BeIMTS

Electronic Equipment Stewardship Plan Proposal in Manitoba for Bell MTS Set-Top Boxes (STBs)



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1. Purpose

This document provides a summary of Bell MTS's Electronic Equipment Stewardship Program (EESP) as it relates to the recovery, refurbishing, and recycling of Set-Top-Boxes (STBs) in the province of Manitoba. Bell MTS's EESP is guided by our commitment to sustainability, industry-wide best practices, and our goals to extend the lifecycle of our STBs and divert e-waste from landfills. Bell MTS has been operating this EESP voluntarily since the early 2000s, and is now seeking to have its EESP formally approved by the Minister of Sustainable Development.

1.1 Background

Bell MTS provides TV service to customers in Manitoba. A typical TV service installation requires a STB for each TV, and if the customer wishes to have PVR service, then one PVR STB (also known as an STB in this document) is installed per customer location. Bell MTS maintains ownership of all STBs, as we operate a rental only model and do not sell STBs to customers. As new TV service offerings are developed, the software and firmware on STBs can be remotely uploaded over our telecommunications network to extend the useful life of STBs.

2. Program Overview

Bell MTS's EESP for STBs and accessories is based on a closed-loop system whereby the STBs are only rented to customers who subscribe to our TV service and we maintain 100% ownership of the STBs throughout their entire life cycle. Note that this closed-loop system, and the processes described below are very similar in the other provincial jurisdictions where Bell operates its TV service.

2.1 Mail-Back Process with Canada Post

The primary means of returning STBs to Bell MTS for any reason is through mail-back. Through this process, customers who are seeking to return STBs to us for repair, exchange, or TV service termination are sent an appropriately sized box in which to package the STBs and accessories, along with a pre-paid Canada Post waybill, and return instruction sheet. When the STBs and all accessories are packed in the box and the waybill affixed, the customer then simply takes the package to the nearest Canada Post location at their convenience for return.

Bell MTS fully implemented this process in December 2017 as a way of simplifying the program and increasing accessibility of the EESP to our customers.

2.2 Defective STBs and Customer Repair or Exchanges

Should an STB become defective and the STB needs to be replaced, we either (i) send a Bell MTS technician to go to the customer's premises to replace the STB and return the faulty STB to our service provider for repair, or (ii) the customer is sent a new STB by mail along with a pre-paid waybill to return the replaced STB back to Bell MTS at any Canada Post location.

2.3 Service Terminations

If customers end their TV service with us, they are obligated to return all STBs and accessories to Bell MTS. Customers will be sent a box and pre-paid waybill so they can return these items at any Canada Post location. Returned STBs are refurbished and redeployed wherever possible.

2.4 Penalty for Unreturned STBs

Customers who terminate their TV service with us are informed that there will be a charge of \$120 - \$250 (depending on the model of STB) applied to their account for each STB that is not returned. The addition of this fee typically results in the return of the STBs. In a very small percentage of cases, the customer still does not return the devices and the account is sent to a collection agency.

3. Returned STBs Reverse Logistics

All returned STBs and accessories that are returned to Bell MTS are sent to Bell MTS's warehouse located at 1750 McGillivray Boulevard in Winnipeg, Manitoba. The STBs and accessories are sorted and are prepared for either; (i) refurbishment and reuse or (ii) for recycling or resale. Bell MTS's goal is to repair and refurbish as many STBs as possible.

4. Repair and Refurbishment for Reuse

If STBs are deemed refurbishable and can be reused, they are then sent to CSI in Scarborough, Ontario, which is vendor that Bell MTS utilizes in repairing and refurbishing STBs. CSI follows a process to inspect, test, repair, refurbish, and prepare our STBs for redeployment. This process includes the following:

- Sorting of units and accessories
- Electronic tests to determine proper operation
- Visual inspection for physical damage
- Wiping of device memory (PVR)
- Cleaning of the unit
- Replacement of damaged/dirty housing if required
- Upgrade to programming if required
- Kitting of refurbished units for redeployment
- Separation of non-repairable units for recycling

STBs that CSI is unable to refurbish are sent to our certified recycler, GEEP.



5. Recycling of Non-Reusable STBs

STBs that are not economically repairable or are models of STBs that are no longer compatible with our network and have been discontinued are sent to our certified recycler, GEEP, located in Barrie, Ontario.

There are several environmental aspects incorporated into Bell's contract with GEEP to ensure the responsible recycling of Bell MTS's STBs and accessories. These include:

- Providing recycling services in an environmentally sound manner with a zero landfill objective
- Abiding by all environmental laws and regulations
- Maintaining several industry leading and externally verified/audited certifications such as ISO 14001, R2, and RQO
- Abiding by <u>Bell's Supplier Code of Conduct</u>
- Allowing on-site Environmental Compliance Reviews and Inspections performed by Bell's Corporate Responsibility & Environment team

Additional information regarding GEEP and further downstream recycling processes are available in Appendix D and E of this document.

Over the past two years these non-reusable STBs destined to recycling accounted for 18% of the recovered products (see table of results under section 8).

