

Industry Stewardship Plan for Consumer Batteries

Submitted to: Waste Diversion Ontario
Date: January 21, 2014
Prepared by: Call2Recycle Canada, Inc.
4576 Yonge Street, Suite 606
Toronto, ON, M2N 6N4
416.224.0141

©2014 Call2Recycle® all rights reserved

Recharging the Planet. Recycling Your Batteries.™



Call2Recycle Canada, Inc. Industry Stewardship Plan

GLOSSARY OF KEY TERMS AND ACRONYMS	2
1. SUMMARY	4
2. ABOUT CALL2RECYCLE CANADA – THE PROGRAM OF CHOICE	5
3. ABOUT THIS ISP	6
3.1 ASSUMPTIONS AND FACTS IN FORMING THIS ISP	8
4. PROGRAM DESIGN - SIMPLE. FREE. EFFECTIVE.	8
4.1 COLLECTION SITES	9
4.2 MUNICIPAL COLLECTION SITES	11
4.3 COLLECTING BATTERIES	13
4.4 SHIPPING BATTERIES	13
4.5 PROCESSING BATTERIES	14
5. TARGETS AND PROJECTIONS	16
6. FINANCIALS, FEES AND COSTS	17
7. PERFORMANCE MEASUREMENT AND REPORTING	18
8. COMMUNICATIONS, PROMOTION AND EDUCATION	20
9. RESEARCH AND DEVELOPMENT	22
10. TRANSITION PLAN ELEMENTS	22
10.1 STEWARDSHIP ONTARIO	23
10.2 MUNICIPALITIES	23
10.3 EXISTING COLLECTORS AND TRANSPORTERS	24
10.4 STEWARDS	24
10.5 SORTERS AND PROCESSORS	24
11. APPENDICES	26
11.1 WDA AND WDO PROCEDURES FOR INDUSTRY STEWARDSHIP PLANS	26
11.2 PROGRAM GUIDELINES	27
11.3 CALL2RECYCLE CANADA, INC. PROCESSOR QUALIFICATION STANDARDS	28
11.4 BATTERY LICENSEES & STEWARDS OF CALL2RECYCLE CANADA	29
11.5 SINGLE USE BATTERY COLLECTION AND RECYCLING AGREEMENT (SAMPLE)	32
11.6 CALL2RECYCLE CANADA, INC. ARTICLES OF INCORPORATION	41
11.7 ISP TRANSITION PLAN	43

GLOSSARY OF KEY TERMS AND ACRONYMS

The following table is a glossary of key terms and definitions used throughout this industry stewardship plan. Some of these definitions are repeated in the body of the plan; some are not.

TERM	DEFINITION
Accessibility	The range of options by which Ontarians can dispose of batteries, taking into account such factors as the number and location of collection sites including hours of operation.
Available for Collection	Estimated quantity of batteries potentially available for collection and subsequent end-of-life management that is calculated using an available for collection factor against the amount supplied into market. Used as the denominator to calculate collection, reuse and recycling rates.
Alkaline	A type of single-use battery (e.g., AA or AAA batteries).
Batteries	Rechargeable and single-use batteries weighing less than 5 kg, excluding motive batteries.
Battery Incentive Program (BIP)	Battery Incentive Program under the current program
Collection Rate	Calculated as a percentage with the numerator representing the quantity of batteries collected and the denominator representing the quantity available for collection.
Collection Target	Projected quantity of batteries to be collected on an annual basis, expressed as a percentage of what was available for collection.
Collector	An entity engaged to collect batteries from generators, including municipalities.
Consumer	Synonym for generator (see the definition for generator).
Depot	Facility where generators can drop off batteries, which may have varying hours and periods of operation by season.
Designated IC&I Generator (also referred to as a small quantity IC&I Generator)	An industrial, commercial or institutional generator (as defined by Ontario Regulation 347) that generates MHSW, arising from use of MHSM, that is not required to submit a Generator Registration Report with respect to that MHSW under subsection 18 (1) of Ontario Regulation 347, made under the Environmental Protection Act.
Event	Collection service operated temporarily, typically a portion of one day, at which generators can drop off single-use and rechargeable batteries.
Electro-Federation	The Canadian-based trade association for, amongst other sectors, single-use battery and other manufacturers.
Generator	Generators are the consumers who make batteries available for recycling or disposal, including residents, small quantity IC&I businesses, and large IC&I businesses.
Industry Funding Organization (IFO)	A non-profit, industry-funded organization in Ontario that develops, implements and operates a waste diversion program approved by Waste Diversion Ontario for wastes designated by the Minister of the Environment.
Industry Stewardship Plan (ISP)	A Waste Diversion Ontario-approved plan allowing one or more stewards to manage wastes that have been designated for a recycling program by the Minister of the Environment.
Licensee	The legal arrangement used by the sponsor of this ISP with rechargeable battery manufacturers. For the purposes of this ISP, it is synonymous with “steward”.
Lithium Ion (Li-Ion)	A type of rechargeable battery. Li-Ion batteries are typically found in portable devices, such as cellular telephones, tablets, laptop computers, and digital camcorders.
Lithium Metal/Lithium	A type of single-use battery.
Municipal Hazardous or Special Materials (MHSM)	Goods and products which are sold or delivered for use in Ontario to generators that result in MHSW.
Municipal Hazardous or Special Waste (MHSW)	Waste that consists of municipal hazardous or special waste, or any combination of them, as defined by the Minister’s Program Request Letter and Ontario Regulation 542/06 under the WDA.
Municipal Hazardous or Special Waste (MHSW) Program	The recycling program operated by Stewardship Ontario for the diversion of single-use batteries and other designated MHSM.
Ministry of the Environment (MOE)	Ministry of the Environment in the Province of Ontario.
Minister	The Minister of the Environment for the Province of Ontario.
National Electrical Manufacturers of America (NEMA)	The U.S.-based trade association that represents the major companies that manufacture single-use batteries.
Nickel Cadmium (Ni-Cd)	A type of rechargeable battery. Ni-Cds can typically be found in cordless power tools, digital cameras, two-way radios, and cordless phones.
Nickel Metal Hydride (Ni-MH)	A type of rechargeable battery. Ni-MH can typically be found in cordless power tools, digital

