

Annual Report to the Director 2022



Submitted to:

Director
Extended Producer Responsibility
Environmental Protection Division
Ministry of Environment & Climate Change Strategy
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Tire Stewardship BC

Annual Report to the Director

2022

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1. Executive Summary

| | |
|-----------------------------|--|
| Products within plan | Tires |
| Program website | www.tsbc.ca |

| Recycling Regulation Reference | Topic | TSBC – 2022 Summary Report |
|--------------------------------|---|--|
| Part 2, section 8(2)(a) | Public Education Materials and Strategies | <ul style="list-style-type: none"> • TSBC continued its educational campaign in 2022 despite the ongoing impacts of COVID-19 on the proposed plan, which resulted in the postponement of any community events. However, TSBC was pleased to again offer scrap tire collection events throughout the province. With the creativity of TSBC’s team, the awareness campaign included messaging through channels such as: <ul style="list-style-type: none"> • Radio and bus ads in key markets identified by either population or need; • Advertorials in key markets; • A strong online presence that included social and digital media; and • The annual Community Grant Program to incent the use of BC rubber in qualified projects across the province (13 in 2022). |
| Part 2, section 8(2)(b) | Collection System and Facilities | <ul style="list-style-type: none"> • As in previous years, TSBC offered options to the public beyond acceptance of their replaced tires through BC retailers when they purchased new ones. Tires not left with the retailer at that time, known as “orphan” tires, were also captured through: <ul style="list-style-type: none"> • The Return to Retailer (R2R) Program, whereby retailers currently accept up to 4 tires from each member of the public; and • Tire Collection Events that were re-established in 2022, with 9 held throughout BC in 2022. • Scrap tires were also collected by haulers for the program from other registered sites that either generate or have tires available for collection, such as landfills, auto wreckers, small auto body shops and garages. |
| Part 2, section 8(2)(c) | Product Environmental Impact Reduction, Reusability and Recyclability | <ul style="list-style-type: none"> • Reduction initiatives focused on educating the public on extending the life of tires to keep them out of the waste stream as long as possible. • Reusability of tires continued to be realized through retreading and “culling” of good used tires for re-use. • Recyclability enhancements remained challenging given the durable structure of a tire, designed to ensure safety and a long road life. |

| Recycling Regulation Reference | Topic | TSBC – 2022 Summary Report |
|--|---|---|
| Part 2, section 8(2)(d) | Pollution Prevention Hierarchy and Product / Component Management | <ul style="list-style-type: none"> • TSBC has always incented the 3R (recycling) options over 4R (energy recovery) options through the financial incentive rates offered for each. • In 2022, 89% of the total tonnes of rubber processed were recycled. |
| Part 2, section 8(2)(e) Part 2, section 8(2)(e.1) | Recovery Rate and Product Sold and Collected | <ul style="list-style-type: none"> • The 2022 “Recovery Rate” was 89% across all regulated tire types. See the Non-Financial Information Audit Report in Appendix B. • See the breakdown of Collection Volumes by Tire Type by Regional District in Appendix C. |
| Part 2, section 8(2)(f) | Summary of Deposits, Refunds, Revenues and Expenses | <ul style="list-style-type: none"> • TSBC’s Independently Audited Financial Statements are referenced in Section 8 and included as Appendix A to this report. |

Plan Performance – 2022

As TSBC’s Extended Producer Responsibility Plan for the period September 20, 2021 to September 19, 2026 has not yet been approved by the Ministry, the targets referenced below are from the prior Plan.

