

Call2Recycle, Inc.

Changing habits. Inspiring action.™

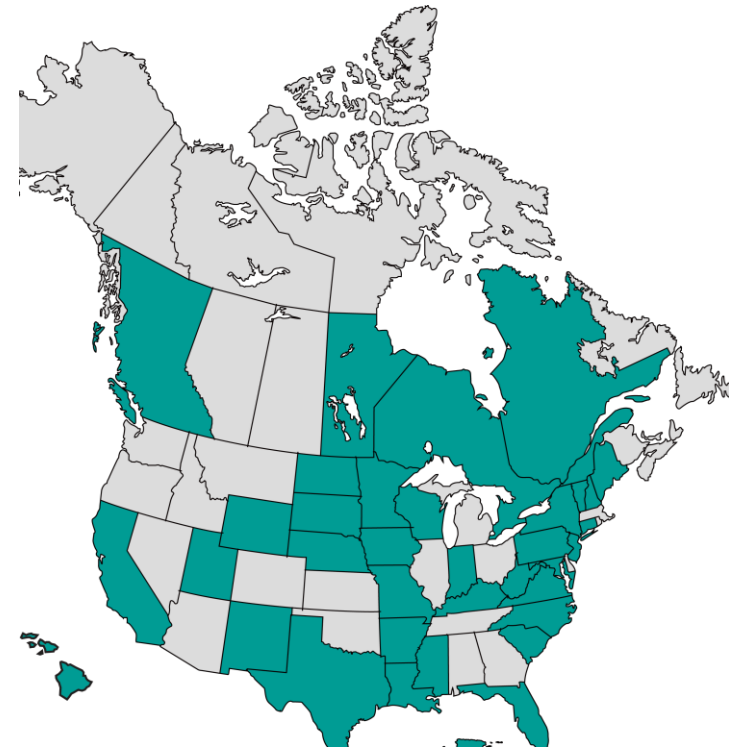
OVERVIEW OF THE CALL2RECYCLE® PROGRAM

November 15, 2017

Todd Ellis, Director, Stewardship Program

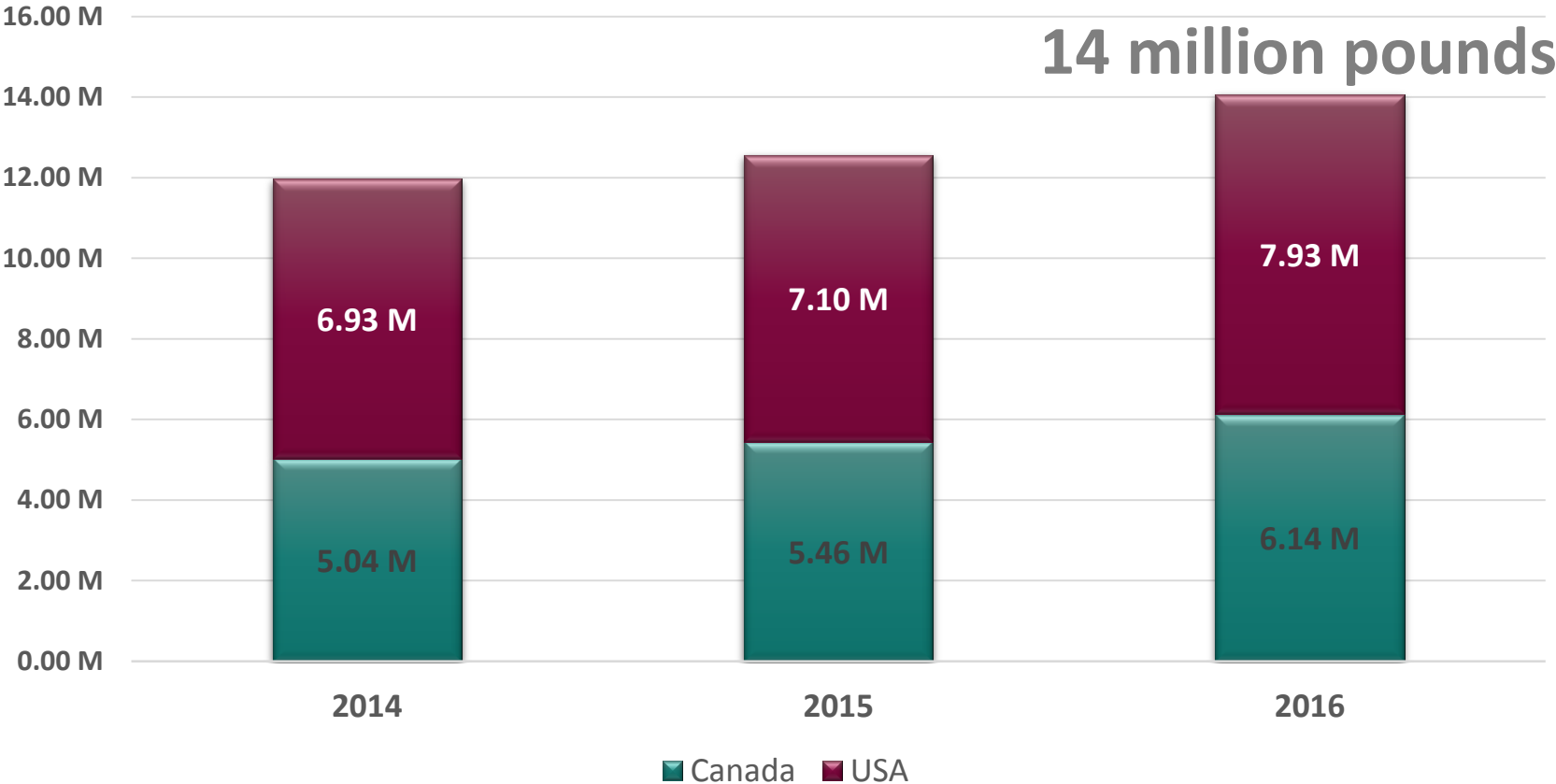
OVERVIEW: the Call2Recycle® Program

- Founded in 1994 by industry to address the emergence of EPR legislation.
- In the U.S., funded primarily by rechargeable battery stewards and, more recently, fee-based services.
- In the U.S., we're primarily a voluntary program except in certain states (e.g., Vermont, Minnesota, New York) where collections of some (but not always all) chemistries is mandated.
- In Canada, Call2Recycle® is primarily a mandatory program financed via Environmental Handling Fees (EHFs) applied at point of sale. (NOTE: Call2Recycle Canada was spun off from Call2Recycle, Inc., in January 2017.)



2016 RESULTS

Battery Collections (lbs)



How We Are Funded

1. 300+ product and battery manufacturers pay a fee based on sales (in weight) by chemistry into the marketplace.
2. All fees must be approved by a Board of Directors whose majority are battery manufacturers (stewards) including Panasonic, Sony, Energizer & Duracell. Fees have been frozen since 1/1/16.
3. Call2Recycle® program manages 30,000 collection sites, educational efforts, reverse logistics and collections based on these fees.
4. In 2017, the program introduced fee-based services for specialty operations (e.g., online box sales, DDR kits).



What Are Our Responsibilities?

Program Management Services

- 1. Reverse Logistics Management.** Manage collection, pick-up, transport, sorting and processing.
- 2. Education & Promotion.** Beyond educating consumers, collection sites and businesses on why and how to recycle, we convince opinion leaders that we do things right.
- 3. Administration & Performance Reporting.** Regulatory submittals, voluntary reporting, certifications, downstream verification, etc.
- 4. Customer Service.** Inbound and outbound call center that manages 10,000 inquiries per month.



Our Third-Party Credentials

Permits and Certifications

1. **USDOT Special Permit 14849.** Allows the management of small quantities of batteries in our patented box.
2. **USDOT Special Permit 16563 for DDR Batteries.** Supports collection, transport and disposal of damaged, defective and recalled lithium-based batteries.
3. **R2 / OHSAS 18001 / ISO 14001 Certifications.** Affirms the integrity and diligence of our quality control processes and systems.
4. **Certification of E-Steward Qualification.** Affirms our commitment that waste batteries aren't disposed in third world countries.



What Do We Do With the Batteries?

EXAMPLE: Lithium Ion Batteries Generated in the US

1. Sorters.

