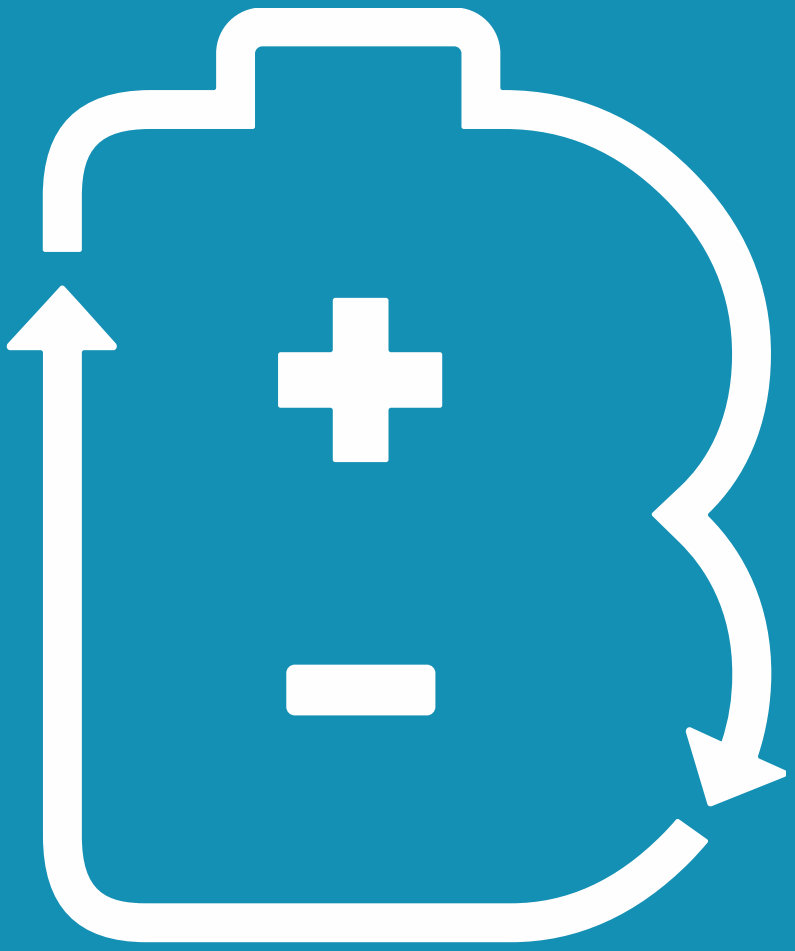

B-cycle Accreditation

Suspension & revocation protocol

B-cycle Battery Recycling

Battery Stewardship Council

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This Scheme is authorised by the Australian Competition & Consumer Commission (ACCC), and has received financial support from the Australian Government and industry.

1. Purpose

The purpose of this Protocol is to define the process for managing serious violations of the B-cycle Accreditation Program resulting in suspension or revocation of B-cycle Accreditation. If a B-cycle accredited battery Importer, Retailer, Drop off point, Incidental Receiver Collector, Sorter or Recycler is found to have breached B-cycle Accreditation requirements through a Critical Non-Conformance (CNC), BSC may take action to suspend or revoke accreditation in accordance with this Protocol.

The procedures set out herein will ensure that the B-cycle accredited Participants will be provided a reasonable opportunity to rectify or provide reasonable and actionable steps to rectify the CNC. However, in situations where this may not possible or rectifying actions are not demonstrated to a level deemed satisfactory by BSC Management, BSC may decide to suspend or in some cases, immediately revoke an accredited Participant.