| Performance Measures (as agreed with the Ministry) | | Annual Targets | | | Performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|----------|--|-------------|-----------|-----------------|----------|--------|-----|-----|----|-------|------|--|--|-------|--|-----|----|---|--|--|--|--|-----------|-----------------|----------|--------|-----|----|----|-------|------|--|--|-------|--|------|--|
| 1. | Recovery Rate <u>(Total # Units Collected in reporting year / Total # Units Sold 5 years prior to reporting year)</u> | 90% | | | 89% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | The percentage allocation of total tonnes of scrap tires (i.e. all rubber, steel and fibre) <u>processed and shipped</u> Note: on average, rubber accounts for 70% of the total tire weight, with 15% steel and 15% fibre | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="background-color: #1a3d54; color: white;">Recycling</th> <th style="background-color: #1a3d54; color: white;">Energy Recovery</th> <th style="background-color: #1a3d54; color: white;">Landfill</th> </tr> </thead> <tbody> <tr> <td>Rubber</td> <td style="text-align: center;">88%</td> <td style="text-align: center;">11%</td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Steel</td> <td style="text-align: center;">100%</td> <td></td> <td></td> </tr> <tr> <td>Fibre</td> <td></td> <td style="text-align: center;">98%</td> <td style="text-align: center;">2%</td> </tr> </tbody> </table> | | | | Recycling | Energy Recovery | Landfill | Rubber | 88% | 11% | 1% | Steel | 100% | | | Fibre | | 98% | 2% | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="background-color: #1a3d54; color: white;">Recycling</th> <th style="background-color: #1a3d54; color: white;">Energy Recovery</th> <th style="background-color: #1a3d54; color: white;">Landfill</th> </tr> </thead> <tbody> <tr> <td>Rubber</td> <td style="text-align: center;">89%</td> <td style="text-align: center;">9%</td> <td style="text-align: center;">2%</td> </tr> <tr> <td>Steel</td> <td style="text-align: center;">100%</td> <td></td> <td></td> </tr> <tr> <td>Fibre</td> <td></td> <td style="text-align: center;">100%</td> <td></td> </tr> </tbody> </table> | | | | | Recycling | Energy Recovery | Landfill | Rubber | 89% | 9% | 2% | Steel | 100% | | | Fibre | | 100% | |
| | Recycling | Energy Recovery | Landfill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubber | 88% | 11% | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Steel | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fibre | | 98% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Recycling | Energy Recovery | Landfill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubber | 89% | 9% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Steel | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fibre | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Performance Measures (as agreed with the Ministry) | | Annual Targets | Performance |
|---|--|---|----------------------------|
| 3. | Number of collection sites (i.e. registered retailers that will take back a scrap tire from the consumer at the time a new tire is sold) | 1,850 | 2,059 |
| 4. | a) Total number of retailers and generators in BC that take back orphan tires (R2R) b) Number of R2Rs in each Regional District | a) 800 province-wide b) At least 25% of registered retailers in each Regional District are R2R locations | a) 775* b) Achieved |
| 5. | Education and Awareness a) Awareness of where to take scrap tires for safe disposal b) Awareness of where to go to find information on safe disposal locations | a) 61% b) 77% | a) 47%** b) 61%** |

* See [Section 4 / Collection System and Facilities](#) (para. 5) for further discussion on these results.

** See [Section 3 / Consumer Education and Awareness](#) for further discussion on these results.

2. Program Outline

TIRE STEWARDSHIP BC ASSOCIATION (TSBC) is a not-for-profit society responsible for operating BC's scrap tire recycling program in accordance with its Ministry of Environment & Climate Change Strategy approved [Extended Producer Responsibility Plan](#) and the [BC Recycling Regulation](#).

The society is governed by a Board of [seven directors](#) representing the following member organizations:

- Retail Council of Canada;
- Western Canada Tire Dealers Association;
- Tire and Rubber Association of Canada; and
- New Car Dealers Association of BC.

TSBC is accountable to its stakeholders and the public for the collection, processing and environmentally sound disposal of all scrap tires designated under the BC Recycling Regulation.

TSBC collects an eco-fee on the sale of every new tire from TSBC registered retailers (producers) including online sales as well as tires on vehicles imported from the United States. The eco-fee rates are set by TSBC and vary based on tire size and category. 100% of the fees collected are applied to the operation of the program including transportation and processing of the tires, program administration, communication and education, community grants, and a reserve fund. In 2022, of the \$25M collected in eco-fees, \$25M was paid out in Transportation, Processing and Manufacturing Incentives, representing 92% of all expenses, and \$277,000 was awarded in grants for 13 projects in communities throughout BC.

TSBC operates a retail-based collection system. Most consumers leave their scrap tires at the retailer location when purchasing new tires. These tires are collected on a regular basis by haulers that transport the tires to three processing sites in BC, two in Delta and one on Vancouver Island. Some motorists choose to take their scrap tires home for disposal at a later date. TSBC refers to these tires as "orphan" tires and offers the consumer two free disposal options: drop off at collection events throughout the year and/or at Return to Retailer (R2R) locations throughout BC that accept up to 4 car tires, clean and off-rim, from the public. TSBC publishes the [collection events](#) and [R2R locations](#) on its website. The R2R location information is also available through the Recycling Council of BC's [Recyclepedia](#) app and the [BCRecycles](#) online tool.

After tires are collected, the majority are recycled into products by [Western Rubber Products](#) located in Delta with the remainder used for energy recovery. The products created are coloured landscaping mulch and crumb rubber. The crumb rubber is processed into new products such as playground surfaces, tiles, arena flooring and agricultural mats. With the Manufacturing Incentive Program and landscaping mulch product, TSBC is pleased to report that the volume of finished products made from BC rubber in BC

continues to grow, expanding six-fold since 2009 with further growth anticipated as the recycled rubber manufacturer, [North West Rubber](#), expands its operation in Abbotsford.

All scrap tires collected are recycled right here in BC due in part to the success and growth of the Delta recycler, Western Rubber Products, and the Abbotsford manufacturer, North West Rubber. Both companies have made significant investments in recent years to grow their capability, capacity and product lines and they continue to do so, strengthening their position in a competitive marketplace.

3. Public Education Materials and Strategies

TSBC continues to focus its stakeholder outreach on a broad education and communication campaign, raising consumer awareness on “where the money goes” and “where the tires go.”