- Battery Solutions, Howell, MI
- INMETCO, Ellwood City, PA
- Battery Solutions, Mesa, AZ
- Wistron GreenTech, McKinney, TX

2. Processors.

- Glencore / Xstrata, Sudbury, ON
- Toxco / Retrieval, Trail, BC
- UMICORE, Hoboken, Belgium
- SungEel Hitech, South Korea
- Recycling Coordinators, Akron, OH



OUR THREE BIG ISSUES – 2017 EDITION

1. Our costs and ultimate survival are increasingly dictated by heightened battery safety concerns. Launched **Charge Up Safety™** campaign.
2. As stewards fees have been constrained, introduced a fee-based battery collection program that we hope to generate \$2 million+ in revenue in 2017.
3. Legislative activity rapidly quieted down (Texas & Maine) except in New York state, where there is a chance that the Legislature will enact EPR for primary battery recycling in 2018.



The *CHARGE UP SAFETY™* Campaign

Four Main Objectives

- 1. Foster Employee Leadership.** Improve our knowledge, culture and commitment to safety to enable us to serve as leaders and influencers with customers.
- 2. Improve Collection Site & Sorter Performance.** Increase visibility, accountability and behaviors surrounding safe handling, storage and transport of batteries.
- 3. Drive Consumer Awareness.** Improving the visibility and knowledge of safe practices.
- 4. Engage Stakeholders.** Build relationships with other like-minded organizations to influence public and government debate on relevant safety issues.



FEE-BASED SERVICE

Four Key Offerings

- 1. “Damaged, Defective and Recalled” (DDR) Batteries.** Swollen, smoking or otherwise screwed-up batteries.
 - Often used by manufacturers; often dictated by regulators.
- 2. Primary Battery Services.** In jurisdictions where collection and recycling is not required.
 - Focused mostly on jurisdictions that believe that single-use batteries should be recycled.
- 3. E-Commerce Sales.** Allows anyone to order boxes for battery recycling.
 - A mechanism to satisfy the needs of the “one-off” customer who want an easy solution now.
- 4. Private Collections.** Rechargeable battery collection for private sites.
 - Very price competitive offering for sites that don’t directly serve the public.



WHERE IS BATTERY EPR LEGISLATION?

3 Drives Restraining EPR

- 1. Industry.** The battery industry has reassessed its proactive position on promoting EPR legislation. No longer in support.
- 2. Visible Support.** Except for some activist local governments, there is little groundswell of support for battery EPR legislation.
- 3. Voluntary Success.** Our existing mostly voluntary program has muted attempts to impose mandatory requirements on industry.



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thank you!

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