

Canadian Electrical Stewardship Association Annual Report to the Director

2019

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 2019 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 115 events in 52 communities, throughout 22 regional districts • The 2018 consumer awareness survey resulted in an 88% awareness level, an increase of 9% over 2016 survey results. The next survey is scheduled for 2020. • 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 BC.
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) • The collection network includes both advertised and non-advertised sites • As of December 31, 2019, the Program had 235 contracted collection sites, including 223 sites for regular products and 83 sites for very large

Recycling Regulation Reference	Topic	Summary of 2019 Performance
		<p>products. Of the 235 contracted sites, 218 were advertised.</p> <ul style="list-style-type: none"> In 2019 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"> The Program strives to manage collection materials using the highest option on the PPH were feasible 2019 focused promotion on reuse and repair options, including participation in local repair cafes
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 in 2019 were recycled/recovered
Part 2, section 8(2)(e)	Product Sold and Collected and Recovery Rate	<ul style="list-style-type: none"> 8,883,639 units of CESA product were sold in B.C. in 2019, as reported by members Approximately 5,449,641 kg of CESA product was collected in B.C. in 2019
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

CESA's BC Extended Producer Responsibility Plan was approved on August 7, 2018. This approved Plan sets out a number of key performance metrics for the Program. The following chart summarizes the metrics and the Program's performance in 2019, as well as CESA's strategies for improvement if warranted.

Key Performance Metrics		
Part 2 section 8(2)(g); See full list of metrics in Plan Performance		
Plan Metrics	2019 Performance	Strategies for Improvement
Collection		
Number of contracted collection sites	235	n/a
Number of contracted collection sites by regional district	See Section 4	n/a
Number of collection events by regional district	See Section 4	n/a

Key Performance Metrics		
Part 2 section 8(2)(g); See full list of metrics in Plan Performance		
Plan Metrics	2019 Performance	Strategies for Improvement
Absolute Collection		
Total number of very large units collected	4,952 units collected	n/a
Weight (kg) or regular product collected	5,449,641 kg collected	n/a
Weight (kg) of regular product collected by regional district	See Section 7	n/a
Product collected per capita by regional district (kg)	See Section 7	n/a
Waste Composition Audits		
Waste audit results	See Section 9	n/a
Total amount of batteries identified in waste audits	See Section 9	n/a
Accessibility		
Number of collection sites for regular Program Product	223	n/a
Revaluation of accessibility rate (in or before 2023)	See section 9	n/a
Survey techniques and results of accessibility study (conducted in or before 2023)	See Section 9	n/a
Consumer Awareness		
Consumer awareness survey conducted once every two (2) years starting from 2018	The next survey is scheduled for 2020	n/a
Consumer awareness survey key findings	See Section 9	n/a
Percentage of the population aware of the Program	88%	n/a
Program's educational materials and strategies	See Section 3	n/a
Qualitative report on product categories with low awareness	See Section 9	n/a
Sales		
Total units sold	8,883,639 units	n/a
End Fate		
End fate management of materials	See Section 6	n/a
Environmental Standards in place	See Section 6	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”).

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. Table 1 lists out the Board of Directors as of December 31, 2019.

Table 1: 2019 Board of Directors

Name	Affiliation	Sector
David Bois	Home Hardware Stores Limited	Retailer
Peter Maddock	Panasonic Canada Inc	Manufacturer
David Williams	Hamilton Beach	Manufacturer
Kimi Walker	Canadian Tire Corporation	Retailer
Stan Sauer	Makita Canada	Manufacturer
Milena Tolasi	Costco	Retailer
Theo Horsdal	London Drugs	Retailer
Craig Emerson	Bissell Canada Corporation	Manufacturer
Marie-Anne Champoux	Keurig/Dr.Pepper Canada	Manufacturer

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 (Product Care) to act as Program Manager, overseeing the administration and day to day operations of the ElectroRecycle Program.

The ElectroRecycle Program employed a network of 235 contracted collection facilities throughout the Province at the end of 2019. 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 stewards and consumers can be found online at www.electrorecycle.ca.

3. PUBLIC EDUCATION MATERIALS & STRATEGIES

The following is a summary of the public education initiatives employed in 2019, which included various tactics from traditional advertising, community-based social marketing, and digital marketing initiatives. ElectroRecycle saw over one million TV media impressions, more than three million radio impressions, and nearly four million impressions for print ads, earned media, social media, events and digital advertising combined. In total, the Program received over eight million impressions across BC in 2019, detailed below in Table 2.

Table 2: Number of Impressions per Media Channel

Media Channel	Time in Market	Impressions
First Nations Radio	Year-round	2,639,000
Global TV	April – December	1,286,934
Events (in-person)	Year-round	1,375,181
Fairchild - Mandarin Radio	March – June & September – October	419,464
Facebook	Year-round	390,038
Google Ads & YouTube	Year-round	2,748,173
Corus Digital	September	900,098
Spice - Punjabi Radio	April– June & September – November	86,278
Recycling Calendars	Year-round	40,857
Vista Radio	March – October	23,315
Instagram	Year-round	22,449
Twitter	Year-round	39,133
Earned Media	Year-round	422,100
Total Impressions		10,393,020

3.1 Program Awareness and General Marketing

Traditional advertising was utilized by ElectroRecycle in 2019, which included both radio and television ads, in addition to digital and print campaigns.

A key element of ElectroRecycle's marketing campaign for 2019 was radio advertising. Ads promoting the ElectroRecycle Program ran on radio stations across the province. Program Products featured in the radio ads were identified through the 2018 consumer awareness survey to help bolster outreach. They included items from different product categories (kitchen countertop, personal care, and hand-held power tools) in order to demonstrate the diversity of CESA's accepted products and increase awareness of lesser-known products. Radio spots reached 10 of BC's 29 regional districts distributed across Central and 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 support. As fewer radio stations are available in these areas, this allowed for a more captured audience in these districts. Radio commercials aired in communities including Campbell River, Castlegar, Creston, Port Hardy, Powell River, Prince George, Sechelt, Smithers and Williams Lake. ElectroRecycle also continued its engagement with multilingual radio stations in the Greater Vancouver region, which included Hindi, Punjabi, Mandarin and Cantonese 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 Indigenous communities in Central and Northern BC. These communities included 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 to the reach of the radio campaigns, the Program repurposed the TV ads produced in 2018. This commercial aired on Global TV from April through December, reaching the entire province. The commercials feature products from several different product categories (kitchen countertop, personal care, and floor cleaning) in order to demonstrate the range of CESA's accepted products. The 15-second ads received more than 1.2 million impressions across BC for the duration of campaign. The ads are also featured on the Program's YouTube channel.

ElectroRecycle also utilized the reach of print advertising through municipal recycling calendars across BC including Chilliwack, Penticton, Mission, Oliver and Summerland.

3.2 Website, Social Media and Digital Advertising

CESA and the ElectroRecycle program underwent a brand refresh in 2019. This came after more than eight years of operating under the original brand. We felt that it was the right time to update the brand and develop new assets to capture the maturity of the Program to better fit our audience.

The brand refresh coincided with the launch of a new website in November 2019, which reflects the new brand identities of both CESA and ElectroRecycle. The new website allowed us to enhance important sections including the collection site locator tool and the accepted products list, improving the overall user experience for both consumers and members. Between January 1 and December 31, 2019, the ElectroRecycle website (www.electrorecycle.ca) received 64,130 visits, an increase of 18 per cent from 2018, with 88% per cent of all visits representing new visitors entering the website for the first time.