	cameras, two-way radios, and cordless phones.
Ontario Regulation 542/06	The regulation under the WDA that designates MHSW.
Private Collection Sites	Sites that actively collect batteries, but where access is restricted (e.g., manufacturing facility).
Processing	Manual or mechanical alteration of batteries for the purpose of recycling.
Processor	An entity that engages in processing batteries for the purpose of recycling.
Public Collection Sites	Sites open to the general public, even for a minimum amount of time, for collection of batteries.
Program Request Letter	The letter from the Minister to WDO dated December 12, 2006 requiring WDO to develop a waste diversion program (the MHSW Program Plan) for certain categories of MHSW, including single-use batteries.
Rechargeable Battery	A type of battery that is designed to be used for a longer period of time than single-use and is capable of being recharged. It can also be referred to as a “secondary” battery (for example, but not limited to, Li-Ion, Ni-MH, SSLA, Ni-Cd).
(Primary) Rechargeable Battery Association (PRBA)	The U.S.-based trade association that represents manufacturers and users of rechargeable batteries.
Recycling	Refers to any operation by which materials are reprocessed into products, materials or substances, whether for the original or other purposes. It includes the reprocessing of organic material, but does not include energy recovery and reprocessing into materials that are to be used as fuels.
Recycling Efficiency Rate (RER)	Calculated as a percentage, with the numerator representing the quantity of batteries recycled, and the denominator representing the total amount of batteries collected through the ISP (minus reuse, if applicable). <ul style="list-style-type: none"> - In the MHSW Program Plan dated July 30, 2009, this is referred to as the Recycling Performance Rate.
Recycling Efficiency Rate Target	Projected quantity of batteries to be recycled on an annual basis under the program, expressed as a percentage of what was collected (minus reuse, if applicable).
Recycling Rate	Calculated as a percentage, with the numerator representing the quantity of batteries recycled, and the denominator representing the quantity of batteries available for collection. <ul style="list-style-type: none"> - Under the MHSW Program Plan, this is called the Recycling Efficiency Rate.
Recycling Target	Projected quantity of batteries to be recycled on an annual basis under the ISP, expressed as a percentage of what was available for collection. <ul style="list-style-type: none"> - Under the MHSW Program Plan, this target is projected based on five-year estimates of available for collection. This ISP does not provide five-year estimates of available for collection.
Reduction	Activities by producers and consumers to avoid the generation of waste at source.
Reuse	Provision of a designated waste to another user for its intended purposes.
Single-Use Battery	A battery that cannot be recharged by the consumer (for example, but not limited to, alkaline, lithium and zinc-air commonly known as AA, AAA, 9V, D-cell, and button cell).
Service Provider	Companies that collect, transport and process or safely dispose of batteries.
Small Sealed Lead Acid (SSLA)	A type of rechargeable battery. These relatively heavy batteries can typically be found in emergency devices, emergency exit signs, security systems, mobility scooters, and UPS back-ups.
Small Quantity IC&I Generator	See the definition for Designated IC&I Generator.
Steward	The producers of a designated waste, such as brand owners, first importers and manufacturers, who are required to report to an IFO for a waste diversion program.
Stewardship Ontario (SO)	The not-for-profit corporation funded by industry that operates Ontario’s MHSW and Blue Box programs.
Supplied to market	Sold, leased, donated, disposed of, used, transferred (the possession or title), or otherwise made available or distributed for use in the Province of Ontario.
Transporter	A company that transports batteries from collectors to processors.
Vendor Standard	Minimum operating standard that a service provider must meet on a continuous basis to be eligible to provide collection, transportation and/or processing services.
Waste Diversion Act (WDA)	Legislation passed in 2002 that provides for the development, implementation, operation and oversight of waste diversion programs and ISPs in Ontario.
Waste Diversion Ontario (WDO)	The non-crown corporation that oversees Ontario’s recycling programs, which currently include Blue Box materials, MHSW, used tires, and electrical/electronic equipment. As part of its oversight role, WDO is also responsible for evaluating, approving and overseeing ISPs.
Zinc-air	A type of single-use battery. These batteries can typically be found in small devices such as hearing aids.

1. SUMMARY

Call2Recycle Canada, Inc. seeks approval of an Industry Stewardship Plan (ISP) to manage the recycling of single-use consumer batteries in Ontario. A comprehensive updated plan, including a transition plan, was submitted to Waste Diversion Ontario (WDO) on September 8, 2013. The plan outlines Call2Recycle® Canada's commitment and approach to divert and handle used consumer batteries in Ontario based on its 20 years of experience in collecting batteries. The ISP was reviewed by WDO and underwent extensive consultations which included:

- Three public Webinars – October 24, 2013, November 4, 2013 and January 16, 2014;
- Written submissions from stakeholders;
- Call2Recycle management undertook numerous meetings, outside the required consultations, to seek input from a variety of stakeholders including: individual municipalities, retailers, transporters and their respective associations (AMO, RCC, and OWMA).

We have modified our ISP to reflect stakeholder comments and our underlying commitment to be collaborative under this process. The result is this amended ISP submitted to the Waste Diversion Ontario Board for review on January 29, 2014. Also approximately 70 letters of support for our ISP – from governments, retailers, stewardship programs, associations and NGOs – were submitted to WDO.

Call2Recycle® Canada offers the province of Ontario the best in class option for its battery recycling program. We are part of Call2Recycle, Inc.—the first and only North American battery stewardship program. Every day we successfully divert thousands of kilograms of batteries from landfill, earning us high regard both nationally and internationally. Not only have we earned our reputation for quality and effectiveness as a trusted partner to provinces and stakeholders, our program also offers consumers the greatest convenience and the unmistakable knowledge that 100% of the individual batteries we collect do not go to landfill. We are committed to increasing collections in Ontario for even greater environmental impact.

Call2Recycle Canada is always adopting best practices gleaned from our own research to increase collections, as well as from associate organizations in Canada, the US, Europe and elsewhere. We are active on various global initiatives and continually seek knowledge and technological improvements to optimize our program. As a result, Call2Recycle Canada and this ISP are the preferred choice for industry stewards and stakeholders, including governments, stewardship organizations, associations, retailers and NGOs. They recognize that our program's excellence and the potential harmonization and standardization of the stewardship program with other provinces will lead to cost and operational efficiencies for everyone. Call2Recycle Canada has been, and will continue to be, the most cost-effective option in the marketplace.

We are a Canadian program that supports jobs in Ontario both directly and indirectly. Our national head office is located in Toronto employing staff who manage the Canadian program. With our substantial Ontario presence, various local employers such as transporters, sorters and processors rely on Call2Recycle Canada for business revenue. With the acceptance of this ISP, we anticipate more job growth and expansion within the province.

Our existing collection footprint within Ontario is substantial, it is effective, and when merged with that of the current program, would significantly and immediately expand the collections in the province. We simultaneously offer the financial and operational efficiencies of a nation-wide program, with provincially focused promotions and tailored programming elements to suit Ontario's unique needs.

As an industry stewardship partner, we are committed to meeting the Ministry of the Environment's established targets, and will invest substantially in an orderly and fair transition from Stewardship Ontario. We are committed to working with municipalities and other Provincial partners to maintain and expand their existing programs (e.g.



curbside collections), while providing enhancements such as best practice findings from other regions and promotional support to increase collections. Our locally based marketing initiatives will increase public awareness and ultimately divert more batteries from the waste stream. Consumers will benefit from Call2Recycle's extensive battery-specific education materials and promotions, which will assist them in understanding how, where and why batteries should be recycled.

Call2Recycle Canada strives to be a valued partner everywhere we operate. We are financially strong and well-managed, with a robust balance sheet. We offer limited risk to vendors, no issues of late payments and no need to ever seek financial support from the Ministry. We collaborate with stakeholders to achieve our shared goals. We will maintain the current program's existing stakeholder arrangements, such as the Battery Incentive Program (BIP) for transporters and would secure service provider arrangements for sorters and processors through a fair and fully transparent proposal process.

Call2Recycle Canada combines a commitment to environmental sustainability with a practical, simple, trusted and effective program. This is why battery stewards have given us their overwhelming support and why collection partners and consumers recognize and trust us with their used batteries. As Canada's most respected and visible battery recycling program provider, we are pleased to submit this proposal to you.

2. ABOUT CALL2RECYCLE CANADA – THE PROGRAM OF CHOICE

Call2Recycle Canada, Inc. is the Canadian arm of North America's first and largest battery stewardship program. Our program was established to fulfill the product stewardship obligations for battery manufacturers, battery-powered product manufacturers, and certain distributors and retailers of products as may be appropriate (see Appendix 11.4 for list of Canadian licensees and stewards). Since 1997, Call2Recycle Canada has operated the best-in-class battery collection and recycling program and today works on behalf of approximately 200 battery and product manufacturers.

With the overwhelming support of battery stewards, strong management, a robust balance sheet, and a free consumer program, Call2Recycle is the most trusted, respected and recognized battery recycling program in Canada.

We collect and recycle batteries and cellphones from retailers, municipalities, businesses and consumers at no cost to them, and promote environmental sustainability across the country. We offer a Toronto-based, Canadian program supported by a Canadian Board and staff.

Our network of public and private collection sites, sorting and processing partners, and the ease and practicality of our program ensure optimal efficiency, cost-effectiveness and continued growth. Call2Recycle Canada's national reach minimizes confusion amongst collection site operators and consumers by providing a uniform message from coast to coast. Plus, our high volumes generate greater efficiencies than a provincially based program can achieve.

