purposes only by Canadian Beverage Association (CBA) members.
Program website	http://www.canadianbeverage.ca/environment/stewardship/

Recycling Regulation Reference	Topic	Summary
Part 2, section 8(2)(a)	Public Education Materials and Strategies	<ul style="list-style-type: none"> Stewardship Plan and annual reports continue to be posted on CBA’s website CBA to continue to provide any third-party instructions on where refrigeration units can be properly disposed for end-of-life management
Part 2, section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> Refrigeration units are collected by CBA members at two locations in BC Once collected, units destined for end-of-life management are transported to one of two processing facilities
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	<ul style="list-style-type: none"> CBA members continue to retrofit or refurbish refrigeration units throughout their lifecycle to extend their useful life in-trade. Further efforts are being undertaken to reduce environmental impacts, including: the recycling and reuse of old parts removed from units during refurbishment/repairs, as well as phasing out the use of hydrofluorocarbons in refrigeration equipment

Canadian Beverage Association 2020 - Report to Director, Extended Producer Responsibility Programs

Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	<ul style="list-style-type: none"> ▪ Refrigeration units that are collected are either refurbished/re-used or sent for recycling to metal processor in British Columbia (See table 4) ▪ Approximately 82% of the components in each beverage vending machine are recycled (See table 4) ▪ Approximately 84% of the components in each beverage cooler are recycled (See table 4) ▪ Approximately 75% of the components in each beverage dispensing unit are recycled (See table 4)
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> ▪ 3,582 refrigeration units were introduced into trade in 2020 (See table 6) ▪ 4,255 refrigeration units were collected in 2020 for end-of-life management, collected for refurbishment and sold third parties (See table 7) ▪ Collection rate for 2020 was 82.86% (See table 7)
Part 2, section 8(2)(e.1)		<ul style="list-style-type: none"> ▪ All products collected in British Columbia are collected in three locations in the Metro Vancouver Regional District and shipped to one location in the greater Toronto area

Comparison of 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)	Performance	Strategies for Improvement
Annual Collection Target: 80%	Collection Rate: 82.86%	Members of the CBA stewardship plan are pleased with the results of this report, and always aim to improve year over year. CBA will work with new members so as to continue to achieve this collection rate in the future. The overall target has been met, but members were under the target for beverage dispenser systems. This is consistent with historic trends and is a noted area of improvement for members for 2021.

Program Outline

The four members participating in the Plan, include:

- Coca-Cola Canada Bottling Limited¹
- Coca-Cola Limited
- PepsiCo Beverages Canada
- Red Bull Canada

In the previous year's 2019 report, two members participated.

Red Bull previously participated but unexpectedly was not able to provide data for the 2019 reporting year. However, tracking has been implemented and ending inventory is included in this 2020 report.

Coca-Cola Limited is a new member participating in the Plan for the 2020 year. Tracking and inventory is included in this report.

All beverage refrigeration units covered under this Plan are used for commercial purposes and are managed by internal process by CBA member companies and/or their distributors throughout the units' lifecycle. The products covered under the Plan include the following CBA member-owned and branded refrigeration units:

Table 1: Products covered under Stewardship Plan

Product Type	Further Description
Beverage Coolers	Countertop, 1 door units, 2 door units, 3 door units
Beverage Vending Machines	72" and 79" high machines that distribute cans and/or PET bottles
Beverage Dispensing Systems	Counter units, Drop-in units, Combo units

¹ Previously referred to as Coca-Cola Refreshments Canada, but is now, and will continue to be, referred to as Coca-Cola Canada Bottling Limited in future reports.

Public Education Materials and Strategies

The Stewardship Plan only includes commercial products managed and processed internally by CBA members and distributors. To ensure public awareness of our industry's efforts to properly manage our refrigeration units, the CBA will continue to post the Plan and annual reports on our website. The link to the website is the following: <http://www.canadianbeverage.ca/environment/stewardship/>.

CBA members will continue to place a notification sticker on all refrigeration units if sold to a third-party to direct the third-party to contact the CBA for instructions on where the unit can be properly disposed of at its end-of-life.

