

GE Aviation

Annual Report to the Director

2016 Calendar Year

Prepared by:

Rachel Becker, Product Stewardship Leader
GE Aviation
PO Box 92
Underhill, VT 05489
(802) 899-5233

Dan Rampton, Senior Customer Service Manager
GE Aviation
9100 Center Pointe Drive, Union Center
West Chester, OH 45069-4846
(513) 552-9060

Keith Konze, Program/Logistics Manager, T700/T6A1
GE Aviation
One Neumann Way, MD H410
Cincinnati, OH 45215-1988
(513) 243-0844

June 28, 2017

Table of Contents

1. Executive Summary	3
2. Program Outline	5
3. Public Education Materials and Strategies.....	5
4. Collection System and Facilities	6
5. Product Environmental Impact Reduction, Reusability and Recyclability	6
6. Pollution Prevention Hierarchy and Product / Component Management.....	6
7. Product Sold and Collected and Recovery Rate.....	8
8. Summary of Deposits, Refunds, Revenues and Expenditures	8
9. Plan Performance.....	8

Appendices / Additional Information and Third Party Assurance

GE Aviation 2016 Report to Director, Waste Management

1. Executive Summary

GE Aviation Canada, an operating unit of General Electric Canada, purchases electrical and electronic equipment from its parent company, the General Electric Company (acting through its GE Aviation division), and subsequently imports such electrical and electronic equipment for use in Canadian military helicopter and naval vessels. Although GE Aviation Canada imports products into British Columbia ("BC") to support the Canadian military, it does not operate or own a manufacturing facility in BC. The products are manufactured and shipped to Canada by the GE Aviation division of the General Electric Company.

GE Aviation Canada has established a product stewardship plan (the "stewardship plan") for Phase 5 of the electronic and electrical product category under British Columbia's ("BC") Recycling Regulation (the "Phase 5 Category").

Products within plan	<p>Per Schedule 3, Section 2.3 of the BC Recycling Regulation (effective July 1, 2012), the electronic and electrical product category was expanded to include the following products:</p> <ul style="list-style-type: none"> (f) electronic or electrical information technology or telecommunication devices, equipment or media; (h) electronic or electrical monitoring and control instruments, including, without limitation, alarm systems, heating regulators and appliances for measuring, weighing or adjusting, but not including thermostats or smoke detectors; (j) accessories for use with any products referred to in this Schedule, including cables, adapters, connection cords and chargers; (k) batteries for use in an electronic or electrical product referred to in this section, including primary and rechargeable batteries. <p>Electrical and electronics equipment installed on aircraft and military ships are likely, or may be, included in the Phase 5 Category. These products could include:</p> <ul style="list-style-type: none"> • Pressure, temperature, vibration and tank level sensors • Pressure transducers • Thermocouples • Electronic engine control units • Fuel metering units • Exciter and electrical harnesses • Ignition exciters • Solenoid valves • Signal conditioners • Flame and ice detectors • Power lever actuator motors
Program website	<p>www.ge.com/ca/en/ www.geaviation.com/</p>

GE Aviation 2016 Report to Director, Waste Management

Recycling Regulation Reference	Topic	Summary (5-bullet maximum)
Part 2, section 8(2)(a)	Public Education Materials and Strategies	<ul style="list-style-type: none"> • GE Aviation does not sell product to the public. • GE Aviation consulted with customers who receive covered products.
Part 2, section 8(2)(b)	Collection System and Facilities	<ul style="list-style-type: none"> • Department of National Defence (DND) for the LM2500 production line. • Vector Aerospace Helicopter Services of Richmond, BC for GE Aviation's T700/T6A1 products lines.
Part 2, section 8(2)(c)	Product Environmental Impact Reduction, Reusability and Recyclability	Government customers require products to be managed and/or destroyed according to strict Canadian government-mandated procedures.
Part 2, section 8(2)(d)	Pollution Prevention Hierarchy and Product / Component Management	GE Aviation manages subject products in adherence to the order of preference in the pollution prevention hierarchy when possible. However, government customers require products to be managed and/or destroyed according to strict Canadian government-mandated procedures.
Part 2, section 8(2)(e) Part 2, section 8(2)(e.1)	Product Sold and Collected and Recovery Rate	<p>The recovery rate for the LM2500 product line for 2016 was 50%.</p> <p>The recovery rate for T700/T6A1 product lines for 2016 was 240%.</p> <p>See Section 7 for details.</p>
Part 2, section 8(2)(f)	Summary of Deposits, Refunds, Revenues and Expenses	This section is not applicable to GE Aviation. Our business does not charge deposits.

