

Annual Report 2017

OUR VISION, MISSION AND MANDATE

Vision

To be recognized in Canada as the leading operator of environmentally responsible, regulated, cost-effective programs for end-of-life electronic products.

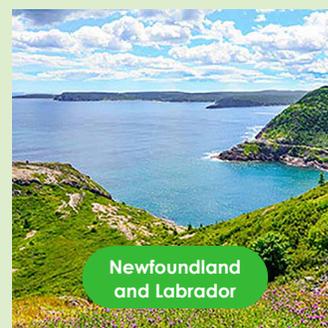
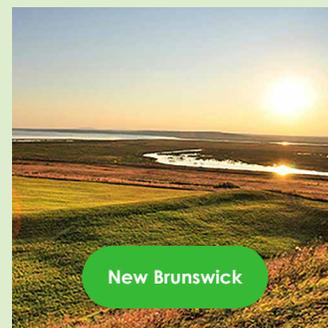
Mission

As an industry-led not-for-profit organization, we enable:

- Businesses and consumers to manage their electronics responsibly.
- Obligated stewards to achieve regulatory compliance.

Mandate

Provide a national electronics end-of-life program for Canada that recognizes the uniqueness of each Provincial Regulation and appropriate stakeholders.



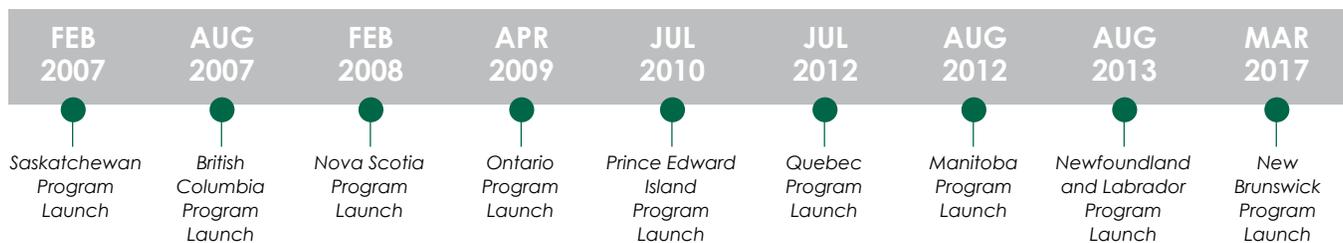
About the Electronic Products Recycling Association

The Electronic Products Recycling Association (EPRA) is a North American leader in end-of-life electronics (EOLE) recycling, operating a safe and secure program across Canada. EPRA manages a cost-effective, streamlined administration for stewards (manufacturers, distributors and retailers of electronics) in the provinces in which it operates, enabling them to achieve regulatory compliance. Working on behalf of more than 7,000 stewards, EPRA helps prevent electronics from ending up in landfills by providing Canadian businesses and consumers access to secure and convenient e-recycling options through over 2,400 drop-off locations.

EPRA is an industry-led, national, not-for-profit organization operating regulated e-recycling programs in nine provinces. EPRA ensures that EOLE are recycled in a safe, secure and environmentally sound manner, conserving natural resources by recovering materials that can be used to make new products. EPRA only works with recyclers who have been verified by the Recycler Qualification Office (RQO) under the national Electronics Recycling Standard (ERS), which was introduced in 2004

by the electronics industry to ensure proper handling of EOLE. This means that all verified recyclers must responsibly process materials entrusted to them by EPRA. Further, the RQO audits recyclers against the ERS requirements, which incorporate the internationally-recognized R2 Standard as the first step in verification. This process ensures that recyclers are maintaining appropriate environmental, health and safety controls, and properly handling all materials.

In the decade following the development of the original ERS, various industry-led electronics stewardship programs formed across the country to meet provincial regulations for extended producer responsibility (EPR). From the EPRA family, Saskatchewan and British Columbia commenced operation in 2007, and both programs celebrated a ten-year anniversary of responsible e-recycling in 2017. EPRA's Nova Scotia program launched in 2008, Ontario's program started in 2009 and PEI's kicked off in 2010. Manitoba and Quebec began in 2012, followed by Newfoundland and Labrador in 2013, and New Brunswick in 2017.



Message from the Chair, EPRA Board of Directors



Jeff Van Damme

Canada's 150th year was an anniversary for our great country and also heralded 10 years in operation for EPRA's programs in British Columbia and Saskatchewan. Since the beginning, EPRA programs across Canada have responsibly recycled over 883,000 metric tonnes of end-of-life electronics (EOLE) with

the active participation of the Canadian public. The recovery of these devices is key since the electronics we purchase can be recycled and the materials reused in new product manufacturing, keeping product out of Canadian landfills and protecting our environment.

On behalf of the Board, I am pleased that the EPRA team continued to move the program forward in 2017 with the successful launch of the New Brunswick program, refreshed messaging for Recycle My Electronics, and technology enhancements to aid the mobile-friendly products on market. EPRA mobile-friendly websites and web-based applications now allow any Canadian with a smartphone to access the information and tools needed to return their EOLE.

The trend towards "light-weighting" and "miniaturization" of electronic devices has continued to gain momentum in the industry. Manufacturing has shifted to producing lighter, smaller, multi-functional devices, which reduces the environmental footprint and also results in an absolute reduction in the overall tonnage of EOLE collected annually. While maintaining high standards for safe recycling, the program also works with regulators to transition from reliance on strictly weight-based performance metrics to other indicators of program success, such as public awareness, access and convenience.



"While maintaining high standards for safe recycling, the program also works with regulators to transition from reliance on strictly weight-based performance metrics to other indicators of program success, such as public awareness, access and convenience."

Change also came to our board this year with a number of farewells and new additions. In 2017, four exemplary members stepped down from the Board. Our former Chair, Lloyd Bryant, was a founding member of EPRA and had the vision, along with EPSC and RCC, of the benefits that a national electronics recycling organization could offer to stewards, service providers and the public. Harry Zarek and Clint Mahlman, also key members who have helped us grow EPRA, retired from our Board in 2017. Scott O'Connell, a more recent but no less appreciated addition, has taken on other responsibilities and also stepped down from Board as a result. We thank Lloyd, Harry, Clint and Scott for their leadership and the generosity of time as we wish them all the best in their future endeavours.

We also welcomed to the Board three new members in 2017: Cedric Tetzl, Giro Rizzuti and Elena Papakosta. Personally, I'm pleased to have accepted the role as Chair, and will work with the EPRA team to continue delivering an efficient, effective program.

Looking forward to 2018, it is our goal and pleasure to deliver top-notch coverage across the country – providing accessible, efficient and environmentally-sound electronics recycling.

