



Reference: 172790

August 10, 2012

Mark Cannon
Sustainability Specialist
BC Lottery Corporation
2940 Virtual Way
Vancouver, BC
V5M 0A6

Dear Mr. Cannon:

Stewardship Plan Approval

Thank you for submitting the BCLC Product Stewardship Plan 2012-2017 on January 31, 2012, and the subsequent revised and finalized document on May 7, 2012, in fulfillment of the requirement under section 4 of the Recycling Regulation.

I have completed my review of the submission and hereby approve the BCLC Product Stewardship Plan 2012-2017. Please be advised that this approval applies only to materials or content contained in the plan that pertains to the requirements of section 5 of the Recycling Regulation.

Third Party Independent Assurance for of Non-financial Information in Annual Reports

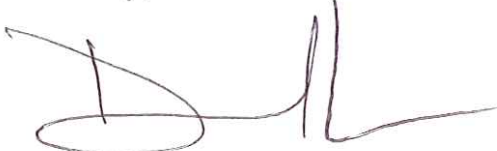
Third party assurance for non-financial information in Annual Reports is required through Section 8(2)(h) of the Recycling Regulation. The assurance must be conducted in accordance with the procedure, "Third Party Assurance Requirements for Non-Financial Information in Annual Reports", dated July 31, 2012 (enclosed). This document replaces "Guiding Principles - Product Stewardship Agency Non-Financial Information Testing", dated November 15, 2010. The schedule for implementing the procedure is outlined in Table 1 at the end of this letter.

Ideally, audit opinions will not be qualified. To minimize or eliminate the potential for qualifications, stewardship programs must exercise due diligence, work closely with assurance providers to develop appropriate assurance criteria, provide their assurance providers with full and timely access to all relevant records (including obtaining records from contractors) and if necessary make revisions to their Annual Reports. Assurance statements should only include qualifications in exceptional circumstances and when such qualification can be justified. Even in these circumstances, audit opinions must include as few qualifications as possible.

Please contact Christine Woodhouse at (250) 387-7950 if you have any questions about the third party assurance requirements.

I look forward to working with you to ensure your program is successfully implemented. If you have any questions about this approval or the implementation of your plan, please contact David Lawes at (250) 387-3588 or David.Lawes@gov.bc.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Lawes', with a long horizontal stroke extending to the right.

David Lawes
Director, Waste Management

cc: Meegan Armstrong, A/Section Head, Industry Product Stewardship
Julia Bates, A/Senior Policy Advisor, Industry Product Stewardship

File: 50400 25 ELEC – BCLC

BCLC Product Stewardship Plan 2012 – 2017

Lottery Business Unit
Equipment

Prepared by: Corporate Social
Responsibility

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1. Executive summary

The British Columbia Recycling Regulation No. 449/2004 requires that all parties that produce a range of electronic and electrical equipment submit a product stewardship plan in accordance with the B.C. Ministry of Environment for the products that are sold, distributed or used in a commercial enterprise in British Columbia. In this instance, the product referred to in the regulation is lottery vending equipment.

British Columbia Lottery Corporation (BCLC) has developed a Product Stewardship Plan (the plan) in order to adhere to the requirements set out in the regulation, Schedule 3 Electronic and Electrical Product Category.

The plan applies to the Lottery Business Unit products and details how BCLC intends to comply with this regulation. The plan will, in accordance with the regulation, be reviewed at least every five years from approval.

2. Program elements and principles

2.1 Program elements

BCLC has designed a robust recovery program to comply with the regulation that addresses the following equipment and consumables. As of October 2011, here are the current quantities of equipment:

- Lottery vending equipment, comprising:
 - Lottery Terminals (Altura) – 3,894
 - Pull Tab Vending Machines (PTVMs) - 1173
 - Self-service Terminals (SSTs) – 854
- Display screens for lottery games and communicating information to players
- Consumables (cables, etc.)