The TSBC website is the main hub for information shared with both the general public and tire retailers with the site successfully acting as a landing point for comprehensive information and materials on tire recycling in BC.

To continue educating and raising consumer awareness, TSBC built on its 2021 program approach. The objective of the program was to increase awareness of tire recycling across BC residents, especially vehicle owners, and to improve their understanding of the connection between scrap tires and their second life. The call to action was to highlight the consumers’ ability to find a recycling location through the Recycling Council of BC’s Recyclepedia App and/or the TSBC website. The messaging was delivered through bus ads, radio ads and digital media, supported by social media posts, community engagement and media outreach.

The bus and radio ads were delivered in markets determined by either population (Metro Vancouver / Vancouver Island) or feedback from local governments that specifically asked TSBC to conduct more education in their regions (Fraser Fort George, Cariboo and East Kootenay).

In 2022, TSBC had planned to build on and increase its consumer awareness program through its Ambassador Team tour. However, as this program involves direct engagement with the public at community festivals and general recycling events, TSBC was again unable to proceed due to COVID-19. The team will be back on the road in 2023.

Supplementing these efforts, TSBC also engages with the public in the ways detailed below.

Community Grant Program

The [Community Grant Program](#) is now in its 14th year and has provided over \$5.9M in grants to over 325 projects in 94+ communities throughout BC. The program provides matching funds up to a maximum of \$30,000 per project to not-for-profit organizations, schools, municipalities, etc., that use BC recycled

rubber. This program not only benefits the communities but is an excellent way to get the word out on “what happens to the tires” and “what happens to the money.” The ability to showcase how British Columbians benefit when scrap tires are diverted from landfill and recycled into marketable products is invaluable.

In 2022, grants totalling \$277,000 were awarded to 13 applicants from communities throughout BC, noting there were some withdrawals due to fundraising challenges related to COVID-19. The grants awarded resulted in the use of approximately 378,000 lbs of BC rubber (the equivalent of approximately 15,000 car tires) for playground and spray park surfaces, recreational flooring, pathways and outdoor fitness area projects. The Community Grant Program was featured in community papers and on social media. Grant awardees are required to have onsite signage to officially recognize TSBC as a contributor to these important projects and to advise the local MLA and Mayor and Council of the project and the grant.

Partnerships – ARTist Response Team, Cleaner Lakes & Oceans/Sea to Sky Arts Council Alliance

In 2022, TSBC invested in various community events to show alignment with and support for education, Indigenous programming, and ocean cleanup. Sponsorships included the ARTist Response Team (ART), an entertainment company that educates on ecology through in-school programming. This year, ART’s Voices of Nature program was held in 2 schools. Recognition included logo placement on signage and posters displayed at the school rehearsals and concerts, logo placement and a full page message in the souvenir concert program taken home by families, inclusion on the ART website home page and events page, social media posts, and verbal recognition and a description of the work done by TSBC to recycle used tires, shared during the concerts through student songs.

TSBC also sponsored a new program in partnership with ART: the *Chowiyes-Xwithet/Rise Up-Wake Up!* event which was held at the University of the Fraser Valley (UFV). This special event focused on Indigenous diversity, inclusion, and reconciliation, which included a community launch event in June and a live, public event that was held in September to align with the National Day of Truth & Reconciliation. Overall 1,000+ individuals were reached through the live events, and media coverage in various radio and print outlets extended the reach of the program.

TSBC also sponsored *Diving In: The Art of Cleaning Lakes & Oceans*, an Initiative created by Cleaner Lakes & Oceans in collaboration with the Sea to Sky Arts Council Alliance (Pemberton Arts Council, Arts Whistler, the Squamish Arts Council, Lions Bay Arts, The Hearth Arts on Bowen), West Vancouver Arts Council, and North Van Arts. As the Lower Mainland’s first-ever travelling environmental art campaign, the project focused on community cleanups of rivers, oceans, and lakes across BC, and the materials collected were used to create art pieces made by local artists. The artwork was then showcased at gallery displays held throughout the province. TSBC’s involvement with these events resulted in great media coverage and helped to connect with BC communities while aligning the brand with important initiatives that support

environmental education and cleanup.

Partnerships – [First Nations Recycling Initiative](#)

Led by Recycle BC and in conjunction with 8 other stewards, TSBC funds this very important initiative that supports First Nations interested in starting recycling programs in their communities. The program is administered by a dedicated First Nations field service specialist who meets with communities around BC and guides and supports their recycling needs, providing tools and resources. Despite ongoing challenges due to COVID-19, the field service specialist was able to engage with 10 Regional Districts, 22 First Nation communities and coordinate 14 community clean ups. TSBC remains a member of the [Indigenous Zero Waste Technical Advisory Group](#) and looks forward to continuing to work with and support this group in its efforts.