6. Fees

The costs associated with operating Bell MTS's EESP for STBs is internalized in our overall service delivery program budget. We do not charge our customers who rent our STBs an Environmental Handling Fee (EHF).

7. Customer Education, Communication, and Consultation

Bell MTS customers are made aware of Bell MTS's EESP and how they can return their STBs through direct communication when they first sign up for TV service or upon termination of their service with retail store representatives, customer service agents, and technicians. If customers have further inquiries, they can find additional information (i.e. such as the STB returns process) on our website at www.bellmts.ca, contact Bell MTS customer service over the phone at 204-225-5687 or through the instant messenger application on our website.

Bell MTS customers, who are the primary stakeholders of the Bell MTS EESP, along with other stakeholders can provide feedback regarding the program on an ongoing basis through the same channels mentioned above.

8. Performance Measures & Targets

Bell MTS's EESP for STBs in Manitoba has been very successful in collecting majority of STBs for return. With our rental only model, simple return process, and easily accessible customer service, the program has resulted in historical recovery rates of above 80%. We expect to continue to maintain a similar high rate of recovery of STBs and accessories.



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Our recovery rate is based on the number of STBs available for recovery from our customers as a result of termination of service, known as "deactivations," plus the number of STBs that need to recovered for repair, known as "service." STBs that are in use at customers' homes which are actively providing TV services are not part of the recovery rate calculation. The table below details the latest EESP results:

May 2015 – May 2017 Bell MTS STB Electronic Equipment Stewardship Program (EESP) Results		
Customer Deactivations	66,150	
Average STBs Per Household w/ Service	2.29	
Deactivated: Units Available for Recovery	151,484	
Service: Units Available for Recovery	23,698	
Total Units Available for Recovery	175,182	
Total Units Recovered	149,002 (85%)	
Total Units Refurbished/Redeployed	137,636 (82%)	
Total Units Recycled	29,512 (18%)	

9. Annual Report

Bell MTS will provide an annual report to Manitoba Sustainable Development within 90 days of each fiscal year, and the report will be publicly available on our website. We will provide the following information in this annual report:

- Educational materials and strategies
- Collection and processing facilities
- Reducing environmental impacts
- Consistency with the principles of Pollution Prevention and the 4Rs Hierarchy
- Recovery Rate

Bell MTS does not produce any financial statements related to this EESP and we do not have the ability to separate out and track expenses for this program. Since the reuse and recycling processes are closely integrated into our normal business operations related to providing TV service to our customers, there is no feasible way to differentiate these expenses. Also, since there are no environmental handling fees (EHFs) are being collected from customers, there is no revenue received that is attributable to the EESP for reporting purposes.



10. Conclusion

Bell MTS delivers TV services to over 100,000 customers in Manitoba. To support this service, Bell MTS has voluntarily operated its EESP for the collection, refurbishment, reuse, and recycling of STBs and accessories. This program has been very successful, resulting in recovery rates over 80%.

By maintaining ownership of STBs and accessories, Bell MTS is able to effectively manage the use and recovery of this equipment. Our retail store representatives, customer service agents, and technicians ensure that our customers are aware of the need to return STBs and accessories, and help guide our customers through the return process. Our simplified pre-paid mail-back process makes returning STBs and accessories convenient and accessible.

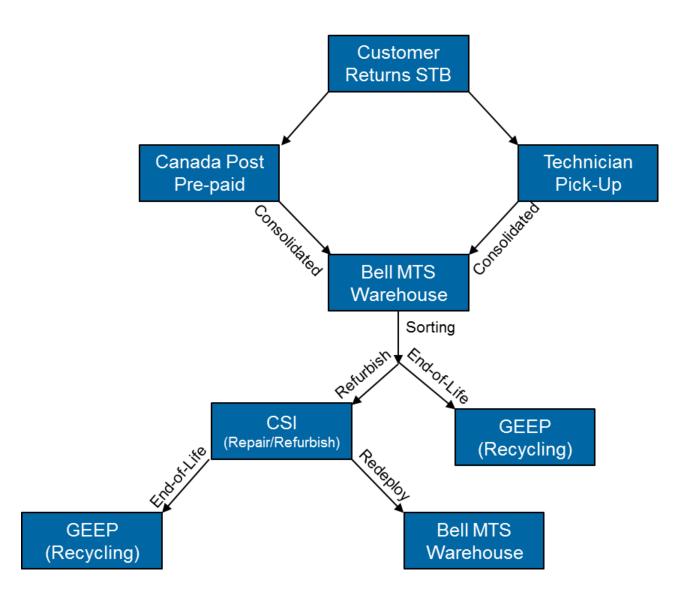
Bell MTS purchases quality STBs and accessories with a long working life that can be remotely upgraded and easily repaired. This helps to minimize environmental impacts throughout the life cycle of these products. At final end-of-life, STBs and accessories are responsibly recycled by our certified recycler to capture valuable resources and minimize waste going to landfill.

Our stewardship programs have evolved over time to meet new industry best practices and regulatory requirements. We are confident that this EESP is aligned with Manitoba's goals to manage e-waste in an environmentally and socially responsible manner. We look forward to receiving the Minister's approval so that we can officially operate our STB EESP in the province of Manitoba.



