



***TSBC  
Presentation  
July 5<sup>th</sup> 2022***



## *Highlights of 2021*

- *Reduction in WorkSafeBC surcharge by 20% vs 2020*
- *Received 30% discounts on premium by ICBC vs 2020*
- *Collected and Processed about 57,000 MT of scrap tires*
  - » *Approximately 2000 MT of OTRs*
- *Sold 55,000 MT of products in all shape*
- *Celebrated about 32 years in the business*
- *Celebrated recycling of 100 Million tires*
- *100% of the employees are vaccinated (last ones were in March of 2022)*
- *Kept Covid outbreaks away from facilities – didn't miss single day of operations*
- *Invested about \$1.6M in facility Improvements – Fire and Safety, Air Emission, efficiencies etc.*

# Updates -2022

- *Operations facilities*
  - » *Budgeted to invest approximately \$1.2M in facility improvements – health and safety.*
  - » *Renewed leases for 5 years for both production facilities*
  - » *Renewed both yards leases for two years*
  - » *Lease payments have been doubled in 2022 from 2021*
    - *Total payments in 2022 at \$2.8M vs \$1.4M in 2021*
  - » *Continue to evaluate options to reduce cost and increase efficiency and bring Manufacturing to BC*
    - *Consolidation at KAL Tire facility*
    - *Moving all facilities to another location*
    - *Additional collection and shredding sites like Vancouver Island*

# Updates -2022

- *Operations facilities*
  - » *Completed initial list of task- equipment, power details, manufacturing, warehousing requirements.*
    - *Engaging BC Hydro for a complete energy management study*
  - » *Considering current economic conditions, its not viable to reach a firm decision.*
    - *Supply chain challenges*
    - *Inflation concerns*
    - *Resources: Designers, engineers, planners etc*
    - *Equipment availability*
  - » *We will continue to keep the momentum to collect data points and will continue to provide periodic updates*

- *Operations*

- » *Strong Crumb markets in first 6 months – however expecting softness for second half of the season*
  - *Working on several fronts to make sure what comes in goes out in timely manner*
- » *Lower mulch demand in first 6 months – however expecting higher in second half vs 2021*
  - *Logistics challenges*
  - *Retailers opened with higher inventory in Jan 2022*
  - *Lower mulch demand help higher crumb demand in first half of the year*
- » *Tire wire and fiber markets have been strong and expected to stay strong.*
  - *Have multiple outlets now vs prior for both wire and fiber*
  - *Continue to work on additional outlets for fiber*
- » *Employee Recruiting and retention continues to be a huge challenge*
  - *Raised wages substantially*
  - *Offering signing bonuses, incentive plans*
  - *Added several additional positions to overcome absenteeism and 5 sick day policy from BC Govt.*

- *Operations*
  - » *Shortage of parts and supplies in every sector*
    - *Carrying over \$1.5M worth of spare parts on site and at OEM's sites*
    - *Ordering supplies with ample time to avoid delays*
  - » *Collection – continues to be a huge challenge*
  - » *Limited equipment availability*
  - » *Driver shortages*
  - » *Highways washing out due to heavy rains*
  - » *Rising costs in all sectors.*

- *Operations*
  - » *Evaluating adding more truck and trailers to our collection fleet.*
    - *Liberty is investigating use of EV vehicles*
  - » *We have adjusted shifts, increased compensation across the board and have implemented equipment efficiencies to deal with the tire volumes while we work to recruit more staff.*
  - » *Communication daily with our carriers / vendors to maximize the equipment availability*
  - » *Working closely with all R2R's in the province, ensuring them that we have made the necessary arrangements so that the service will increase to deal with any extra volume they may see.. We are also working with TSBC to host more round up events to deal with any orphan tires and to educate anyone looking for solutions to deal with their scrap tires.*
  - » *Initiated a case study to open up a collection and shredding facility in PG area.*

# *Updates – continues*

- *Operations – continues*
  - » *Outbound transportations have been very challenging*
    - *Leveraging Liberty’s other sites to overcome some of the challenges*
    - *Working with freight companies to find creative ways to deliver product safely and efficiently*
    - *Adding additional resources to work on short term and long term solutions – inbound and outbound*



# Request to TSBC

- *Further adjusting Transportation Incentives to overcome challenges – Haulers are extremely aggressive and would like another increase.*
- *While we continue to evaluate the cost reduction by consolidation and look for efficiencies, cost increase continue to pressure present and may require an increase in PI*
- *Include Non PGM OTRs in PGM*

# Q & A

