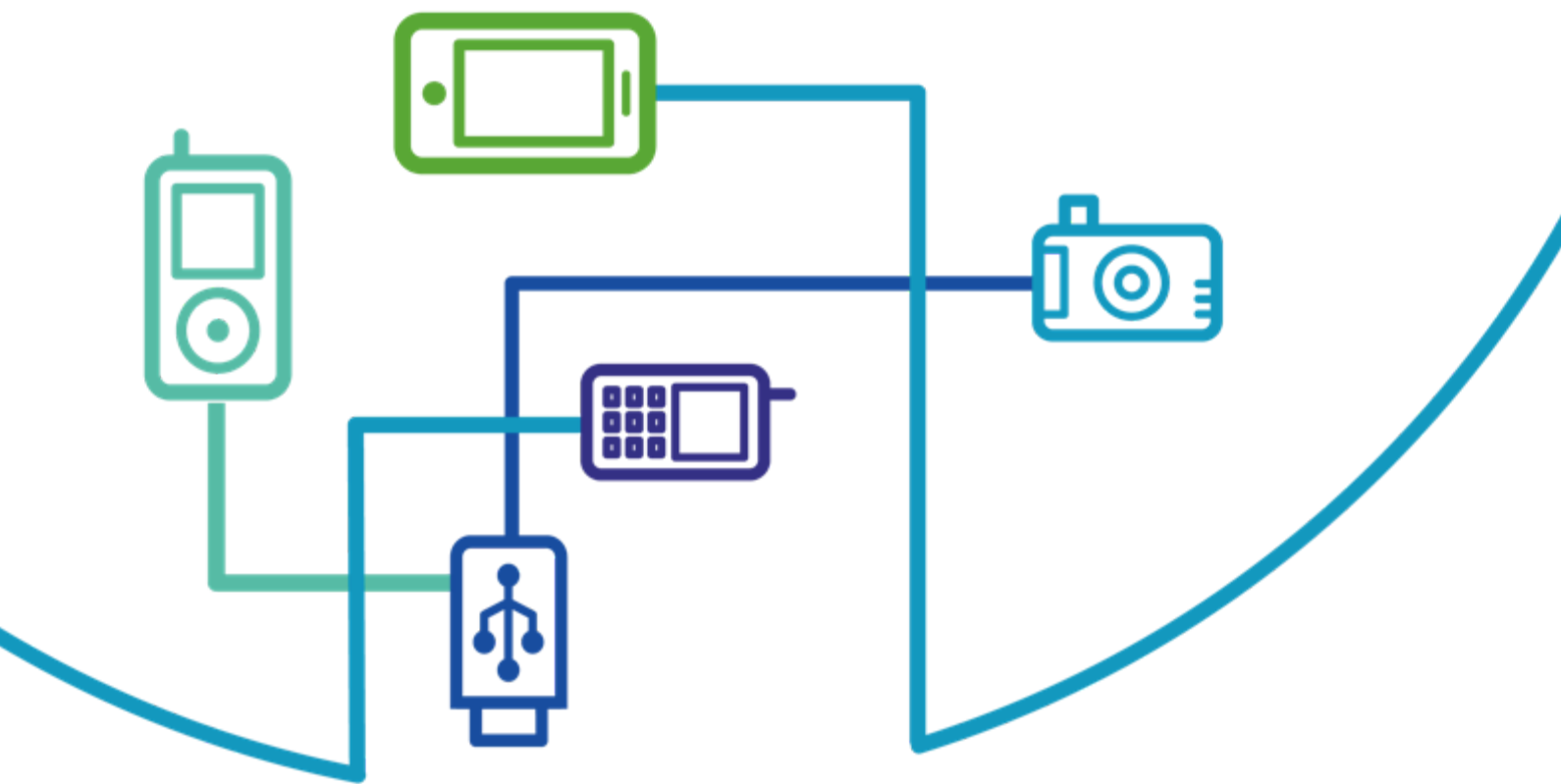


Feedback on draft regulation on EEE and batteries June 2019





About ElectroBac:

ElectroBac is a Canadian company with a mission to make it easier for consumers and businesses to dispose securely of their small electronics. ElectroBac offers a certified buyback solution for used smartphones and tablets for some of the largest organizations across Canada. Additionally, ElectroBac has set up a network of accessible smartbins in office buildings, grocery stores, and malls, for individuals to dispose of their small electronics. The network counts 250 smartbins deployed across Quebec and a part of Ontario. ElectroBac is the first organization specialized in cell phones and other small electronics refurbishing and recycling to be certified by the *Recycler Qualification Office* (RQO). Our smartbins are EPRA-Quebec authorized deposit points, and they are EPRA's main contributor to their overall network across the province of Quebec.

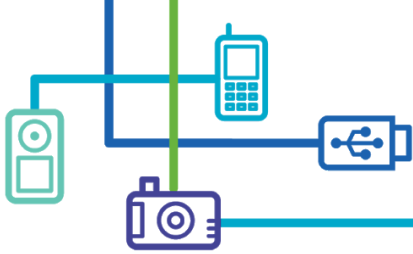
In our view, the main issue with electronic waste in 2019 is one of collection rather than processing. Over the last seven years, we have researched, analyzed and tested to understand why consumers don't consistently recycle their electronics. ElectroBac is constantly innovating to fix the broken link between consumers, recyclers and refurbishers.

ElectroBac's overall point of view:

We strongly feel that Ontario's Producer Responsibility for Waste Electrical and Electronic Equipment and batteries is a great opportunity to ensure a performing and efficient program like no other in Canada.

To reach this goal, our two central recommendations are the following:

- 1) In order for producers to have all the necessary incentives to collect a maximum of EEE and batteries, the non-achievement of collection targets should result in strict financial penalties. The penalties should be made visible for the general public. With such incentives, producers would be fundamentally responsible to best meet their environmental targets. (Part IV, 12. 13. 14.)
- 2) The EEE and batteries collection site requirements must take into account the security of the recovered EEE and most importantly, an ever-growing reality about EEE: miniaturization. Requirements for the collection sites should not hamper producers' capacity to provide new and innovatives solution to Ontarian consumers and businesses. (Part III, 10.)



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Consultation topics:

Topic #1: Part II Designated class and producers

ElectroBac's point of view: The draft regulation states (Part II, 4.) that *"the producer is first the brand holder"* and *"that if there are two or more brand holders of the EEE resident in Canada, the producer is the brand holder most directly connected to the production of the EEE"*. We still believe that, in the case where there is more than one brand holder resident in Canada, the regulation should focus on retailers, distributors and whoever is closer to marketing to the end user. In this case, adding responsibility for the last person to market the product will provoke creative and aggressive collection initiatives, like in-store device recovery programs.

Although we are optimistic about such results, we feel it may be idealistic to believe that the regulation will influence OEM's international product design or whoever is most directly connected to the production of the EEE. For example, we cannot realistically expect Apple and Samsung to change their product designs according to the Ministry's requirements. However it is expected that national laws for the *Right to repair* will put appropriate pressure on OEM's to change their product design philosophy in the long run. The Ministry can encourage an efficient and dynamic collection system while facilitating compliance and enforcement by designating the last person who market the product as producer.

Topic #2: Part IV Management of Electrical and Electronic equipment

ElectroBac's point of view: The goal of the regulation is to increase waste diversion. Setting high but achievable targets is imperative to motivate producers to perform and meet expectations. In our expert opinion, the draft regulation has achieved its goal in that manner. The reaction of producers is predictable: they will say that targets are too high. From our expertise in the EEE collection industry, we can confirm that the targets are very achievable provided producers put in the effort.

We can expect complaints and intense lobbying from producers for lowering management requirement targets. Producers will present the Ministry with arguments explaining how and why EEE and batteries can't be collected in high amounts. The experts in the industry know that these claims are erroneous.