As a result, Call2Recycle has diverted more than 39 million kilograms of batteries and cellphones from the waste stream and established more than 30,000 collection sites across North America. Call2Recycle is one of the most active—and pro-active—contributors to the cause of conservation and recovery. We are a recognized Basel Action

Network (BAN) e-Steward and the first program of our kind to receive the Responsible Recycling Practices Standard (R2) certification.

Our national reach minimizes confusion among consumers and collection site operators and generates greater efficiencies than a province-only program.

We are committed to bringing this expertise and excellence to the province of Ontario's battery collection program to better serve its diverse stakeholders. Call2Recycle Canada's program generates jobs through our own staff and a network of Canadian suppliers and partners. Our exceptional customer service and commitment to accessibility ensure that any obstacle consumers face in diverting household batteries from landfill is minimized. Our collaboration, operational efficiency and experience will ensure minimal disruption for program participants/partners, and we are eager to collaborate with existing program operators to deliver a smooth transition.

We will strive to be a valued partner to the province of Ontario. The Call2Recycle program has been designed to achieve maximum awareness, participation, efficiency and cost-effectiveness to further the Province's environmental goals and eliminate operational challenges. This ISP outlines our plan to deliver a first-rate battery recycling program for the Province of Ontario.

3. ABOUT THIS ISP

This ISP outlines our plan to manage single-use batteries covered by Ontario's Municipal Hazardous or Special Waste Program Plan under the Province's Waste Diversion Act (WDA). If this ISP is approved, Call2Recycle Canada, Inc. will also continue to manage rechargeable batteries in Ontario which are not covered by the Ontario Program Plan. Therefore, under this ISP, we propose to manage all:

- Battery chemistries;
- Batteries, regardless of whether the battery is supplied as a stand-alone product or embedded in a product; and,
- Batteries generated by household consumers and all industrial, institutional and commercial consumers (IC&I).

This ISP does not include a plan to manage:

- Motive batteries;
- Wet cell batteries; and,
- Batteries weighing more than 5kg.

From processing standards to collections, data reporting to environmental compliance, the Call2Recycle program enjoys a reputation for quality and effectiveness.

Under this ISP, the program will take effect 3 months following the approval date (hereafter referred to as effective date). We anticipate that a complete transition to Call2Recycle Canada's proposed program will take one full year. Therefore all current sorters and processors will continue to be engaged (as per their existing arrangements with Stewardship Ontario) until one year after effective date. We also estimate that collaborating on

the transition with other stakeholders, such as municipalities; will require approximately 100 days from the ISP approval date. For more details on these elements, please see Section 10: Transition Plan Elements.

The Call2Recycle Canada ISP has the overwhelming support of industry stewards and other key stakeholders. From NGOs and governments to stewardship programs and associations, we offer a comprehensive, fair, efficient and cost-effective program that has garnered approximately 70 letters of support from the key stakeholder groups. This ISP is submitted on behalf of our program members who are Ontario stewards and have elected to participate in this ISP for single use batteries (see Appendices). We have formal contracts with each of these ISP participants. (See Appendices for a sample contract. Copies of the signed letters from some ISP participants and other stakeholders and supporters have been provided to Waste Diversion Ontario, indicating that they have entered into a contract with Call2Recycle Canada, Inc. in accordance with section 34(6) of the WDA).

Call2Recycle's ISP has resounding support from a wide spectrum of key stakeholders, including 70 endorsement letters from governments, retailers, stewardship programs, associations, and NGOs.

It is important to note that Call2Recycle Canada will bear all the costs of collecting, transporting and recycling batteries in Ontario as defined in this ISP. Call2Recycle Canada will work with all existing Ontario stewards to smoothly transition their obligation from Stewardship Ontario's existing program to this ISP, should they choose to participate. As part of the consultation process, we will reach out to all existing stewards as defined under the WDA to offer them the opportunity to join this ISP.

Call2Recycle is committed to adhering to a communications protocol and confidentiality policy that is mutually agreed to by Waste Diversion Ontario and Call2Recycle Canada. We commit to adopt Waste Diversion Ontario's dispute resolution process and procedures, and its marketplace fairness measures.

Call2Recycle Canada recognizes that upon submission of this plan, the costs incurred by Waste Diversion Ontario to review this ISP and monitor its performance must be paid by Call2Recycle Canada within 30 days of invoicing.

Call2Recycle Canada is proposing to operate its traditional collection program of single-use and rechargeable batteries in addition to cellphones. Although this ISP, its targets and future reporting on its performance is focused on single-use batteries, our program offers the benefits of a robust funding stream for both single-use and rechargeable batteries. From processing standards to collections, from data reporting to environmental compliance, the program enjoys a reputation for quality and effectiveness. British Columbia, Quebec and Manitoba have officially adopted the Call2Recycle program, and our data from these provinces clearly indicates that collecting all batteries and not just single-use batteries is essential to minimize consumer confusion, optimize collections and meet targets.

In late 2013, Call2Recycle Canada was selected as the preferred provider for battery recycling for Canada's federal government agencies and departments. The 2014 roll-out of nationwide collections follows a successful pilot program and will collect consumer single-use and rechargeable batteries from various government buildings, which may include the Canada Revenue Agency, Corrections Service of Canada, Canada Border Services Agency, Royal Canadian Mounted Police, Parks Canada, Citizenship and Immigration Canada, Transport Canada, the Department of Justice and more. The program will also serve military installations, federal office buildings, public works and government services offices.

In 2014, Prince Edward Island municipal buildings will also be using Call2Recycle as their battery recycling provider.

In late 2013, Call2Recycle was selected as the preferred provider for battery recycling for Canada's federal government agencies and departments.

3.1 Assumptions and Facts in Forming this ISP

This submission reflects the input and support from numerous North American-based battery industry associations, including the National Electrical Manufacturers Association (NEMA), Electro-Federation Canada, and the Portable Rechargeable Battery Association (PRBA).

Batteries enter the Ontario market in multiple ways. According to NEMA data, approximately 80% of single-use batteries are supplied as stand-alone items for use in electronic and electrical products. The other 20% are sold with or in electronic products. Conversely, PRBA data shows that 85% of rechargeable batteries are supplied with or in the products that they power. These include such items as laptops, cellphones, two-way radios, power drills, shavers, etc. Rechargeable batteries that are not supplied in products are typically supplied as stand-alone replacement batteries.

Calculating the number of batteries supplied into the Ontario market and the amount available for collection has therefore been very difficult historically, particularly for rechargeable batteries. To calculate batteries supplied, we will require all ISP stewards to report to Call2Recycle Canada the quantity of single-use and rechargeable batteries they supplied into Ontario in the previous calendar year. This data will be verified by an independent, qualified third party consultant.

To determine the quantity of batteries available for collection, we have used the Directive 2006/66/EC of The European Parliament and of The Council. In this directive, the quantity is based on a three-year average of batteries supplied, recognizing that ultimately 100% of batteries are available for collection over time. This represents no change from the methodology currently used by Stewardship Ontario to calculate supply into market and available for collection.

4. PROGRAM DESIGN - SIMPLE. FREE. EFFECTIVE.

Call2Recycle Canada has developed and operates a simple, free and highly efficient program to collect and recycle household batteries weighing up to five kilograms (5 kg). We already have convenient collection sites all across Ontario, which we will continue to operate. Thus, upon approval of this ISP, our sites added to the current program's existing sites, will significantly expand the collection footprint in Ontario making recycling batteries for both consumers and organizations easier and more accessible. Moreover, there have never been visible fees for the Call2Recycle program nor are there any visible fees planned as part of this ISP.

Our single focus is diverting batteries from landfill and as the approved battery recycling program provider, we would support the existing program network to achieve that goal. While our easy-to-use collection boxes and drums for high-volume battery generators (e.g., municipalities) eliminate any complexity associated with collecting and shipping batteries, if compliant with Transport Canada regulations, current program participants' may continue to use their own containers. We also plan to expand collection methods. If a municipality proposes an alternative collection channel that is effective and efficient, such as curbside collection, Call2Recycle Canada will

work with the municipality and if applicable their service provider to implement or expand their current program. We would provide promotional support for battery recycling campaigns and collection drives. We will work with partners to develop targeted promotions for their collection efforts and engage all collection sites in our own robust public awareness efforts to further increase recycling activity.