Partnerships – Clean Ups

TSBC will continue to work with any organizations or individuals requiring assistance with tire removal, supporting projects ranging from landowner property clean ups to beach clean ups. In 2022, TSBC was involved in the following more remote or challenging tire removal projects which included collection and/or funding:

- Qathet RD: Nelson Island
- Squamish / Lillooet RD: Gold Bridge site clean up
- Metro Vancouver RD: water access only electoral areas
- Qathet RD: Lasqueti Island
- Comox Valley RD: Denman Island
- First Nation community clean ups

Educational Tools – [TSBC website](#)

The website design focuses on providing information to two main stakeholder groups: registered participants and the public. For the public, the website informs visitors on:

- [Recycling drop off locations \(R2R location finder\);](#)
- [Community Events and Programs;](#)
- [Community Grant Program;](#)
- [News and Updates;](#)
- [Tire Recycling in BC;](#) and
- [Extended Producer Responsibility \(stewardship\) Plans and Annual Reports.](#)

Educational Tools – Paid Media & Earned Media

Through both paid media (radio, buses, digital ads), and earned media (social media, PR outreach), TSBC continues to grow an engaged audience while educating consumers about the benefits of tire recycling in

BC. Results are tracked through the results of two consumer awareness surveys, one is a multi-steward SABC survey which is conducted every two years, and the other conducted independently each year in partnership with BC Used Oil Management.

In 2022, TSBC created radio ads that resulted in an increased recall rate on the survey (4% awareness in 2021, up to 16% awareness in 2022). Bus ads were run again in markets across BC, resulting in a 14% recall (up from 10% in 2021) according to the survey. Digital ads also ran province-wide, including programmatic ads (display, tablet, and mobile devices), and performance ads (Google AdWords, and paid posts on Facebook/Instagram). TSBC also tested digital audio (streaming) as a new digital medium this year.

TSBC also hired a PR agency in 2022 to conduct and manage PR outreach efforts, resulting in hundreds of earned (unpaid) media placements in radio and print outlets across the province. TSBC continues to grow its online presence with increased activity on Facebook, Twitter, Instagram, and LinkedIn, as well as through stories shared on the TSBC.ca website. The most engaging content generally involves playground projects completed through the TSBC Community Grant Program, tire collection events held across BC, and community events and initiatives.

Educational Tools – RCBC Hotline and Recyclepedia & BC Recycles

As in prior years, TSBC contributed funding to the [Recycling Council of BC](#) to operate the [Recycling Hotline](#) and its Recyclepedia [Smart Phone App](#). TSBC also contributes to and supports the BC Recycles website, a Stewardship Agencies of BC (SABC) initiative. These tools are excellent resources for the consumer, particularly for information on tire drop off locations, and align with the Ministry’s desire to have a one-stop-shop for citizens of BC looking for information on where to recycle their waste.

Table 1 Consumer Education and Awareness – 2022

| Performance Measure | 2022 Target | 2022 Performance | 2021 | 2020 | 2019 |
|--|-------------|--------------------------|------|--------------------------|------|
| Awareness of where to take scrap tires for safe disposal | 61% | 47% (SABC survey 56%) | 56% | 48% (SABC survey 63%) | 47% |
| Awareness of where to go to find information on safe disposal locations | 77% | 61% (SABC survey 73%) | 68% | 62% (SABC survey 69%) | 59% |

Prior to 2019, TSBC’s consumer awareness surveys were completed only through the multi-steward SABC survey conducted every two years.

Since 2019, TSBC has conducted its own survey in partnership with the BC Used Oil Management Association and this reduced-scope/higher customized survey yielded very different performance results from the SABC survey. Other BC stewardship programs that participate in the multi-steward SABC survey also run their own surveys and have confirmed to TSBC that their individual survey results are also lower than in the SABC survey.

TSBC understands the most notable reason for the discrepancy in the SABC versus individual survey results is survey fatigue. This is because responses in the SABC survey are required for multiple stewardship programs combined with the fact that Return-it is the first program listed, and the nature of its product attracts high consumer recognition due to its strong marketing and brand awareness program. Going forward, TSBC will continue to participate in the SABC survey.

Awareness of advertising increased significantly in both surveys, as did the percentage of respondents who are aware that tires can be recycled in BC. TSBC saw a slight decrease in the number of respondents who know where to take their tires to be recycled and where to find information on tire recycling – both areas that will be a primary focus for 2023 through information shared at collection events, by the Ambassador Team at community event, ongoing bus ads and digital media. In addition, TSBC will advertising on TV and online streaming services. Overall, the SABC survey results were on par with other stewards. The lower/shorter stretch of data makes it more difficult to track trends, and 2020 was an anomaly as COVID-19 may have impacted the numbers overall.

In addition to the disposal messaging, TSBC's communications program will focus on educating the consumer on "Reduce" and "Reuse", two key Rs in the hierarchy that are often overlooked but critical to the environment now and in the future. TSBC's 2023 communication efforts will also focus on the retailers (producers) with the objective of helping them understand their role and responsibilities in the program, and developing relationships to allow for partnerships when it comes to collection event hosting, additional R2R participants, and potential grant program partners.