In the example of cell phones, producers claim these devices can't be collected in higher numbers because they are mostly sold overseas after being used by consumers in Canada. This is false. The truth is coming from a robust [study by the CWTA](#) compiled from 3000 respondents throughout the country. It shows that every Canadian has on average 2.4 cellphones stored in their drawer - 84 million devices countrywide, not even including corporate devices. On the other hand, only 3% of consumers resold their devices (the



majority within the country and some overseas). Therefore only a limited amount of phones are sold overseas, while the vast majority are stored in drawers and ready to be collected and recycled.

Moreover, a [study by Ipsos Reid](#) was conducted for OES in Ontario has explained the two main reasons for the low recovery rate of cellphones and other small electronics. The first is the lack of information and lack of accessibility of the current collection sites (68% of respondents). The other is that users (25% of respondents) are very skeptical of disposing of electronics containing their confidential data if the collection site isn't secure (anti-theft).

Therefore, we convey that :

- 1) The producers claims that collection of small EEE is impossible are incorrect
- 2) If the producers have the right incentives to propose innovative solutions to offer secure and convenient collection networks, they can reach their targets.
- 3) Therefore, the proposed management requirements are achievable.

Topic # 3: Part IV. 13. Management requirement calculation based on weight

Electrobac's point of view: We feel strongly that the draft regulation needs to take into account a very important aspect of today's electronic consumption: smaller and lighter products is a lasting trend in the electronics industry. In fact, most small electronics have a similar weight (smart watches, cell phones, tablets and etc). [Quebec legislation](#) has shown leadership in choosing a mixed performance indicator system based on weight collection for large electronics and unit collection for smaller electronics. We recommend the Ministry to do the same. A weight base performance system only is entirely obsolete with the light weighting of today's electronics.

Topic #4: Part IV Enforcement if management requirement are not met.

Electrobac's point of view: No consequences for unachieved management requirement targets means no incentive for producers to participate and find innovative ways to boost collection. Therefore, there would be little to no improvement compared to the current situation. For the regulation to reach its goals, it is imperative that failure from producers to meet management requirement should result in strict financial penalties. The penalties must be calculated based on the gap between the quantities recovered and targets.

A reality to consider is that some producers may have financial resources that would make the concept of penalties ineffective in changing their way of operating. However, one of the measures to consider to effectively render and strengthen the regulation is making public each producers' targets results and penalties incurred on a yearly basis. There are very few organizations in 2019 who can operate to their full potential without worrying about their environmental reputation.



Topic #5: Part III. 10. EEE and batteries collection site - Security

Electrobac's point of view: As explained by [Ipsos Reid](#)'s study, there are two main reasons for the low recovery rate of small electronics. The first being the lack of convenience of the current collection site offered. The second is the skepticism of disposing of electronics with data in unsecured containers or collection site.

In our educated opinion, it is imperative to ensure producers take extra precautions to offer consumers and businesses a convenient and secure network to dispose of their electronics. Increased security for the deposit points will result in more electronics being collected to either be refurbished or recycled. It is no secret that OES deposit points have been plagued by theft in the past. High-value devices get stolen before being collected. If the regulation's goal is to attribute priority to refurbishing, producers need to offer secure collection site for keeping valuable and potentially refurbishable items out of reach of thieves. There is no doubt this will encourage and expand Ontario's infrastructure for reuse and refurbishment, which is more sustainable than recycling.

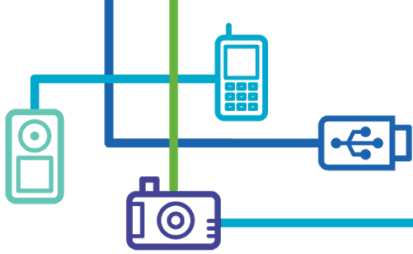
Therefore, we believe the appropriate collection site requirements should include a security requirement.