GE Aviation 2016 Report to Director, Waste Management

Comparison of Key Performance Targets		
Part 2 section 8(2)(g); See full list of targets in Plan Performance section		
Priority Stewardship Plan Targets (as agreed with ministry file lead)	Performance	Strategies for Improvement
<p>GE's objective is to achieve a recovery rate of 75% of the actual products that are available for disposal, based on an average over a five-year period.</p>	<p>The recovery rate for the LM2500 product line for 2016 was 50% (2015: 67%). The five-year recovery rate is 59%.</p> <p>The recovery rate for T700/T6A1 product lines for 2016 was 240% (2015: 111%). The five-year recovery rate is 139%.</p>	<p>The recovery rate for the LM2500 product line declined from the 2015 rate.</p> <p>The recovery rate for the T700/T6A1 increased from the 2015 rate. The recovery rate for this program is greater than 100% because of the large number of parts sent for scrapping.</p> <p>We will continue to manage products in accordance with plan.</p>

2. Program Outline

GE Aviation sales occur through intermediaries to the Canadian government, as well as directly to the Department of National Defence (DND). To develop the stewardship plan, GE Aviation consulted with Vector Aerospace Helicopter Services, which assembles and services helicopter engines for the Canadian military in British Columbia. Vector has agreed to utilize established collection points to facilitate the proper disposition of covered waste electrical and electronic equipment that was originally provided by GE Aviation. Affected parts that are supplied to DND directly are already collected by GE Aviation for recycling and further processing, so current processes will continue as part of this stewardship plan.

There are two product lines/programs covered by the stewardship plan. These are the T700/T6A1 program and the LM2500 program. The T700/T6A1 program includes military helicopter engines and spare parts necessary to maintain the engines. The LM2500 program includes the LM2500 Gas Turbine Engine, as well as the enclosure, lubrication oil storage and conditioning assembly, and tooling/spares for maintenance and support of the shipboard engine installations.

3. Public Education Materials and Strategies

GE Aviation recognizes that stakeholder involvement starts at the design of the consultation plan. It is important to note that, for the products managed under the stewardship plan, GE Aviation does not sell, offer for sale or distribute the products to retail consumers. Sales occur through intermediaries to the Canadian government, as well as directly to the DND. As such, public consultations, notices, comment periods and/or webinars are not warranted. However, communications with parties directly responsible for collecting

GE Aviation 2016 Report to Director, Waste Management

covered products in accordance with GE Aviation's stewardship plan on behalf of the Canadian government (GE Aviation's customer) were initiated in 2012.

In accordance with regulatory requirements, a draft version of the stewardship plan was posted to the following GE Canada website for 45 days in January/February 2013.

4. Collection System and Facilities

Vector has agreed to utilize established collection points at their site to facilitate the proper disposition of covered waste electrical and electronic equipment that was originally provided by GE Aviation. While Vector does not inventory individual items covered by this plan, the process established and described in detail in Appendix 1 is designed to ensure 100% of covered waste materials are destroyed and, where possible, recycled.

In the case of the LM2500 program, GE Aviation, under contract to the Canadian Government, is the issuing authority for all spare parts supplied to ships using the LM2500. Waste parts that were supplied to DND by GE Aviation Canada are collected by a GE Technician. Once reclaimed, the parts are sent to a GE Aviation Canada facility in Halifax for repair or destruction and off-site for recycling. These parts are inventoried on an individual basis.