Call2Recycle will combine our significant collection footprint with that of the current program and further expand both, working with partners to support their preferred collection methods.

We ensure that 100% of the individual batteries collected through our program do not go to landfill. We offer these and numerous other benefits to the current program, its recycling partners and battery consumers across the province, but ultimately the single biggest benefit will be increased diversion of single-use batteries from landfill.

Additional Call2Recycle Program Benefits:

- ✓ More collection sites for consumers, where they are most likely to use them.
- ✓ Call2Recycle collects both single-use and rechargeable batteries.
- ✓ Simple-to-use bag-and-drop collection boxes make depositing—and shipping!—batteries a snap.
- ✓ Call2Recycle Canada will provide all materials required at no cost to collection sites.
- ✓ No fees will be charged to any collection sites, public or private.
- ✓ Call2Recycle Canada will pay to support municipalities' costs (events and depots) for collection, sorting, packaging and handling material (in addition to shipment, processing and sorting).

4.1 Collection Sites

The Call2Recycle Canada program starts by providing consumers with easy access to battery drop-off locations, encouraging maximum participation in the program. Collection sites taking part in this ISP will receive everything they need from Call2Recycle Canada, including supplies to get started, shipping waybills, and educational and promotional materials. The Call2Recycle Canada customer service team is available to support collection site operators for any questions or guidance they need. We not only cover the shipping costs, but also offer bulk shipping options for organizations that produce high volumes of used batteries.

Call2Recycle Canada strategically places collection locations where they are most likely to be used by battery consumers. Currently 91% of the Canadians live within a 15 kilometer radius of an available drop-off site. Various factors, such as population, ease of access, the likelihood that consumers will associate batteries with the location (e.g., an electronics store, municipal depot), health and safety and, in some cases, a pre-existing battery and/or device return and exchange program at the location are all considerations. While collecting from rural populations presents challenges, we endeavor to service these areas with creative solutions and partnerships (for example with other stewards who currently collect products in those areas).

Call2Recycle Canada's current collection footprint includes locations in all Ontario Ministries and Queen's Park.

Call2Recycle Canada's collection footprint is already substantial within Ontario, particularly among retailers. As of January 17, 2014, Call2Recycle Canada had over 2,400 convenient active public and non-public collection sites in Ontario participating in our program. Public sites are available and open to all members of the public (e.g., a municipal site or a retail location) while non-public sites are only open to a selected group (e.g., the Royal Canadian Mounted Police (RCMP) collection sites are non-public as they are only available to staff of the RCMP). Only public sites are searchable on Call2Recycle Canada's website.

Call2Recycle intends to combine our Ontario Call2Recycle collection sites with as many other willing existing collection sites participating in the current program (e.g., Battery Incentive Program (BIP) collection sites) to ensure consumer accessibility and ultimately increase collections beyond current levels. We expect to have 5,400 participating collection sites in Ontario by the end of year five of this ISP. We are convinced that the attractiveness of a combined single-use and rechargeable battery collection effort and the growing trend of recycling products containing batteries will significantly stimulate the addition of new sites.

Table 1: Call2Recycle Canada Current and Projected Collection Sites*

Type of Site	Current	Year One	Year Two	Year Three	Year Four	Year Five
Public Sites**	997	1,500	1,550	1,600	1,650	1,650
Non-Public Sites	1,441	3,500	3,550	3,600	3,650	3,750
Total Active Sites	2,438	5,000	5,100	5,200	5,300	5,400

**Call2Recycle is assuming the addition of existing collection sites from the current BIP but does not have full site details Therefore, the projected site number represent our best estimate.*

***Includes municipal events and depots*

This ISP will target multiple channels and build on Call2Recycle Canada's already strong presence in retail settings. Our intention is to add new collection locations within Retail, as well as in Public Agencies (e.g., hospitals, libraries, community centres, universities, colleges and other schools), Government (e.g., municipalities, federal sites, military locations, government agencies) and Business Services (e.g., office buildings, factories). Call2Recycle Canada will utilize the various tools available to increase the effectiveness and efficiency of collection sites (e.g., auto replenishment of containers and curbside collection) and will actively support existing collection locations through direct phone calls, postcard mailings and updates on collection results.

Another factor that will contribute to increasing battery collections under this ISP is the growth of Ontario's e-waste collection program (Waste Electronic and Electrical Equipment Program). Call2Recycle Canada has working relationships with many e-waste processors across Ontario to receive rechargeable batteries from them. As part of this ISP, we will work to ensure that single-use batteries collected through e-waste initiatives are also channeled to our program for recycling. Similar to our program in other provinces, we will work with these organizations, and others we are not currently working with, not only to collect all batteries but to ensure accuracy in reporting (no double-counting) and harmonization of collections.

We will collect batteries from any waste diversion program in Ontario. We will also request collection data from e-waste depots and other battery collection/recycling organizations that are not part of the Call2Recycle Canada

program in order to provide WDO with accurate reports on overall battery collection results in Ontario.

4.2 Municipal Collection Sites

Call2Recycle Canada recognizes that municipalities are an integral part of the collection process and a key driver of the success of the program. We are also aware that the approval of this ISP will cause some disruption to current systems but not at the front end – these include contracts, reporting and payments during the transition period. Residents will not experience disruptions as the current system will continue. We will work with municipalities and strive to minimize any disturbance and facilitate a smooth transition. We view this as an opportunity to partner with municipalities and will undertake extensive consultations to collaborate and share information in order to have a program that is successful and highly satisfactory for the municipalities.

Presently, the battery collections for almost all Ontario municipalities are managed by Stewardship Ontario. Call2Recycle Canada has considerable experience working with hundreds of municipalities across Canada and the U.S., and we are able and prepared to manage the province-wide transition of Ontario's stakeholders to our program.

Call2Recycle Canada is prepared to assume all existing service contracts with Ontario municipalities, with no alterations to agreements or collection methods.

Our ISP will offer municipalities numerous benefits:

- Call2Recycle Canada's ISP is an all battery program, which is simpler to operate both physically and administratively, saving municipalities time and money (e.g., if a municipality decides to use our program for both battery types then they will no longer need to sort the batteries or report to two separate agencies);
- Call2Recycle Canada will provide proven promotional materials that municipalities can customize and use to raise awareness of battery recycling and participation in their programs;
- Call2recycle.ca has a drop-off locator to promote public collection sites to consumers;
- Easy-to-use collection kits make participating simple for large- and small-volume battery collectors (if they choose to use);
- Call2Recycle Canada has dedicated personnel assigned specifically to municipalities and customer service staff, in both English and French, who are always available to support collection site operators;
- Call2Recycle Canada has a history of fairly and quickly reimbursing municipalities for costs related to collections and will quickly reimburse Ontario municipalities for their services, generally adhering to a policy of between 30 and 45 days at current or better rates than the existing program;
- Call2Recycle Canada will provide participating municipalities with streamlined reporting systems that match the current programs collection and recycling data. A comparison chart (see Table 2 below) of the current program requirements compared to that required by our program show that in fact there will be less for municipalities to report under the Call2Recycle program. Information may be "audited" and checked by Call2Recycle on an infrequent periodic basis;
- Call2Recycle Canada will create a simple and user friendly reporting system based on insights from, and in collaboration with, municipalities and other collectors; and,
- Call2Recycle Canada will share "best in class" practices from municipalities across North America, including curbside collection and consumer awareness.

NOTE: All the above are provided at no cost to municipalities.

The table below shows the reporting requirements of the current program. When compared with requirements of the Call2Recycle program, this shows that reporting requirements will not change, and in fact there will be less to report to the Call2Recycle program, thus making it easier for municipalities.

Table 2: Required Reporting – Comparison of Current and Call2Recycle Programs

X – Denotes reporting requirement under the Call2Recycle program.