4. Collection System and Facilities

As the tire program is a retailer-based collection system, TSBC defines a collection facility as *"a TSBC registered retailer (producer) that, in the normal course of business, will accept one scrap tire for every new tire sold."* This definition reflects that not all tire retailers are in a position to take back a scrap tire for every new tire sold. Examples include Home Depot, which may sell a trailer with new tires even though their primary business is not selling tires or equipment with new tires; an online retailer; or a business located out of province.

In 2022 there were 2,059 collection facilities compared to 1,981 2021. Although the change is not significant and simply reflects the retailers in business, events throughout the year that affect this number

include new retailer locations, closed locations, and changes in retailer businesses that result in the retailers no longer, or now meeting, the definition of a collection facility.

Unlike other product stewardship programs where consumers must choose between putting their end-of-life product into the waste stream or taking it to a collection depot for recycling, most motorists exchange their scrap tires for new ones at the time of purchase. These tires are collected from the retailers by haulers, some of which sort and cull the good used tires for reuse, with the remainder transported to TSBC registered processors. The majority of scrap tires generated annually are picked up at tire retailer locations where they are held for collection at no cost to the program.

TSBC also collects scrap tires from other registered sites that generate scrap tires as part of their normal business operations, such as auto wreckers and small auto body shops and garages.

An estimated 4% of the total annual generation collected results from motorists who choose to take their scrap tires home rather than leave them with the retailer for disposal. Ultimately, most of these orphan tires end up at a landfill where they are held for collection by haulers. Recognizing this as a cost and logistical problem for some landfills, TSBC continues to work on providing alternative disposal options such as the Return to Retailer (R2R) Program and Tire Round-Up events. The decrease in the volume of tires going to landfill (6% in 2012) shows that TSBC's measures to provide alternate disposal methods are working. R2Rs are registered retailers that have voluntarily agreed to accept up to 4 clean and off-rim car tires from the public. In addition to the TSBC website, the list of R2R locations is available on the RCBC website and the Recyclepedia app. In 2022, the number of R2R locations did decline because the businesses either closed or asked to be removed from the list as they were not comfortable with increased foot traffic during COVID-19. Although the number of R2Rs in any given Regional District is greater than 25% of the total retailers in the region, TSBC will focus its efforts on finding additional R2R locations while supplementing areas in need with collection events.

In 2020, TSBC conducted a survey to understand the challenges for local government and private depots in handling tires. The result was several actions by TSBC, including a commitment to conduct two annual clean outs at local government sites and to work directly with respondents that had more unique challenges. Unfortunately, due to transportation challenges related to COVID-19 (resourcing and trailer availability and expense) TSBC was unable to service all sites, which resulted in an unfavourable response from local government to the annual survey. TSBC remains unwavering in its commitment and has committed to paying increased costs in areas where trailer availability has been challenging, and implemented a tracking process that is reviewed bi-weekly by TSBC staff and the haulers to ensure these collections occur. For those sites with unique challenges, including unmanned or remote sites, TSBC provided funding in the form of either an annual stipend or a contribution to help cover the cost of moving the tires to a central location for collection. TSBC will continue to monitor the results of these actions through surveys with affected stakeholders.

The waste audit process conducted annually is important to note in the context of tires disposed of at landfills. In conjunction with all SABC members, TSBC participates in and funds waste audits in a minimum of one Regional District per year. In 2022, SABC participated in two waste audits – Capital Regional District: Hartland Landfill, Victoria – where tires represented 1.4%. This high percentage compared to prior waste audits was primarily the result of finding two light truck tires, which accounted for 92% of the weight. The other waste audit was conducted in the Regional District of North Okanagan, where tires represented 0.48%.

Despite being non-program materials, bike tires and tubes were included in the count as TSBC offers to collect and recycle them free of charge. This initiative has been in place since 2011.

TSBC also hosts province-wide tire collection events where the public can drop off any tire size, on or off rim, at no charge. No tire is turned away at the event, including non-program, to eliminate the risk of the tire being abandoned or dumped near the event location. The 2022 events are shown in [Table 2](#) below. While these types of events are successful in terms of diverting tires that might otherwise be abandoned in the rural or urban environments, they remain costly to host. Recognizing the invaluable opportunity to connect face to face with the public dropping off tires, TSBC ambassadors attended three of the events with a focus on educating the public on tire disposal options and what happens to the tires after being dropped off. In total, over 5,500 tires were collected thanks to the efforts of all involved, which included the retailers and Regional Districts willing to host these events and Western Rubber Products which provided the trailers and manpower to accept and load the tires.