5. Product Environmental Impact Reduction, Reusability and Recyclability

GE Aviation repairs covered products for reuse if feasible. If products are not repaired, GE Aviation recycles waste product components to the greatest extent possible.

6. Pollution Prevention Hierarchy and Product / Component Management

GE Aviation managed the products covered by the stewardship plan in adherence to the order of preference in the pollution prevention hierarchy.

The pollution prevention hierarchy is, in descending order of preference:

- Reduce the environmental impact of producing the product by eliminating toxic components and increasing energy efficiency and resource efficiency without compromising safety and reliability.
- Redesign the product to improve reusability or recyclability without compromising safety and reliability.
- Eliminate or reduce the generation of unused portions of a product that is consumable.
- Reuse the product taking into account DND and FAA requirements.
- Recycle the product.
- Recover material or energy from the product.
- Otherwise dispose of the waste from the product in compliance with law.

GE Aviation 2016 Report to Director, Waste Management

Recovered electronic components destined for destruction are recycled to the extent practicable as specified by the Canadian military. Canadian military contract requirements do not give GE Aviation the flexibility to further reuse or recycle electronic components because they must be managed in accordance with the requirements of Canada's controlled goods program. The Canadian controlled goods program establishes procedures to be followed for the disposal of controlled goods. Items that are deemed "controlled" are identified as such in the Canadian Catalogue of Material (CGCM).

Under GE Aviation's LM2500 service contract with DND, controlled, non-repairable LM2500 electronic components that are removed from service aboard Halifax-class frigates are collected and returned to GE Aviation's facility in Halifax, Nova Scotia. Because they remain DND property and controlled goods, they are then destroyed in the presence of a qualified government witness and disposed of in accordance with DND-mandated procedures. Recyclable waste generated from this process is turned over to a recycling company. Any items that are not controlled goods are rendered unusable and sent directly to a recycling company.

Under the T700/T6A1 contract with Vector, recovered non-controlled electronic components that are no longer usable are sent to a facility where the waste is ground into chips and then shipped out of Canada for recycling. For controlled goods, each one will be reviewed GE Aviation or an agent under contract to the DND. If the controlled electronic good is determined to be unrepairable, IMP Aerospace coordinates with DND and either the controlled good is sent to IMP Aerospace in Halifax for disposal or Vector Aerospace will send the item to their third-party recycling vendor. Note that the majority of the controlled electrical goods are determined to be repairable, and are not sent off to be recycled.

Product End Fate Matrix

Component	Reuse	Recycle	Energy Recovery	Landfill	Other (misplaced, out of stores, etc.)
All Components	Preferred	Preferred	--	--	--

Actual Product End Fate Data for the year ending December 31, 2016 (estimated % based on number of items that were collected during the year)

Component in inventory in 2016	Reuse	Recycle	Energy Recovery	Landfill	Other (misplaced, out of stores, etc.)
LM2500 components	60%	30%	0%	10%	0%
T700/T6A1	13%	65%	0%	22%	0%

End Fate Data is based on information obtained from two collection points. The metallic content of scrapped parts is recycled by third party vendors and the non-metallic content is disposed of as waste. At this time GE Aviation is unable to obtain information from third party vendors regarding the volume of scrapped material which is metallic or non-metallic. Therefore, based on the material composition of electronic items, GE Aviation has estimated that approximately 75% of electronic items are composed of metallic materials and 25% are composed of non-metallic materials. This estimation, which is management's best estimate based

GE Aviation 2016 Report to Director, Waste Management

on their knowledge of the relevant electronic items, is used in the compilation of the product end fate data presented above.

7. Product Sold and Collected and Recovery Rate

DND Collection Point - In 2016, 10 electronic items were sold to DND to support the LM2500 program and 5 items were collected, of which, 3 items were repaired and placed back into inventory and 2 were collected and transferred to GE Aviation's facility in Halifax, Nova Scotia.