Topic #6: Part III. 10. EEE and batteries collection site requirements

Electrobac's point of view: Again we feel strongly that the regulation needs to take into account a very important aspect of today's electronic consumption: smaller and lighter products is a lasting trend in the electronics industry. Relying on the existing collection networks alone, which has shown its inefficiency to collect small electronics, is not a long term solution. The regulation must encourage collection sites tailored for small electronics et encourage new innovative solutions.

We considered that Electrobac has an innovative and appropriate solution for small EEE collection. Indeed our organization has set up a network of highly convenient e-waste smart bins that are fully anti-theft and fire proof. These bins are located in high traffic locations such as office towers, grocery stores, shopping malls, schools, sporting centers and much more. The goal is simple: instead of asking the consumer to go to a collection site, we bring a secure collection site directly to them. The bins has one secure trap door for inserting a wide variety of small and medium-size electronics and are available during the location's normal business hours as it is self-service. The bins being fully secured and equipped with a fill level sensor that informs Electrobac when it requires servicing, there is no need for an operator to manage it.

Once the bin is full, electronics are then transported and sent to a secure facility. There they will be sorted in the different categories. The sorted material is weighted and shipped to recycling and refurbished facilities. This methods provide both convenience to the users,



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facilitate collection and transport while having the benefit of providing all necessary information about weight per category for reporting.

Part III. 10. 5. of the draft regulation states if an *“EEE collection site accepts more than 15 units or 150 kilograms of EEE that falls into a particular category of EEE from a person on a single day, the operator of the site shall record the person’s name, contact information, any unique identifier assigned by the Registrar and the amount of EEE accepted”*. This requirement makes sense for a standard retail collection site for large electronics but it does not for the collection of small electronics. Indeed, given the miniaturization of electronics, producers need to provide depot points that can collect important numbers of low-weighting devices. As comparison, on average every kilogram collected in our bins is composed of 12 units or devices. A standard 150 kg would represent a mix of 1,800 EEE devices. Therefore, for our bin network and other similar solutions, this requirement would be illogical given our innovative self-service system. Furthermore our sensor technology ensure bins are serviced before they are full, taking away the need for an operator. Therefore we highly suggest that the Ministry takes this clause off to promote new and innovative collection systems.

Part III. 10. 6. of the draft regulation states *“if an EEE collection site accepts EEE that falls into more than one category, each category of EEE must be collected and stored in separate containers”*. Again, this requirement makes sense for a standard collection site for large electronics which have different recycling processes and need to be weighed separately. It does not for the collection of small electronics. For example, according to the draft regulation a retailer that wishes to collect small electronics of a maximum size of 11 inches by 4 inches by 4 inches - equivalent of the size of a large printer toner - would need to provide 11 different containers for the following categories: printer cartridges, video gaming consoles, telephones and cellular phones, display devices, headphones, speakers, cameras, video recorders, drones, peripherals and cables and parts. One would agree that this unnecessary requirement would discourage any retail location just for the sheer size of the area needed for the containers. We believe that the true motivation behind this requirement is for EEE collection site to offer safe storage while ensuring separate weighting of the different categories. Again we highly suggest that the Ministry modifies this clause. The same end goal can be reached by requiring for the material to be safely stored and weighted before being sent to processing. Offering the choice to the Producers for sorting directly at the EEE collection point or during the collection process would provide more flexibility for producers to meet their regulatory requirements while promoting new and innovative collection and management solutions.

In the key principles of this new regulation, the Ministry wishes to *“promote innovation”* and *“producers to (...) find new and innovative ways to reduce costs and improve the environmental management of electrical and electronic equipment and batteries.”* In regards to the points mentioned above, the current draft regulation requirement for EEE collection sites would prevent the producers to attain that objectives. In fact it would



seriously hamper producers' capacity to provide innovatives solution to Ontarian consumers and businesses while discouraging retailers in hosting collection sites.