2.2 Program principles

This Stewardship Program supports the following objectives:

- Consistency with the 12 principles set out by the Canadian Council of Ministers of the Environment in the Canada-wide Principles for Electronics Product Stewardship¹.
- Consistency with the British Columbia stewardship principles as defined in the Ministry of Environment Business Plan, the Recycling Regulation and the Recycling Regulation Guide².
- Consistency with industry-developed (Electronics Products Stewardship Canada) guiding principles³.
- Ensure the program is delivered with the lowest possible cost while achieving maximum environmental efficiency.
- Ensure materials are processed and recycled in a responsible manner consistent with the above-mentioned principles.
- Availability of program services to all areas of the province where BCLC operates.

¹ www.ccme.ca/assets/pdf/eps_principles_e.pdf

² http://www.env.gov.bc.ca/epd/recycling/guide/pdf/recycling_regulation_guide.pdf

³ http://www.epsc.ca/index.php?option=com_content&view=article&id=6&Itemid=19&lang=en

- Ensure the program reflects a shared responsibility model with appropriate roles for the provincial government, local government, consumers, industry, and other stakeholders.
- Strive for continuous improvement in environmental and economic performance.

2.2.1 Program financing

All lottery vending equipment remains owned by BCLC and therefore all costs associated with recovery and disposal shall be borne by BCLC.

BCLC will seek to minimize costs associated with disposal by repairing equipment as a first option, thereby reducing the amount of equipment sent for recycling. BCLC will also seek to offset recycling costs through the value of the materials contained in the equipment sent for recycling.

2.2.2 Program environmental impacts

BCLC recognizes that the environmental impact of lottery vending equipment goes beyond the actual hardware used to supply our lottery games. For example, our equipment is transported to and from retail service partners as well to recycling providers. Section 10 covers our approach to environmental impact management.

3. Equipment included in the program

The following is a general list of equipment types that are within the scope of Schedule 3 of the regulation for BCLC.

- Lottery vending equipment, comprising:
 - Lottery terminals (Altura) – 3,894
 - Pull Tab Vending Machines (PTVMs) - 1,173
 - Self-service Terminals (SSTs) – 854
- Printers, where part of the lottery vending equipment.
- Modems, routers, scanners, cable and other accessories that attach to the lottery vending equipment.
- Display screens where part of the lottery vending equipment.
- Display screens for lottery games and communicating information to players.

4. Collection, processing and deposition

4.1 Collection

BCLC retains ownership of all of the obligated equipment while the equipment is installed, recovered and maintained on behalf of BCLC by a B.C.-based, contracted party called LVI.

Disposal of lottery vending equipment is based on the repair cost compared to purchasing new equipment or parts of that equipment. If the repair cost is greater than 75% of purchase value, the faulty equipment or part is sent for recycling whilst working parts are retained for re-use.

During this time, the collection and management of the equipment is specified by the following operational requirements:

- Lottery Business Unit electronic waste collection frequency is monthly.
- Equipment is stored on site until it can be transported off site.
- Equipment is transported to a BCLC-approved recycler.

4.2 Processing

- End-of-life equipment is sent to a BCLC-approved, Electronic Stewardship Association of BC (ESABC) accredited recycler for processing.
- Separated material streams are then sent for reprocessing, which may take place out of province.

4.3 Disposal

- The pollution prevention hierarchy is followed and materials that are unable to be recovered and diverted for reprocessing are sent for incineration or landfill as a last resort.

4.4 Security

- Multiple layers of integrity ensure that the security of our lottery games is not compromised by recycling rather than destroying lottery vending equipment.

5. Equipment recovery rates and targets

5.1 Equipment recovery

Lottery vending equipment and peripherals are placed on service partner premises. All equipment remains in the ownership of BCLC.

5.1.1 Lottery vending equipment

Faulty lottery vending equipment is exchanged with an in-stock serviceable replacement unit. If lottery products are no longer offered by a service partner, the equipment is recovered and held in stock by BCLC to either:

- Supply a new service partner
- Use as an exchange unit to replace faulty equipment

Any faulty equipment recovered is repaired and refurbished for reuse. Where sub-assembly repair is not possible, the faulty sub-assembly is sent for recycling and end-of-life treatment.