Collection System and Facilities

There has been no change in the collection system from the 2019 report. There are two additional facilities, accounting for the addition of the new members to the plan during 2020.

CBA members continue to operate a closed-collection network and any maintenance or refurbishments (parts replacements, etc.) are undertaken by the beverage company or its local distributor. Therefore, when a unit requires retrofitting or refurbishment, it is collected and transported by the member or distributor to their facility for further triage and maintenance.

Units are collected for end-of-life (EOL) management and refurbishment at four collection locations depending on the steward of the unit. The three collection locations are located in the Metro Vancouver Regional District. Two of these locations are CBA member facilities, and the third location is the facility of a distributor, which manages units on behalf of the steward. The fourth collection facility is located in the greater Toronto area, Mississauga. Products are shipped to and from this collection facility.

When it has been determined that a piece of refrigeration equipment can no longer be used by the CBA member, a decision is made to remove the equipment as an asset from the company's list of assets and to have the machine recycled and processed by a contracted BC third party (referred to as a processor).

Four processing facilities were used by stewards for EOL management, which are located in the Metro Vancouver Regional District and greater Toronto area. These facilities include the following locations:

Simgo Ltd.
5122 Timberlea Blvd
Mississauga, ON L4W 2S6

ABC Recycling
8081 Meadow Avenue
Burnaby, BC V3N 2V9

Joss Brothers Recycling
Limited
12195 Industrial Rd. Surrey,
BC V3V 3S1

PUR Brands Inc.
2642 Nootka St.
Vancouver, BC V5M 3M5

Product Environmental Impact Reduction, Reusability and Recyclability

Most CBA members' refrigeration units undergo more than one retrofit or refurbishment throughout their lifecycle to extend their useful life in-trade. Furthermore, CBA members increasingly use units that depreciate much slower, delaying the need for disposal. Additional efforts undertaken to reduce environmental impact include the recycling and reuse of old parts removed from units during refurbishment/repairs.

An area of continuous improvement relates to the manufacturers and beverage companies as a whole. Efforts in the industry to increase the useful life of all refrigeration equipment through enhanced durability and modular systems that can be more easily replaced and repaired will reduce the number of units managed for EOL over time.

Leadership on Halocarbon Management

CBA members actively take steps to manage halocarbons, as well as play a leadership role in reducing the use of hydrofluorocarbons (HFCs) in refrigeration equipment. HFCs are powerful greenhouse gases (GHGs) with global warming potentials (GWP) thousands of times greater than carbon dioxide. These chemicals were introduced for use as refrigerants and blowing agents to replace ozone-depleting substances (ODS).

As part of the CBA's efforts to address climate change, CBA member companies with facilities in BC are phasing out the use of HFCs in refrigeration units. These efforts include transitioning to natural refrigerants or refrigerants with a low GWP and installing HFC-free insulating foam in new beverage machines.

For existing machines that still contain ODSs and HFCs, CBA members track and manage these chemicals in accordance with BC Regulation 387/99. Member companies either have their own trained, licensed technician remove refrigerants from the compressors of beverage machines or have a licensed service provider do so for them. The refrigerant is safely recovered into a container that is then returned to the supplier for reclamation or destruction.

Pollution Prevention Hierarchy and Product / Component Management

Beverage coolers, beverage vending machines and beverage dispensing system units are owned by beverage companies and placed in commercial facilities for use. Therefore, CBA members are individually responsible for the maintenance and end-of-life management. All CBA members in the Plan have internal processes, which ensure the collected product is managed appropriately as per the pollution prevention hierarchy.

Generally, if a unit breaks down in use, the machine will either be repaired on-site, or removed to a member’s off-site triage facility to be repaired. When the equipment is removed, it is replaced with either a used machine or a new machine.

The average lifespan of these types of machines tends to be extensive, although maintenance and servicing is required to ensure longevity and developments in technology have increased the lifespan of machines. The following table shows the average lifespan of the different types of refrigeration equipment.

