

TIRE RECYCLING PROGRAM INFORMATION SHEET

- <u>Tire Stewardship BC</u> (TSBC) is a provincial not-for-profit society responsible for delivering BC's scrap tire recycling program, on behalf of the retailer, in accordance with its government approved <u>Extended</u> <u>Producer Responsibility Plan</u> and the <u>BC Recycling Regulation</u>.
- The TSBC EPR plan is approved by the Ministry of Environment and Climate Change Strategy (Ministry)
 and developed with input from industry, environmental groups, local government and other
 stakeholders.
- TSBC is required to prepare, publish and submit an <u>Annual Report</u> to the Ministry and undergo both a financial and non-financial audit.
- TSBC is governed by a <u>7-member board</u> composed of directors representing TSBC's four member organizations: Western Canada Tire Dealers, New Car Dealers of BC, Tire & Rubber Association of Canada and the Retail Council of Canada.
- A multi-stakeholder advisory committee contributes to the good governance of TSBC's operations.
- TSBC sets the Advance Disposal Fees (ADFs) that are remitted by the retailer and 100% of these fees are used in the operation and enhancement of the tire recycling program in BC.
- The Passenger Light Truck (PLT) tire category fee of \$5.00 has remained unchanged since January 1, 2008.
- TSBC is increasing the ADF to \$6.50 effective January 1, 2024 on all PLT tire categories previously charged at \$5.00, in order to maintain program sustainability.
- Since its inception, TSBC has experienced both surplus and deficit years but through sound fiscal policy and a decrease year over year in the incentives paid to recycle the tire, costs have been controlled to avoid an increase to the PLT category fee. However, 2022 created a perfect storm with a loss in revenue due primarily to COVID related issues, such as lack of inventory of new cars and a decline in consumer spending, coupled with increased costs in almost every line item of the business. The result was a significant loss of \$3.2M with projected losses going forward.
- The TSBC board has both a fiduciary and a regulatory responsibility to collect and recycle all program tires within the province of BC, which includes fostering innovation and research to ensure scrap tires are transformed to the environmental, economic, and social benefit of BC's citizens. To achieve its mandate, the fee must increase.