2. Definitions

TERMINOLOGY	DEFINITION
Accreditation requirements	+ The accreditation requirements for a B-cycle accredited Participant to meet and maintain its B-cycle Accreditation are described in the B-cycle Collection Network Accreditation Protocols available at bcycle.com.au.
Accredited Participant	+ A current B-cycle accredited battery Importer, Retailer, Drop off point, Incidental Receiver, Collector, Sorter, or Recycler.
Conformity	+ Relates to meeting the requirements of B-cycle Collection Network Accreditation Protocols.
Compliance	+ Refers to meeting legal requirements.
Critical Non-conformity (CNC)	+ A CNC is the identification of a serious and wilful non-conformance; non-compliance or potential act to bring the Scheme and BSC into disrepute. + A CNC may be identified during a B-cycle audit or outside of a B-cycle audit.
Critical Non-conformity Report	+ Document prepared by BSC summarising the results of an investigation that provides necessary evidence of critical and other nonconformity claims, including the sections of the Accreditation Protocols presented to be in breach.
B-cycle Accreditation requirements	+ Current accreditation requirements for B-cycle Accredited Participants are outlined in the B-cycle Commitment document and Collection Network Accreditation Protocols available at bcycle.com.au.
Initiator or Complainant	+ Any BSC staff, consultant, auditor, or external party who is acting in good faith that has identified a complaint or suspected CNC and prepares or instigates a Request for Investigation.
CNC Administrator	+ The person responsible for investigating, documenting, and managing a real or potential non-conformance.

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TERMINOLOGY	DEFINITION
Determination Notification	+ Final letter stipulating the results of the CNC determination, whether a suspension or revocation has occurred and the terms of such. This letter will be sent to the CEO of the company/Participant concerned and communicated to the BSC Board.
Subject(s)	+ The Accredited Participant under CNC investigation.
Management System Non-conformity	+ A major or minor non-conformity with the B-cycle Accreditation Protocols as defined and determined by BSC auditors.
Request for Investigation	+ Document that commences an initial complaint, triggering investigation and preliminary evidence.
Suspension	+ The temporary suspension of the B-cycle Accreditation of an Accredited Participant pending resolution of an Identified actual or potential CNC.
Revocation	+ A termination of the B-cycle Accreditation of an Accredited Participant.

3. Responsibilities & authority

ROLE	RESPONSIBILITIES & AUTHORITY
CEO	The BSC CEO has the authority to implement this Protocol when a potential or actual critical non-conformity (CNC) has been identified for an existing B-cycle accredited Participant, either through the accreditation and compliance auditing process or from another source.
BSC Board	The BSC Board will review and provide input into all cases of suspension or revocation initiated to the BSC regarding a B-cycle Participant accreditation.
Delegations	The BSC CEO may assign responsibilities related to this Protocol to the BSC Director – Best Practice & Innovation, or other Director employed or engaged by the BSC to administer this process or any portion of this process and may involve the BSC Board. The exception is that decisions related to the final decision making on the process's investigation remain the sole responsibility of the CEO.

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4. Grounds for CNCs

4.1 Critical Non-Conformity of B-cycle Protocols

A non-conformity completed by a B-cycle accredited Participant may be considered a Critical Non-conformity (CNC) when one or more of the following takes places:

1. actions or willful violation of the B-cycle Accreditation Protocols such that there is, or has been, a significant risk of real harm or damage being caused to the BSC, to human health, or the environment.
2. willful violation of B-cycle commitment for importers for example gross misrepresentation of import data.
3. willful efforts to deceive the B-cycle Accreditation & Compliance Program, including activities to:
   a) hide locations, such as ancillary sites, facilities, related businesses, storage and processing warehouses
   b) keep double books
   c) defeat the object and purpose of B-cycle Accreditation verification activities, including those related to announced and unannounced audits, and the rebate claim submission and approval process
   d) treatment of auditors or BSC staff in a manner is considered intimidating or bullying
   e) obstructing auditors from completing an audit as planned i.e. preventing or limiting access requested records, employees, containers, or locations.
4. abandonment of facilities or stockpiles as defined as material >1,000kg used batteries collected for the purposes of processing.
5. loss of certifications to approved standards such as ISO 14001, ISO 45001, or AS 5377.
6. failure to meet the requirements of a 'fit and proper person' as defined by DCCEEW Voluntary product stewardship accreditation, guidelines, including whether they are financially viable, have been convicted of an offence or ordered to pay a fine in relation to the Recycling and Waste Reduction Act 2020 or other environmental or health and safety laws at the Commonwealth, state or territory level.
7. failure to communicate with BSC despite repeated attempts by BSC staff to communicate with Accredited Participant for a period exceeding greater than 3 months.
8. actions other than those described above, which as reviewed by the BSC CEO, is considered to:

a) have a detrimental affect on the credibility and viability of the BSC
   a) undermines the integrity and reputation
   b) result in improper access, retention or use of BSC or BSC Participant and member information or data
   c) represent a repeated failure to address a major non-conformity or to implement corrective action plans.

