

Bell MTS Set-Top Box Electronic Equipment Stewardship Plan Proposal for Manitoba

January 31st, 2023



Table of Contents

1. Purpose	3
1.1 Background	3
2. Program Overview	3
2.1 Defective STBs and Customer Repair or Exchanges	3
2.2 Service Terminations	4
2.3 Penalty for Unreturned STBs	4
3. Returned STBs Reverse Logistics	4
4. Repair and Refurbishment for Reuse	4
5. Recycling of Non-Reusable STBs	5
6. Fees	5
7. Customer Education, Communication, and Consultation	5
8. Performance Measures & Targets	6
9. Annual Report	6
10. Conclusion	7
Appendix A	8
Appendix B	9
Appendix C	10
	11
Appendix D	12
Appendix E	13
Appendix F	14
	15
Appendix G	16
Appendix H	17



1. Purpose

This document provides a summary of Bell MTS' 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' EESP is guided by Bell's commitment to sustainability, industry-wide best practices, and goals to extend the lifecycle of STBs and divert e-waste from landfills. Bell MTS has been operating this EESP voluntarily since the early 2000s, and formally since its first approval by the Minister of Environment and Climate in 2018. With the intent of continuing to operate this EESP, Bell MTS is seeking to have its EESP renewed and approved once again, by the Minister of Environment and Climate.

1.1 Background

A STB, otherwise known as a TV receiver, receives external signals and converts them into images that are displayed on a television set. These STBs are designated material under the Manitoba Electrical and Electronic Equipment Stewardship Regulation of The Waste Prevention Act.

Bell MTS provides TV service to customers in Manitoba. A typical TV service installation requires a STB for each TV. 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 STB software and firmware are remotely uploaded over our telecommunications network to extend the useful life of STBs. BellMTS also provides TV remotes to customers who purchase our TV service. These remotes are included in the rental model and customers are required to return back to BellMTS with the STB upon service termination.

2. Program Overview

Bell MTS' EESP for STBs and accessories is exemplary of a circular economic model whereby the STBs are rented to customers who subscribe to our TV service. Bell MTS maintains 100% ownership of the STBs throughout their entire life cycle whereby the STBs are maintained, repaired, reused, and redeployed to customers wherever possible. Note that this closed-loop system and the processes described below are very similar in other provincial jurisdictions where Bell operates its TV service.

2.1 Defective STBs and Customer Repair or Exchanges

Bell MTS uses a hybrid system of both mail-back, and technician rollouts as a means to deliver exchange and repair services to customers for defective STBs.

Mail-back Process

Bell MTS offers a pre-paid mail-back option to customers whose STB is defective or requires repair through a device swap-out. To conduct a swap-out, a replacement STB is mailed to the customer, and instructions are provided to help guide the customer through the installation and return process. To return the defective STB to Bell MTS, customers are provided with a pre-paid Canada Post waybill and encouraged to package the defective STB in the box provided. Customers are then required to drop off the package at the nearest Canada Post location to be processed and sent back to our warehouse for repair. A sample of the instruction sheet provided to customers can be found in Appendix G.

Please note, that our STBs are plug-in only and do not contain hazardous materials, such as lithium-ion batteries. Because of this there is no risk of sending these products through the mail.

Technician Rollouts

In some cases to provide repair and exchange services, a Bell MTS technician is sent to the customer's premise to replace the STB, and collect the faulty equipment. All STBs collected by Bell MTS technicians are brought back to the warehouse for repair.

2.2 Service Terminations

If a customer decides to end their TV service with Bell MTS, they are obligated to return all STBs and accessories. Upon service termination, they are sent an automated email that provides instructions on the equipment return process associated with the service they would like to cancel. An example of this email can be found in <u>Appendix C</u>.

To return electronic devices to Bell MTS, customers are instructed to do so through the mail-back process. Returned STBs are refurbished and redeployed wherever possible.

2.3 Penalty for Unreturned STBs

Customers who terminate their TV service with Bell MTS are informed that there will be a charge of \$75-599 (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 where the customer does not return the device(s), the account is sent to a collection agency.

3. Returned STBs Reverse Logistics

All STBs and accessories that are returned to Bell MTS are sent to Bell MTS' 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) recycling or resale. Bell MTS' goal is to repair and refurbish as many STBs as possible.

4. Repair and Refurbishment for Reuse

If STBs are deemed reusable, they are sent to CSI in Scarborough, Ontario, which is a vendor that Bell MTS utilizes to repair and refurbish 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, Quantum.