ElectroRecycle's social media platforms were used to employ 2019 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 379,499 impressions, remaining a primary source of contact for the public. The Facebook page increased its number of followers by two per cent from 2018 with a total of 5,412 followers in 2019. Additionally, ElectroRecycle had 1,577 Twitter followers in 2019, an increase of five per cent from 2018, and the Program's dedicated Instagram page experienced a 16% increase in followers with 709 Instagram followers, up from 613 followers in 2018.

Google Search text advertisements were run between January and December 2019. The ads targeted users in British Columbia searching for an extensive list of keywords related to recycling and the Program's accepted items. They received a total of 89,129 impressions and 6,281 clicks through to the website.

Between June and September 2019, the Program's television advertisements were run as pre-roll ads on YouTube, targeting the whole of the province. The ads received a total of 50,434 impressions and 19,671 views, a view rate of 39%.

3.3 Community Events and Ambassador Program

The ElectroRecycle Program's community-based social marketing initiatives in 2019 resulted in an increase of online traffic through the Program's refreshed website¹ and social media channels. The Program's outreach strategy included the ElectroRecycle Ambassador program, which led to collaboration with 52 communities in 22 regional districts, resulting in the collection of approximately 28,790 kg of Program Products.

Over the course of 2019, the ElectroRecycle Program was featured at 115 events in communities across the province, including several remote communities, resulting in over 1.4 million impressions. These events were organized with the help of community partnerships, many of which were established during previous years and strengthened over the course of 2019. The Ambassador program employed a year-round ambassador in addition to the two co-op student summer roles offered in May through August. The three-person team returned to relevant areas visited in previous years, as well as expanded its

¹ ElectroRecycle's refreshed website launched November 4, 2019

reach to new and remote regions of the province. The Program collaborated with community partners at several types of events to promote collection of Program Products, including community festivals, municipal round-ups, and school and university partnerships as well as organizing and hosting independent, 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 previous events held over the past four years in collaboration with the City of Vancouver, Vancouver Zero Waste Reuse & Recycle and the Trout Lake Community Centre Youth Group. RecycleFest was once again hosted at Trout Lake and approximately 555 kg of Program Product was collected. The advertising reach from this event exceeded 400,000 impressions 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. The primary focus at Recyclefest this year was to encourage reuse and repair as first steps in waste management. We collaborated with Repair Matters, a Vancouver-based organization providing free repair workshops, as well as Free Geek, an organization that focuses on the reuse of electrical and electronic products and accessories.

3.3.1 Expanded Program Reach

Remote Communities

Community outreach in 2019 emphasized ElectroRecycle’s presence in remote communities throughout BC including Fort Nelson, Nakusp, Clearwater and Lasqueti Island. ElectroRecycle also organized two remote signature events in collaboration with Ahousaht First Nation on Flores Island, and the Tla’amin Nation in Powell River. ElectroRecycle returned to Ahousaht for a second year in a row to offer a continued collection opportunity and strengthen the partnership with the Ahousaht First Nation. Only accessible by water taxi, this event continues to be the most remote collection event attended by ElectroRecycle. The event was promoted in partnership with the Band office using Ahousaht’s marine radio, in addition to promotion on social media and local community boards. The second remote signature event took place in Powell River, in collaboration with the Tla’amin Nation, which was a new partnership for the Program.

Efforts to collaborate with remote communities spanned into Northern BC in 2019. The Program partnered with various communities in the Peace River and Northern Rockies Regional Districts to organize collection events. The Program intends to continue to expand collaborative efforts with these groups in future years.

Small Item Mail-In Project

The Mail-In Recycler pilot project launched in 2019 with the intention of providing a recycling option for small Program Products to rural communities without permanent access to a collection site. The pilot project was also designed to promote awareness around lesser-known items such as electric razors, air fresheners and glue guns. The Mail-In Recycler was initially released in the community of Invermere in

January instructing community members to send their small electrical items back to CESA for recycling via a prepaid envelope. The included products featured in this project were selected both due to their size, therefore their ability to be mailed in for recycling, as well as the lower level of awareness based on the 2018 consumer awareness survey. In total, 9.61 kgs of small appliances and power tools were received. The Program has elected not to continue the Mail-In Recycler in 2020, however CESA is committed to continuing to explore innovative ways to increase participation in hard to reach communities, as well as increasing awareness for lesser known product categories.

Focus on Repair

In 2019, ElectroRecycle focused on collaborating with British Columbia's repair community. Events were organized in partnership with province-wide repair groups, including Repair Matters, Metro Vancouver, Port-Coquitlam, Pemberton, Kelowna and Langley Repair Cafés, and continued collaborative efforts with the Central Kootenay's Steam Truck (a mobile repair organization). The Repair Cafés provide opportunities for community members to learn how to repair broken items including clothing and textiles, bicycles, jewelry, and small appliances and power tools. Any Program Products that were found to be beyond repair were recycled through the Program. ElectroRecycle attended a total of 14 repair events in four different regional districts which resulted in more than 385 kg of broken small appliances and power tools collected.

Retail Outreach

The Program hosted events in partnership with local retailers in Nanaimo, Fort St. John and Prince George to further educate and promote the Program. These events increased interactions with consumers to provide information about the ElectroRecycle Program at point of purchase.

School Program Outreach

This year, ElectroRecycle worked with new school locations in various communities within Metro Vancouver, Victoria and Revelstoke to host recycling round-up challenges. These recycling challenges provided ElectroRecycle an opportunity to engage a younger demographic, educating school children on the importance of recycling small appliances and power tools.

Municipal Collection Events

ElectroRecycle continued its partnerships with municipal collection events in 2019. The Zero Waste Reuse and Recycle Vancouver events, held in various locations around Vancouver in collaboration with the City of Vancouver's Greenest City 2020 initiative, collected 6,511 kg of small appliances and power tools over the span of eight events. In addition to these collection events, the Program continued to participate alongside the City of Surrey and Salvation Army in the municipality's "Pop-Up Junk Drop" events, which resulted in the record-breaking collection of 16,014 kg (11,995 kg in 2018) of small appliances and power tools across four events. These municipal collection events represent approximately 78% of the annual event collection tonnage.

Sponsorships

The ElectroRecycle Program’s 2019 sponsorships included the Vancouver Farmers Market as well as Recycle BC’s First Nations Recycling Initiative (FNRI). The FNRI brings ten stewardship organizations together to collaborate on cost-neutral solutions for recycling in First Nations communities. This year, the initiative successfully organized recycling events in collaboration with the Penticton Indian Band, Soowahlie First Nation, the Okanagan Indian Band, Lake Babine First Nation and the Westbank First Nation. ElectroRecycle returned once again as a primary sponsor for the Vancouver Farmers Market. Collection opportunities for Program Products were offered at both the summer and winter market locations, hosting a collection booth during the first weekend of every month.

3.3.2 Media Coverage

Media coverage of the ElectroRecycle Program in 2019 was mainly attributed to community-based social marketing initiatives. ElectroRecycle’s Signature Event – RecycleFest – was the primary source of earned media in 2019, generating features in media stories in communities across the Lower Mainland. The event received earned media coverage from CBC-Radio (in French) as well as The Georgia Straight and many online blogs and calendars throughout Metro Vancouver (in both English and Mandarin).