Table 2 Collection Events – 2022

| Date | Facility | City |
|---------------|-------------------|------------------|
| April 30 | Junk in the Trunk | Prince George |
| May 9, 11, 15 | Transfer Station* | Devine (SQLI RD) |
| June 11 | Kal Tire | Prince George |
| July 16 | Kal Tire | Campbell River |
| July 23 | Bella Tire | Trail |
| August 26 | Kal Tire | Powell River |
| September 11 | Okanagan College* | Kelowna |
| September 17 | Kal Tire | Prince George |
| September 24 | Community Centre* | McBride |

*requested / hosted by Regional District

5. Product Environmental Impact Reduction, Reusability and Recyclability

TSBC and producers continue to seek opportunities to reduce the environmental impacts associated with the life cycle of a tire, and to increase its reusability at the end of that cycle.

Reduction

While managing tires at their end-of-life is important, lengthening their lives so that fewer are used is essential – this is an area where both the motorist and industry can play a part. The life of a tire is significantly increased with proper tire maintenance, i.e., keeping tire pressure at the correct level. Tire manufacturers are making progress with the introduction of innovative tire lines specifically designed and constructed for low rolling resistance, which improves fuel efficiency. Tire manufacturers are also addressing the challenges presented by electric vehicles which, due to their weight, cause tires to wear at significantly higher rates. Motorists can also play their part by ensuring tires are properly inflated and maintained. TSBC continues to work in partnership with the Tire and Rubber Association of Canada in their annual [Be Tire Smart](#) campaign which focuses on educating the motoring public on the benefits of proper tire inflation and maintenance.

Reusability

Retreading of medium truck tires and off-the-road (OTR) tires is an ongoing, commercially viable activity and accounts for significant volumes of tires diverted from end-of-life management. Replacing the worn tread allows the reuse of the casing (60-70% of the tire) up to 2 to 4 times, thereby extending the life of the tire. TSBC's program incents this activity by not assessing an eco-fee on retreaded tires (equivalent to \$14 per medium truck tire). As retreaded tires are not program tires, their sales are not included in the diversion statistics. However, both medium truck and OTR tire retreading will continue to increase under the program as a result of the commercial strength of the market for this product.

Retreading of passenger and light truck tires is not currently recommended as these types of tires are not designed by the manufacturer to be retreaded. In addition, the culling by scrap tire haulers of worn tires not yet at their end-of-life has occurred since the program's inception in 1991. Most culled tires are exported and as such, never enter the recycling system in BC.

Recyclability

TSBC's ability to influence product design to increase recyclability is extremely limited. While this is an accepted and theoretically possible outcome in some industries, automotive tires are not simple consumer commodities. Instead, they are a critical element in the safe operation of motor vehicles. For this reason, the design and operating parameters of tires are mandated by federal regulations and international agreements.

The elements that make a tire "safe" also tend to be those that make it difficult to recycle. That said, advancements in end-of-life tire management are continuing. International tire manufacturers are

responding to the environmental challenges of tire manufacturing by doing such things as replacing high aromatic petroleum-based oils with bio-based oils from corn, canola, oranges, etc. Manufacturers are also beginning to incorporate recycled rubber into selected tire types and are actively investing in new sources of natural rubber supply such as guayule and Russian dandelion, which can be produced in North America.

Note: In late 2020, reports alleged that tire and road wear particles (TRWP) were linked to the death of coho salmon in Washington State. The Tire and Rubber Association of Canada issued a [statement](#) and TSBC will post any updates on this issue to the [News and Updates](#) section of its website. The Tire Industry Project (TIP) under the World Business Council on Sustainable Development continues to support TRWP studies ranging from mitigation to alternative materials analysis for specific areas of concern like 6PPD. For a multimedia introduction to the topic of TRWP and a detailed account of the studies that TIP has sponsored to date, visit www.tireparticles.info.

6. Pollution Prevention Hierarchy and Product / Component Management

TSBC manages the collected products in accordance with the “pollution prevention hierarchy”, i.e., recycle (3R) before energy recovery (4R) before residual disposal (5R). TSBC incents the processing of scrap tires into higher value-added products by providing higher financial incentives to recycle a tire than to use a tire for energy recovery. Beyond primary processing, TSBC promotes the use of BC’s recycled rubber in products manufactured in BC through a Manufacturing Incentive.

[Table 3](#), which follows these descriptions, provides the 2022 product hierarchy results based on the various categories broken down by component type – rubber, steel and fibre.

3R Recycling

Referred to in the industry as Tire Derived Product (TDP), this category includes the rubber component that has been recycled and sold to market; it does not include rubber that is in inventory at the processor’s site as a product for sale at a later date. This reporting category also includes steel, extracted in the recycling process, sold as a product to an end use market. Should a recycling market for fibre be found, the fibre directed to this end use would also be reflected in this category.

4R Energy Recovery

Referred to in the industry as Tire Derived Fuel (TDF), this category comprises not only the rubber but also the fibre extracted in the recycling process that is sold to a kiln. As iron is required in the kiln feed and the ash produced contains elements required in the chemistry of clinker, the tires are not only a fuel source but a beneficial raw material for the production of clinker at the cement plant. In addition, as natural rubber is a renewable resource that comprises 25% of an average of tire, energy recovered from tires can be categorized as a biofuel.