4.2 Critical Non-conformity of legal requirements

The CNC process will be activated if an accredited BSC Participant, its owner, parent company or individuals on its executive team at any time in the last 5-year period of continuous ownership, or the 5- year period prior to becoming a B-cycle accredited Participant:

1. acts in violation of laws pertaining to battery transport, storage and recycling operations in the event that:
   a) penalties/fines exceeded $100,000 in within a one-year period. If fines are under appeal, this trigger can be deferred until resolution
   b) entailed jail time of owner or executive team member(s)
2. recurred 3 times within the last 5-year period (same violation).
3. is the subject of repeated instances (at least 2 times in the last 5 years) of willful misrepresentation (dishonesty) as determined by the BSC CEO, to BSC members, users/community, government officials, external third-party contractors, including auditors that may be acting on behalf of BSC.

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5. Investigation process

The investigation process will include the steps.

Who	Process	Records
Initiator	1. BSC identifies a potential critical nonconformity or receives a written complaint from an external party identifying a potential serious non-conformity.	Initial record of non-conformity
CEO or Administrator	2. Conducts initial review to determine whether there are sufficient grounds to investigate a possible critical non-conformity (CNC).	Draft CNC Report (Template in Appendix B)
Administrator	3. a. If the alleged conduct is deemed not be a CNC, the investigation will be managed through ongoing accreditation audit process.	Notification to participants
	3. b. If concerns remain that a CNC may have occurred, BSC will initiate a more thorough investigation and notify Participant with the CNC Report.	
Administrator	4. The DRAFT CNC Report will be provided to the Subject(s) of the alleged non-conforming Subject inviting them to respond to the CNC.	DRAFT CNC Report
Administrator	5. The DRAFT CNC Report is then reviewed by the Subject (s) and updated based on information received from the meeting and other sources to be finalised.	DRAFT CNC Report
Subject(s)	6. The Subject(s) will have up to 15 business days to provide a written response including addressing the CNC and suggesting a proposed remedy.	Subject(s) response
CEO and Administrator	7. Review Subject(s) response and consult with the Chair of the Board, the Chair of the Risk and Audit Committee and other Board members as appropriate to confirm if the non-conformance has substance.	CNC Report; Subject(s) response
CEO and Administrator	8. If the investigations finds the potential CNC is not warranted and instead constitutes a major or minor non-conformity with the Accreditation Protocols, the DRAFT CNC Report will be referred to the B-cycle Accreditation program for actioning.	
CEO and Administrator	9. If a CNC determination is made, the BSC will make a determination outlining the findings, timeframes, and potential remedies (if any) in a Letter of Outcome to be sent to the CEO of the Participant Subject/company.	Letter of Outcome

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6. Response to Critical non-conformity

In the event the BSC CEO, in consultation with Chair of the Board and members of the Risk and Audit Committee believes that a CNC exists they, at their reasonably objective discretion, may make a formal decision to take one of the following actions as deemed appropriate.

6.1 Suspend Participant from BSC

Under special mitigating circumstances in the reasonable opinion of the BSC CEO, the Participant (Subject) may receive a lessor penalty of suspension for a CNC. In these cases, the Letter of Outcome will notify the Participant of the required corrective action(s) to be completed within a specified time-period. The BSC CEO can make the decision to suspend the accredited Participant and will notify the BSC Board that the Participant's B-cycle Accreditation has been suspended, pending corrective action.

The suspension term caused by the CNC will be for a term not less than 30 days and in all cases, all corrective actions must be completed and approved by the BSC prior to ending suspension. If later incident of non-conformity is found, the BSC CEO may conclude that additional corrective action(s) must be taken and additional suspension time may be added or a new CNC process may begin.