No X – Denotes that this information is not a reporting requirement necessary to report.

MHSW Services-Depot Hours		Event Collection Services		Post Collection Services	
Current Process	Call2Recycle Process	Current Process	Call2Recycle Process	Current Process	Call2Recycle Process
No reporting required	No reporting required	Contract Number	X	Contract Number	X
		Bill of Lading or Manifest	X	Bill of Lading or Manifest	X
		Service Type		Pick up date	X
		Event Date		Delivery date	
		Originating address		Originating address	
		Destination address		Destination address	
		Transporter Name		Material category	
		Destination address		Container Type	
		Material category		Container quantity	
		Reporting Units		Weight* in kilograms	
		Weight in kilograms		Supporting Documents emailed	

*Weight of collections will be reported by Transporters to Call2Recycle Canada.

For those municipalities currently running curbside battery collections, Call2Recycle will work with them to further understand their collection process and that of any service provider they may currently be using. We recognize that some municipalities may experience a minor disruption as a result of transferring contracts or changing reporting activities; however, Call2Recycle will work quickly, diligently and collaboratively with municipalities to identify any potential transition issues and to minimize these possible disruptions. We will support municipalities who wish to continue curbside collections, either through their current service provider or another provider of their choice. Call2Recycle will also consider working directly with municipalities interested in implementing curbside collections.

4.3 Collecting Batteries

Each collection site receives a collection kit complete with our bag-and-drop, seal-and-ship collection box, as well as program guidelines, promotional posters and banners, plastic bags for consumers to place their batteries in before deposit, and pre-paid pre-addressed shipping labels to forward the full collection box for processing, free of charge.

Taking part in the program is simple—for both consumers and for collection site operators. Consumers simply bring any household battery weighing less than 5 kg to a convenient drop-off location near them, place the batteries in the plastic bags provided and deposit the bag(s) in the Call2Recycle collection box.

Once the Call2Recycle collection box is full, collection site operators simply check that the contents adhere to shipping standards, seal and label the box and arrange for pick-up pre-paid by Call2Recycle Canada.

We will provide collection sites with instructional materials regarding preparation and shipping of batteries, specifically stating that each battery is to be placed and sealed in an individual plastic bag provided by Call2Recycle Canada. If bags are not available, Call2Recycle Canada will also allow the use of non-conductive electrical tape to cover the battery terminals (bagging or taping is only required for rechargeable batteries). Staff will be instructed that, before shipping, they should check the box contents and address any extraneous material or exposed batteries.

A new box, bags and shipping labels will be provided automatically, free of charge. Collection sites can also pre-order materials when inventory runs low through an order form on the Call2Recycle website.

Municipalities, BIP collectors and any other larger quantity battery generators that choose to ship in bulk will have the option to continue to use their own collection containers, using pre-approved labeling and adhering to certain preparation requirements (e.g., using containers that, like all Call2Recycle Canada containers, comply with Transport Canada requirements).

4.4 Shipping Batteries

Once enough used batteries have been collected and the boxes sealed, they must be shipped to Call2Recycle Canada's qualified and approved sorting, processing and recovery partners. For collectors under the existing program (excluding Call2Recycle participants) shipments will be made to the current respective processors until such time that the RFP process for selection of processors under this ISP is completed.

At Call2Recycle Canada, we place paramount priority on adhering to intra- and inter-provincial shipping and transportation safety laws and guidelines for battery collection and transportation. Federal transport laws require that certain types of single-use and rechargeable batteries must be insulated from possible electrical short circuit during transport. While Canadian law allows certain non-Lithium primary batteries to be shipped without taping or bagging, the law also requires the use of suitably rugged containers designed to handle the relatively heavy battery content. The containers used by Call2Recycle Canada and the manner of transport we propose have been approved by Transport Canada and the Ontario Ministry of the Environment.

Call2Recycle Canada collection containers and transportation methods have been approved by Transport Canada and the Ontario Ministry of the Environment.

All shipments that are transported internationally are handled in compliance with current Environment Canada requirements, the Basel Convention on Trans-Boundary Movements of Hazardous Waste, and all applicable international laws.

In the case that a collector does not have a transporter, Call2Recycle Canada has a list of transportation companies on their website. The collector may choose a provider as they see fit based on traditional commercial considerations (service, geography, etc).

4.5 Processing Batteries

Different battery chemistries require different reclamation methods; therefore, the processing phase for battery recycling is a two-step process. First, collected batteries must be sorted; then they can be processed by chemistry.

There are currently two approaches to alkaline battery processing:

1. **Thermal Processing:** This method is a high temperature metals recovery process using a smelting or furnace method. The output recovers the contained metals. These are either returned to battery manufacturers for reuse in producing new batteries or used to make other products such as stainless steel and refined zinc products. Some of these current processes also recover plastic and other constituent materials that are used to make vulcanized rubber or concrete.
2. **Mechanical Processing:** This method uses crushing or chemical treatment to recover material. The output is used as agricultural micro-nutrients.

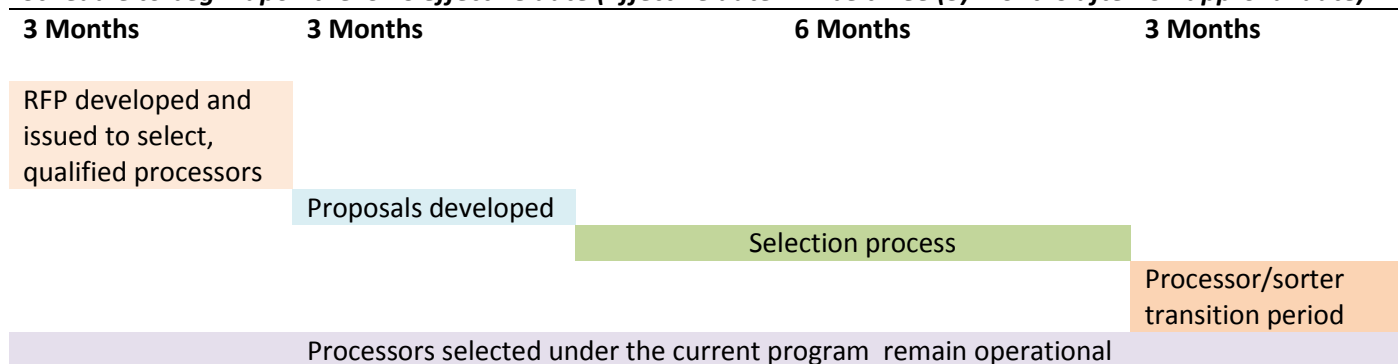
Call2Recycle Canada will establish an Advisory Committee and appoint a Fairness Commissioner to conduct and audit the selection process for service providers including sorters, sorters and processors.

Although Call2Recycle Canada currently uses specific service providers for our existing Ontario program, no service providers have been pre-selected for this ISP and we are committed to undergoing an open and transparent procurement process in selecting all sorters and processors for the Ontario program should this ISP be approved. To ensure transparency and fairness, Call2Recycle Canada will form an industry advisory committee to oversee the RFP process and awarding thereof, and to support other key vendor decisions. The industry advisory committee will be comprised of external professionals with proven financial, technical, and legal expertise, as well as representatives from Call2Recycle Canada. In addition, Call2Recycle will appoint a Fairness Commissioner to further enhance the transparency and accountability of our selection processes (as described below). The proposed procurement process will be accountable to a Fairness Commissioner. The Fairness Commissioner will be responsible for overseeing, reviewing and reporting on the activities of the advisory committee and management as they engage in the selection of sorters and processors in order to further enhance the transparency and accountability of our selection processes. This process may result in Call2Recycle Canada using several different

processors in order to meet or exceed the Minister of the Environment’s recycling efficiency rates. Regardless, any processor(s) who is engaged with the ISP at the end of the procurement process will at minimum meet—and likely exceed—Ministry approved recycling rate targets and efficiency rates.