Jeff Van Damme
Chair, Board of Directors

Message from the Chief Executive Officer



Cliff Hacking

Another year has come and gone and I am delighted with how EPRA has progressed in 2017 in fulfilling our mandate coast to coast. The dynamic nature of the technology industry has challenged us to ensure that our processes and strategies also continue to evolve. At EPRA we strive for improvement across each and every

program, to responsibly and efficiently recycle end-of-life electronics (EOLE) and to promote good stewardship.

Specific EPRA accomplishments for 2017 include:

- Safely and securely recycled over 103,000 metric tonnes of EOLE, diverting them from landfill and illegal export, and ensuring that recovered materials were put back into the manufacturing supply chain.
- Expanded our drop-off network with over 1,200 additional drop-off locations, which now total 2,487, to accommodate convenient and responsible EOLE recycling for Canadians.
- Launched our program in New Brunswick with great coverage across the province and built awareness of the recycling electronics program among residents.
- Made improvements to reporting in response to survey feedback to ensure ease of doing business on a day-to-day basis.
- Refreshed our branding message across all programs based on Recycle My Electronics, which includes an entirely updated website focusing on a “mobile-friendly” viewing experience, to raise awareness about the importance of electronics recycling and to help Canadians find collection locations.
- Reached our highest audience numbers to date through our Earth Week and Waste Reduction week campaigns.

On behalf of EPRA, and the environment, I would like to thank the program stewards and other stakeholders for their continued support in 2017, and our fellow Canadians for their participation in responsibly recycling EOLE through EPRA.

Cliff Hacking

Chief Executive Officer

“At EPRA we strive for improvement across each and every program, to responsibly and efficiently recycle end-of-life electronics (EOLE) and to promote good stewardship.”

Governance

EPRA Board of Directors

The EPRA Board of Directors as of December 31, 2017 is comprised of the following members:

Jeff Van Damme, Chair

Samsung Electronics Canada Inc.

Brian Feeley

Apple Canada Inc.

Pete Gibel

Independent Director

Lindsey LeClair

Best Buy Canada Ltd.

Cedric Tetzel

London Drugs Ltd.

Peter Maddock

Panasonic Canada Inc.

Elena Papakosta

Dell

Giro Rizzuti

Costco Canada

Jot Toor

Staples Canada

CEO and Staff

- **Cliff Hacking**, Chief Executive Officer
- **Lynda Kitamura**, Chief Financial Officer
- **Jay Illingworth**, Director, Harmonization
- **Sean De Vries**, Director, Recycler Qualification Office
- **Amy Victoria**, Director, Marketing and Communications

Each provincial EPRA program has an Executive or Program Director responsible for the day to day management of the programs:

- **Craig Wisehart**, Executive Director, Western Canada
- **Gayleen Creelman**, Program Director, Saskatchewan
- **Dennis Neufeld**, Program Director, Manitoba
- **Dominique Levesque**, Executive Director, Quebec
- **Gerard MacLellan**, Executive Director, Atlantic Canada
- **Terry Greene**, Program Director, Newfoundland and Labrador
- **Karen Ulmanis**, Program Director, New Brunswick



EPRA Recycling Process and Standards

EPRA is committed to recycling end-of-life electronics (EOL) collected through our approved network of drop-off locations in a responsible manner that protects the environment and worker health and safety.

RECYCLE MY ELECTRONICS

WHY RECYCLE?
There are so many good reasons for recycling your end-of-life electronics – here are just a few of them.

- Preventing e-waste from being illegally exported or handled by irresponsible recyclers, decreasing environmental issues for the planet.
- Protecting workers' and handlers' health and safety.
- Confirming the safe and secure destruction of personal data stored on hardware.
- Recovering resources like gold, silver, copper and palladium so they can be recycled to go into new products.
- Keeping e-waste out of Canadian landfills.

The future is in your hands. Don't let it go to waste.™

The infographic features a central image of a man in a yellow jacket looking at a tablet. Surrounding this are several circular icons and text boxes. The icons include a truck with a slash, a factory with a slash, a hand holding a coin, a padlock, a factory with a warning sign, and a hand holding a coin with 'Cu' and 'Ag' symbols. The text boxes are connected to these icons by white lines.

EPRA only works with recyclers who have been verified under the national **Electronics Recycling Standard (ERS)**, which was designed by the electronics industry to ensure that EOL are managed in a safe and environmentally-sound manner.

Further, our **Recycler Qualification Office (RQO)** audits the recyclers against the ERS requirements with third-party certification by the internationally recognized R2 Standard as the first step in verification.

EPRA requires that all recyclers actively process material and maintain appropriate environmental, health, safety and security controls for properly handling all materials.

The ERS and audit processes promote:

- ✓ sound environmental management practices
- ✓ enhanced worker health and safety controls
- ✓ robust data security measures; and
- ✓ downstream processing accountability.

EPRA British Columbia



Ten years of electronics recycling in BC! We reached this very enviable milestone in August 2017, and BC continues to lead the way with public engagement on environmental awareness and active recycling. BC has a more extensive list of mandated recycling than anywhere else in North America, and it is a privilege to provide our stewards and the public with a safe and secure program to fulfill that mandate.

As with the year prior, 2017 saw the continued trend of lighter, smaller electronics replacing the heavier devices of the past. At the same time, these lighter devices are ever more prevalent as the tech industry brings new tools and features to market. To accommodate this trend, EPRA BC has made it a priority to ensure that recycling electronics is as convenient as possible by increasing public awareness through enhanced outreach, and by continuing to increase the accessibility of drop-off locations.

The expansion in drop-off locations continues to be focused on rural areas through a variety of collection site initiatives and our return-to-retail program. These act as supplements to our traditional drop-off locations, and offer residents more options for dropping off their EOLE – especially for those living in smaller communities.



Another success in 2017 was the increase in public awareness by one per cent, with 76 per cent of respondents indicating awareness of an electronics recycling program in BC. To assist with outreach, EPRA BC participated in a national brand refresh that introduced a new mobile-friendly web experience along with new interactive tools. These online tools are fun to use and effective at educating residents of all ages, on how the recycling process works and what they can do to help ensure that all EOLE are safely recycled.

EPRA BC is pleased that the last decade has made such a difference in protecting the BC environment, and we look forward to continuing to offer a safe, secure, world-class electronics recycling program for British Columbians.

Craig Wisehart

Executive Director, Western Canada

Schedule of Operations British Columbia

Year ended December 31, 2017, with comparative information for 2016	2017	2016
Revenue:		
Environmental handling fees	\$ 20,567,851	\$ 19,600,568
Interest	280,719	220,287
	20,848,570	19,820,855
Expenses:		
Direct operations:		
Processing	8,182,700	8,746,199
Collection	3,970,076	4,339,782
Transportation, warehousing and storage	3,773,466	4,393,691
Quality assurance sampling and recycler audits	73,962	74,600
	16,000,204	17,554,272
Other:		
Consumer awareness and communications	772,422	774,002
Administration	1,623,929	1,619,394
	2,396,351	2,393,396
	18,396,555	19,947,668
Excess (deficiency) of expenses over revenue	\$ 2,452,015	\$ (126,813)



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



End-of-Life Electronics Collected

17,818 tonnes



Tonnes collected.