Vector Aerospace Collection Point - In 2016, a total of 45 "new" electronic items were sold into BC and 108 items were collected, of which 14 "used/repairable" items were refurbished for reuse in the T700/T6A1 program and 94 items were scrapped. All waste electronic items generated by the customer were collected and managed in accordance to the process detailed in Appendix 1.

8. Summary of Deposits, Refunds, Revenues and Expenditures

This section is not applicable because GE Aviation does not charge deposits.

9. Plan Performance

GE Aviation is committed to achieving the highest recovery rates feasible for the products, in light of all applicable circumstances, including the nature of the products and the purchasers of the products, which do not include sales to retail consumers. Generally, the recovery rate is a measurement of what is collected over what is sold. Aviation and naval products have a long lag time between time of purchase and disposal of a used product. As such, it is difficult to accurately determine a recovery rate over a short time period. Given the nature of these products, GE Aviation's objective is to achieve a recovery rate of 75% of the actual products that are available for disposal, based on an average over a five year period.

GE Aviation 2016 Report to Director, Waste Management

Plan Target	Results	Strategies for Improvement
<p>75% of actual products that are available for disposal, based on an average over a five-year period</p>	<p>The recovery rate for the LM2500 product line for 2016 was 50% (2015: 67%). The five-year recovery rate is 59%.</p> <p>The recovery rate for T700/T6A1 product lines for 2016 was 240% (2015: 111%). The five-year recovery rate is 139%.</p>	<p>The recovery rate for the LM2500 product line declined from the 2015 rate.</p> <p>The recovery rate for the T700/T6A1 increased from the 2015 rate. The recovery rate for this program is greater than 100% because of the large number of parts sent for scrapping.</p> <p>We will continue to manage products in accordance with plan.</p>

Appendix 1

Vector Aerospace Operational Procedures

OP 8.9 – Quality

Amendment No.: 13

Effective Date: 26 March 2014

SCRAPPING OF PARTS AND MATERIALS

1. Purpose

The purpose of this OP is to ensure control, mutilation and final disposal or disposition of aeronautical products referred to as “parts and materials” that have been identified as scrap.

2. Responsibility

The Director, Quality is responsible for:

- updating of this OP when necessary.

The Stores Manager is responsible to ensure materials and inventoried parts that are identified as scrap are controlled in accordance with these procedures and any other processes relating to material handling, including:

- coordinating the disposal of parts and materials that have been deemed as scrap;
- reducing inventory on record;
- reconciling the items to be scrapped during each given month.

Shop Technicians are responsible to affix scrap label #052 onto boxes or packages of scrapped parts and materials in accordance with this OP and complete as much data as possible (excepting Mutilation Date).

For units within the Kitting department, Parts Controllers are responsible to identify the date the Work Order is pushed out of Kitting Department.

For units outside the Kitting process, Shop Technicians are responsible to identify the mutilation date. Areas outside the Kitting process include Reworks, Cannibalization, PT6 CBox, Eurocopter.

The Warranty Administrator is responsible for parts that are identified as scrap and eligible for warranty.

Customer Support Representatives are responsible to ensure any information regarding the disposition of customer owned scrapped parts is transcribed to the work order.

Technicians are responsible for identifying scrap parts and materials with the scrap tag #004.

3. Applicability

This procedure is applicable to all personnel involved in handling or processing scrap parts and material in the Richmond facility.

4. Associated Documents and Forms

Scrap Tag - VA-HSNA #004
Non-conformance Report - VA-HSNA #039
Scrap Label - VA-HSNA #052
DND Material Control Procedure: A-LM-184-001/JS-001
FAR 45.7 – Reporting, Reutilization and Disposal
RMIS022 “Shelf Life Expired Parts” report

5. Definitions

Mutilation date – a date identified on the scrap tag or sticker after which a part may be mutilated. Parts or Work Orders lacking a defined milestone may be mutilated **90 days** after the date on the scrap label #052. Parts or Work Orders flowing through Kitting may be mutilated **90 days** after the date on the tag or sticker.