5R Residuals

Residuals include waste material from the recycling process – rubber, steel and fibre – that is ultimately disposed of at landfill. Typically, this would only include the rubber component (sweepings or non-processable material) unless a drop in demand for steel and fibre is triggered by market forces beyond the control of the processor. As the availability of trailers to transport waste to landfill was limited in 2021, a portion of the rubber waste volume shown represents inventoried material from that calendar year. This issue is resolving itself in 2023, and TSBC expects to be at, or close to, its target of 1% in 2023.

Table 3 Product Hierarchy Results – 2022

| Component | Recycling (3R) | Energy Recovery (4R) | Landfill (5R) |
|-----------|----------------|----------------------|---------------|
| Rubber | 89% | 9% | 2% |
| Steel | 100% | | |
| Fibre | | 100% | |

TSBC supports a mix of recycling and energy recovery end uses to ensure there is a market for all BC scrap tires and recycled tire products. This policy of allowing some tires to be used as a fuel supplement, in place since 1991, is economically and environmentally sound. It is a lower cost alternative which helps TSBC contain eco-fee levels, and all usage has appropriate environmental permits.

Tires used for energy recovery are market driven and vary from year to year. For example, the usage was at an all-time low in 2012 due to economic conditions in the cement industry combined with a record high demand for recycled products. However, increased use of tires for energy recovery can occur when recycling product markets decline, such as the economic downturn in 2008 to 2010. In recent years, the volume of BC tires consumed by Lehigh in Delta has been consistent.

The volume of whole tires and shred directed to energy recovery remains within TSBC’s target of 13%. TSBC continues to work with industry through its Research and Development Program and current participants to find recycling end uses for the fibre. Research to date includes the use of recycled tire fibre in concrete applications to create a value-added product that in most provinces is considered waste and landfilled, and also in recycled rubber products produced in BC.

7. Recovery Rate and Product Sold and Collected

The measure of effectiveness of stewardship programs recommended by the BC Recycling Regulation is the “Recovery Rate”, defined as the actual number of scrap tires collected/divided by the actual number of new tires sold in the reporting year. A report conducted by TSBC’s audit firm concluded the Recovery Rate as currently defined for a product with a life span beyond 1 year is not appropriate in the case of tires; this is because, with the robust tire collection system in place, the factors impacting the difference

between sales and collection are the long-term life of a tire, tire sales trends (winter tires, new car sales/vehicle registrations) and to a lesser degree the export of used tires for reuse. In TSBC’s current Extended Producer Responsibility Plan approved by the Ministry on December 7, 2018, the Recovery Rate for tires is defined as the “actual number of scrap tires collected in the reporting year/divided by the actual number of new tires sold 5 years prior” – a more meaningful measure which aligns with an objective of the Ministry for all stewardship programs. In 2017, TSBC recorded the highest sales for Passenger & Light truck tire sales due to the implementation of mandatory use of winter tires in certain regions within the province. Therefore, despite strong collections in 2022, the target is missed by 1% due to the sales anomaly in 2017.

Table 4 Recovery Rate

| Units Collected 2022 | Units Sold 2017 | Recovery Rate |
|----------------------|-----------------|---------------|
| 4,011,865 | 4,495,069 | 89% |

Table 5 Product Sold and Collected in 2022

| Tire category | Units Sold | Units collected and delivered to a processor |
|------------------------------------|------------------|--|
| Passenger & Light Truck | 3,801,472 | 3,648,412 |
| Medium Truck | 416,759 | 358,418 |
| Large Agricultural | 18,607 | 3,924 |
| Logger / Skidder | 3,955 | 1,111 |
| Total | 4,240,793 | 4,011,865 |

8. Summary of Deposits, Refunds, Revenues and Expenditures

The TSBC program is funded by an Advance Disposal Fee (ADF), commonly referred to as an eco-fee. It is a condition of registration with TSBC that retailers remit ADFs monthly for every new tire sold to cover the costs of the program, which are primarily the collection and processing of the scrap tires.

The ADFs are set by TSBC and vary by tire type to adequately compensate for the higher costs of collecting and disposing of larger tires. The fees in 2022, shown in Table 6 below, were adjusted for the medium truck category from \$9 to \$14 to reflect the higher costs of managing these tires and to reduce the cross subsidization from the passenger & light truck (PLT) category. The remaining eco fees listed have not

increased since 2008, however with increased costs across all sectors of the business, TSBC anticipates a fee increase will be necessary in 2023 for the PLT category. In accordance with the Terms and Conditions with retailers, TSBC will provide 90 days’ notice to the retailers of any such change.

