

EMOBILITY EPR PLAN FOR BRITISH COLUMBIA STAKEHOLDER CONSULTATION

March 29, 2022

Antitrust Compliance Policy

- It is the policy and practice of Call2Recycle to conduct all its meetings and activities in strict compliance with applicable laws. Because Call2Recycle stakeholders can be competitors, it is particularly important to comply fully with antitrust laws. These laws seek to preserve and promote competition and to deter anticompetitive conduct.
- Accordingly, participants in today's webinar will abide by the following rules:
 1. There should be no discussion of prices, one's own or those of a competitor, or of any factors which might affect prices such as discounts or margins, and terms and conditions of sale.
 2. There should be no discussion of profits, profit margins or cost data of one's own, or those of a competitor.
 3. There should be no discussions regarding allocation of territories, markets, or customers.
 4. There should be no discussions regarding restrictions upon production, boycotts or refusals to deal.
 5. There should be no discussions regarding selection, rejection, or termination of customers or suppliers.
 6. There should be no discussion of any other practice or subject which could be viewed as subverting competition in the marketplace.
- If a subject with any anticompetitive implication or appearance is raised at this meeting, we will ask that this subject be redirected or dropped and that this request be respected.



Agenda

- About Call2Recycle
- Why a Plan and Why Now?
- Who is Obligated?
- What Products Are Covered?
- How Does the Call2Recycle Program Work?
- How Will the Collection Footprint Evolve?
- Accessibility
- Recovery Rates & Reporting
- Consumer Awareness
- Producer Paying Costs – Obligated Materials & Dispute Resolution
- Collection Services Compensation & Program Funding (EHF)
- Why Call2Recycle?
- What is the Timeline / Next Steps?
- Q&A



About Call2Recycle

- Canada-wide battery collection and recycling program since 1997
- Collects and recycles stand-alone/replacement primary and rechargeable batteries
- Call2Recycle also manages the program and complexities for stand-alone replacement batteries for eMobility in B.C. and offers a national program for batteries sold in or with eMobility products
- Proven track record of operating effective and cost-efficient EPR program in B.C. including over 6 million kgs of batteries collected and recycled since 2010
- Have built strong relationships with several stakeholder groups including manufacturers, retailers, municipalities and recycling depots.



Why a Plan and Why Now?

- In British Columbia, sporting equipment with electrical or electronic components, including eBicycles, eScooters, eSkateboards and Hoverboards (eMobility), is regulated under the Recycling Regulation Schedule 3, 2 (1)(g), requiring producers of eMobility products to establish a program and ensure products are recycled responsibly at the end of life.
- While this product category has been regulated since 2010, the Ministry has not previously enforced compliance. Compliance will be enforced in 2022.
- The Call2Recycle program as submitted is robust, comprehensive and standard-setting.
- Call2Recycle submitted an EPR plan to the BC Ministry on February 28, 2022, to fulfill this regulatory obligation and is operating it NOW.



Who Is Obligated?

First Importer

Manufacturer and/or
brand owner

Distribute/Sell/Retail

- **First Importer:** Is your company the importer of record into Canada for the eMobility product that is obligated under the BC Recycling Regulation?
- **Manufacturer and/or brand owner:** Is your company the manufacturer and/or brand owner of the eMobility product under the BC Recycling Regulation?
- **Distribute/Sell:** Is your company a distributor and/or seller and/or retailer of eMobility products and assuming responsibility for the importer and/or brand owner under the BC Recycling Regulation?



What Products Are Covered?

The applicable eMobility products accepted for recycling:



eBIKE

- Bicycle-style transportation device with an integrated rechargeable battery, typically lithium-ion.
- Drive system activated by pedaling or by a throttle such as a grip-twist, trigger or button.
- Available in Class 1, 2, or 3, with speeds up to 45 km/hr.



eSCOOTER

- Rechargeable battery-powered transportation device with stem, handlebars and designed to be stood on (or standing with a seat rest option).
- Batteries are typically lithium-ion.
- Batteries propel the device with or without human assistance at speeds up to 45km/hr.




eSKATEBOARDS

- Battery-powered device with an electric motor where the battery is typically mounted below the deck.