6. Procedure

Customer Parts Identified as Scrap

All parts that are identified as scrap during inspection, maintenance, repair or overhaul repair shall be noted as scrap on the corresponding work order.

During the disassembly and main inspection process, a part or material deemed to be scrap will be tagged using the scrap tag #004, and boxed and placed on the bottom of the materials rack, prior to forwarding to the kitting area. Scrap parts too large to be boxed shall also have scrap label #052 affixed. The requirements for the completion of the scrap tag are referenced in Section 11 of this OP.

During the Estimate Review process, the Final Inspector is to review all scrap tags for proper completion.



The Shop Technician will affix a scrap label to the box of scrapped parts, completing all information except the mutilation date, and the Parts Controller will update the mutilation date upon completion of the Kitting Cycle Completion Date.

A part identified as scrap that may be eligible for warranty shall be identified using scrap tag #004. The Warranty Administrator shall be contacted and the disposition of the part will be determined.

Eurocopter scrap parts are to be segregated from all other products and stored securely within the Eurocopter shop until Mutilation Date is reached.

Scrap from any other shops or processes that fall outside the Kitting process (i.e., Reworks) shall be labeled with Scrap label VA-HSNA #052 with a Mutilation Date **90 days** from the day the label is issued. The Parts Runner will move Scrap from the Shop to the temporary locked quarantine cage in Kitting until subsequent collection by Kitting personnel on a bi-weekly basis.

Parts within the Kitting process identified as scrap will remain with the aeronautical product work order until marshalling to the Build/Assembly area, and stored in a temporary locked quarantine cage in Kitting.

Reference Section 9 of this OP for DND Scrap Procedure.

7. Control and Mutilation

The Director, Quality delegates the function and authority to control and dispose of scrap parts and materials to the Manager, Stores. The Manager, Stores will appoint responsible Stores personnel to exercise this authority on his or her behalf.

Should any personnel require access to Scrap material either held in Kitting or in the Quarantine holding areas, written permission from a member of the Quality Assurance team is required.

The Parts Controllers will be responsible for removing scrap from the Kitting area and storing it in the scrap quarantine area. The delegated Stores personnel will ensure the boxed scrap is identified with the scrap label visible on the outside of the box.



When the Mutilation Date has been reached, delegated Stores personnel will ensure all collected scrap parts and materials have been placed in the scrap bin. Scrap tags will be removed; those from serialized parts shall be retained for data entry; those from unserialized parts shall be destroyed.

Scrap tags for Turbomeca product will be removed when the part has been mutilated and the information retained electronically as proof of destruction of the part.

After data entry, Scrap Tag #004 (paper form) shall be stored for two years and then destroyed. Electronic records shall be maintained for seven years after destruction of parts.

When necessary, building maintenance shall be notified to arrange for disposal of the scrap metal by the approved scrap metal agent. The agent will destroy by melting or shredding all scrap product produced by Vector. The agent will not allow any parts or pieces from the scrap metal to re-enter the aviation industry.

8. Scrapping Parts and Material from Stores

Inventory items that have been identified as scrap must be returned to the Stores Manager or designated personnel. If a part or material issued to a work order has been identified as scrap, an NCR should be raised in accordance with OP 8.3 Quality.

The Stores Manager is responsible to ensure that any hazardous material is disposed of in accordance with OP 8.1 Quality.

Parts and Materials will be taken to the Stores Manager or his designate when:

- shelf-life expired parts or material are removed from stock as indicated on an RMIS022 Shelf Life Expired Parts report.
- a Stores person recognizes a part or material as scrap from stock.
- a part or material issued to a Work Order in the shop is identified as scrap and written up on an NCR.

If necessary, the item will be credited to the work order to show the item in the designated scrap warehouse.

Appendix 2

Third Party Assurance

Attach any additional documentation that is required.