5.1.2 Peripheral equipment

Faulty peripheral equipment is exchanged with an in-stock serviceable replacement unit as a first option. If lottery products are no longer offered by a service partner, the equipment is recovered and held in stock by BCLC to either:

- Supply a new service partner
- Use as an exchange unit to replace faulty equipment

Any faulty units recovered are repaired and refurbished for reuse. Where repair is not possible, the faulty equipment is sent for recycling and end-of-life treatment.

5.2 Recovery and recycling targets

BCLC does not sell its lottery vending equipment to third parties, therefore a measure of what is sold against what is collected is not applicable. However, as all lottery vending equipment and peripherals remain BCLC-owned property, the recovery rate of equipment from service partners' premises is 100%.

When equipment or sub-assemblies are not repairable they are sent for recycling. If equipment is repaired and refurbished, it is returned to stock for re-use.

To comply with the regulation, BCLC will report the following:

- Number and type of equipment deployed.
- Number and type of equipment recovered from service partner premises.
- Weight of equipment and sub-assemblies sent for recycling.
- Weight of non-recyclable materials sent for end-of-life treatment.

6. Stakeholder consultation

In the development of the Product Stewardship Plan, BCLC invited key stakeholders to review and comment on the plan's content.

The following key stakeholders were identified:

- Provincial Government
- BCLC employees
- LVI
- Lottery Equipment Suppliers
- End-of-life equipment recyclers

6.1 Consultation process

The draft stewardship plan was made available to the public through the bclc.com website for a period of 45 days beginning November 18, 2011. An information bulletin was posted to alert potential consultees to the draft plan and requests for the document were channelled through our Consumer Services team.

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BCLC's Media Centre

information bulletins

Subject: BCLC's Draft Product Stewardship Plan Available for Public Consultation

Date: November 24, 2011

Vancouver, B.C. November 24, 2011 - BCLC views environmental sustainability as a key component of its corporate responsibilities and is committed to minimizing environmental impacts.

British Columbia's *Environmental Management Act* regulation requires all parties that provide the use of electronic and electrical equipment to submit a product stewardship plan for the products that are sold, distributed or used in a commercial enterprise in the province.

BCLC has developed a draft Product Stewardship Plan in accordance to Recycling Regulation No. 449/2004 that details the life cycle management of its products and equipment, including the collection, recycling and disposal processes.

The draft plan will be available for public consultation from November 18, 2011 for a period of 45 days. At the end of this consultation period, BCLC will review and consider responses as it develops the final plan for submission to the B.C. Ministry of Environment.

The public is welcomed to participate in this consultation. Please call Consumer Services in B.C. toll-free at 1-866-815-0222 or complete our [General Feedback Form](#) to request a copy of BCLC's draft Product Stewardship Plan.

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Lotto 6/49

Jan 11, 2012

649

09 10 11 18 39 45
Bonus: 23

extra 39 62 84 86

Previous Numbers

- LOTTO MAX
- BC/49
- Keno
- Pacific Hold'Em Poker
- SportsFunder 50/50
- Poker Lotto

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bclc Know your limit, play within it. GameSense **19+**

Similar information appeared on our 'Commitment to the Environment' page on bclc.com.

Environment

It's true what they say: we are all connected. So while BCLC is relatively small, we're also connected to many suppliers, service providers and retailers and that really increases our environmental impact. We don't directly control all of these other organizations, but we can provide leadership in minimizing environmental impact where we work, how we travel and in our interactions with British Columbians.

Where we work

Newer BCLC offices are designed to meet a minimum LEED Gold standard, and older offices are upgraded to meet higher environmental standards to reduce the impact our work has on the environment.

How we travel

We want to help our employees help us in being green. So we'll find ways to be more environmentally conscious in how we travel to and for work, and in how our products are distributed.

Where we interact with other British Columbians

We'll look at our supply chain, point of sale, retail outlets and gaming facilities to see where we can improve.