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 are sent to our certified recycler, Quantum, located in Toronto and Barrie, Ontario. There are several environmental aspects incorporated into Bell's contract with Quantum to ensure the responsible recycling of Bell MTS' 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 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 Quantum and further downstream recycling processes are available in Appendix E and Appendix F.

6. Fees

The costs associated with operating Bell MTS' EESP for STBs are 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 educated on Bell MTS' EESP and how they can return their STBs through direct communication when they first sign up for TV service, and upon the termination of their service by retail store representatives, customer service agents, and technicians.

Throughout the service term, if a customer has questions, requires assistance due to issues with their TV service, or would like to provide feedback, they can find additional information (i.e. such as the STB returns process) on our website at www.bellmts.ca, or contact the Bell MTS customer service team at 204-225-5687, or through the instant messenger application on the website. These services are available to customers 24/7. Feedback received from customers through these mediums are taken into account for process improvement. Please see Appendix B for a depiction of information conveyed through our website.

In cases where customers open a dispute regarding technical issues with their STB or billing, they are encouraged to contact the customer service team, mentioned above. If the issue is a technical issue, the Technical Support team will instruct the customer through a trouble-shooting process. If the Agent is not able to resolve the issue over the phone, a Technician will be dispatched to the customers premise to either troubleshoot on-site, or replace the STB. If the issue is regarding Billing, a Service Representative will investigate the situation. If the situation is regarding a charge due to a STB not returned, the Service Representative will review the process with the customer. In any scenario where a customer is not satisfied, the escalation pathway is as follows: Service

Representative → Legalhand → Manager → Customer Relations Office. If the issue cannot be resolved with the Customer Relations Office, the Customer can then engage Canadian Radio-Television and Telecommunications Commission (CRTC).

Bell MTS maintains on-going consultations with it's manufacturers to improve the quality of it's STBs.

Moving forward, Bell MTS will continue to seek out ways to enhance customer education and communication of the STB rental and recovery program through Bell's company-wide strategy of transitioning to a circular economy. This may include but it not limited to visual in-store advertisements and enhancements to the Bell MTS website.

8. Performance Measures & Targets

Bell MTS' EESP for STBs in Manitoba has been very successful in collecting the majority of STBs for return. With our rental-only model, simple return process, and accessible customer service, the program achieved historical recovery rates of 80% or higher annually. Moving forward, we expect to maintain a similar high recovery rate for STBs and accessories. The success of Bell MTS' EESP program from 2019 to 2021 is reflected in the table below.

2019 – 2021 Bell MTS STB Electronic Equipment Stewardship Program (EESP) Results		
Customer Deactivations	26,586	
Average STBs Per Household w/ Service	2.0	
Deactivated: Units Available for Recovery	53,583	
Service: Units Available for Recovery	4,347	
Total Units Available for Recovery	57,930	
Total Units Recovered	66,255 (114%)	
Total Units Refurbished/Redeployed	48,148 (83%)	
Total Units Recycled	18,107 (31%)	

Total units available for recovery is the sum of the number of STBs available for recovery from customers due to service terminations, known as "deactivations" and the number of STBs that are recovered for repair, known as "service". The Recovery rate is defined as the total number of units recovered divided by the total number of STBs available for recovery. STBs actively providing TV services to customers at home are not included in the recovery rate calculation.

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 are unable to separate 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) 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 is exemplary of a circular economy and aids to divert electronic waste from landfill by refurbishing and reusing equipment wherever possible. The Bell MTS EESP has been very successful and has resulted in recovery rates of over 80%.

Our retail store representatives, customer service agents, and technicians ensure that our customers are aware of the obligation to return STBs and accessories at the end of their service, and have developed tools and resources to help guide our customers through the return process. Moving forward Bell MTS will continue to explore opportunities to improve customer education and awareness of our STB rental model.

Bell MTS purchases quality STBs and accessories that have a long working life. These STBs are remotely upgraded and easily repaired to help minimize environmental impacts throughout their life cycle. At end-of-life, STBs and accessories are responsibly recycled by our certified recycler to capture valuable resources and minimize waste going to landfill.

Bell MTS also purchases quality STBs and accessories that are energy efficient. We participate in the Canadian Energy Efficiency Voluntary Agreement (CEEVA) for Set Top Boxes (STBs) which aims to complement the ENERGY STAR program in Canada. Through this voluntary agreement, we are aiming to improve the energy efficiency of STBs in accordance with the agreement's standards.

Our stewardship programs have evolved over time, and continue to do so, in order to meet new industry best practices and regulatory requirements. As part of Bell's company-wide initiative to transition to a circular economy, Bell MTS will continue to seek out ways to ehance our program and further minimize environmental impacts wherever possible.

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 we can continue to operate our STB EESP in the province of Manitoba.