Include:

- *Financial Statements (if applicable),*
- *Third Party Assurance Statement for Non-Financial Information, and*
- *Other items related to plan commitments such as greenhouse gas or other studies, consumer awareness surveys, detailed information on depot locations, etc.*

Reference: *Recycling Regulation – Part 2, section 8(2)*

Including section 8(2)(h), any other information specified by the director



KPMG LLP

Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone: (604) 691-3000
(604) 691-3400
Telefax: (604) 691-3031
www.kpmg.ca

2016 INDEPENDENT AUDITOR'S REPORT FOR SELECTED NON FINANCIAL INFORMATION

To the Directors of GE Aviation (Canada):

ASSURANCE LEVEL AND SUBJECT MATTER

We have been engaged by the management of GE Aviation (Canada) (the Company) to undertake a reasonable assurance engagement in respect of the following disclosures within the Company's Annual Report to the Director for the year ended December 31, 2016 (the Annual Report):

- The Company's description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)(d) of BC Regulation 449/2004 (the Recycling Regulation);
- The total amounts of product sold and collected in accordance with Section 8(2)(c) of the Recycling Regulation; and
- In accordance with Section 8(2)(g), the Company's description of performance for the year in relation to stewardship plan targets associated with Section 8(2)(d) and (c) of the Recycling Regulation.

(together the Subject Matter)

The objective of this report is to express an opinion on the fair presentation of the Subject Matter in accordance with the evaluation criteria set out in Appendix 1 to this auditor's report.



RESPONSIBILITIES

Management is responsible for the preparation and presentation of the Subject Matter in accordance with the evaluation criteria which are integral to the Subject Matter presented in Appendix 1, current as at the date of our report. Management is also responsible for establishing and maintaining appropriate performance management and internal control systems from which the reported Subject Matter is derived.

Our responsibility in relation to the Subject Matter is to perform a reasonable assurance engagement and to express a conclusion based on the work performed. Our opinion does not constitute a legal determination of the Company's compliance with the Recycling Regulation.

ASSURANCE STANDARD AND PROFESSIONAL REQUIREMENTS

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. ISAE 3000 requires that we comply with applicable professional standards, including International Standard on Quality Control 1.

APPLICABLE CRITERIA

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Appendix 1 are an integral part of the Subject Matter and address the relevance, completeness, reliability, neutrality and understandability of the Subject Matter.

SUMMARY OF WORK PERFORMED

We planned and performed our work to obtain all of the evidence, information and explanations we considered necessary in order to form our conclusion as set out below. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. A reasonable assurance engagement also includes assessing the evaluation criteria used and significant estimates made by management, as well as evaluating the overall presentation of the Subject Matter. The main elements of our work were:

- Inquiries of relevant management to gain an understanding of the Company's data collection and reporting processes in relation to the Subject Matter included in the Annual Report;

GE Aviation 2016 Report to Director, Waste Management



- Performing walkthroughs to test the design, and where applicable the operating effectiveness, of internal controls relating to the Company's data collection and reporting processes in relation to the Subject Matter included in the Annual Report;
- Comparison of sales and collection data included in the Annual Report to internal records and recalculation of data, where appropriate; and
- Site visits to conduct inventory counts and obtain source collection records which were compared with collection data included in the Annual Report.

OPINION

In our opinion, GE Aviation (Canada)'s Annual Report to the Director for the period from January 1 to December 31, 2016 presents fairly, in accordance with the evaluation criteria, in all material respects:

- The description of how the product was managed in accordance with the pollution prevention hierarchy in accordance with Section 8(2)(d) of the Recycling Regulation;
- The total amount of the producer's product sold and collected and, if applicable, the producer's recovery rate in accordance with Section 8(2)(e) of the Recycling Regulation; and,
- The performance for the year in relation to approved targets under Sections 8(2) (d) and (e) in accordance with Section 8(2)(g) of the Recycling Regulation.

Our report has been prepared solely for the purposes of management's stewardship under the Recycling Regulation and is not intended to be and should not be used for any other purpose.