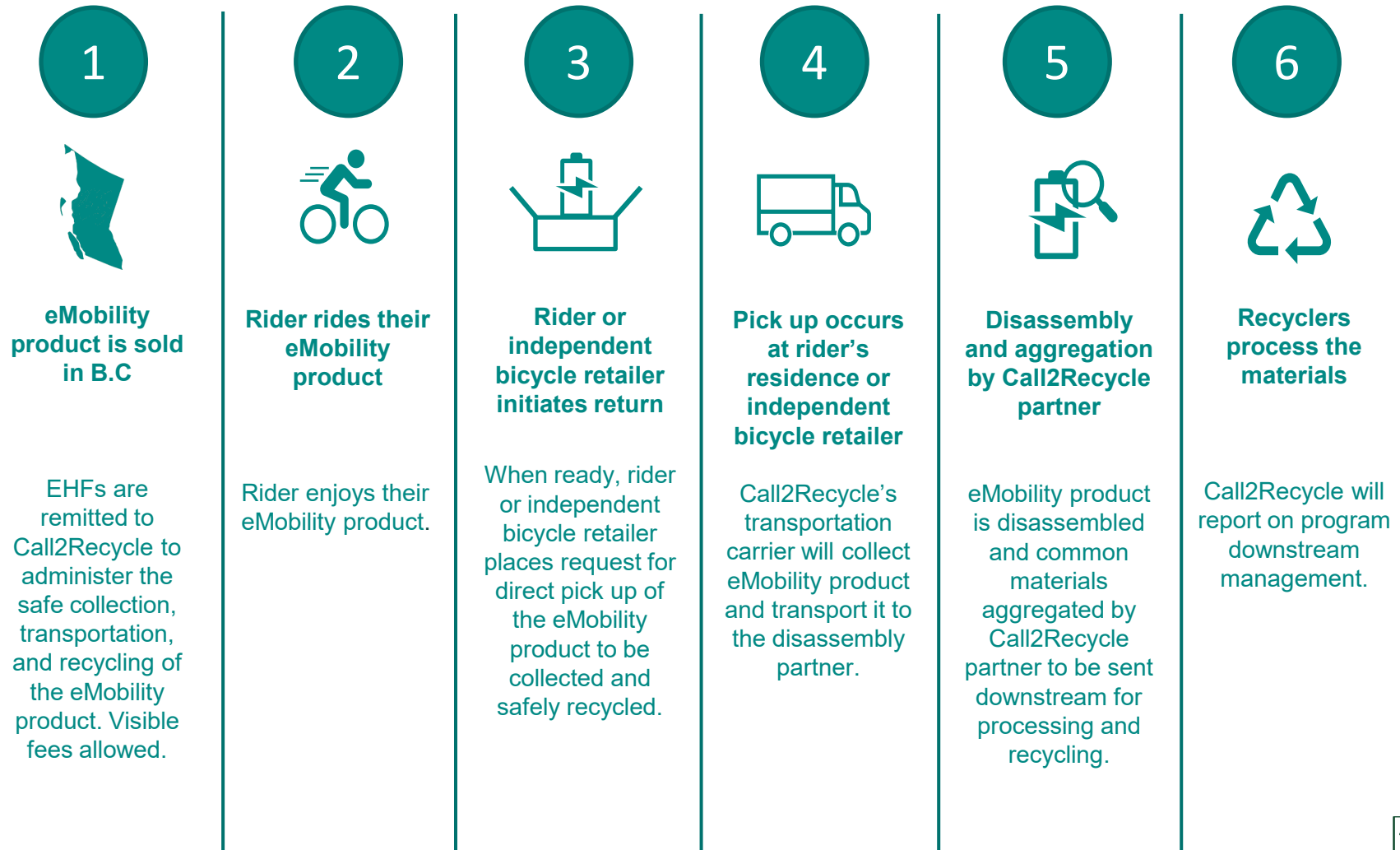


HOVERBOARDS

- Battery-powered personal transportation device consisting of two motorized wheels connected to a pair of articulated pads on which the rider places their feet.

Not Accepted: Electronic Toys, defined as a plaything placed on the market that uses a cable, plug or batteries to provide power. 

How Does the Call2Recycle Program Work?



How Will the Collection Footprint Evolve?

As of March 1st, 2022, end-of-life eMobility products will be collected through a pick-up service. To expand the footprint over the next months:

- Potential collection sites must express an interest to Call2Recycle. If interested, please contact Sean Weeks: sweeks@call2recycle.ca
- To be a collection site, the location must enter into an agreement with Call2Recycle.
- After executing the agreement, sites must be trained in handling end-of-life and/or damaged defective or recalled lithium-ion batteries which are classified as hazardous waste.
- To reimburse depots and municipalities for their costs in collecting, handling and transporting eMobility products, Call2Recycle must complete (using MNP) a detailed cost study to ensure sites are properly compensated.
- Accessibility of the footprint will far exceed the standard established by the BC Ministry.



Accessibility

- Pursuant to subsection 5(1)(c)(iii) of the regulation, the plan must adequately provide for reasonable and free consumer access to **collection facilities or collection services**.



Collection Services: In the interim, Call2Recycle is providing reasonable, free and ubiquitous access to a collection service through a provincial wide pick-up service.