Call2Recycle Canada and its Board of Directors continually seek to expand processors and sorters so that we can continue to deliver efficiencies and exercise appropriate risk management. In selecting new processors, we are committed to a transparent, objective methodology that considers environmental performance, recycling efficiency and cost. Within three months of this ISP’s effective date, Call2Recycle Canada will issue a Request for Proposals (RFP) to primary battery processors who achieve the minimum environmental performance and recycling efficiency rates required by this ISP, in order to determine their interest and price competitiveness. At that time the RFP process will be formalized and communicated, and the timeline for responses will be an additional three months. Decisions will be rendered and communicated within an additional six months. We therefore expect that current providers will continue to provide services on the established basis for at approximately one year from the approval date of the ISP.

Schedule to begin upon the ISP’s effective date (Effective date will be three (3) months after ISP approval date)



We are committed to ensuring that our processes are open and transparent. We anticipate that the selection of the processor(s) will depend on five factors: the cost of providing the service, the recycling efficiency of the processor, overall environmental footprint of the process, risk, and experience. The industry advisory committee will include satisfactory processor verification standards in the RFP, and to bid on the RFP, the processor must provide verification that they can achieve or exceed the recycling efficiency rate required by this ISP.

Call2Recycle Canada management, subject to review and approval by the Canadian Board, will ultimately be responsible for the selection of sorters and processors and will seek to have non-exclusive contracts, with fixed end dates and reasonable termination clauses. We will also post a non-preferred list of transporters on our website to allow collectors an unbiased choice. As demonstrated by this detailed and well thought out process, Call2Recycle plans on ensuring that all sorters and processors that are interesting in participating in this ISP have a fair opportunity.

If it is determined that staging services (staging areas where inbound materials are consolidated and prepared for follow-on shipment to the sorting facility(ies)) are required, Call2Recycle will undergo an RFP process, similar to that outlined above, to ensure a fair and transparent selection process.

The industry advisory committee will also regularly review and update our vendor requirements to reflect the advancements in processing technology and changes in regulatory requirements.

Call2Recycle Canada adheres to open competition to ensure efficiency and best value when selecting service providers. We are committed to a rigorous selection procedure to make certain that all sorters and processors have a fair and equally competitive opportunity to participate in the RFP process and potentially provide services under the Call2Recycle Ontario program.

5. TARGETS AND PROJECTIONS

Call2Recycle Canada will execute a best-in-class battery recycling program for the Province. We are continually committed to reaching or exceeding our targets and will maintain that commitment with this ISP. Our ambitious and deliverable operational plan includes substantial investment in an orderly and fair transition from the existing program operator, and promotion and participant support to expand the program over the next five years. Call2Recycle has considerable experience expanding battery recycling activities, as illustrated in the following table.

Table 3: Call2Recycle Canada's Recent Collection Experience

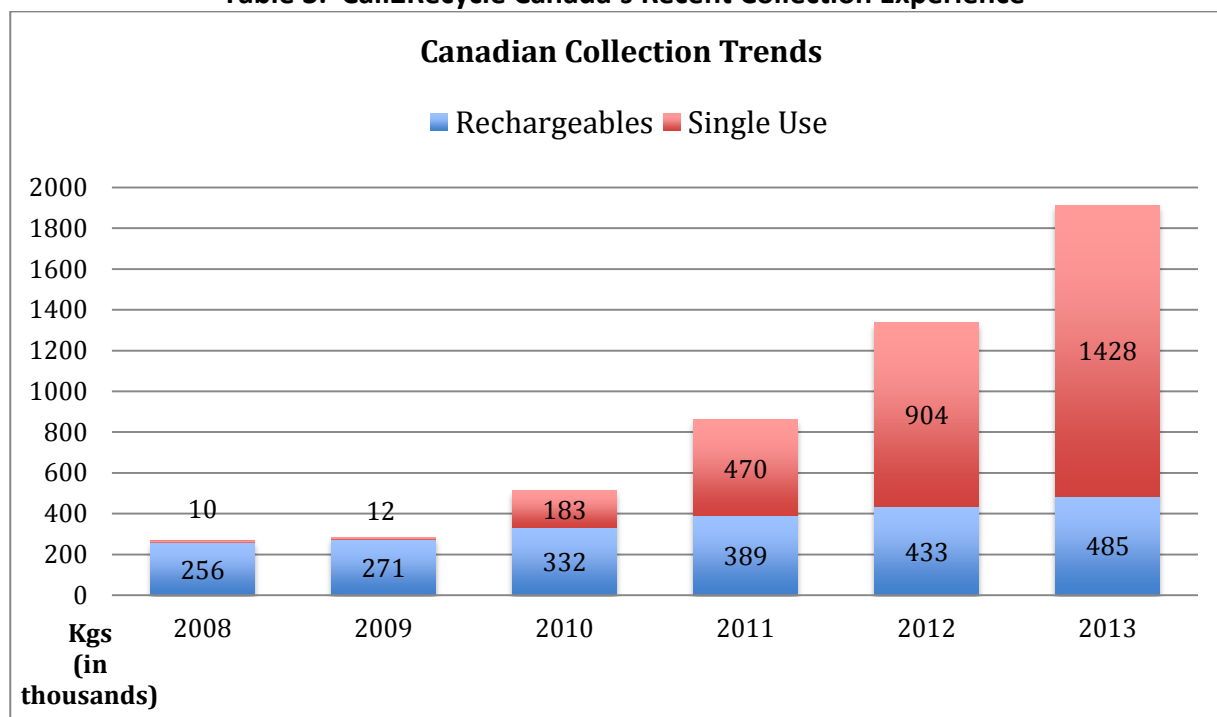


Table 4: Battery Collection Targets and Collection Rates for Call2Recycle Canada Ontario ISP
(in tonnes – single-use targets are those approved by the Ministry of the Environment)

	PROGRAM YEAR				
	2014	2015	2016	2017	2018
SINGLE USE BATTERY TONNAGES Collection Rate	35%	40%	40%	40%	40%
RECHARGEABLE BATTERY TONNAGES Collection Rate	8%	9%	10%	10%	10%

Under this ISP, Call2Recycle Canada is committed to meeting the collection targets as established by the Ministry of the Environment and detailed above in Table 4.

Table 5: Battery Recycling Efficiency Rate (RER) for Call2Recycle Canada's Ontario ISP

Minimum RER Years One to Five	
Alkaline-Manganese; Zinc Carbon; Zinc Air	80%
Other single-use batteries	37%
Total	76%
Rechargeable Portable Batteries	60%

Call2Recycle is also committed to achieving the Ministry of the Environment's approved recycling efficiency rate (RER) under this ISP, as outlined in Table 5. The RER will be calculated using the methodology from Directive 2006/66/EC of The European Parliament and of The Council and will adhere to WDO's definition of recycling (the Data Requirements for Monitoring Effectiveness and Efficiency of Waste Diversion Program in Ontario as quoted in the Glossary of this document). Call2Recycle Canada will verify data and the calculation of the recycling efficiency rate for each processor's facility by conducting an independent third-party audit in accordance with the processor standards.

6. FINANCIALS, FEES AND COSTS

Call2Recycle Canada is financially sound and well managed. We have an exceptionally strong balance sheet, maintaining more than \$27 million in net assets and no debt. By Board mandate, the program keeps a hefty financial reserve to ensure that future end-of-life obligations are appropriately financed, given the long product life of some of the batteries we collect. This reserve will include provision for Ontario. In addition, management also ensures that the program keeps at least one year of operating costs in reserve.

With such a strong balance sheet, our program has the financial resources to help ensure a well-run and effective program. Accordingly, there is limited risk to vendors, no potential issues for late payments and no need to seek financial support from the Ministry.

With an exceptionally strong balance sheet, Call2Recycle Canada's ISP offers the Province limited risk to vendors, no potential late payment issues and no need to for financial support from the Ministry.