Our duties in relation to this report are owed solely to the Company, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

Chartered Professional Accountants, Licensed Public Accountants

Vancouver, Canada

June 27, 2017



Appendix 1 to the Auditor's Report
Evaluation Criteria

The description of how the recovered product was managed in accordance with the pollution prevention hierarchy under Section 8(2)d

Specific disclosures in Section 6 "Pollution Prevention Hierarchy and Product Component Management" of the 2016 draft stewardship report for which evaluation criteria were developed:

Estimated Product End Fate Data for the year ending December 31, 2016 (estimated % based on number of items that were collected during the year)					
Component in inventory in 2016	Reuse	Recycle	Energy Recovery	Landfill	Other (misplaced, out of stores, etc.)
LM2500 components	60%	30%	0%	10%	0%
T700/T6A1	13%	65%	0%	22%	0%

The following criteria were applied to the assessment of the description of how the recovered product was managed in accordance with Section 8(2)d:

- The number of recovered products refurbished for reuse or scrapped in the period, as presented in the Annual Report, have been calculated based on inventory and waste collection records maintained by the Company or contracted third parties
- The percentage of scrapped units recycled and/or taken to landfill in the period, as presented in the Annual Report, has been estimated based on representations from third party scrap vendors and management's best estimate of metallic vs. non-metallic content of parts collected

GE Aviation 2016 Report to Director, Waste Management



The total amounts of the producer's product sold and collected and recovery rate in accordance with Section 8(2)(a)

Specific disclosures in Section 7 "Product Sold and Collected and Recovery Rate" of the 2016 draft stewardship report for which evaluation criteria were developed:

DND Collection Point - In 2016, 10 electronic items were sold to DND to support the LM2500 program and 5 items were collected, of which, 3 items were repaired and placed back into inventory and 2 were collected and transferred to GE Aviation's facility in Halifax, Nova Scotia.

Vector Aerospace Collection Point - In 2016, a total of 45 "new" electronic items were sold into BC and 108 items were collected, of which 14 "used/repairable" items were refurbished for reuse in the T700/T8A1 program and 94 items were scrapped. All waste electronic items generated by the customer were collected and managed in accordance to the process detailed in Appendix 1.

The following evaluation criteria were applied to the assessment of the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate calculation in accordance with Section 8(2)(c):

- Products shall meet the description of Phase 3 electronic or electrical parts in accordance with Section 2 of the Company's draft Stewardship Plan (updated December 7, 2012);
- Products shall be sold to (DND¹), imported to (Vector) or collected from, customers located in the Province of British Columbia during the period January 1, 2016 to December 31, 2016, and supported by appropriate records maintained by the Company; and
- Products shall be collected from customers for the purposes of reuse and recycling by the Company in accordance with Section 5 of the Company's draft Stewardship Plan (updated December 7, 2012).
- Recovery rate: refer to the evaluation criterion for performance for the year in relation to targets in the draft stewardship plan (updated December 7, 2012) below.

¹ Department of National Defence



In accordance with Section 8(2)(g) of the Recycling Regulation, performance for the year in relation to targets in the approved stewardship plan associated with Section 8(2) (e) of the Recycling Regulation.

Specific disclosures in Section 9 “Plan Performance” of the 2016 draft stewardship report for which evaluation criteria were developed:

Plan Target	Results
75% of actual products that are available for disposal, based on an average over a five year period	The recovery rate for the LM2500 product line for 2016 was 50% (2015: 67%). The five-year recovery rate is 59%. The recovery rate for T700/T801 product lines for 2016 was 240% (2015: 111%). The five-year recovery rate is 139%.

In accordance with the Company’s draft stewardship plan (updated December 7, 2012), the Company has set a recovery rate target of 75% under Section 8(2)(c). As a result, the following evaluation criteria were applied to the assessment of performance for the year in relation to recovery rate targets set in accordance with Section 8(2)(c):

- Recovery rate targets in the draft stewardship plan (updated December 7, 2012) have been identified and reported on by management in the Annual Report;
- The method of calculation of the recovery rate is consistent with the method described in the draft stewardship plan; and
- The description of progress against targets to date is supported by records of progress maintained by the Company.