Table 2: Average lifespan of different types of refrigeration equipment

Product Type	Average Product Lifespan
Beverage Coolers – Small (countertop)	3-6 years
Beverage Coolers – Larger	13 -15 years
Beverage Vending Machines	9 - 12 years
Beverage Dispensing Systems	7 – 9 years

Before a beverage machine is recycled, the refrigerant is removed from the compressor by a licensed technician for reclamation or destruction in accordance with provincial regulations. Additionally, the oil and fluorescent lightbulbs, as well as any other useful parts, are removed to be reused or recycled. Once refrigeration units are ready for EOL management, they are shipped to intermediary scrap metal processors. Refrigeration equipment from CBA members is a very small percentage of the overall metal managed by intermediary processors. As a result, beverage refrigeration equipment is mixed with other scrap metal, including major appliances (such as washers, dryers, and freezers), car bodies and other light mixed metals (e.g. bicycle frames, barbecues, metal sheets and siding, metal doors, and shelving) from various residential and commercial sources.

The intermediary processors based within BC then sell the baled metal to downstream scrap metal processors where the equipment is shredded to recover the various ferrous and non-ferrous metals. These scrap metal processors use large electric-powered hammer mill shredders that pulverize bales of mixed metals, which are composed of automobile bodies, appliances, and other light mixed scrap metal. Once the scrap metal is pulverized into small pieces, they are then sorted by different “downstream” metal separation processes including magnets, trommels, screens, optical scanners, eddy currents, and other types of proprietary process equipment. Shredder output, which is known as “aggregate” in the industry, is an intermediate process material that contains significant amounts of valuable ferrous and nonferrous metal that is separated and sold as commodities. In total, ferrous and non-ferrous metals recovered through these operations account for approximately 75% of the inbound material.

The remaining estimated 25% of the material from the shredded equipment cannot be recovered and is commonly referred to as shredder fluff. Shredder fluff is a mixture of largely non-metallic materials resulting from the shredding of auto bodies, appliances, and other scrap metal materials. It consists primarily of foam, fabric, plastics, rubber, tires, glass, wood, and debris materials, along with minute amounts of remaining metallic material that is too small to be economically separated and removed from the aggregate.

This shredded fluff also consists of approximately 1% of non-recoverable ferrous and non-ferrous metals such as strips of copper or aluminum that are wrapped around parts of the equipment or metals

embedded in the insulation or plastic materials. This material cannot be recovered and is therefore sent for disposal.

Table 3: Acceptable Product End Fate Matrix

If possible, units are retrofitted or refurbished; if reuse is not possible the unit is destined for end of life management. This table only considers units sent for EOL management.

Unit	Reused	Recycle	Energy Recovery	Land Fill
Vending Machines	N/A	1st Preference	N/A	X
Cooler Units	N/A	1st Preference	N/A	X
Beverage Dispensing Systems	N/A	1st Preference	N/A	X

Table 4: Estimated Product End Fate Data for year ended December 31, 2020²

Unit	Reused	Recycle	Energy Recovery	Land Fill	Unknown
Vending Machines	0%	82%	0%	18%	N/A
Cooler Units	0%	84%	0%	16%	N/A
Beverage Dispensing Systems	0%	75%	0%	25%	N/A

Table 5: Processing Pathways for EOL Management

The table below demonstrates the general nature of the processing pathway which occurs once a unit can no longer be used by the CBA member company (i.e. can't be refurbished/re-used) and is sent to a third-party processor for recycling and processing. The first phase of processing consists of the unit being sent to intermediary processor in British Columbia, where the unit is baled and sold to a downstream processor located in province or elsewhere in North America. At the second phase of processing the bale is shredded to separate recyclable mixed metal components from non-recyclable mixed materials. Depending on the unit type, at least 75% of the unit's components are recycled while the remaining 16-25% of components are sent for landfill disposal.³