When it comes to human resources, Call2Recycle's substantial presence in Ontario provides jobs and supports the local economy. We have found the optimal blend of internal staff and external partners to deliver our program most effectively and cost-efficiently. Transportation, sorting and processing functions are outsourced, and we contract with a number of local service providers to deliver these services. Our national head office is located in Toronto and employs staff who manage our program nationally. Administrative functions—such as the Customer Service Centre, IT, Finance, Account Management, Marketing and Management—are delivered by these dedicated individuals. Initially, there will be approximately 15 individuals from Call2Recycle Canada supporting this ISP (if approved) in various capacities. More staff will be added with the approval of this ISP to ensure continued effective service for the expanded program in Ontario.

Fees to operate this ISP are paid by the ISP stewards based on either:

1. The total number of battery cells supplied into North America, without distinction on the nation, state or province in which the sales occur; or
2. A cost-plus-reimbursement arrangement based on market share, formalized via specific contracts and consistent with other provinces.

There are three separate but related fee structures to recover costs associated with the operation of this ISP:

1. Those stewards designated as **rechargeable battery brand owners** pay a North American license fee based on the amount (in tonnes) sold into the North American market place. A portion of those funds is used for Ontario operations. This fee schedule varies slightly by rechargeable chemistry.
2. The **major single-use battery stewards** reimburse the program based on the costs incurred, and determined by the companies' respective market shares. The program anticipates continuing the practice of collecting quarterly sales information from obligated stewards.
3. **Non-major single-use stewards** pay based on their sales of single-use batteries (by weight in kilograms) into market on a quarterly basis.

7. PERFORMANCE MEASUREMENT AND REPORTING

The Waste Diversion Act establishes certain requirements for performance monitoring within the ISP. Call2Recycle Canada's performance management monitoring plan speaks to activities above and beyond the explicit requirements of the Act.

Call2Recycle Canada has a robust monitoring program and routinely tracks and reports on the following performance measures:

- Collections;
- Participation rates (amongst multiple site collectors);
- Collection sites;
- Collections by channel (e.g., retail, community, business and public agency);

- Safety and compliance issues, such as overloading boxes or transporting lithium-based batteries with unprotected terminals;
- Recycling efficiency rates

Call2Recycle Canada routinely tracks various key performance measures and will supply quarterly performance reports and an annual consolidated report to Waste Diversion Ontario.

While the Call2Recycle program tracks and reports on collections by chemistry, we have relied on total collections as the primary performance measure. Battery chemistries change frequently and the applications of their reclaimed content are dynamic. The importance of chemistry collections as a performance measure is therefore minimal; the number and weight of batteries diverted from landfill is the more critical measure.

Each of these performance measures is reported regularly to the Board of Directors. Call2Recycle Canada is committed to transparency and accountability, so we also share our results more broadly (e.g., in annual reports and with key stakeholders). These types of measurements and reporting both hold us accountable for meeting goals and provide valuable opportunities for us to solicit ideas on performance improvement and ambitious target setting. As part of this ISP, Call2Recycle Canada will supply quarterly performance reports and annual consolidated results for review and auditing (if appropriate) to Waste Diversion Ontario. Call2Recycle will also participate in a review of the ISP at any time during the five-year period at the request of Waste Diversion Ontario.

While Call2Recycle Canada has a proven track record of strong battery recycling performance, we also recognize that it is necessary to have contingencies in place in the event that targets are not being met. If this ISP falls short of targets, we commit to reviewing the program design in conjunction with Waste Diversion Ontario and other stakeholders to explore and implement measures necessary to improve performance and meet targets. Design changes might include shifting emphasis to particular channels, increasing monies to a specific awareness campaign, partnering with a select group to expand the program's reach, increasing resources, or some combination of any of the above.

As stated above, Waste Diversion Ontario will receive a detailed budget from Call2Recycle Canada for this ISP no later than November 1 of each year. The budget will include anticipated revenues, expenses and collections. In addition, we will provide quarterly updates on performance against the budget throughout the year. Between quarterly updates, collection information will be available for viewing either via an intranet site or ad hoc reports.

In the event this ISP falls short of targets, Call2Recycle Canada will work with Waste Diversion Ontario and stakeholders to explore and implement performance improvement measures to meet targets.

Call2Recycle's consolidated finances are audited annually by an independent third-party auditor, and the results are made public and provided to stakeholders. The audit covers all of the organization's North American operations. In addition, for specific Canadian provinces where battery collection programs are mandated by law, Call2Recycle Canada's audit includes a non-financial audit to verify collections, sites and overall quality control of our reporting processes. This approach will be extended to Ontario.

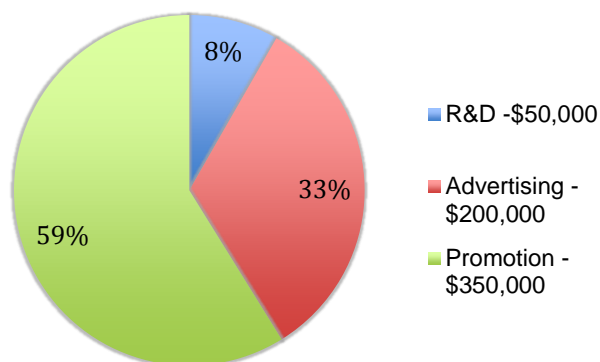
Call2Recycle Canada reports on a calendar year and generally completes an overall annual report by April 1. The annual report, which is provided to key stakeholders and posted on the Call2Recycle Canada website, includes both financial and non-financial program performance information. We will also conduct an annual general meeting around the April 1 date for all interested parties.

8. COMMUNICATIONS, PROMOTION AND EDUCATION

The Call2Recycle brand is established and visible. Through many years of investment in promotion and education, along with constant measurement of brand awareness, the program has achieved meaningful and effective message penetration in the marketplace.

In 2012, Call2Recycle Canada invested approximately \$330,000 for Ontario outreach and promotion and education (P&E) activities. Based on Year 1 targets for this ISP, Call2Recycle Canada anticipates our 2014 P&E and research and development (R&D) budget will be \$600,000. The allocation of funds will be divided as follows:

Table 6: Breakdown of Call2Recycle Canada's 2014 Ontario Education and Promotion Budget



Call2Recycle Canada will continue to invest in P&E and R&D for the entirety of the ISP at levels that are minimally consistent with 2014 planned expenditures, adjusted for inflation. These costs are over and above the monies Call2Recycle will invest in the transition from the current program provider.

Our public education program focuses on accessibility: raising awareness of the accessibility of battery drop-off sites, curbside pick-ups and providing consumers with a range of easy electronic and person-to-person methods by which to access information about the program.

Call2Recycle Canada maintains (and will continue to maintain under this ISP) two websites (www.call2recycle.ca; www.apelarecyclers.ca) and two toll-free information lines: 1-877-2-RECYCLE (recorded) and 1-888-224-9764 (staff monitored).

The websites will serve as a comprehensive one-stop repository for information about the Ontario battery recycling program. Information of relevance to all stakeholders, including potential and current collection site

Call2Recycle Canada's multi-faceted promotions approach strengthens program accessibility and ensures that all stakeholders are well informed and supported.

operators, potential and current ISP stewards, consumers, and the media, will be provided in a quick-click manner so that all can easily find exactly what they are looking for. For example, consumers will be able to access information about the location of nearby collection sites; transporters can review the operational dynamics of the Call2Recycle Canada ISP; media can review annual reports and updates; and potential collection site operators can find information on how to obtain sign-up guides for collection sites.

While in-store/organization signage is provided with collection box shipments, stakeholders will also be able to download support materials such as web banners and signage to enhance their individual collection efforts. Call2Recycle Canada staff will also make periodic site visits to inform and remind existing collection sites of their vital role and advise them of the various support materials available to them. Upon approval of this ISP, Call2Recycle Canada will launch Ontario-specific information and materials, and all collection signage will be updated to promote all-battery collections and acknowledge the Province's leadership role in this initiative.