3.4 Stakeholder Relations

ElectroRecycle’s Ambassador Program provides a platform to engage with key stakeholders around the province and obtain program feedback throughout the year. In 2019, numerous meetings were held with depot operators, local municipalities, members and subscribers throughout the province to receive valuable insight and suggestions to improve the Program overall in the upcoming year. The Program continues to foster relations with each of the Regional Districts at a high frequency year over year. Table 3 lists the number of meetings and events held within BC’s municipalities and regional districts in 2019.

Table 3: Number of Visits made to Municipalities and Regional Districts

Type of Visit	# of Municipalities	# of Regional Districts
Event	52	22
Meeting	60	7

In 2019, CESA also sponsored and attended conferences hosted by the Recycling Council of BC (RCBC) and Coast Waste Management Association (CWMA), and the Conference on Canadian Stewardship (CCS) in Whistler, Victoria and Vancouver. At these conferences CESA connected with stakeholders, depot operators, municipalities and regional districts regarding the Program. RCBC’s 2019 conference was attended by 222 delegates representing government, non-profits, stewardship agencies, and individual representatives. The CWMA 2019 conference was attended by 301 delegates from similar industries with more than 63% from the Vancouver Island and BC Coastal Communities including Metro Vancouver. Fifteen percent were from the BC interior, and the remaining 21% of delegates came from

other provinces and countries. Thirty-three First Nations delegates from across British Columbia also attended. The 2019 Conference on Canadian Stewardship was attended by 389 delegates representing local and senior government, industry members, stewardship agencies as well as independent representatives from across Canada, the United States and Europe.

ElectroRecycle also continued to issue program updates via its branded notice to its email database of more than 440 members and subscribers. Program updates include relevant information for the membership such as fee changes, information regarding accepted products, and sharing of compliance audit findings.

3.5 Consumer Communications

A number of channels are consistently available to consumers to ask questions or submit feedback about the ElectroRecycle Program. In 2019, these channels included an email submission box on the ElectroRecycle website, entitled “Contact Us,” a general information email address, info@cesarecycling.ca as well as an email address specifically for members, memberservices@cesarecycling.ca. A consumer inquiry toll-free phone number, 1-877-670-2372, is available year-round, 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 residents of British Columbia 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, 2019, Product Care Association and RCBC collectively answered 4,964 phone, email and app consumer inquiries regarding the ElectroRecycle Program.

4. COLLECTION SYSTEM AND FACILITIES

CESA engages 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 existing collection networks and other stewardship programs wherever feasible to enhance program performance through increased operational efficiencies. This collection system operates in collaboration with third-party business owners who operate independent depots, as well as municipalities and retail stores. CESA constantly strives to partner and collaborate with existing collection networks where possible and seeks new opportunities to expand its network with willing partners. The collection system is further 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 2019, the ElectroRecycle Program had 235 contracted collection facilities for CESA products, of which 223 accepted regular items and 83 accepted very large items. The majority of very large item collection facilities overlap with regular product collection facilities. The Program’s website provides 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 235 contracted collection facilities, 218 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 an independent, third party in March 2019 determined that 99.5 per cent of British Columbians had convenient access to a collection site for regular products included in the ElectroRecycle Program². Subsequently in the months following the 2019 accessibility study, an additional 16 contracted collection sites were added to the network across seven different regional districts. One collection facility closed permanently and two collection facilities stopped collection of very large items (but continue to accept regular products). Six new collection facilities accepted regular products, nine accepted very large items, one site accepted regular and very large items, and all were advertised sites.

Table 4 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 15 in Appendix B provides a complete list of collection facilities by regional district contracted to participate in the ElectroRecycle Program.

² 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 4: 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	11	Northern Rockies	1
Bulkley Nechako	5	Fraser Fort George	4	Okanagan Similkameen	8
Capital	21	Fraser Valley	10	Peace River	4
Cariboo	4	Kitimat Stikine	7	qathet	4
Central Coast	3	Kootenay Boundary	3	Squamish Lillooet	6
Central Kootenay	4	Metro Vancouver	69	Strathcona	3
Central Okanagan	7	Mt. Waddington	2	Sunshine Coast	3
Columbia Shuswap	10	Nanaimo	3	Thompson Nicola	19
Comox Valley	5	North Coast	4	Total	235
Cowichan Valley	7	North Okanagan	6		

Permanent collection facilities exist where there are sufficient populations and available infrastructure 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 leading or participating in 115 collection events in 2019. Table 5 lists the number of collection events by regional district.

Table 5: Number of Collection Events (CE) by Regional District

Regional District	# of CE	Regional District	# of CE
Alberni Clayoquot	4	Metro Vancouver	66
Bulkley Nechako	1	Nanaimo	2
Capital	4	Northern Okanagan	2
Cariboo	3	Northern Rockies	1
Central Kootenay	3	Okanagan-Similkameen	1
Central Okanagan	3	Peace River	2
Columbia Shuswap	3	qathet	2
Comox Valley	2	Squamish-Lillooet	2
Fraser Fort George	1	Strathcona	2
Fraser Valley	1	Sunshine Coast	9
Kootenay Boundary	1	Thompson Nicola	2
Total			115

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.

5.1 Reuse and Repair

While reuse and repair of Program Products are worthy goals, there are several considerations that make it difficult to include it as a viable management option for Program Products. In Canada, there are requirements for mandatory safety testing under programs such as the Canadian Standards Association (CSA) or Underwriters Laboratories of Canada (ULC). Manufacturers are responsible for the safety of all products with safety certification. Outside of licensed and authorized service facilities, manufacturers cannot guarantee the safety of the product after it has reached end of life.

There are health risks associated with Program Products that come in contact with the body (e.g., electric shavers) or food (e.g., meat grinders) where sanitation cannot be guaranteed. For these reasons, the Program focuses on the proper recycling and recovery of end-of-life products. The Program Plan recognizes that consumers give properly working tools and appliances to friends and family as well as to charitable organizations. As long as the product is in good working order, such reuse does exist outside the parameters of the Program.

Proper maintenance and repair is encouraged as a means of extending the life of product, however the cost of repair is typically comparable to the cost of replacement. Although options for reuse and repair of appliances and power tools may be limited, the Program continues to work towards providing consumers with information for alternative options to disposal of Program Products whenever possible, through the identification and promotion of donation centres and repair opportunities, such as repair cafes. In 2019, ElectroRecycle attended a total of 14 repair events in four different regional districts.

5.2 Recycle/Recover

The Program strives to manage collection materials using the highest option on the PPH as set out under subsections 5(3)(d-g) of the Regulation, where economically feasible and viable. CESA contracts with all processors who handle CESA's collected material. CESA's processors are required to conform to the Electronics Product Stewardship Canada (EPSC) Electronic Recycling Standard (ERS), among other required tracking, inspection and reporting standards as set out of the Program.

As CESA currently accepts more than 400 different products, materials are reported out by commodity only, not by product type or component. The Program follows the chain of custody through to the end fate of the product; however, the Program's ability to do so is limited by the processors ability to provide such information.

Current recycling and recovery methods for common commodities found in CESA products are detailed below in Section 6. CESA will continue to manage collected products and accessories, including

batteries, in accordance with the Pollution Prevention Hierarchy whenever feasible and economically viable recognizing that the management process of commodities is subject to change.