Carbon Neutral Action Report

BCLC along with the other public sector organizations is required to produce an annual report detailing how we are meeting the Greenhouse Gas Reduction Targets Act. The public sector Carbon Neutral Action Reports (CNAR) are released by Government around the end of June every year.

 [Read our 2010 Carbon Neutral Action Report](#) [3.25MB]

You can find all of the public sector [Carbon Neutral Action Reports on LiveSmart BC](#).

BC Recycling Regulation Public Consultation

The consultation period expired on January 3, 2012. Thank you for your interest.

The British Columbia Recycling Regulation No. 449/2004 requires that all parties that produce a range of electronic and electrical equipment submit a product stewardship plan in accordance with the B.C. Ministry of Environment for the products that are sold, distributed or used in a commercial enterprise in British Columbia.

BCLC has developed a draft Product Stewardship Plan in order to adhere to the requirements set out in the regulation, Schedule 3 Electronic and Electrical Product Category.

The draft plan will be available for public consultation from November 18, 2011 for a period of 45 days. At the end of this consultation period, BCLC will review and consider responses as part of developing a final plan for submission to the BC Ministry of Environment.

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Lotto 6/49
Jan 11, 2012
649
09 10 11 18 39 45
Bonus:23
extra 39 62 84 86
Previous Numbers
LOTTO MAX
BC/49
Keno
Pacific Hold'Em Poker
SportsFunder 50/50
Poker Lotto
Disclaimer

We also asked for comments from our employees by posting a news item on our corporate intranet.

Finally, we contacted specific service partners such as LVI and current recyclers to request feedback on our draft plan.

All feedback was considered and our final plan reflects both external and internal comments received. **See Appendix 1** for a summary of consultation feedback.

7. Consumer education plan

The regulation requires producers of products (in this case, equipment) to offer consumers:

- reasonable and free consumer access to collection facilities,

as well making consumers aware of:

- the producer's product stewardship program,
- the location of collection facilities, and
- how to manage products in a safe manner.

However, all lottery equipment is owned and maintained by BCLC. Equipment collection is undertaken by BCLC-approved contractors. There are no consumers of the obligated equipment, therefore BCLC will neither offer consumer access to collection facilities, nor conduct specific consumer education in relation to the above requirements.

8. Program performance and measurement

8.1 Program measurement

The program, managed through BCLC, will provide annual public reports outlining its performance and plans for continued performance. As required by the regulation, BCLC will report to the Ministry of Environment annually on the following:

- Categories of equipment deployed (by number)
- Categories of equipment recovered (by number)
- Equipment refurbished for reuse (by number)
- Equipment recycled (by weight)

All equipment disposals are managed centrally by BCLC and for this reason, we are not intending to report by regional district.

8.2 Program performance

Program performance will be assessed by reviewing the annual weights of recycled and end-of-life equipment or sub-assemblies against the number of equipment deployed. This comparison will indicate kilograms of recycled and final waste per equipment deployed.

This performance assessment will be reviewed by no later than 2015 to determine its appropriateness.

8.3 Public comments and complaints

Lottery vending equipment and peripherals are not sold to the public. However, the equipment is very visible throughout our service partner's premises.

Should members of the public have comments or complaints about the environmental aspects of lottery vending equipment and peripherals covered by the regulation, it is requested that they file their concerns by phoning BCLC Consumer Services, toll free at 1-866-815-0222 or by completing an on-line general feedback form.

The issue will be managed in accordance with BCLC Consumer Services procedures for handling general feedback.

9. Dispute resolution

It is expected that any and every dispute that is likely to arise in association with the Product Stewardship Plan will be managed under the provisions of existing contracts.