3.8 kg/capita



Kilograms collected per capita.

Access

Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

99%



% of the BC population within 45 minutes (rural) or 30 minutes (urban) of an EPRA BC Drop-off Centre.

265



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

76%



Percentage of the population aware of how to recycle EOLE in an environmentally friendly way.

1,764



Total manufacturers, retailers and other industry stewards registered with EPRA BC.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Program Costs

\$1,032 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

EPRA Saskatchewan



In 2017, EPRA Saskatchewan recycled over 2,200 metric tonnes of EOLE (end-of-life electronics), diverting e-waste from Saskatchewan landfills and recovering materials for re-use in the manufacturing of new items. This year also heralded 10 years since the launch of electronics recycling in the province, and EPRA Saskatchewan is proud of the role it plays and its commitment to protecting the environment of our province through responsible and sustainable recycling of EOLE.

Awareness continues to be strong, with 85 per cent of the households polled aware of an e-recycling program in the province. Many also indicated, though, that they still have at least one EOLE device in the home. With the trend of light-weighting still in effect, it's likely that most households will actually have more devices, not less, to drop off. Taking into consideration both trends, we continue to encourage Saskatchewan residents to drop these items off for recycling.

Accessibility is a top priority. EPRA Saskatchewan has concentrated on the expansion of its collection network with two new drop-off locations added in rural areas. Our current accessibility is 93 per cent within 50 km.

Equally important is public education and awareness. This year saw the optimization of EPRA Saskatchewan's outreach programs with the launch of a new website, new branding, and a new interactive online learning platform. Our new website was part of a national



brand launch, which focused on the optimization of our outreach. The Learning Hub is a unique platform that allows for Canadians both young and old to become aware of the intricate nature of electronics recycling. Educating Saskatchewan's young residents is the key to long-term knowledge and participation with the program.

EPRA Saskatchewan is committed to increasing the convenience of e-recycling to help residents safely and securely handle their EOLE, and prevent electronic devices from ending up in landfills. We're delighted to have celebrated 10 years of e-recycling in Saskatchewan, and look forward to enabling the new obligated products in the regulation for 2018 announced by the Provincial Government this past November.

Gayleen Creelman
Program Director, Saskatchewan

Schedule of Operations Saskatchewan

Year ended December 31, 2017, with comparative information for 2016

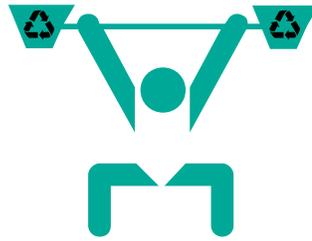
	2017	2016
Revenue:		
Environmental handling fees	\$ 2,746,671	\$ 2,700,000
Interest	131,263	148,014
	2,877,934	2,848,014
Expenses:		
Direct operations:		
Processing	960,184	1,154,685
Collection	814,020	890,653
Transportation, warehousing and storage	253,827	185,329
Quality assurance sampling and recycler audits	54,209	53,800
	2,082,240	2,284,467
Other:		
Consumer awareness and communications	597,932	559,211
Administration	573,441	568,114
	1,171,373	1,127,325
	3,253,613	3,411,792
Excess of expenses over revenue	\$ (375,679)	\$ (563,778)



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



End-of-Life Electronics Collected

2,256 tonnes



Tonnes collected.

2.1 kg/capita



Kilograms collected per capita.

Access

Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

93%



% of the Saskatchewan population within 50 kms (rural) or 30 minutes (urban) of an EPRA Sask Drop-off Centre.

89



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

85%



Percentage of the population aware of the e-recycling program.

746



Total manufacturers, retailers and other industry stewards registered with EPRA Saskatchewan.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Program Costs

\$1,442 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

EPRA Manitoba



2017 was our fifth year of operation in Manitoba, representing five successful years of electronics recycling since the regulation came into effect. Since inception, we have safely and securely recycled over 16,800 metric tonnes of end-of-life electronics (EOLE). With

electronics becoming ever lighter and more streamlined, we expect that tonnage will decrease. However, we also expect the number of devices requiring recycling to increase exponentially. We plan to proceed with the same strategy of ensuring that as many devices as possible are responsibly recycled, in the same way EPRA Manitoba added small appliances and microwaves back in 2013 – an easy addition to the program for our stewards, the public and service providers.

The focus in 2017 continued to be on growth and accessibility. Eight additional depots were opened, providing more rural collection coverage as well as urban accessibility. Our return-to-retail program, which continues to be a success in our larger centers, gives "shopping and dropping" convenience to the public. 2017 activities resulted in 92 per cent of Manitoba residents living within 30 minutes of one of EPRA Manitoba's drop-off locations, which is great news as we continue to make recycling easy and available.

On the promotion and awareness side, EPRA Manitoba participated in a national refresh of our branding. Consisting of the launch of a new website along with new interactive tools, the initiative continues to engage Manitobans. The refreshed website also provides more



learning opportunities about electronic recycling. With mobile access on smartphones and tablets in mind, the new site was built from the ground up to be mobile friendly, meaning we can reach a whole new audience while making it easier for all users to access information like drop-off locations and upcoming events.

Our relationship with the *Manitoba Moose* continued to thrive in its third year. EPRA Manitoba's sponsorship of the "Power Play" scoreboard program provided the opportunity to engage fans in an impactful way. *Manitoba Moose* games are well attended by fans, enabling EPRA to share the importance of e-recycling to a new audience at every game.

We are delighted with the first five years of the program, and the engagement in Manitoba on electronics recycling, and look forward to more success in the years to come.

Dennis Neufeld

Program Director, Manitoba

Schedule of Operations Manitoba

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Environmental handling fees	\$ 3,532,841	\$ 3,446,534
Interest	97,513	72,798
	3,630,354	3,519,332
Expenses:		
Direct operations:		
Processing	1,547,400	1,850,563
Collection	580,422	600,953
Transportation, warehousing and storage	227,468	246,860
Quality assurance sampling and recycler audits	39,418	37,400
	2,394,708	2,735,776
Other:		
Consumer awareness and communications	457,854	409,071
Administration	577,596	570,214
Government fees	45,261	45,261
	1,080,711	1,024,546
	3,475,419	3,760,322
Excess (deficiency) of revenue over expenses	\$ 154,935	\$ (240,990)



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



End-of-Life Electronics Collected

2,983 tonnes



Tonnes collected.

2.3 kg/capita



Kilograms collected per capita.