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 2019, CESA contracted with two processors to process collected materials. Table 6 provides the approximate percentage of material commodity processed from both processors accounting for all regular items collected through the Program and processed in 2019, 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 6: Percentage of Total Tonnage Processed by Material Commodity in 2019

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Tonnage Processed	Downstream Process ³
Ferrous Steel		X			50.1%	Production, Processing, Non-processing
Plastics		X			28.9%	Processing, Non-processing
Aluminum		X			1.6%	Production, Processing, Non-processing
Wire and Cables and String lights		X			4.2%	Refining, Non-processing
Copper		X			2.6%	Processing, Refining
Glass		X			1.8%	Non-Processing
Circuit Boards		X			2.4%	Refining
Refuse				X	6.0%	Other final disposition
Rechargeable Batteries		X			1.1%	Processing, Non-Processing

³ 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.

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Tonnage Processed	Downstream Process ³
Paper Based Materials		X			0.5%	Processing
Non Rechargeable Batteries		X			0.2%	Processing, Non-Processing
Heating Oil		X	X	X	0.4%	Processing, Recovery, Reuse, Landfill

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 8,883,639 units for the period of January 1 to December 31, 2019. 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

Absolute collection for CESA reflects the weight of Program Products collected annually by the Program across BC. The Program measures collections by weight (kilograms and/or metric tonnes), not by units collected. Table 7 sets out the annual collected tonnage and variances against the 2013 baseline.

Table 7: Annual Tonnage Collected and Year over Year Variance

Year	Tonnage Collected (metric tonnes)	Tonnage Variance (%)
2013	3,204	-
2014	3,672	+ 15%
2015	4,225	+ 15%
2016	4,545	+ 7.5%
2017	4,913	+ 8%
2018	5,092	+ 4%
2019	5,450	+ 7%

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 2019, 3,175 pieces of large exercise equipment and 1,777 pieces of large power tools were collected, according to tracking sheets submitted to the ElectroRecycle Program by contracted collection facilities.

7.2.2 Regular Items

According to weights reported to the ElectroRecycle Program by contracted consolidation facilities, approximately 5,449,641 kilograms of regular CESA products were collected between January 1 and December 31, 2019 from the Program’s contracted collection facilities, large volume end-users, return to retail locations, and collection events. Table 9 provides the approximate tonnage collected (not including very large items) by regional district in 2019.

CESA continues to partner with Product Care Association’s Light Fixtures 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 Light Fixtures Program. To determine CESA’s net tonnage in 2019, 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 product collected versus the proportion of Light Fixtures product collected in each particular month. The proportion was applied to the weight of the collection tonnage during that month. Table 8 provides the approximate tonnage collected by program (CESA versus Product Care’s Light Fixtures program).

Table 8: Approximate Weights Collected by Program in 2019

Year	CESA Tonnage Collected (tonnes)	Light Fixtures Tonnage Collected (tonnes)
2018	5,092	709
2019	5,450	719

Table 9: Approximate Weights Collected by Regional District for Regular Products and Collection Events in 2019

Regional District	Approximate Weight Collected (kg)	Kg Collected per Capita ⁴	Regional District	Approximate Weight Collected (kg)	Kg Collected per Capita ⁴
Alberni Clayoquot	20,572	0.66	Kootenay Boundary	65,352	2.08

⁴ Based on population data obtained from the 2016 Census of Canada

Regional District	Approximate Weight Collected (kg)	Kg Collected per Capita ⁴	Regional District	Approximate Weight Collected (kg)	Kg Collected per Capita ⁴
Bulkley Nechako	22,114	0.58	Metro Vancouver	2,537,861	1.03
Capital	552,546	1.44	Mount Waddington	20,612	1.87
Cariboo	48,177	0.78	Nanaimo	219,905	1.41
Central Coast	4,066	1.22	North Coast	17,718	1.02
Central Kootenay	48,210	0.81	North Okanagan	143,478	1.70
Central Okanagan	477,499	2.45	Northern Rockies	1,174	0.35
Columbia Shuswap	64,933	1.26	Okanagan-Similkameen	150,899	1.82
Comox Valley	129,210	1.94	Peace River	38,793	0.62
Cowichan Valley	110,370	1.32	qathet	18,208	0.91
East Kootenay	34,832	0.58	Squamish Lillooet	59,322	1.39
Fraser Fort George	102,106	1.08	Strathcona	33,903	0.76
Fraser Valley	273,756	0.93	Sunshine Coast	46,458	1.55
Kitimat Stikine	41,022	1.10	Thompson Nicola	165,273	1.25

8. SUMMARY OF REVENUES AND EXPENDITURES

The ElectroRecycle Program is funded by membership fees, known as Environmental Handling Fees (EHFs), which are remitted to CESA by its members based on the quantity of sales of the designated products sold in British Columbia.

As CESA operates as a not for profit, the EHFs are set by CESA based on budgeting of fee revenue and Program expenses, and may be adjusted from time to time to maintain the not for profit model. EHFs may continue to be adjusted in the future to address surpluses or deficits, however all fees are used for program purposes.

The ElectroRecycle Program organizes Program Products into 18 product categories, with an EHF designated for each category as listed in Table 10 below.

Table 10: CESA Product Categories and Environmental Handling Fees

Product Category		Fee Rate Per Unit
1	Kitchen Countertop – Motorized	\$ 0.50
2	Kitchen Countertop – Heating Appliances	\$ 0.80
3	Kitchen Countertop – Heating Appliances (coffee/tea)	\$ 0.70
4	Microwave Ovens [<i>previously Microwaves (large) and Microwaves (small) categories</i>]	\$5.00
5	Time Measurement & Display Devices	\$0.20
6	Weight Measurement	\$0.30
7	Garment Care Appliances	\$0.60
8	Air Treatment Appliances [<i>previously Air Treatment Appliances, Desk & Tabletop Fans categories</i>]	\$0.95
9	Personal Care Appliances	\$0.25
10	Full-Size Floor Cleaning Appliances	\$2.50
11	Smaller Floor/Surface Cleaning Appliances	\$ 0.50
12	Test and Measurement Tools	\$0.35
13	Hand-held Power Tools	\$0.55
14	Bench-Top, Demolition, Free-Standing Power Tools	\$1.20
15	Sewing / Textile Machines	\$2.75
16	Exercise Machines	\$1.85
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 assesses the performance of the ElectroRecycle Program with both qualitative and quantitative measures in response to the performance metrics outlined in the approved Extended Producer Responsibility Plan. Although the ElectroRecycle Program continues to exceed performance metrics year-over-year, CESA is focused on continuing to maintain or exceed current performance levels; striving to improve all aspects of the ElectroRecycle Program, including operational efficiencies, cost efficiencies, consumer awareness, accessibility and collection tonnage.

9.1 Accessibility

In March 2019, accessibility was determined through the use of a Geographic Information System (GIS) analysis conducted by an independent third party, where “access” was 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.

Using 2016 Statistics Canada Census Data and road networks, each population category (urban, rural, <4,000) was divided into Census dissemination blocks. Drive-time distance and speed from each dissemination block was applied to the closest program collection location based on road types and/or urban/rural milieus. Once a program collection location was identified, the 30-minute or 45-minute drive time distance threshold was applied to determine level of access. Table 11 summarizes ElectroRecycle’s accessibility metrics based on the Program’s 2019 performance.