Collection Facilities: By the end of 2022, Call2Recycle will expand its collection footprint to complement the existing direct pick-up model to meet its legacy goal of ensuring at least 95 percent (%) of British Columbians reside within 15 kilometers of an active public collection facility.

- Call2Recycle is committed to providing the direct pick-up service in underserved areas, including First Nations
- As a member of the SABC, Call2Recycle will participate 1x per year in the collaborative process with the BCPSC in which local governments provide information to stewardship agencies on under-served communities and identify collection opportunities.



Recovery Rates & Reporting

- Call2Recycle is using alternatives to a recovery rate to track performance due to:
 - Lifespan measured in years or decades
 - Rapid changes in technology and light-weighting
 - Sales data is reported in units and collection is tracked by weight
- Call2Recycle commits to reuse or recycle 100% of eMobility products that consumers make available for collection, regardless of brand or location of the products in the province.
 - Frames, batteries, drive trains, and electronics are all recycled; everything else can be reused
- Call2Recycle commits to manage, audit and report on all material types and product types, including volume recovered through the program to final disposition and processing methods.
- Call2Recycle commits to the use of permitted facilities where required and/or R2 certified processors for batteries and electronics.
 - Greentec used for electronics, R2 certified
 - Retrieval for lithium-ion batteries, R2 certified



Consumer Awareness

- Call2Recycle commits to continuous improvement for public education and awareness over the next 5 years
- By the end of 2022, Call2Recycle commits to establish an awareness target baseline with a goal of 25% awareness and an improvement of 5% every year thereafter to reach a target of 50% or greater by the end of 2027
- This will be measured by Call2Recycle's existing annual consumer awareness study for battery recycling behaviour
- eMobility products will be added to this survey in 2022 and every year thereafter to measure annually against the 50% target by the end of 2027
- Promotional Education improvements will also include how to manage products in a safe manner, location of collection facilities, and making consumers aware of Call2Recycle's EPR program. This will include:
 - Industry publications (ie. The Loam Wolf, Pinkbike, etc.)
 - Google AdWords/SEO
 - Social Media
 - Local print and radio advertising
 - Point-of-sale material at collection facilities
 - Media relations outreach



Producer Paying Costs – Managing Obligated Materials

- Call2Recycle commits to using third parties to transport, sort and process all obligated materials with preference to B.C.-based businesses
- Call2Recycle commits to managing and paying all costs that these third parties incur in handling obligated materials on behalf of producers
- Call2Recycle will routinely use a transparent, competitive bidding process combining both cost and service levels to select third-party partners.



Producer Paying Costs – Managing Dispute Resolution

- Where contracts are in place, a dispute resolutions procedure is outlined within the agreement. Arbitration will only be used if both parties cannot come to a reasonable solution.

Dispute resolution process:

1. Once an issue has been raised in writing, representatives from Call2Recycle and the other party will attempt to resolve the issue within 30 days or a mutually agreed-upon timeframe.
2. If the parties cannot come to a resolution within the given timeframe, the two parties will jointly select a third party to arbitrate and settle the dispute with his/her decision. Any arbitration would be consistent with the *BC Arbitration Act* RSBC 1996.

- Call2Recycle will operate in good faith with its partners and will try to resolve a dispute without arbitration.
- Regardless of whether a contract is in place, Call2Recycle will follow the dispute resolution procedure.



How Will Collection Services Be Compensated?

- Call2Recycle will expand its collection footprint for eMobility products beyond a direct pick-up service which will include:
 - Municipalities
 - Retailers
 - Depots
- As is Call2Recycle's practice, compensation will be offered to Municipalities and Depots
- Given the unique nature of the product, compensation will be developed over the next few months from an MNP study of the specific costs of handling, storing and transporting eMobility products.



The Environmental Handling Fee

Proposed single Environmental Handling Fee, subject to Board approval, and subject to change.

The cost covers the following, including the existing battery program:



Program
Design / Admin



Collections



Transportation



Public Education



End-of-life
Management



Reporting





















What Are the Environmental Handling Fees (EHFs) and When Will They be Implemented?