Table 6 Advance Disposal Fees – 2022

| Tire category | ADF per tire |
|--|--------------|
| Passenger & Light Truck (PLT) | \$5 |
| Medium Truck (MT) | \$14 |
| Agricultural Drive | \$15 |
| Logger / Skidder | \$35 |

Other OTR tires are excluded from the Recycling Regulation but with processing capacity and capability present, TSBC is hopeful the Ministry will agree to add the remaining OTR categories (up to 39” rim diameter) to the Regulation and provide a level playing field for the industry.

100% of fees collected are used for the operation of the scrap tire recycling program. Program revenues and expenses are provided in TSBC’s 2022 Independently Audited Financial Statements, included as [Appendix A](#).

9. Plan Performance

TSBC is currently operating under its [2018 Extended Producer Responsibility Plan](#) approved by the Ministry on December 7, 2018 and will continue to do so until its Plan submitted in August 2021 is approved. In the current Plan, TSBC set new performance measures and targets as reported in Table 7 below, and reporting commitments as reported in Table 8 below.

Table 7 Performance Measures, Targets and Results 2022

| Performance Measures (as agreed with the Ministry) | | Annual Targets | | | Performance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|----------|--|----------------------------|-----------|-----------------|----------|--------|-----|-----|----|-------|------|--|--|-------|--|-----|----|--|--|--|--|-----------|-----------------|----------|--------|-----|----|----|-------|------|--|--|-------|--|------|--|
| 1. | Recovery Rate <u>(Total # Units Collected in reporting year / Total # Units Sold 5 years prior to reporting year)</u> | 90% | | | 89% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | The percentage allocation of total tonnes of scrap tires (i.e. all rubber, steel and fibre) <u>processed and shipped</u> Note: on average, rubber accounts for 70% of the total tire weight, with 15% steel and 15% fibre | <table border="1"> <thead> <tr> <th></th> <th>Recycling</th> <th>Energy Recovery</th> <th>Landfill</th> </tr> </thead> <tbody> <tr> <td>Rubber</td> <td>88%</td> <td>11%</td> <td>1%</td> </tr> <tr> <td>Steel</td> <td>100%</td> <td></td> <td></td> </tr> <tr> <td>Fibre</td> <td></td> <td>98%</td> <td>2%</td> </tr> </tbody> </table> | | | | Recycling | Energy Recovery | Landfill | Rubber | 88% | 11% | 1% | Steel | 100% | | | Fibre | | 98% | 2% | <table border="1"> <thead> <tr> <th></th> <th>Recycling</th> <th>Energy Recovery</th> <th>Landfill</th> </tr> </thead> <tbody> <tr> <td>Rubber</td> <td>89%</td> <td>9%</td> <td>2%</td> </tr> <tr> <td>Steel</td> <td>100%</td> <td></td> <td></td> </tr> <tr> <td>Fibre</td> <td></td> <td>100%</td> <td></td> </tr> </tbody> </table> | | | | Recycling | Energy Recovery | Landfill | Rubber | 89% | 9% | 2% | Steel | 100% | | | Fibre | | 100% | |
| | Recycling | Energy Recovery | Landfill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubber | 88% | 11% | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Steel | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fibre | | 98% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Recycling | Energy Recovery | Landfill | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Rubber | 89% | 9% | 2% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Steel | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fibre | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Number of collection sites (i.e. registered retailers that will take back a scrap tire from the consumer at the time a new tire is sold) | 1,850 | | | 2,059 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | c) Total number of retailers and generators in BC that take back orphan tires (R2R) d) Number of R2Rs in each Regional District | c) 800 province-wide d) At least 25% of registered retailers in each Regional District are R2R locations | | | c) 775* d) Achieved | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Education and Awareness c) Awareness of where to take scrap tires for safe disposal d) Awareness of where to go to find information on safe disposal locations | c) 61% d) 77% | | | c) 47%** d) 61%** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* See [Section 4 / Collection System and Facilities](#) (para. 5) for further discussion on these results.

** See [Section 3 / Consumer Education and Awareness](#) for further discussion on these results.

Table 8 Reporting Commitments 2022

| Reporting Commitments | |
|-----------------------|--|
| 1. | Total tonnes collected by Regional District in a calendar year – Appendix C |
| 2. | Dates, locations and results of tire collection events – Table 2 |
| 3. | Number of legitimate collection complaints received by TSBC |
| 4. | Number of consumer complaints received by TSBC – zero |
| 5. | Results of SABC waste audits and any local government waste audits if data is shared directly with/made available directly to TSBC – Section 4 |
| 6. | Comparison of results to targets for all Performance Measures – Table 7 |
| 7. | Independently Audited Financial Statements – Appendix A |
| 8. | Non-Financial Information Audit Report – Appendix B |
| 9. | Total product collected and sold in the reporting year – Table 5 |
| 10. | Description of how the product was managed in accordance with the pollution prevention hierarchy – Section 6 and Table 3 |
| 11. | Collection Facility Locations – Appendix D |
| 12. | Description of educational materials and educational strategies used – Section 3 |
| 13. | Efforts taken to reduce environmental impacts, to increase reusability and recyclability – Section 5 |