Table 11: 2019 Accessibility Performance Metrics

Performance Metric	Target	2019 Results	Strategies for Improvement
Number of Collection Sites	n/a	235	n/a
Accessibility	Maintain the 2017 accessibility rate of 99.5% for regular products	99.5%	n/a ⁵

9.2 Waste Composition Audits

Waste audits are a valuable statistic to measure the Program’s success. In conjunction with other stewardship agencies, the Program has participated in eight waste audits to date in communities which range in size from 18 thousand to more than 2.5 million people. Each audit surveys a sample of waste

⁵ Accessibility is dependent on continued relationships with the existing collection network. Assuming no modifications are made to current partnerships with collection sites, the Program intends to continue to maintain the 2017 accessibility rate.

from a landfill and tracks evidence of product categories. The audits confirm that Program Products are being successfully diverted from landfill while also helping to guide the Program’s awareness campaigns. It is important to note that while the data obtained from waste audits provides one way of evaluating the Program’s performance in that specific community, extrapolating the results to the entire province is problematic as variations in collection and waste management practices vary across regional districts.

In 2019, CESA participated in one waste audit conducted in the Cariboo Regional District. Program Product identified was 4.3 kg/capita and the amount of single use and rechargeable batteries under 5 kilograms was 0.4 kg/capita. Table 12 provides the ElectroRecycle Program’s aggregate waste audit results, as well as the single use and rechargeable batteries identified.

Table 12: Aggregate Waste Audit Results per Capita for identified CESA Product and Batteries

Total aggregate kg/capita disposal of CESA Product ⁶	Total aggregate kg/capita disposal of batteries ⁷
2.3	0.3

9.3 Consumer Awareness

Every two years, a survey is conducted by an independent, third party to determine awareness levels of the Program and gain insights about recycling behaviour. The next consumer awareness survey will be conducted in 2020, with results reported in the 2020 annual report. Table 13 summarizes the ElectroRecycle Program’s consumer awareness metrics since the 2014 baseline.

Table 13: Consumer Awareness Metrics

Performance Measure	Plan Target	Results	Strategies for Improvement
Conduct a consumer awareness survey	Survey completed once every two (2) years	2014 survey: 73% 2016 survey: 79% 2018 survey: 88%	n/a
Percentage of the population aware of the Program	Maintain a consumer awareness level of 79%	2018 survey: 88%	n/a

⁶ Calculated using the combined weight of Program Product categories and 2016 Statistics Canada Census Data

⁷ The source of single use and rechargeable batteries is not identified during the audit process, therefore it is not possible to discern if the battery was used for a Program Product, another Stewardred product (e.g. EPRA, OPEIC, Light Fixtures), or other.

APPENDIX A: PROGRAM PRODUCT CATEGORIES

Table 14 lists the 18 Product Categories, and examples of Program Products from each category.

Table 14: CESA Product Categories

	Product Category	Examples
Products within plan	1. Kitchen Countertop – Motorized	Blender, coffee grinder, food processor, hand mixer
	2. Kitchen Countertop – Heating	Bread maker, fondue pots, hot air corn popper, panini press, rice cooker, toaster
	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, digital luggage scale
	7. Garment Care	Garment steamers, household irons, clothes shavers
	8. Air Treatment	Scent diffuser, portable humidifier, portable heater, desktop/tabletop fan
	9. Personal Care	Beard trimmer, curling iron, hair dryer, hot roller/curler set, electric toothbrush, vanity mirror with lighting
	10. Full-size Floor Cleaning	Upright vacuum cleaner, floor care scrubber/polisher, robotic vacuum
	11. Smaller Floor/Surface Cleaning	Handheld vacuum cleaner, steam mop, stick vacuum cleaner
	12. Test and Measurement Tools	Laser level, emission analyzer, laser range meter
	13. Handheld Power Tools	Hand drill, sander, band saw, angle grinder
	14. Bench-top, Demolition and Free-Standing Power Tools	Table saw, drum sander, demolition hammer
	15. Sewing and Textile Machines	Sewing machine, embroidery machine, serger
	16. Exercise Equipment	Treadmill, elliptical machine, cycling machine
	17. Sports, Leisure, Arts, Crafts & Hobby Devices	Insect trap, thermoelectric cooler, bubble machine, circuit machine, air brusher, rock polisher
	18. Designated Very Small Items	Air freshener, personal fan, electric razor (primary cell), stud finder, glue gun, craft soldering iron

APPENDIX B: COLLECTION FACILITY NETWORK

Table 15 shows locations of contracted CESA collection facilities. The column titled “Change in 2019” denotes additions and closures since the previous reporting date, December 31, 2018.