- EHF's will be **\$15 per product**, regardless of the product type, and will be reviewed and approved by the Board of Directors every year
- The EHF's will be implemented for sales into the Province after January 1, 2023, upon Board approval later in 2022
- Reporting will be within 30 days after the close of each month (reporting begins on January 1; January sales will be due in February 2023)
- Training will be made available beginning September 1, 2022, to ensure that the transition is smooth
 - MarComms training will reinforce safety and encourage best practices

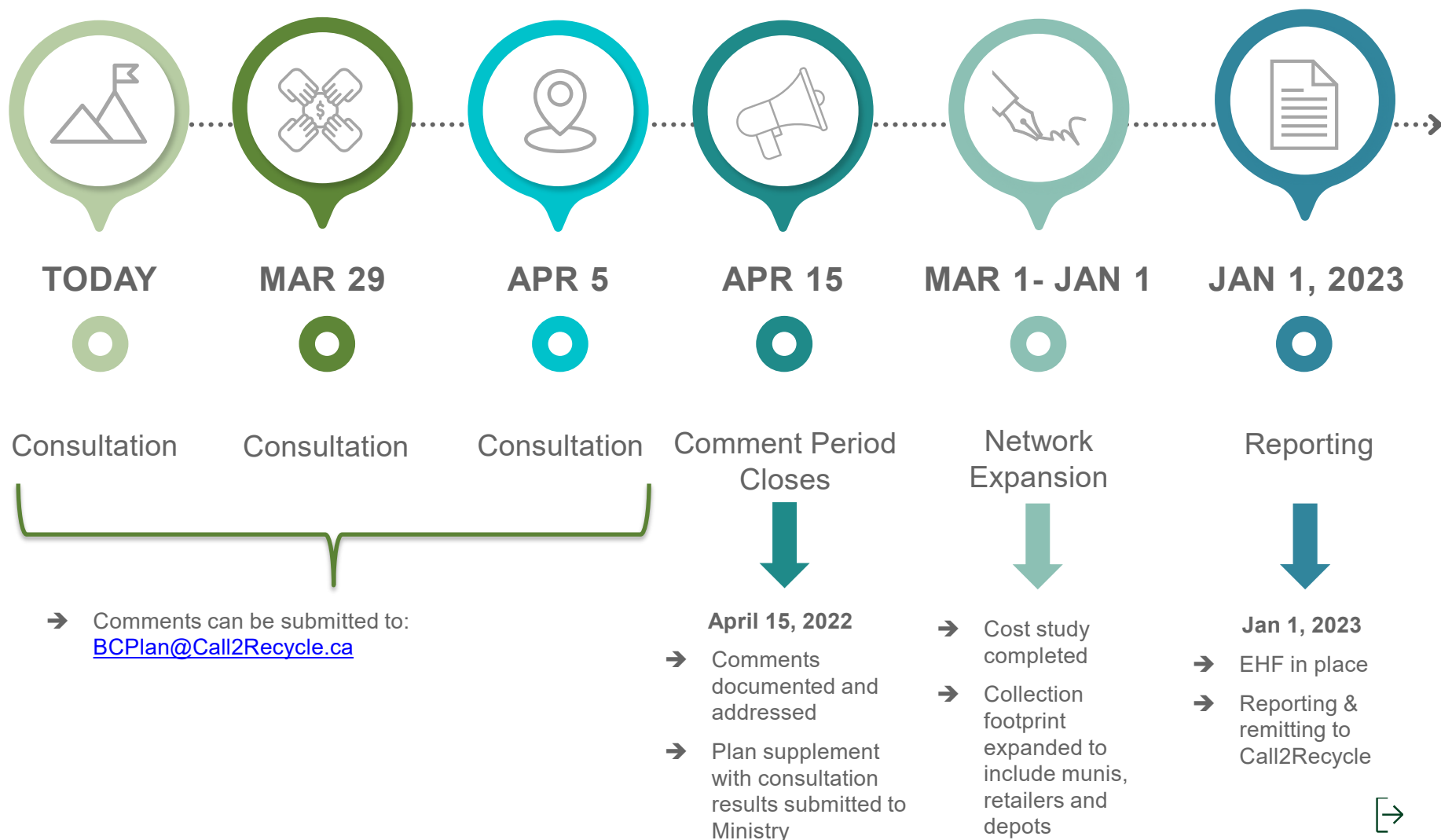


Call2Recycle Features & Benefits

Category		Call2Recycle Program	Notes
Collection Convenience			Multiple collection options across the Province
Membership / Industry Support			Over 45% of the units and even more of the market value currently supporting this program
Potential National Scope			Can easily scale to cover all provinces
Price			One (1) EHF price for simplicity
Existing Admin Infrastructure			Already in place – dedicated staff incl. local presence, contracts, reporting portal, tracking, customers service
Partners			Transportation, disassembly, aggregation and recycling
Damaged, Defective Capabilities (Batteries)			Government-approved damaged-defective kit for batteries
Complete & Established Network			Existing membership with industry and retailers through battery program
Safety & Complexity			Already manage the most complex part of product – the batteries



What is the Timeline / Next Steps



Q&A



Call2Recycle Canada, Inc.

Changing habits. Inspiring action.™

thank you!

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