Access

Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

92%



% of the Manitoba population within 50 kms (rural) or 15 minutes (urban) of an EPRA Manitoba Drop-off Location.

78



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

69%



Percentage of the population aware of the e-recycling program.

544



Total manufacturers, retailers and other industry stewards registered with EPRA Manitoba.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Program Costs

\$1,165 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

EPRA-Québec



In 2017, we celebrated EPRA-Québec's fifth anniversary. It is with great pride that we look back on our journey and our accomplishments since the program was launched in 2012. Now closing in on the 100,000-metric-tonne threshold of end-of-life electronics (EOLE) recovered

in Québec, we are pleased to say that, despite the recognized effect of light-weighting, we increased volumes collected in 2017 by more than three per cent. Looking forward to next year, we expect to see a decrease in tonnage as devices become smaller and lighter, while the number of devices processed is set to increase.

Year over year, we have endeavoured to make our program more accessible, and 2017 was no exception. With almost 1,000 authorized drop-off points, our collection network has the potential to support growth while exceeding regulatory requirements. Moreover, we participated in over 130 events across the province – totaling 689 collection days – in partnership with municipalities and other organizations. Each and every one was an opportunity to divert thousands of old electronics from landfills, in addition to raising public awareness about responsible EOLE recycling.

In that regard, scientist Martin Carli, Ph.D., acting as our spokesperson, certainly contributed to the success of our 2017 ad campaign in both English and French. By adding his credibility to our messages, we were able to maintain EPRA-Québec's excellent level of awareness among Quebecers. With the use of more informative content,



we were able to explain the EOLE recycling process, and illustrate how important it is to the environment that we recover the valuable materials contained within old electronics. In doing so, we encouraged the public to participate in the program and highlighted the fact that "we need their old electronics today to build a better tomorrow!"

From a financial point of view, EPRA-Québec incurred a deficit and, as planned, relied on its reserve to cover 2017 operating expenses. We are resolutely committed to offering the most efficient program possible.

We plan to keep up the pace of initiatives to strengthen responsible recycling behaviour, and are confident that Quebecers will continue answering the call and participating in our collective efforts to protect our planet.

Dominique Levesque

Executive Director, Quebec

Schedule of Operations Quebec

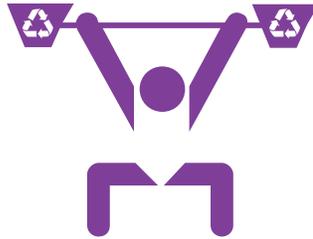
Year ended December 31, 2017, with comparative information for 2016	2017	2016
Revenue:		
Environmental handling fees	\$ 16,447,765	\$ 14,940,006
Interest	503,993	466,975
	16,951,758	15,406,981
Expenses:		
Direct operations:		
Processing	10,903,777	10,434,468
Collection	2,321,285	1,721,721
Transportation, warehousing and storage	4,466,610	4,230,137
Quality assurance sampling and recycler audits	222,916	194,900
	17,914,588	16,581,226
Other:		
Consumer awareness and communications	3,498,304	3,453,897
Administration	2,615,130	2,599,675
Government fees	11,654	(24,262)
	6,125,088	6,029,310
	24,039,676	22,610,536
Excess of expenses over revenue	\$ (7,087,918)	\$ (7,203,555)



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for reuse and recycling.



End-of-Life Electronics Collected

20,213 tonnes



Tonnes collected for recycling.

1,983 tonnes



Tonnes collected for reuse.

22,196 tonnes



Total tonnes collected (recycling & reuse).

2.7 kg/capita



Kilograms per capita collected (recycling & reuse).

Access

Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

99%



% of the Quebec population within 45 minutes (rural) or 30 minutes (urban) of an EPRA-Québec Drop-off Point.¹

960



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

77%



Percentage of the population aware of the e-recycling program.

1,713



Total manufacturers, retailers and other industry stewards registered with EPRA-Québec.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Program Costs

\$1,189 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

¹Note: Does not take into account particular access restrictions relating to municipal boundaries.

EPRA Nova Scotia and EPRA Prince Edward Island



We have been operating in Nova Scotia since 2008, and are very proud of what we've achieved so far. In that time, we have seen a great deal of change in electronic products themselves, our program and recycling in general. I'm pleased that we have kept our program elements current to service the public, and that we continually invest in public engagement and education.

The recycling culture is alive and well, as evidenced by our consumer awareness levels increasing to 88 per cent in 2017. Part of the brand refresh involved the launch of a completely new web experience. Designed from the ground up to be totally accessible from smartphones and tablets, the new site allows a wider audience to access all the information and tools from wherever they might be. With the launch of the Learning Hub, our national online interactive learning center, residents of both Nova Scotia and PEI can now learn about end-of-life electronic (EOLE) recycling and how they can make a difference!

We continued to grow our collection network in Nova Scotia this year, with the addition of another full-time drop-off location in Eastern Passage. Our goal is to make EOLE drop-off as convenient as possible for all residents. We now have 69 drop-off locations across Nova Scotia that safely and securely accept electronics for recycling.



Our Prince Edward Island program also continues to be very successful in electronics recycling. This year on Prince Edward Island (PEI), we collected 572 metric tonnes of EOLE. That's four kg per person, making PEI the province with the highest per-capita collection across all of Canada. Like Nova Scotia, the trend of light-weighting is very apparent. Light-weighting does not mean fewer units, however. In fact, electronic products are rapidly expanding for new uses and with fun features, so our focus on encouraging safe, secure recycling of old units remains top priority.

When it comes to recycling electronics, our mature programs and strong public engagement in Nova Scotia and PEI are setting a great example of environmental stewardship.

Gerard MacLellan

Executive Director, Atlantic Canada

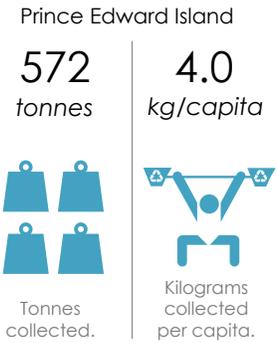
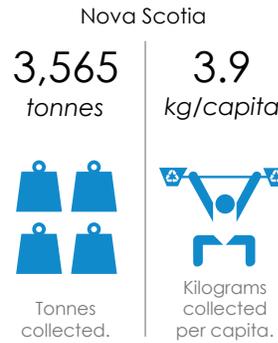
Schedule of Operations EPRA Nova Scotia and EPRA Prince Edward Island