Table 15: CESA Collection Network, Including Changes in Sites in 2019

Collection Facility	City	Regional District	Depot Type	Change in 2019
70 Mile House Eco depot	70 Mile House	Thompson Nicola	Regular	
Abbotsford Bottle Depot	Abbotsford	Fraser Valley	Regular	
Abbotsford Mission Recycling Depot	Abbotsford	Fraser Valley	Bulky & Regular	
Agassiz Bottle Depot	Agassiz	Fraser Valley	Regular	
Aldergrove Bottle Depot	Aldergrove	Metro Vancouver	Bulky & Regular	
Armstrong Spallumcheen Bottle Depot	Armstrong	North Okanagan	Regular	
Ashcroft Bottle Depot	Ashcroft	Thompson Nicola	Bulky & Regular	
Asset Investment Recovery - Glanford (Not Advertised)	Victoria	Capital Regional District	Regular	
Asset Investment Recovery - Surrey	Surrey	Metro Vancouver	Regular	
Augusta Recyclers Inc (Not Advertised)	Powell River	qathet	Bulky	
B&D Bottlers Ltd. / Revelstoke Bottle Depot	Revelstoke	Columbia Shuswap	Regular	
Barriere Return-It dba Bag Lady Enterprises	Barriere	Thompson Nicola	Regular	
Bella Coola Recycling Depot	Bella Coola	Central Coast	Regular	
Biggar Bottle Depot	Port Coquitlam	Metro Vancouver	Regular	
Bill's Bottle Depot	Salmon Arm	Columbia Shuswap	Regular	
Bings Creek Recycling Centre	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	Saanichton	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 Recycling Depot	Burns Lake	Bulkley Nechako	Regular	
Campbell Mountain Sanitary Landfill (CMSL)	Penticton	Okanagan Similkameen	Regular	
Campbell River Waste Management Centre	Campbell River	Strathcona	Bulky & Regular	
Canal Flats Transfer Station	Canal Flats	East Kootenay	Bulky	New - December 02, 2019
Carney's Waste Systems	Squamish	Squamish Lillooet	Regular	
Castlegar Return-It Depot	Castlegar	Central Kootenay	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2019
Cedar Hill Thrift Store (Not Advertised)	Victoria	Capital Regional District	Regular	
Chasers Bottle Depot Ltd.	Vernon	North Okanagan	Regular	
Chetwynd Recycling & 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 - Kent	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	
Columbia Valley Landfill	Windermere	East Kootenay	Bulky	New - December 02, 2019
Comox Return-Centre	Comox	Comox Valley	Regular	
Comox Valley Waste Management Centre	Cumberland	Comox Valley	Bulky & Regular	
Coquitlam Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Courtenay Return-It Depot	Courtenay	Comox Valley	Bulky & Regular	
Cranbrook Bottle Depot	Cranbrook	East Kootenay	Regular	
Cranbrook Transfer Station	Cranbrook	East Kootenay	Bulky	New - December 02, 2019
D.C. Campbell Recycling Ltd.	Dawson Creek	Peace River	Regular	
DIRA Waste Management Committee - Bottle Depot	Denman Island	Comox Valley	Regular	New - April 01, 2019
East 12th Avenue Thrift Store	Vancouver	Metro Vancouver	Regular	
East Hastings Bottle Depot	Burnaby	Metro Vancouver	Regular	
East Vancouver Bottle Depot Ltd.	Vancouver	Metro Vancouver	Regular	New - December 01, 2019
Edmonds Return-it Depot	Burnaby	Metro Vancouver	Regular	
Elkford Transfer Station	Elkford	East Kootenay	Bulky	New - December 02, 2019
Emterra Environmental - Coquitlam	Coquitlam	Metro Vancouver	Bulky & Regular	
Emterra Environmental - North Van	North Vancouver	Metro Vancouver	Bulky & Regular	
Enderby Bottle Depot	Enderby	North Okanagan	Bulky & Regular	
Falkland Refuse Disposal Facility	Falkland	Columbia Shuswap	Regular	
Fell Avenue Thrift Store (Not Advertised)	North Vancouver	Metro Vancouver	Regular	
Fernie Bottle Depot	Fernie	East Kootenay	Regular	
Fernie Transfer Station	Fernie	East Kootenay	Bulky	New - December 02, 2019
Fleetwood Bottle Return Depot	Surrey	Metro Vancouver	Regular	
Fort St James Transfer Station	Fort St. James	Bulkley Nechako	Bulky & Regular	New - December 06, 2019
Fraser Lake Bottle Depot	Fraser Lake	Bulkley Nechako	Regular	
Fraser Valley Return-It Depot	Langley	Metro Vancouver	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2019
FSJ Bottle Drop	Fort St. John	Peace River	Regular	New - October 28, 2019
FSJ Eco-Depot Recycling Centre - Closed Apr 15, 2019	Ft. St. John	Peace River	Bulky & Regular	Closed - April 15, 2019
Galiano Island Recycling	Galiano Island	Capital Regional District	Regular	
General Grant's North Shore Bottle Depot	Kamloops	Thompson Nicola	Regular	
General Grants Sahali (fka Full Refund Bottle Depot)	Kamloops	Thompson Nicola	Regular	
GFL Environmental Inc	Langford	Capital Regional District	Bulky & Regular	
Gibsons Recycling Depot	Gibsons	Sunshine Coast	Bulky & Regular	
Glenemma Refuse Disposal Facility	Salmon Arm	Columbia Shuswap	Regular	
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	
Grand Forks Bottle Depot	Grand Forks	Kootenay Boundary	Regular	
Granville Thrift Store (Not Advertised)	Vancouver	Metro Vancouver	Regular	
Green Recycling in Pender Society (GRIPS)	Madeira Park	Sunshine Coast	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 Ltd	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	
Iskut Landfill	Iskut	Kitimat Stikine	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	Port Clements	North Coast	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2019
Clements				
Islands Solid Waste Management - Queen Charlotte	Queen Charlotte Village	North Coast	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	Regular	
Keremeos Sanitary Landfill	Keremeos	Okanagan Similkameen	Regular	
Kerrisdale Thrift Store (Not Advertised)	Vancouver	Metro Vancouver	Regular	
Kimberley Transfer Station	Kimberley	East Kootenay	Bulky	New - December 02, 2019
Kitchener Bottle Depot Ltd.	Burnaby	Metro Vancouver	Regular	
Kitimat Understanding the Environment Society (KUTE)	Kitimat	Kitimat Stikine	Regular	
Kitwanga Transfer Station	Kitwanga	Kitimat Stikine	Regular	
Ladner Bottle Depot Co. Ltd.	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)	Lax Kw'alaams	North Coast	Bulky & Regular	
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	
Logan Lake Eco Depot	Logan Lake	Thompson Nicola	Regular	
Lonsdale Bottle Depot Ltd	North Vancouver	Metro Vancouver	Regular	
Lorne Street Bottle Depot	Kamloops	Thompson Nicola	Regular	
Lougheed Return-It Depot	Coquitlam	Metro Vancouver	Regular	
Louis Creek Eco Depot	Louis Creek	Thompson Nicola	Regular	
Lower Nicola Eco Depot	Merritt	Thompson Nicola	Regular	
Lytton Eco Depot	Lytton	Thompson Nicola	Regular	
MAKE/DO	Creston	Central Kootenay	Regular	
Malakwa Refuse Disposal Facility	Malakwa	Columbia Shuswap	Regular	
Maple Ridge Bottle Depot	Maple Ridge	Metro Vancouver	Regular	
Maple Ridge Recycling Depot	Maple Ridge	Metro Vancouver	Bulky & Regular	
Mayne Island Recycling Society (MIRS)	Mayne Island	Capital Regional District	Regular	
Meade Creek Recycling Centre	Lake Cowichan	Cowichan Valley	Bulky & Regular	
Merritt Return-It Depot	Merritt	Thompson Nicola	Regular	
Metrotown Bottle Return-it Centre	Burnaby	Metro Vancouver	Bulky & Regular	
Meziadin Landfill	Meziadin Junction	Kitimat Stikine	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2019
Mica Ventures Inc. (Williams Lake)	Williams Lake	Cariboo	Regular	
Mill Bay Thrift Store	Mill Bay	Cowichan Valley	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	
Mount Pleasant Return- It	Vancouver	Metro Vancouver	Regular	New - December 20, 2019
Nelson Leafs Recycling Center	Nelson	Central Kootenay	Regular	
New Westminster Thrift Store	New Westminster	Metro Vancouver	Regular	
Newton Bottle Depot	Surrey	Metro Vancouver	Regular	Stopped Bulky Collection - January 25, 2019
North Burnaby (Hastings) Thrift Store (Not Advertised)	Burnaby	Metro Vancouver	Regular	
North Road Bottle Depot Ltd.	Coquitlam	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 Inc.	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 Centre	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	
Princeton Return-It Depot	Princeton	Okanagan	Regular	