Appendix A

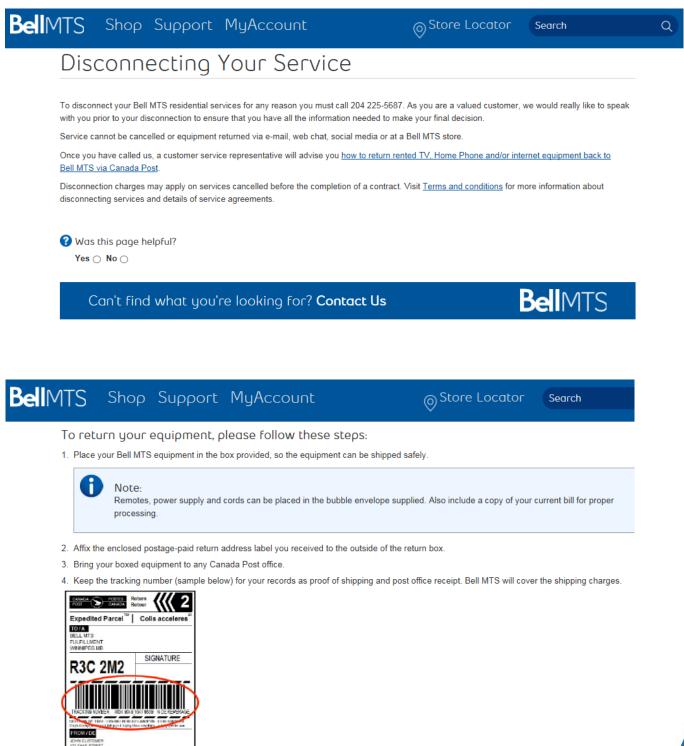
Process for Recovery, Refurbishment, Reuse, and Recycling of STBs





Appendix B

Information on Bell MTS Website for Returning Equipment





Appendix C

Canada Post Pre-Paid Waybill

CANADA POST CANADA	Return Retour RPG PRG
Xpresspost ^{™MC}	
TO: / A: BELL MTS 1750 MCGILLIVRAY BLVD WINNIPEG MB R3Y 1P4	
	SIGNATURE
R3Y 1P4	
TRACKING NUMBER 4353 166 Sender warrants that this item does not conta L'expéditeur garantit que cet envol ne contier	5 9877 4935 N° DE REPÉRAGE
FROM: / DE: JOHN CUSTOMIER 45 REAL AVE W WINNIPEG MB R4G2L2	



Appendix D

Bell MTS Certified Recycler Information

Recycler Name

GEEP Canada Inc.

Recycler Address

GEEP Canada Inc. 220 John Street Barrie, ON L4N 2L2 Canada

Recycler Certifications

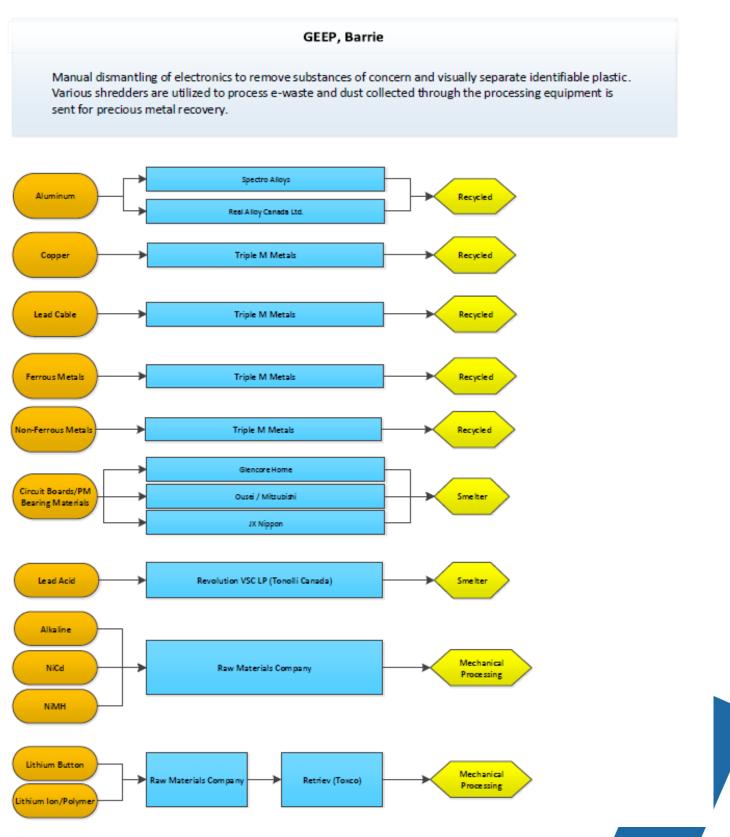
ISO 90001 ISO 14001 ISO 18001 R2 Standard EPRA RQO



Appendix E – Recycler Downstream Material Flow

GEEP Canada Inc – Barrie

Downstream Material Flow



GEEP Canada Inc - Barrie

Downstream Material Flow