Year ended December 31, 2017 (unaudited)	Nova Scotia	PEI	Total
Revenue:			
Environmental handling fees	\$ 4,348,079	\$ 670,624	\$ 5,018,703
Interest	41,575	5,973	47,548
	4,389,654	676,597	5,066,251
Expenses:			
Direct operations:			
Processing	1,766,717	269,964	2,036,681
Collection	622,787	87,232	710,019
Transportation, warehousing and storage	635,960	141,357	777,317
Quality assurance sampling and recycler audits	30,390	4,144	34,534
	3,055,854	502,697	3,558,551
Other:			
Consumer awareness and communications	236,985	65,310	302,295
Administration	562,524	76,652	639,176
Government fees	–	20,000	20,000
	799,509	161,962	961,471
	3,855,363	664,659	4,520,022
Excess of revenue over expenses	\$ 534,291	\$ 11,938	\$ 546,229



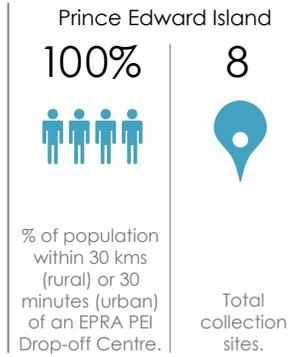
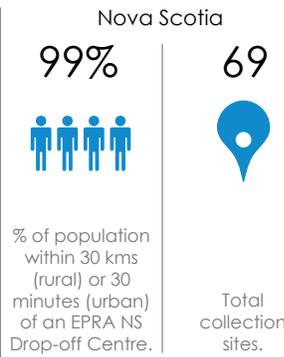
Collection Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



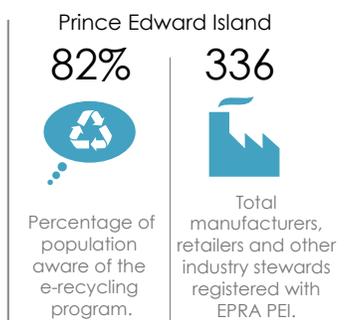
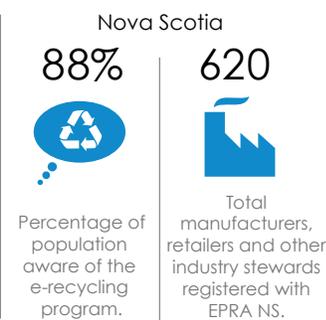
Access Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Awareness Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Cost Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

EPRA Newfoundland and Labrador



In our four years of operation, EPRA Newfoundland and Labrador has processed over 3,900 tonnes of end-of-life electronics (EOL). That's 3,900 tonnes of televisions, tablets and computers (to name just a few examples) diverted from landfills to be repurposed into

material that can be made into new products. Newfoundlanders and Labradorians continue to participate enthusiastically with the program as we engage with them across the province.

The electronics industry continues to provide more useful, efficient and intriguing electronic devices. A trend that continues is light-weighting – the move to products that are lighter and often smaller (like phones), or physically larger but lighter (like flat screens). Light-weighting reduces total tonnage and makes units easier to handle, which is a positive development for our program.

To keep the recycling message current, EPRA Newfoundland and Labrador participated in a national brand refresh. With a completely new web platform, we are able to offer Newfoundlanders and Labradorians a mobile-friendly site to find drop-off locations and program information, as well as access our new education portal – the online Learning Hub.



Collection events in remote communities continue to provide public engagement, fund-raising and collection services. We look forward to extending this message as we celebrate our five-year program anniversary in 2018. The importance of recycling electronics starts with the device in your hand or in your home, and I am pleased to be part of providing a safe, secure solution for electronics recycling across Newfoundland and Labrador.

Terry Greene

Program Director, Newfoundland and Labrador

Schedule of Operations Newfoundland and Labrador

Year ended December 31, 2017, with comparative information for 2016	2017	2016
Revenue:		
Environmental handling fees	\$ 2,172,179	\$ 2,071,863
Interest	27,719	19,145
	2,199,898	2,091,008
Expenses:		
Direct operations:		
Processing	403,489	444,217
Collection	189,295	198,272
Transportation, warehousing and storage	598,609	626,509
Quality assurance sampling and recycler audits	21,621	20,800
	1,213,014	1,289,798
Other:		
Consumer awareness and communications	397,982	386,328
Administration	354,154	347,743
	752,136	734,071
	1,965,150	2,023,869
Excess of revenue over expenses	\$ 234,748	\$ 67,139



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



End-of-Life Electronics Collected

901 tonnes



Tonnes collected.

1.7

kg/capita



Kilograms collected per capita.

Access

Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

96%



% of the NL population within 45 minutes (rural) or 30 minutes (urban) of an EPRA NL Drop-off Centre.

52



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

69%



Percentage of the population aware of the e-recycling program.

365



Total manufacturers, retailers and other industry stewards registered with EPRA NL.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



Program Costs

\$2,181 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.

EPRA New Brunswick



EPRA New Brunswick had a very successful first year of operation in 2017, opening for "business" on March 30th. Though the program is only nine months old, we have seen a significant level of public awareness and participation already building.

In 2017, we focused on consumer, business and municipal awareness initiatives to ensure broad knowledge of our program, an understanding of the regulated electronic products that can be diverted from landfills, and an awareness of where products should be taken for safe and secure collection and recycling. We managed to collect 799 tonnes, an impressive accomplishment considering the challenges of start-up inertia and the trend of light-weighting electronic devices. Following what the rest of the programs have seen, we expect to see less tonnage yet more devices as this trend continues.

The Recycle My Electronics program launched in New Brunswick with the objective to service this bilingual province of approximately 750,000 residents. A specific focus of the new program is increasing consumer participation by addressing the heightened public awareness of personal data security. That messaging was part of a broader initiative to announce the program's launch. Through print, web, radio and an event, we drove participation within our first few months of operation.



Among our successes was the speed in which we established the network of drop-off centers. Just three short months after our program was approved, we worked with local businesses and recruited 31 drop-off locations to meet our launch date. In the following six months, 33 more sites were added to the program – bringing the total number of drop-off centers to 64 in less than a year. Those centers are made up of the existing and recognizable Redemption Centers, as well as other private businesses and regional waste management entities – allowing for a more robust network that provides easy access to the public.

It has been an exciting first year of operation in New Brunswick, and I'm looking forward to continued public participation and program success.

Karen Ulmanis

Program Director, New Brunswick

Schedule of Operations New Brunswick

Year ended December 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Environmental handling fees	\$ 2,872,206	\$ –
Interest	9	–
	2,872,215	–
Expenses:		
Direct operations:		
Processing	387,332	–
Collection	132,116	–
Transportation, warehousing and storage	256,593	–
Quality assurance sampling and recycler audits	8,838	–
	784,879	–
Other:		
Consumer awareness and communications	530,021	–
Administration	574,502	228,506
Government fees	394,175	413,000
	1,498,698	641,506
	2,283,577	641,506
Excess (deficiency) of revenue over expenses	\$ 588,638	\$ (641,506)

During 2016, costs were incurred by EPRA to bring the New Brunswick program online. The 2016 costs above are included in the EPRA 2017 unrestricted fund at year end and will be recovered in future years through New Brunswick environmental handling fees.