Collection Facility	City	Regional District	Depot Type	Change in 2019
		Similkameen		
Queensborough Landing Return-it	New Westminster	Metro Vancouver	Bulky & Regular	
R&T Bottle Depot	Abbotsford	Fraser Valley	Regular	
R3 Recycle-It Resource Recovery	Fort St. John	Peace River	Bulky & Regular	
Regional Recycling Abbotsford	Abbotsford	Fraser Valley	Bulky & Regular	
Regional Recycling Burnaby	Burnaby	Metro Vancouver	Bulky & Regular	
Regional Recycling Cloverdale	Surrey	Metro Vancouver	Bulky & Regular	
Regional Recycling Hayes	Nanaimo	Nanaimo Regional District	Bulky & Regular	
Regional Recycling Old Victoria	Nanaimo	Nanaimo Regional District	Bulky & Regular	
Regional Recycling Prince Rupert (NCRD)	Prince Rupert	North Coast	Bulky & Regular	
Regional Recycling Richmond	Richmond	Metro Vancouver	Bulky & Regular	
Regional Recycling Vancouver	Vancouver	Metro Vancouver	Bulky & Regular	
Regional Recycling Whistler	Whistler	Squamish Lillooet	Bulky & Regular	
Richmond Recycling Depot	Richmond	Metro Vancouver	Bulky & Regular	
Saanich Thrift Store (Not Advertised)	Victoria	Capital Regional District	Regular	
Salish Soils	Sechelt	Sunshine Coast	Regular	New - July 15, 2019
Salmo ValuMart & Bottle Depot	Salmo	Central Kootenay	Regular	New - October 21, 2019
Salt Spring Garbage & Transfer Station	Saltspring Island	Capital Regional District	Bulky & Regular	
Salt Spring Island Recycling Depot	Saltspring 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	
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	
Sicamous Refuse Disposal Facility	Sicamous	Columbia Shuswap	Regular	
Skimikin Refuse Disposal Facility	Tappen	Columbia Shuswap	Regular	
Sorrento Bottle Depot	Sorrento	Columbia Shuswap	Regular	
South Thompson Eco Depot	Pritchard	Thompson Nicola	Regular	
South Van.Bottle Depot (Zims) Ltd.	Vancouver	Metro Vancouver	Regular	
Sparwood Transfer Station	Sparwood	East Kootenay	Bulky	New - December

Collection Facility	City	Regional District	Depot Type	Change in 2019
				02, 2019
Stewart Landfill	Stewart	Kitimat Stikine	Regular	
Sun Coast Waste Services	Port Alberni	Alberni Clayoquot	Bulky & Regular	
Sunset Coast Bottle Depot	Powell River	qathet	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	
The Re-Build-It Centre	Whistler	Squamish Lillooet	Regular	
Thorsen Creek Recycling Depot	Bella Coola	Central Coast	Bulky & Regular	
Tie Lake Transfer Station	Tie Lake	East Kootenay	Bulky	New - December 02, 2019
Town Center Mall Recycle Depot	Powell River	qathet	Regular	
Trail Bottle Depot	Trail	Kootenay Boundary	Regular	Stopped Bulky Collection - January 23, 2019
Tsal'ah Eco Depot	Shalalth	Squamish Lillooet	Regular	
Tsawwassen Bottle Depot	Delta	Metro Vancouver	Regular	
Ucluelet Bottle Depot	Ucluelet	Alberni Clayoquot	Regular	
Urban Impact Recycling (Not Advertised)	Richmond	Metro Vancouver	Regular	
Valemount Recycling Center & Carwash	Valemount	Fraser Fort George	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	Victoria	Capital Regional District	Regular	
Village of Gold River	Gold River	Strathcona	Bulky & Regular	
Walnut Grove Bottle Depot Ltd.	Langley	Metro Vancouver	Regular	
Wasa Transfer Station	Wasa	East Kootenay	Bulky	New - December 02, 2019
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	Surrey	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 2019

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION

Financial Statements

For the year ended 31 December 2019

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INDEPENDENT AUDITORS' REPORT

To the Members,
Canadian Electrical Stewardship Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canadian Electrical Stewardship Association (the "Association"), which comprise the statement of financial position as at 31 December 2019, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



INDEPENDENT AUDITORS' REPORT - Continued

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



ROLFE, BENSON LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT - Continued

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Rolfe, Benson LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
26 May 2020

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Financial Position
31 December 2019

	2019	2018
Assets		
Current		
Cash	\$ 1,484,899	\$ 1,468,058
Accounts receivable (Note 3)	1,080,680	1,211,905
GST/HST receivable	204,865	138,238
Prepaid expenses	<u>25,776</u>	<u>23,598</u>
	2,796,220	2,841,799
Internally restricted investments (Note 4)	13,139,594	12,036,990
Long-term investments (Note 5)	<u>5,697,938</u>	<u>6,165,836</u>
	\$ 21,633,752	\$ 21,044,625

Liability

Current		
Accounts payable and accrued liabilities	<u>\$ 1,262,097</u>	<u>\$ 1,183,876</u>

Commitments (Note 6)

Net Assets

Unrestricted	7,232,061	7,823,759
Internally restricted - Reserve Fund (Note 8)	<u>13,139,594</u>	<u>12,036,990</u>
	<u>20,371,655</u>	<u>19,860,749</u>
	\$ 21,633,752	\$ 21,044,625

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 2019

	Unrestricted	Internally Restricted - Reserve Fund	Total 2019	Total 2018
Balance - beginning of year	\$ 7,823,759	\$ 12,036,990	\$ 19,860,749	\$ 19,883,381
Excess (deficiency) of revenues over expenses for the year	510,906	-	510,906	(22,632)
Fund transfer - Reserve Fund (Note 8)	(1,102,604)	1,102,604	-	-
Balance - end of year	\$ 7,232,061	\$ 13,139,594	\$ 20,371,655	\$ 19,860,749

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

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Statement of Operations
For the year ended 31 December 2019

	<u>2019</u>	<u>2018</u>
Revenues (Note 7)	\$ 5,993,653	\$ 6,499,595
Expenses		
Collection, transportation and processing	5,308,766	4,910,421
Administration	1,321,768	1,169,086
Communications	495,717	473,584
	<u>7,126,251</u>	<u>6,553,091</u>
Deficiency of revenues over expenses from operations	<u>(1,132,598)</u>	<u>(53,496)</u>
Other income (expenses)		
Unrealized gain (loss) on market value of investments	1,027,799	(529,612)
Investment income	683,170	625,031
Investment management fees	(67,465)	(64,555)
	<u>1,643,504</u>	<u>30,864</u>
Excess (deficiency) of revenues over expenses for the year	\$ 510,906	\$ (22,632)

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 2019

	2019	2018
Cash provided by (used in):		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	\$ 510,906	\$ (22,632)
Item not involving cash		
Unrealized (gain) loss on market value of investments	<u>(1,027,799)</u>	529,612
	(516,893)	506,980
Changes in non-cash working capital balances		
Accounts receivable	131,225	555,053
GST/HST receivable	(66,627)	(26,638)
Prepaid expenses	(2,178)	10,223
Accounts payable and accrued liabilities	<u>78,221</u>	(44,159)
	(376,252)	1,001,459
Investing activities		
Proceeds on disposal (purchase) of long-term investments - net	816,997	(123,727)
Transfer to Reserve Fund	<u>(423,904)</u>	(428,357)
	393,093	(552,084)
Net increase in cash	16,841	449,375
Cash - beginning of year	<u>1,468,058</u>	1,018,683
Cash - end of year	<u>\$ 1,484,899</u>	\$ 1,468,058

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 2019

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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

2. Summary of significant accounting policies - Continued

(b) Cash and cash equivalents

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

(c) Financial instruments

(i) Measurement of financial instruments

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

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

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

Financial assets measured at fair value include 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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

2. Summary of significant accounting policies - Continued

(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.