² Units sent for EOL Management

³ In response to a Ministry request to review the baseline study for the stewardship Plan, the CBA engaged Reclay StewardEdge (RSE). RSE had prepared the research for our association's original 2013 Baseline Study Report by conducting interviews with local scrap metal processors. After reassessing the baseline study and conducting additional research to ensure its accuracy, RSE confirmed in December 2017 that it "is confident the original recovery assumptions from the 2013 Baseline Study for CBA member refrigeration units remain valid and

Unit	Nature of Processing	
	Phase#1 - Transfer to Intermediary Processor in British Columbia	Phase#2 - Transfer to direct processor in British Columbia or elsewhere in North America
<i>Vending Machines</i>	100% of unit components	~82% of unit components recycled (mixed metal)
<i>Cooler Units</i>	100% of unit components	~84% of unit components recycled (mixed metal)
<i>Beverage Dispensing Systems</i>	100% of unit components	~75% of unit components recycled (mixed metal)

Product Sold and Collected and Recovery Rate

The tables and information below show highlights of the Stewardship Plan for the year of 2020. In 2020, the total number of products collected was 5,135. The total number of units introduced and distributed into the province was 3,582.

Table 6 below shows the total number of refrigeration units at the start of Quarter 1 2020 compared to the end of Quarter 4 2020 in-trade.

Table 6: Number of units' in-trade at start of Q1 2020 and at the end of Q4 2020

46

	Number in-trade: start of Q1 2020	Introduced into trade: Q1-Q4 2020 ⁴	Removed from trade: Q1-Q4 2020 ⁵	Number in-trade: end of Q4 2020	Net Change: 2020 Year End ^{6,7}
Beverage Vending Machines	6,054	230	815	5,584	-585
Beverage Coolers	24,038	3,200	4,038	23,868	-883
Beverage Dispenser Systems	2,627	152	237	2,198	-85
Total	32,719	3,582	5,135	31,650	-1,553

accurate." RSE's original baseline recycling rate analysis found that the average recycling rate for all refrigeration units is 83%.

⁴ Includes both new and refurbished units as well as other adjustments with a net in-trade position.

⁵ Includes units sold to third parties, collected for refurbishment, collected for EOL management, or lost in trade and other adjustments with a net removed from trade position.

⁶ Net change equals Q1 number in-trade plus, new in trade plus other adjustments with a net in-trade position, less units lost in trade, units sold to 3rd party, units collected for EOL management, units in refurbishment/retrofitting, and less other adjustments

⁷ A new member was added at the beginning of Q4 2020. This member did not have the controls and processes in place to track the required information prior to Q4. As at the end of Q4, a tracking system has been implemented to monitor opening, collections, distributions and closing units moving forward. As such, the Net Change: 2020 Year End figure above includes only ending units for this member summed with the existing two members Net Change: 2020 Year End units.

The Recycling Regulation defines the recovery rate as the amount of product collected divided by the amount of product generated. However, the nature of our products as long-life assets and therefore the indirect correlation between products distributed into the province and collected in the year, results in the recovery rate not being applicable.

Due to the closed-loop nature of stewards' refrigeration and vending operations, as well as the high monetary value of refrigeration units, they are directly managed and tracked throughout their lifecycle until they are sent to processors for end of life management. A small number of units annually are sold to retailers/customers for continued use and exit the Plan's tracking system. A number of units are also transferred out of province. However, stewards inform and educate retailers/customers where vending/refrigeration units can be properly managed at the end of their lifecycle. It is only when units are lost-in-trade (i.e. stolen or misplaced by customer/retailer) that they may not be properly managed (i.e. collected) at the end of their lifecycle. Therefore, the Plan's collection rate is calculated by the following:

Units Collected (Units sold to 3rd parties, units collected for refurbishment, units sent for EOL management and units transferred to other provinces)

Units Removed from Tracking System: (Nominator plus # of units lost in trade and other adjustments with a net removed from trade position)

Canadian Beverage Association 2020 - Report to Director, Extended Producer Responsibility Programs