6.1.1 Proposed grounds for suspension

To strengthen the effectiveness of the Accreditation and Conformance Audit Program the following actions or failure to act by accredited Participants may result in a Participant's accreditation being suspended temporarily until they can fully comply with B-cycle requirements. Some of these grounds for suspension are described below.

6.1.1.1 Failure to provide required documents for audits in timeline required

BSC accreditation requirements clearly outline the requirement to complete and fully participate in annual conformance and random risk-based audits. Prior to site audit visits it is requested that Participants provide documentation ahead of time to ensure the site audit is as efficient as possible. The required documentation is sent as a checklist to the Participant.

If a Participant does not provide this documentation to BSC or BSC Independent Auditor within the requested timeframe, BSC may suspend the Participant until the documentation can be provided.

6.1.1.2 Late notice of inability of Participant to complete an audit

BSC provides at least four (4) weeks' notice of announced accreditation and conformance audits. The dates are agreed in partnership with the accredited Participant being audited. If an audit needs to be postponed on more than one (1) occasion by request of the accredited Participant with less than 48 hours' notice from the accredited Participant, BSC may suspend accredited Participant until the audit can be completed. Costs associated with rescheduling auditing will be borne by the Participant.

6.2 Disciplinary actions of a suspension

6.2.1 Use of B-cycle name and logo

During the suspension period, the B-cycle accredited Participant must cease use of the B-cycle Accreditation logo and name in any reference to B-cycle Accreditation status until the issue is resolved and suspensions status removed by BSC.

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6.2.2 Removal from B-cycle website

BSC will temporarily remove the accredited Participant from the B-cycle website for the duration of the suspension.

6.2.3 Withdrawn Participants

BSC may publish a list of withdrawn Participants on the B-cycle website that lists Participants into two (2) categories:

1) **Non-conforming / Revoked** - those Participants that have been withdrawn from B-cycle for not meeting their Participant categories commitments; or

2) **Voluntarily withdrawn** – Participants who have decided to voluntarily withdrawal their support to B-cycle.

6.2.4 Transitioning of B-cycle Drop off points

The Participant will be required to provide a smooth transition for all Drop off points who wish to continue as accreditation Drop off points. This will include:

- working with the BSC to ensure smooth transition to new service providers
- referral to the B-cycle website for other potential Collectors.

6.3 Revocation of a participant's B-cycle Accreditation

6.3.1 Proposed grounds for revocation

To ensure the integrity of the B-cycle Scheme, the Scheme Principles and BSC' obligations under the ACCC Determination, the BSC may decide to revoke a Participants accreditation.

The Participant must immediately cease use or reference to being BSC accredited. B-cycle Accreditation can be reinstated by completing a new accreditation application successfully.

6.4 Disciplinary actions of a revocation

6.4.1 Revocation actions

In the absence of any mitigating circumstances, notification will be made to the BSC Board that the Participant has had its B-cycle Accreditation revoked. If the Participant wishes to seek re-accreditation in the future, it is only allowed after:

1. a minimum of two years out of the program, from date of BSC's final decision, unless BSC determines a shorter period of time is justified due to extenuating circumstances
2. immediate corrective action has been taken to address the CNC
3. preventative action has been taken by the participant to demonstrate that their systems have been improved to ensure the CNC does not reoccur.
4. review of the corrective and preventative actions to confirm they meet the intent of the protocols
5. written approval from the BSC CEO is issue confirming the B-cycle accreditation has been resumed.

If the Participant seeks reaccreditation, a new accreditation process and audit must be completed.

For multi-sited companies, if a CNC is found at any one site, the consequences will apply to all BSC battery collection/transport, storage and recycling accredited sites.

6.4.2 Use of B-cycle name and logo

In the event of a revocation, the previously B-cycle accredited Participant must cease use of the B-cycle Accreditation logo and name in any reference to B-cycle Accreditation.

6.4.3 Removal from B-cycle website

BSC will remove the revoked Participant from the B-cycle website.