3. Accounts receivable

	2019	2018
Accounts receivable	\$ 1,114,909	\$ 1,242,849
Allowance for doubtful accounts	(34,229)	(30,944)
	\$ 1,080,680	\$ 1,211,905

During the year, the Association recorded bad debt expense of \$5,930 (2018 - \$67,127) that have been included in 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):

	2019	2019	2018	2018
	Market	Cost	Market	Cost
Cash equivalents	\$ 691,575	\$ 691,575	\$ 1,085,855	\$ 1,085,855
Fixed income	9,098,969	9,070,972	7,378,496	7,491,691
Equity	3,349,050	2,700,667	3,572,639	3,384,948
	\$ 13,139,594	\$ 12,463,214	\$ 12,036,990	\$ 11,962,494

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

5. Long-term investments

	2019	2019	2018	2018
	Market	Cost	Market	Cost
Cash equivalents	\$ 303,796	\$ 303,796	\$ 439,814	\$ 439,814
Fixed income	4,185,650	4,159,982	4,095,988	4,182,625
Equity	1,208,492	1,004,033	1,630,034	1,605,003
	\$ 5,697,938	\$ 5,467,811	\$ 6,165,836	\$ 6,227,442

6. Commitments

The Association has a lease agreement for its office premises that will expire on 1 April 2021. The minimum annual payments required by the lease are as follows:

2020	\$ 27,600
2021	<u>6,900</u>
	<u>\$ 34,500</u>

7. Revenues

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

	2019	2018
EHF revenue - current year	\$ 5,900,454	\$ 6,492,224
EHF revenue - back fees	93,199	7,371
	\$ 5,993,653	\$ 6,499,595

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

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.

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, \$1,102,604 (2018 - \$15,442) was transferred from the unrestricted fund to the Reserve Fund.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

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 2019.

(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.

(d) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Approximately 7% (2018 - 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.

CANADIAN ELECTRICAL STEWARDSHIP ASSOCIATION
Notes to the Financial Statements
For the year ended 31 December 2019

9. Financial instruments - Continued

(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.

10. Subsequent event

Subsequent to the year end, in January 2020, the World Health Organization declared the COVID-19 outbreak to be a public health emergency. This pandemic has caused an increase in economic uncertainty that has led to volatility in international markets and disrupted business operations around the world. The Association's primary source of revenue is derived from Environmental Handling Fees charged by its members on the sale of approved program products which are dependent on the members' ongoing business operations. Additionally, the Association's operating expenses are largely comprised of the costs of collection, transportation and processing of program products as these are returned to the Association for recycling and proper disposal. At the date of the independent auditors' report, the Association's management has estimated that the current social distancing guidelines will result in reduced revenues of up to 30% and a reduction in total tonnage collected for recycling of approximately 15% as consumers have less access to storefronts and recycling depots. The Association has also taken measures to reduce operating costs during this period. The Association's management anticipates that the impact on year over year revenues, expenses and operations will be minimal once social distancing restrictions are lifted.

APPENDIX D: INDEPENDENT ASSURANCE REPORT



Independent practitioner’s reasonable assurance report on Canadian Electrical Stewardship 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 Electrical Stewardship Association

We have undertaken a reasonable assurance engagement on the following information (the “subject matter”) of Canadian Electrical Stewardship Association (CESA), as detailed in Appendix A and presented in the 2019 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 the CESA website¹ during the period from January 1, 2019 to December 31, 2019:

- 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; and
- the total amount of the producers’ product collected for the period from January 1 to December 31, 2019 in accordance with Section 8(2)(e) 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 (the “criteria”), as detailed in Appendix A. 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 information based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the Canadian Standard on Assurance Engagements 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 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.



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.

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.

Opinion

In our opinion, Canadian Electrical Stewardship Association's subject matter information for the period from January 1, 2019 to December 31, 2019 has been prepared, in all material respects, in accordance with the criteria.

Emphasis of matter

We draw your attention to Appendix B, which describes why certain items required by the Assurance Requirements have been excluded. Our opinion is not modified in respect of this matter.

Purpose of statement and restriction of use and distribution

The subject matter information has been prepared to report to the MOE Director, Extended Producer Responsibility. As a result, the subject matter information may not be suitable for another purpose.

Our report is intended solely for CESA and the MOE Director, Extended Producer Responsibility, in accordance with the terms of our engagement, and should not be distributed to or used by parties other than CESA and the MOE Director, Extended Producer Responsibility.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Toronto, Ontario
June 23, 2020

Appendix A – Results and 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 4, 5, 7, 14, 15, 23 and Appendix B of CESA’s 2019 Annual Report to the Director.**

Result:

The number of collection facility locations by December 31, 2019 is 235. During the year, 16 contracted collection sites were added and one collection facilities closed.

Reference: Pages 4, 5, 7, 14, 15, 23 and Appendix B of CESA’s 2019 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, 2019 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 7, 2018. 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 16) and large, free-standing power tools with built-in stands (select products in Category 14). 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 17 and 18 of CESA’s 2019 Annual Report to the Director.

Result:

The contents of Table 6: Percentage of Total Tonnage Processed by Material Commodity in 2019.

Material Commodity	Reuse	Recycle	Recovery	Landfill	% of Total Tonnage Processed	Downstream Process
Ferrous Steel		X			50.1%	Production, Processing, Non-processing
Plastics		X			28.9%	Processing, Non-processing
Aluminum		X			1.6%	Production, Processing, Non-processing
Wire and Cables and String lights		X			4.2%	Refining, Non-processing
Copper		X			2.6%	Processing, Refining
Glass		X			1.8%	Non-processing
Circuit Boards		X			2.4%	Refining
Refuse				X	6.0%	Other final disposition
Rechargeable Batteries		X			1.1%	Processing, Non-processing
Paper Based Materials		X			0.5%	Processing
Non Rechargeable Batteries		X			0.2%	Processing, Non-processing
Heating Oil		X	X	X	0.4%	Processing, Recovery, Reuse, Landfill

Reference: Page 17 and 18 of CESA’s 2019 Annual Report to the Director.

Method of Reporting:

- Reporting Period: January 1st to December 31st, 2019.
- 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 any operation by which end-of-life (EOL) products or materials intended for disposal are used again for the same or similar purpose for which they were originally conceived.

“Recycle” includes any operation by which EOL products or materials are reprocessed into new products, materials, or substances (solids, liquids, or gases), whether for original or other purposes, to replace virgin equivalents of that material. This includes biological processes like anaerobic digestion and composting that produce a nutrient amendment.

“Recovery” relates to material or energy recovery. Material recovery is any operation by which EOL products or materials are reprocessed but lose their functionality as a replacement for virgin equivalents of that material, such as fill or landfill cover. Energy recovery is any operation which converts (EOL) products or materials into useable energy in the form of heat, electricity, or fuel but causes them to lose their functionality as a replacement for virgin equivalents of that material. This would include landfill gas capture systems but only for the proportion of inbound material that is biogenic.

“Landfill” includes any products not captured in the three streams above. It is the final destination of EOL products or materials that are deposited under controlled conditions, on or into land, and are covered with soil or other fill materials at regular intervals.

- “End 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 pages 4, 5, 19 and 20 of CESA’s 2019 Annual Report to the Director.

Results:

An estimate of 5,449,641 kg of regular CESA products were collected between January 1 and December 31, 2019.

Reference: Pages 4, 5, 19 and 20 of CESA’s 2019 Annual Report to the Director.

Method of Reporting:

- Reporting Period: January 1st to December 31st, 2019.
- 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 7,2018. 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 16) and large, free-standing power tools with built-in stands (select products in Category 14). 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, 2019 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, 2019 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.