Table 7: Collection Rate for the Year of 2020

	(a) # of Units Collected for EOL Management	(b) # of Units Sold to 3 rd Party	(c) # of Units in Refurbishment	(d) # of Units Transferred to Other Provinces ⁹	(e) # of Units Collected	(f) # of Units Lost in Trade (2020)	(g) Other Adjustments	(h) Units Removed from Tracking System	Collection Rate (%)
Beverage Vending Machines	411	0	206	50	667	139	9	815	81.84%
Beverage Coolers	843	6	1,876	681	3,406	567	110	4,083	83.42%
Beverage Dispenser Systems	60	1	56	65	182	41	14	237	76.69%
Total	1,313	7	2,138	796	4,255	747	133	5,135	82.86%
<i>Notes:</i>					<i>(a)+(b)+(c)+(d)</i>			<i>(e)+(f)+(g)</i>	<i>(e)/(h)</i>

Table 8: Geographic Breakdown of Units Collected Based on Collection Facilities

	Beverage Vending Machines	Beverage Coolers	Beverage Dispenser Systems	Total
Metro Vancouver Regional District	667	3,406	181	4,254
Other BC Regional Districts	N/A	N/A	N/A	N/A
Other (Out-of-Province)	N/A	N/A	1	1

Canadian Beverage Association 2020 - Report to Director, Extended Producer Responsibility Programs

Plan Performance

Summary of Program Performance Measures:

Measures	Targets/Goal							2019	2020
	2012	2013	2014	2015	2016	2017	2018		
Collection	75% target committed to in Plan. Gather baseline collection data to confirm future year recovery rates.	Collection Target is 80% Collection Rate: 81%	Collection Target is 80% Collection Rate: 95.39%	Collection Target is 80% Collection Rate: 94.01%	Collection Target is 80% Collection Rate: 90.52%	Collection Target is 80% Collection Rate: 87.06%	Collection Target is 80% Collection Rate: 86.46%	Collection Target is 80% Collection Rate: 82.86%	
Collection System	No specific target was committed for 2020. CBA members to continue to maintain complete reverse logistics for products retained which remain in operation or “in-trade” until end of life. For products sold to third parties for continued use (~2% of products available at end of life), the CBA is committed to providing education and collection options.								
Consumer Awareness	No specific target was committed for 2020. CBA members to maintain current processes. Given product longevity and specificity of the market, CBA commits to continue to make third-parties aware of the stewardship program through notification on product itself and details included in purchase agreements.								
Product Life Cycle	Depends on product type (see <i>Pollution Prevention Hierarchy and Product / Component Management</i>)	No specific target was committed for 2013. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2014. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2015. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2016. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2017. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2019. Depends on product type (see <i>Pollution Prevention</i>)	No specific target was committed for 2020. Depends on product type (see <i>Pollution Prevention</i>)	

	<i>Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>	<i>Hierarchy and Product / Component Management Section above)</i>
Pollution Prevention Hierarchy	Target all products for collection and management according to the PPH.	No specific target was committed for 2013. Target all products for collection and management according to the PPH.	No specific target was committed for 2014. Target all products for collection and management according to the PPH.	No specific target was committed for 2015. Target all products for collection and management according to the PPH.	No specific target was committed for 2016. Target all products for collection and management according to the PPH.	No specific target was committed for 2017. Target all products for collection and management according to the PPH.	No specific target was committed for 2019. Target all products for collection and management according to the PPH.	No specific target was committed for 2020. Target all products for collection and management according to the PPH.

APPENDIX A:

Third Party Assurance Statement for Non-Financial Information



Independent practitioner’s reasonable assurance report on Canadian Beverage Association Annual Report to the Director of Extended Producer Responsibility Programs at the Ministry of the Environment, Government of British Columbia.