Collection

Operational Indicators

Measures related to the weight of regulated electronics collected by the program for recycling.



End-of-Life Electronics Collected

799 tonnes



Tonnes collected.

1.1

kg/capita



Kilograms collected per capita.

Access

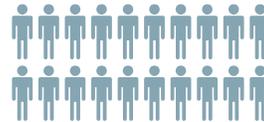
Collection Accessibility and Convenience Indicators

Measures related to the convenience of accessing the program to have regulated electronics recycled.



Collection Site Coverage and Convenience

97%



% of the NB population within 45 minutes (rural) or 30 minutes (urban) of an EPRA NB Drop-off Centre.

64



Total collection sites.

Awareness

Public Awareness and Industry Participation Indicators

Measures related to the public's awareness of the program, and the participation of obligated industry stewards in the program for environmental regulatory compliance.



Public Awareness and Industry Participation

61%



Percentage of the population aware of the e-recycling program.

383



Total manufacturers, retailers and other industry stewards registered with EPRA NB.

Cost

Financial Indicators

Measures related to the costs of delivering the program, including collection, consolidation, transportation, audits, processing, administration, communications, management and professional fees.



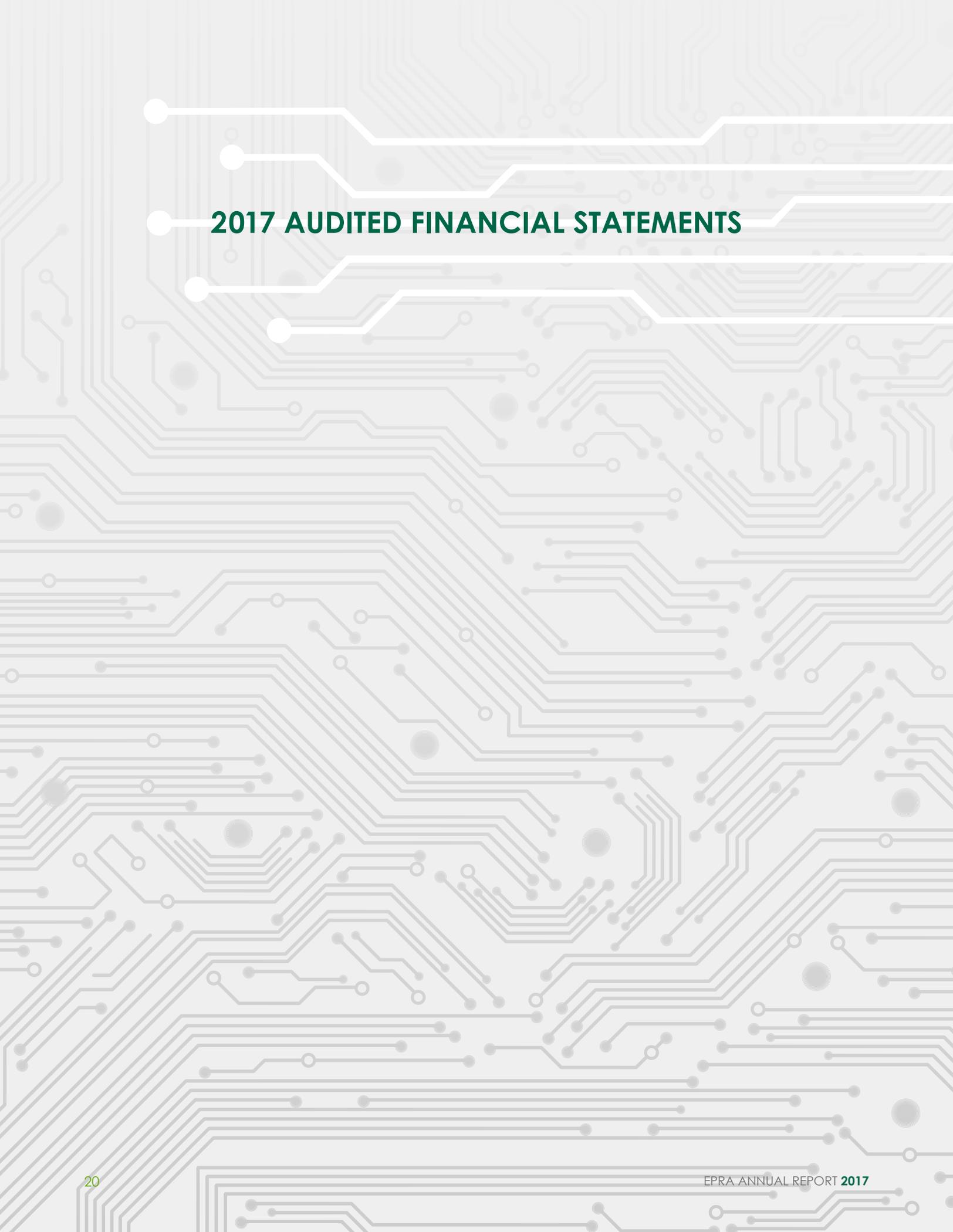
Program Costs

\$2,858 per tonne



Total program cost per tonne.

This scorecard lists the harmonized Key Performance Indicators (KPI) which EPRA's regulated, industry-led electronics stewardship programs operating in 2017 in Canada have committed to report on, as per "Research and Recommendations for Performance Measures For Regulated, Industry-Led, End-of-Life Electronics Recycling Programs in Canada" (Intergroup Consultants Ltd, April 2010). These measures reflect data which is presented in each program's annual report and/or other public reporting.



2017 AUDITED FINANCIAL STATEMENTS

Independent Auditors' Report



KPMG LLP

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100 New Park Place, Suite 1400
Vaughan ON L4K 0J3
Canada

Telephone: 905-265-5900
Fax: 905-265-6390

To the Members of Electronic Products Recycling Association

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Electronic Products Recycling Association as at December 31, 2017, 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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants
May 1, 2018
Vaughan, Canada

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

Statement of Financial Position

December 31, 2017, with comparative information for 2016	2017	2016
Assets		
Current assets:		
Cash	\$ 100,812,615	\$ 103,311,729
Accounts receivable (note 2)	14,924,913	11,252,611
Short-term investments (note 3)	2,482,581	4,339,936
Prepaid expenses	104,071	132,514
	118,324,180	119,036,790
Long-term investments	–	2,456,785
Capital assets (note 4)	278,639	88,815
	\$ 118,602,819	\$ 121,582,390
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 7,642,926	\$ 7,135,465
Net assets:		
Effectiveness and Efficiency Fund (note 6(a)):		
British Columbia	1,222,252	1,222,252
Nova Scotia and Prince Edward Island	664,126	664,126
Saskatchewan	289,000	289,000
	2,175,378	2,175,378
Contingency reserve (note 6(b)):		
British Columbia	30,216,907	27,764,892
Manitoba	9,371,453	9,216,518
Quebec	49,559,019	56,646,937
Nova Scotia and Prince Edward Island	4,834,419	4,288,190
Saskatchewan	11,676,854	12,052,533
Newfoundland	2,851,096	2,616,348
	108,509,748	112,585,418
Invested in capital assets:		
Quebec	128,895	10,349
Headquarters	141,045	67,157
Newfoundland and Labrador	8,699	11,309
	278,639	88,815
Unrestricted	(3,872)	(402,686)
	110,959,893	114,446,925
	\$ 118,602,819	\$ 121,582,390

See accompanying notes to financial statements.