BCLC's Procurement department will review all associated contracts to ensure that the principles of dispute resolution, as laid out in the recycling regulations guidance, will be adhered to and where applicable, that these guidelines will include:

- Access
- Community Participation
- Individual Satisfaction
- Equality
- Quality of Resolution
- Efficiency
- Awareness
- Arbitration mechanism

10. Environmental impact management

10.1 Pollution prevention hierarchy

The Pollution Prevention Hierarchy is defined by the regulations as follows:

“.., the pollution prevention hierarchy is as follows 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 undertaken:

- Reduce the environmental impact of producing the product (equipment) by eliminating toxic components and increasing energy and resource efficiency
- Redesign the product to improve reusability or recyclability
- Eliminate or reduce the generation of unused portions of a product that is consumable
- Reuse the product
- Recycle the product
- Recover material or energy from the product, or
- Otherwise dispose of the waste from the product in compliance with the *Environmental Management Act*.

The hierarchy requires that actions start at the top and work down the hierarchy

10.2 Equipment life cycle management and design for the environment

10.2.1 Design for Environment (DfE)

BCLC does not design or manufacture any of the lottery vending equipment or peripherals used by the Corporation.

When new equipment is required, criteria may be inserted into procurement documents to establish the potential vendors approach to managing their environmental impacts. Environmental performance is weighted along with other criteria, including functionality, price, vendor support, etc.

10.2.2 Reduce end-of-life waste materials

BCLC will repair equipment for re-use unless the repair cost is greater than 75% of replacement costs. This process enables BCLC to minimize equipment being sent for recycling.

10.2.3 Recycling of equipment

Only equipment or sub-assemblies beyond economic repair are sent for dismantling and recycling. This approach ensures best value is obtained from all serviceable equipment while minimizing materials sent for recycling and end-of-life treatment.

10.2.4 Other environmental impacts

The scope of this stewardship plan is restricted to lottery vending equipment. However, BCLC recognizes that the environmental impact of our lottery games goes beyond the actual hardware used to supply those games. For example, our equipment is transported to and from retail service partners as well to recycling providers; the actual games use resources for manufacture, are transported to retail service partners and may create non-recycled wastes.

Within the scope of this plan, BCLC will research the additional impacts of its lottery games. The research will initially be restricted to establishing the impact of shipping equipment to recyclers. This research will be completed by the end of 2014 and data for 2015 onwards included in our annual report to Government.

Appendix 1

Summary of consultation feedback

| Concern/Comment | Response |
|--|---|
| <p>Public comments</p> <p>None received</p> | <p>None required</p> |
| <p>Current supplier comments</p> <p>Questions raised can be summarised around the following themes:</p> <ul style="list-style-type: none"> • Clarifications to reporting entities (who supplies what) • The extent of reporting required (combined weights vs individual equipment's and sub-assemblies etc) • Clarification on types of in-scope e-waste. | <p>BCLC clarified expected responsibilities for reporting e-waste metrics with the current service provider.</p> <p>BCLC reviewed the metrics and amended the final product stewardship plan draft to simplify the data collection requirements.</p> <p>BCLC clarified that peripheral equipment would be considered as part of the lottery vending solution and would be considered as in-scope.</p> |
| <p>Employee comments</p> <p>Questions and comments raised can be summarised around the following themes:</p> <ul style="list-style-type: none"> • Clarification and simplification of terms used. • The extent of in-scope equipment. • The environmental impact of transport. | <p>The language used in the product stewardship plan was clarified and revised to avoid internal confusion.</p> <p>It was confirmed that all electrical or electronic equipment that could be considered as part of lottery gaming solutions would be treated as in-scope.</p> <p>BCLC has introduced in to the product stewardship plan an assessment of greenhouse gas emissions related to the transport of in scope equipment to initial point of processing.</p> |

| | |
|---|---|
| <ul style="list-style-type: none"> • The physical security of gaming equipment. • Ability to guarantee 'end fate' destinations. • Recovery of lottery vending equipment and peripherals. | <p>A statement was included to confirm the rigorous commitment to game security and integrity.</p> <p>BCLC will carry out due diligence on recycling service partners and seek information on end fate destinations.</p> <p>Text was amended to clearly state that lottery vending equipment was not sold to third parties.</p> |
|---|---|