To the Directors of Canadian Beverage Association

We have undertaken a reasonable assurance engagement on the following information (the subject matter) of Canadian Beverage Association (CBA), detailed in Exhibit A, presented in the 2020 Annual Report (the “Report”) to the Director of Extended Producer Responsibility Programs at the Ministry of Environment, Government of British Columbia (“MOE”) as hosted on CBA’s website¹ for the year ended December 31, 2020:

- 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 (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;
- the total amount of the producers’ product collected for the period from January 1 to December 31, 2020 in accordance with Section 8(2)(e) of the Recycling Regulation; and
- the performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b), (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Management’s responsibility

Management is responsible for preparation of the subject matter in accordance with sections 8(2)(b), 8(2)(d) and 8(2)(e) established in the British Columbia Regulation 449/2004 Recycling Regulation, and the interpretation of the criteria as set out in Exhibit A (together, the criteria). Management is also responsible for such internal control as management determines necessary to enable the preparation of the subject matter that is free from material misstatement.

Our responsibility

Our responsibility is to express a reasonable assurance opinion on the subject matter based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audit or Reviews of Historical Financial Information*.

This standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the subject matter is free from material misstatement.

¹ The maintenance and integrity of the CBA’s website (<https://www.canadianbeverage.ca/industry-initiatives/stewardship/>) is the responsibility of CBA; 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.



Reasonable assurance is a high level of assurance, but is not a guarantee that an engagement conducted in accordance with this standard will always detect a material misstatement when it exists. The nature, timing and extent of procedures selected depends on our professional judgment, including an assessment of the risks of material misstatements, whether due to fraud or error, and involves examining evidence about management's preparation of the subject matter in accordance with the criteria.

Our reasonable assurance procedures included, but were not limited to the following:

- Making enquiries of management and senior executives to obtain an understanding of the overall governance and internal control environment and risk management processes relevant to the management and reporting of CBA's Annual Report to the Director;
- Analytical reviews and trend analysis of reported data in relation to sections 8(2)(b), 8(2)(d) and 8(2)(e);
- Testing the processes, documents and underlying data on a sample basis;
- Recalculating quantitative data on a sample basis as it pertains to the subject matter information; and
- Evaluating the presentation and disclosure of the subject matter information in the Annual Report to the Director.

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

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 behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* 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.

Emphasis of matter

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

Opinion

In our opinion, Canadian Beverage Association's subject matter information for the year ended December 31, 2020 has been prepared, in all material respects, in accordance with the criteria.



Purpose of statement and restriction on use of our report

The subject matter has been prepared to report to the MOE Director, Extended Producer Responsibility. As a result, the subject matter may not be suitable for another purpose. Our report is intended solely for the use of CBA. We neither assume nor accept any responsibility or liability to any third party in respect of this report.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
June 30, 2021



Exhibit A

1. Section 8(2)(b) of the Recycling Regulation - the location of collection facilities, and any changes in the number and location of collection facilities from the previous report.

Result:

The number of collection facilities has increased by 2 in 2020. The number of collection facility locations is 4 (2019: 2) for the year ended December 31, 2020.

The collection locations are located in Greater Vancouver Regional District.

The locations are:

Simgo Ltd.

5122 Timberlea Blvd

Mississauga, ON L4W 2S6

In house collection facility

2450 United Blvd,

Coquitlam, BC v3K 6G2

In house collection facility

747 Chester Rd,

Delta, BC, V3M 6E7

PUR Brands Inc.

2642 Nootka St.

Vancouver, BC V5M 3M5

Reference: pages 3 and 6 of CBA's 2020 Annual Report to the Director

Basis of preparation:

Collection Facility: Locations where refrigeration, dispensing and vending equipment are transferred to at end of life by member companies and/or contracted distributors for evaluation and end-of-life management processes, including preparation of units for transport to recycling processors for the year



ended December 31, 2020.

The number of collection facilities is obtained from the list of collection facilities as of December 31, 2020 maintained by management of the member companies.

The calculation of the number of collection facilities is performed by adding up the total of collection facilities within the list of the collection facilities.

- The changes in the number of collection facilities are tracked and a summary of changes is provided at the end of the year.