On behalf of the Board of Directors:



Chair

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016	2017	2016
Revenue:		
Environmental handling fees	\$ 53,358,216	\$ 46,693,852
Management fee	2,640,760	2,861,674
Interest	1,088,764	959,210
	57,087,740	50,514,736
Expenses:		
Direct operations:		
Processing	24,421,563	25,071,642
Collection	8,717,232	8,589,481
Transportation, warehousing and storage	10,353,890	10,515,584
Quality assurance sampling and recycler audits	455,500	414,500
	43,948,185	44,591,207
Other:		
Consumer awareness and communications	6,556,810	5,865,058
Administration	9,598,687	9,429,856
Government fees	471,090	453,998
	16,626,587	15,748,912
	60,574,772	60,340,119
Excess of expenses over revenue	\$ (3,487,032)	\$ (9,825,383)

See accompanying notes to financial statements.

Statement of Changes in Net Assets

Year ended December 31, 2017, with comparative information for 2016

	British Columbia		Manitoba		Quebec	Nova Scotia and Prince Edward Island	
	Contingency reserve	Effectiveness & Efficiency Fund	Contingency reserve	Contingency reserve	Invested in capital assets	Contingency reserve	Effectiveness & Efficiency Fund
	(note 6(b))	(note 6(a))	(note 6(b))	(note 6(b))		(note 6(b))	(note 6(a))
Balance, beginning of year	\$ 27,764,892	\$ 1,222,252	\$ 9,216,518	\$ 56,646,937	\$ 10,349	\$ 4,288,190	\$ 664,126
Excess of expenses over revenue	-	-	-	-	(29,879)	-	-
Interfund transfers	2,452,015	-	154,935	(7,087,918)	-	546,229	-
Invested in capital assets	-	-	-	-	148,425	-	-
Balance, end of year	\$ 30,216,907	\$ 1,222,252	\$ 9,371,453	\$ 49,559,019	\$ 128,895	\$ 4,834,419	\$ 664,126

	Saskatchewan		Newfoundland and Labrador		Headquarters		2017	2016
	Contingency reserve	Effectiveness & Efficiency Fund	Contingency reserve	Invested in capital assets	Invested in capital assets	Unrestricted	Total	Total
	(note 6(b))	(note 6(a))	(note 7(b))					
Balance, beginning of year	\$ 12,052,533	\$ 289,000	\$ 2,616,348	\$ 11,309	\$ 67,157	\$ (402,686)	\$ 114,446,925	\$ 124,272,308
Excess of expenses over revenue	-	-	-	(2,610)	(32,533)	(3,422,010)	(3,487,032)	(9,825,383)
Interfund transfers	(375,679)	-	234,748	-	-	4,075,670	-	-
Invested in capital assets	-	-	-	-	106,421	(254,846)	-	-
Balance, end of year	\$ 11,676,854	\$ 289,000	\$ 2,851,096	\$ 8,699	\$ 141,045	\$ (3,872)	\$ 110,959,893	\$ 114,446,925

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended December 31, 2017, with comparative information for 2016	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of expenses over revenue	\$ (3,487,032)	\$ (9,825,383)
Amortization which does not involve cash	65,022	44,316
Change in non-cash operating working capital:		
Accounts receivable	(3,672,302)	(142,733)
Prepaid expenses	28,443	(66,139)
Accounts payable and accrued liabilities	507,461	(719,478)
	(6,558,408)	(10,709,417)
Investing activities:		
Investments, net	4,314,140	(104,648)
Capital assets acquired	(254,846)	(6,525)
	4,059,294	(111,173)
Decrease in cash	(2,499,114)	(10,820,590)
Cash, beginning of year	103,311,729	114,132,319
Cash, end of year	\$ 100,812,615	\$ 103,311,729

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended December 31, 2017

The Electronic Products Recycling Association (the "EPRA" or the "Association") is an industry-led, not-for-profit association dedicated to ensuring the safe, secure and responsible recycling of end-of-life electronics and ensuring compliance with the provincial regulations on electronics recycling. Members of Electronics Product Stewardship Canada and the Retail Council of Canada established the EPRA in 2011. The EPRA collects environmental handling fees from registered companies (stewards) which sell electronics into the marketplace. These fees are in turn used to pay the handlers of end-of-life electronics, mainly collection depots, transportation companies and processors. The fees also cover the communication and education outreach on the electronics recycling programs and drop-off locations.

The EPRA was incorporated on April 14, 2011 as a Canadian not-for-profit organization without share capital. The Association was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act in March 2013. The Association operates programs in British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador without monetary gain or profit to its stewards. The EPRA also provides management administration to the Ontario Electronic Stewardship program. The EPRA is exempt from income taxes under Section 149 (1) of the Income Tax Act (Canada).

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations:

(a) Revenue:

The Association follows the deferral method of accounting for revenue. Environmental handling fees ("EHF") are received from registered stewards within the provinces which participate in the EPRA 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 revenue is recognized as individual stewards' report and remit them as required by applicable provincial environmental legislation.

Management fee and interest revenue are recognized as earned.

(b) Direct collection, handling and processing and other expenses:

Processing, handling and collection expenses (including transportation, warehousing and related storage) are recorded on the date the electronics are gathered from collection sites. Other expenditures are recognized as incurred.

(c) Allocated expenditures:

Allocated expenditures, such as administration services, including harmonization costs, recycling quality office costs, administration and other governance expenses, are allocated to the EPRA regions of British Columbia, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador based on actual costs as incurred.

(d) Capital assets:

Purchased capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Software	3 years
Furniture and equipment	5 years
Equipment	5 years
Leasehold improvements	Lesser of the estimated useful life and lease term

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events

and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the allowance for doubtful accounts, accruals for processing end-of-life electronic products and environmental handling fees, accrued revenue and amortization of capital assets. Actual results could differ from those estimates.

2. Accounts receivable:

Included in accounts receivable is an amount totaling \$1,400,000 (2016 – \$1,400,000) owing from the British Columbia administration service provider that was advanced in order to finance the region's operations. The advance is unsecured, non-interest bearing and due on demand.