6.4.4 Cessation of business with B-cycle accredited entities for the purposes of B-cycle

It is important B-cycle accredited participants are aware of the implications of doing business with the revoked entity. While these arrangements are a matter for individual organisations, rebates will not be available for Collections across the supply chain of revoked organisations for in scope batteries.

6.5 Appeals process

A Participant has the right of appeal following the determination of a CNC, as well as appealing the corrective action(s) required by the BSC CEO prior to the actions taken above, if applicable. The appeal process will include a submission to the BSC Board for review and determination. During the appeal process, no status report will be made public until the appeal is over.

7. Records and reporting

7.1 Public Reporting

BSC reserves the right to publicly report on a Participant's CNC.

BSC may publish a list of withdrawn Participants on the B-cycle website that lists Participants who have been revoked and/or voluntarily withdrawn.

7.2 Records

The Administrator shall retain the Request for Investigation (RTI) and CNC Report and all other relevant records including information on actions taken to correct the CNC in a suitable, secure electronic format in BSC filing system.

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Appendix A: Scheme Principles

Principle	Key Features of this principle
Shared Responsibility	+ All organisations in the supply chain (manufacturers, importers, retailers, consumers, regulators, collectors, researchers & recyclers) have a contribution to make. + Accredited members make commitments to meet the aim of the Scheme relevant to their place in the supply chain. + Free riding is reduced through enterprise-to-enterprise agreements, brand marketing, transparency and harmonised regulation. + Government support for expansion in processing capacity & best practice technologies, infrastructure funding & improved safety, quality, import controls & enforcement. + Increased enforcement of environmental, health & safety, import & export regulations.
Improved Environmental Outcomes	+ Eliminates batteries from landfill to avoid environmental and health impacts. + Increases battery collection for recycling from the current low rate of 10%. + Maximises resource recovery from waste batteries. + Uses a leveraging collection model to reduce emissions.
Circular Economy	+ Improves the economics of recycling batteries. + Supports expansion of collection, sorting and processing capacity. + Creates markets for materials derived from recycled batteries. + Increased of battery materials availability for remanufacturer into batteries & other products. + Facilitates positive procurement policies in industry & government.
Fair and Equitable Funding Model	+ Levy to be imposed on imports up to $0.04[1]/Equivalent Battery Unit (EBU). + Levy to be designed to cover costs with a suitable safety net. + Levy to be subject to adjustment by the board based on annual review of costs. + Equivalent Battery Unit to be set at 24 grams (approximately the size of a AA battery). + Procedures to ensure that liable parties will not be double charged.
Increased Competition, Innovation, & Efficiency	+ Leveraging model enabling existing well-established collection networks to access the rebate for collections and sorting. + Continual improvement approach with the long-term goal of collecting all batteries available for collection. + Research to support program development: best practice, innovation, stocks & flows. + Addresses the known barriers to increased recovery of waste batteries using a rebate to offset market failures. + Accredited members providing evidence of collections, sorting, processing, EH&S performance, downstream shipments and costs. + Board to adjust the rate of rebate to meet cost recovery / safety net goal based on an annual review of costs.
Transparency & Accountability	+ Good governance through a not-for-profit battery stewardship organisation with board oversight and annual financial audits. + Annual performance measures established by the board in place of arbitrary targets. + Effective program design based on cost, not profit. + Outsourcing of import data reporting to independent agency. + Verification and auditing of member commitments.
Focus on Behavioural Change	+ Strong branding and marketing with a clear call to action. + Incentives for priority collection points e.g. schools & local government. + Leverage marketing with synergistic schemes.

[1] Based on previous research conducted by Pacific Environment

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Appendix B: CNC Report template

Case Number [CNC # Y|M|D]

Participant	
Participant representative	
Email	
Observation Location/s	
Date of Observation/s	
Background	+
Trigger for CNC	+
Extract or reference to relevant B-cycle accreditation requirements	
Conclusion	+
Proposed remedy	+
Attachments	+

Source: Protocol adapted from the E-Stewards CNC Procedure 2017

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