2. Section 8 (2) (d) of the Recycling Regulation - the description of how the recovered product was managed in accordance with the pollution prevention hierarchy

Result:

Table 3: Acceptable Product End Fate Matrix

Unit	Reused	Recycle	Energy Recovery	Land Fill
Vending Machines	N/A	1 st preference	N/A	x
Cooler Units	N/A	1 st preference	N/A	x
Beverage Dispensing Systems	N/A	1 st preference	N/A	x

Table 4: Estimated Product End Fate Data for year ended December 31, 2020

Unit	Reused	Recycle	Energy Recovery	Land Fill	Unknown
Vending Machines	0%	82%	0%	18%	N/A
Cooler Units	0%	84%	0%	16%	N/A
Beverage Dispensing Systems	0%	75%	0%	25%	N/A

The basis of evidence for product treatment is derived from the Baseline Study Report submitted to the British Columbia Ministry of Environment in 2013 and has been reviewed and reaffirmed in 2020 by the sustainability consultancy firm, Reclay StewardEdge.

Table 5: Processing Pathways for EOL Management

Unit	Nature of Processing	
	Phase#1 - Transfer to Intermediary Processor in British Columbia	Phase#2 - Transfer to direct processor in British Columbia or elsewhere in North America
Vending Machines	100% of unit components	~82% of unit components recycled (mixed metal)
Cooler Units	100% of unit components	~84% of unit components recycled (mixed metal)
Beverage Dispensing Systems	100% of unit components	~75% of units components recycled (mixed metal)



Reference: Pages 9 and 10 of CBA's 2020 Annual Report to the Director

Basis of preparation:

Reporting period: January 1, 2020 – December 31, 2020

- **Pollution Prevention Hierarchy:** Hierarchy in descending order of preference, such that pollution prevention is not undertaken at one level unless or until all feasible opportunities for pollution prevention at a higher level have been taken.
- **Product End Fate:** Units sent for end of life management, estimated on the recycled amount of scrap metal from a unit
- **Recycle:** The element of the unit that can be recycled.
- **Landfill:** The waste element of the unit that cannot be recycled is sent to the landfill.

Method of reporting:

- The use of sustainability consultancy firm, Reclay StewardEdge has been used for the basis of the estimated product end fate and processing pathway percentage values for the year ended December 31, 2020.

3. Section 8 (2) (e) of the Recycling Regulation - the description of the total amounts of the producer's product sold and collected and, if applicable, the producers' recovery rate

Results:

Total number of units of product collected in 2020 was 4,255.

Reference: Page 4 and 12 of the CBA's 2020 Annual Report to the Director

Note:

Recovery rate has been excluded as it is not applicable (see page 10 of the Annual Report). In accordance with Section 3.5.3 of the BC EPR Non-financial third party assurance guidance, assurance is not required for product sold data if the stewardship program does not report a recovery rate, as defined in the Regulation, in accordance with the approved stewardship plan.

Basis of preparation:

Reporting period: January 1, 2020 – December 31, 2020

- **Recovery Rate:** A calculated value derived from dividing total units collected by total units sold and measured as a percentage rounded to the first decimal point.
- **Product Sold:** Number of units distributed into the province as new units installed in-trade or refurbished/retrofitted units re-installed in-trade



- **Product Collected:** Number of units collected for refurbishment/retrofit, for end of life management or sold to third parties by the beverage companies.
- **Beverage Units:** Coolers, vending machines, and beverage dispensing systems which exhibit branding or are owned outright by the beverage company.

Beverage Company: Producers as defined in Schedule 1 of the Recycling Regulation that are members of the Canadian Beverage Association.

4. Section 8 (2) (g) of the Recycling Regulation - the performance for the year in relation to targets in the approved stewardship plan under Sections 8(2)(b), (d), and (e)

Results:

Collection Rate: 82.86% against a target of 80%.

Reference: Page 13 of the CBA 2020 Annual Report to the Director

Basis of preparation:

Reporting period: January 1, 2020 – December 31, 2020

- **Collection Rate:** A calculated value derived from dividing total units collected by total units removed from tracking system and measured as a percentage rounded to two decimal points.
- **Unit Collected:** Number of units collected for refurbishment/retrofit, for end of life management or sold to third parties by the beverage companies.
- **Units Removed From Tracking System:** Number of units collected plus units lost in trade and other adjustments.