3. Short-term investments:

Short-term investments consist of a guaranteed investment certificate ("GIC"), bearing interest at 1.05% and maturing on August 10, 2018.

4. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Software	\$ 550,184	\$ 446,719	\$ 103,465	\$ –
Furniture and equipment	129,161	99,167	29,994	39,982
Equipment	13,050	4,350	8,700	11,309
Leasehold improvements	203,717	67,237	136,480	37,524
	\$ 896,112	\$ 617,473	\$ 278,639	\$ 88,815

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$826,361 (2016 – \$518,640), which includes amounts payable for harmonized sales tax.

6. Restricted funds:

(a) Effectiveness and Efficiency Fund:

The EPRA Board of Directors established an Effectiveness and Efficiency Fund to promote best practices for the collection, transportation and processing of end-of-life electronics and to ensure overall continued reduction of the environmental impact of the EPRA program.

The intent of the fund is for the enhancement of non-funded program elements, such as ensuring that there is adequate capacity to properly handle end-of-life electronics collected through the program, providing improvements to the metrics of the program and ensuring that best practices are employed for the handling of substances of concern. Up to 10% of direct operational expenses incurred by the EPRA may be transferred to the fund annually when there is an excess of revenue over expenses in the year.

(b) Contingency Fund:

The EPRA Board of Directors established a Contingency Fund to accumulate sufficient funds to ensure stable program operations continued through variable economic conditions.

The targeted amount for the fund is the equivalent of one year of projected operating costs. All excess of revenue over expenses not used for the purchase of capital assets and after transfers to the Effectiveness and Efficiency Fund are transferred to the fund until the targeted amount is reached. In a year where an operating deficit occurs, a transfer is made from the Contingency Fund to the general fund to cover the current year operating deficit.

7. Risk management:

(a) Credit risk:

The EPRA is exposed to credit risk that arises from the quality of its stewards. Credit risk arises from the possibility that the registrants of the EPRA will be unable to fulfill their obligations. The EPRA stewards are numerous and diverse which reduces the concentration of credit risk. Management closely evaluates the collectability to mitigate this risk. There has been no change to the risk exposure from 2016.

(b) Market risk:

The EPRA is exposed to financial risk that arises from fluctuations in the sale of consumer electronic products within the provincial regions in which the EPRA operates. This risk is minimized by the corresponding decreases in program delivery and recycling process expenses and by regulation through each regional Department of the Environment. There has been no change to the risk exposure from 2016.

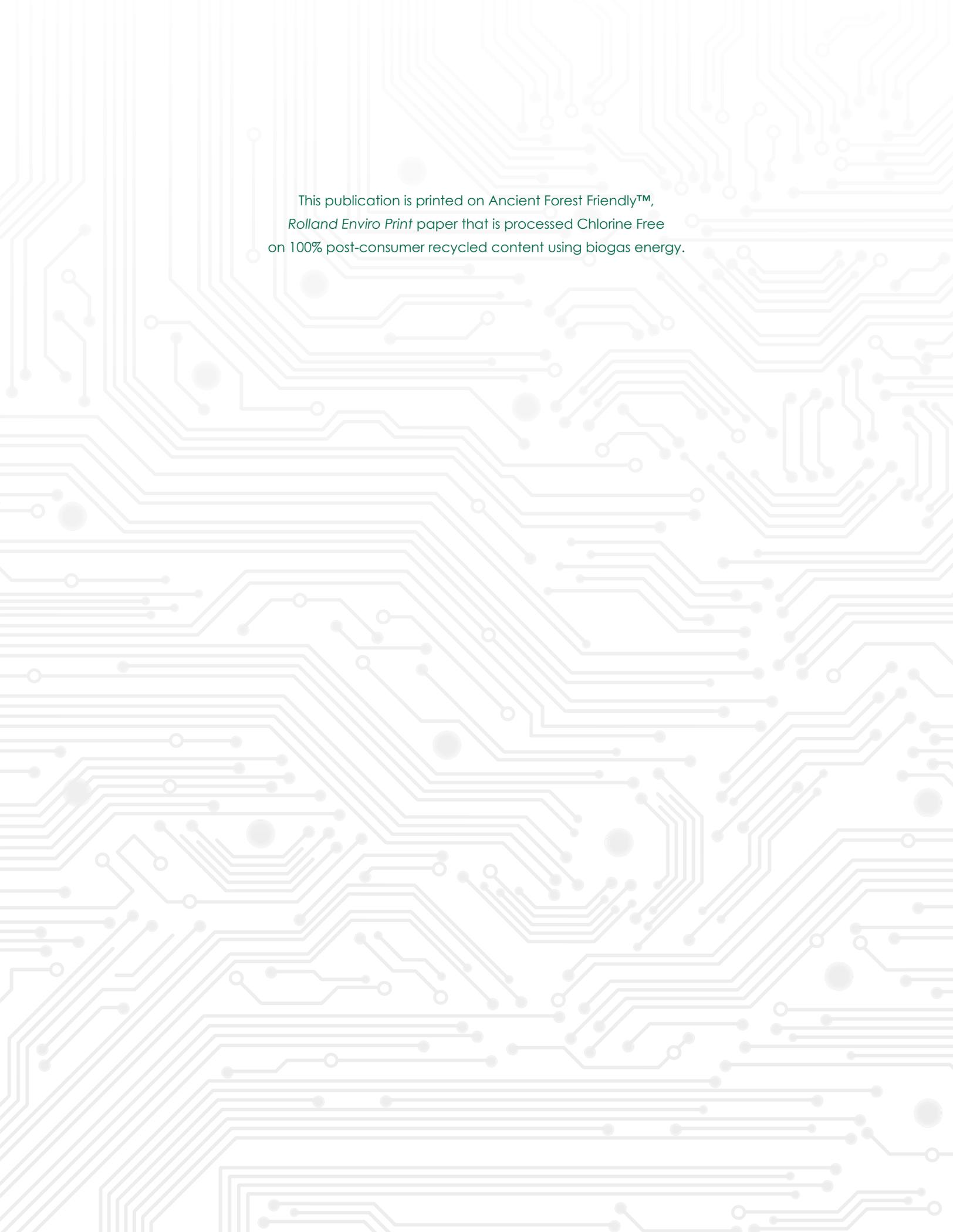
(c) Interest rate risk:

The EPRA is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income securities held by the Association. EPRA manages this risk by holding GICs and staggering the terms of the investments held. There has been no change to the risk exposure from 2016.

8. Commitments:

The Association has entered into a lease for office premises. Minimum future payments required under this operating lease are as follows:

2018	\$	195,700
2019		195,700
2020		97,800
	\$	489,200



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recycleMYelectronics.ca

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