Another key strategy used in the current Call2Recycle program has been special events. For example, most recently Call2Recycle Canada conducted a series of events with Let's Talk Science, Science World, The City of Winnipeg Libraries and Earth Day - Quebec to increase environmental knowledge and provide education about the importance of recycling. Events are an effective way to achieve two important objectives: increasing battery collections and raising awareness of the impact of recycling and the need for everyone to do their part. These events will continue with a focus on Ontario upon approval of the ISP.

Call2Recycle Canada will also continue to purchase advertising space in select consumer and trade publications (such as *Harrowsmith*, *Municipal World*, *Solid Waste & Recycling*, *Hazardous Materials Management*, and *Canadian Home Workshop/Mon Chalet*) as an important component of our communications mix. This ISP will also investigate other mediums by which to provide information (e.g., webinars) to stakeholders.



9. RESEARCH AND DEVELOPMENT

Call2Recycle Canada is *the* best-in-class battery recycling program because of our dedication to continuous improvement. We have made continual investments in research and development to enhance our collection and recycling infrastructure and will do so in the future as an integral part of our organizational culture.

Call2Recycle Canada and our parent, Call2Recycle U.S., participate in numerous initiatives to coordinate and develop best practices with battery organizations operating around the world, such as RECHARGE in Europe and PRBA in the U.S. In addition, Call2Recycle supports and participates in research and development programs that seek better mechanisms for recycling rechargeable and primary batteries.

Call2Recycle Canada will implement research initiatives to sharpen the program's effectiveness and, specifically, to better understand driving forces behind consumers' "green" practices and attitudes. This will build on prior studies Call2Recycle Canada has conducted, tracking consumers' attitudes and recycling practices for many years through various research projects. Additionally, we will track program awareness among key audiences, including retailers, collection site managers, key opinion leaders, and green business executives.

What follows are other research initiatives currently underway or to be undertaken:

Research Area	Objective	Partner(s)	Scope
Call2Recycle Brand/Message Awareness	Explore current awareness and perceptions of Call2Recycle Canada's programs, including data on recycling, sustainability, environmentalism, and attitudes and motivation for environmental activities.		U.S. and Canadian audiences
Battery Processing	Investigate battery processing technology that ensures battery recycling provides a net positive environmental impact. Analyze approaches to optimize processing technologies.	Single-use battery industry leaders and Massachusetts Institute of Technology (MIT)	Global
Battery Recycling Efficiencies	Leveraging work undertaken as part of the EU's commitment to attain certain recycling efficiency targets, study battery recycling efficiencies.	Outside consultants	Canadian
Market Supply	Develop a methodology to calculate batteries supplied into market and available for collection.	TBD	Canada (with specific emphasis on Ontario)

10. TRANSITION PLAN ELEMENTS

This ISP assumes that the existing collection infrastructure will continue and will be combined with the Call2Recycle Canada collection network to increase the number of sites, consumer accessibility and collections.

Call2Recycle Canada has developed a specific and detailed transition plan to successfully migrate the various Ontario stakeholders to the Call2Recycle Canada ISP. We have also prepared a draft detailed operating plan – to be consulted on – which outlines planned marketing, operational, legal, and administrative activities. The transition plan anticipates fair and proper collaboration with Stewardship Ontario once the ISP takes effect, although the IFO has opted to wait until after the ISP is approved to discuss any transition. At such time, we will update and amend both plans as appropriate following discussions with Stewardship Ontario and Waste Diversion Ontario, with Waste Diversion Ontario approving amendments as required.

10.1 Stewardship Ontario

Call2Recycle Canada will make every best effort to work collaboratively with Stewardship Ontario to ensure that all stakeholders are managed properly during the transition. This will likely include forming a transition team, a detailed plan and holding standing regular meetings to ensure that the transition process is on track and hitting its milestones. Call2Recycle may have to amend the implementation plan if cooperation is not received from Stewardship Ontario.

In addition, Call2Recycle Canada will reimburse Stewardship Ontario for any reasonable stranded costs, including any potential bad debts that may arise related to funds owed by existing program stewards.

10.2 Municipalities

Call2Recycle Canada, Inc. already provides services to hundreds of municipalities across North America and we are prepared to assume responsibility for all contracts with Ontario municipalities, on the presumption that they are transferable. To ensure a proper transition for municipalities, Call2Recycle Canada would:

- Execute a detailed transition plan in the 90-day interim between the approval of the ISP and the effective date. We believe that with cooperation from Stewardship Ontario and Waste Diversion Ontario, this should allow for sufficient time to manage most major issues;
- Provide dedicated resources to municipalities;
- Work collaboratively with the respective association(s) to build an immediate and sustained communication plan. Call2Recycle Canada has developed a framework in the form of a communications strategy that can guide these discussions;
- Work collaboratively, where possible, with respective association(s) to create standard templates and forms;
- Collaborate with all municipalities and/or their associations—irrespective of size—to prepare standard contracts and assist them to participate quickly and with little disruption or cost to their recycling program;
- Not alter existing municipal service agreements or collection methodologies (depots, drums, curbside, etc.) that a municipality deems to be optimal for their program. For example, if a municipality wanted to continue to have curbside collections then they would continue to do so and also have the choice of their service provider (either current or another); maintenance and even expansion of such programs would be supported by Call2Recycle Canada;
- Continue to provide compensation to municipalities for collecting and handling batteries, at existing or better rates;
- Provide prompt payment to municipalities for their claims – within 45 days of submission; and,
- Work with The Recycling Council of Ontario to operate one reporting portal for municipalities, if possible. If not, a new reporting portal would be established in consultation with Waste Diversion Ontario, municipalities, other IFO and other potential ISO's and IFO's to ensure it meets their requirements and is easy to use.

10.3 Existing Collectors and Transporters

Call2Recycle Canada commits to maintain the Province's Battery Incentive Program as it is currently operated.

Call2Recycle Canada commits to maintaining the existing Battery Incentive Program (BIP) as it is currently operated under the MHSW Program. We will allow the existing BIP transporter contracts to continue and also regularly review the efficacy of the existing collection and transporter network. All current participants will be informed of and welcomed into the program. Furthermore, any potential additional collectors and transporters would also be encouraged to participate as part of the efforts to ensure fairness and increase collections. Call2Recycle Canada would work quickly to ensure all contracts are transferred within three months of the ISP being approved.

We are also considering expanding the current BIP to also include rechargeable batteries. At the time of this submission, no decision has yet been made. A decision will be made after approval of this ISP as part of the transition and operation planning.

10.4 Stewards

Call2Recycle Canada has working relationships with various battery manufacturers, battery-powered product manufacturers, and certain distributors and retailers of products. These existing Call2Recycle Canada stewards' contracts will be amended to include participation in the Ontario ISP.

In conjunction with Stewardship Ontario, Call2Recycle would undertake an extensive communication campaign to invite any existing stewards of the IFO that are currently not supporting Call2Recycle Canada to participate in our program on the same basis as other existing stewards. It is expected that many of these potential stewards already participate in the Call2Recycle Canada program in British Columbia, Manitoba and Quebec and would welcome inclusion in a harmonized national program.

Call2Recycle Canada recognizes that there may be a few stewards whose recycling obligations span multiple categories and who therefore face potential program fragmentation and reporting complexity by participation in the Call2Recycle Canada ISP. We commit to working with these partners to create reporting solutions that are consistent with the current process, if possible, or that are relatively simple and easy to use.

10.5 Sorters and Processors

Call2Recycle Canada is committed to an open, transparent and fair process in selecting battery sorters and processors for this ISP. As outlined in the Program Design section of this document, we will form an advisory committee of industry, recycling, finance, legal and business experts immediately upon ISP approval to support this process. As a starting point, Call2Recycle has drafted a Processor and Sorter Qualification Standard (see Appendix 11.3). Upon approval of this ISP we will seek to finalize the standards with the advisory committee as part of the RFP process.

It is expected that the RFP process will be formalized and communicated within three months of the approval of the ISP and that the timeline for response to the RFP will be another 90 days. Decisions will be rendered and communicated within another 120 days following the submission deadline. As a result, it is expected that current



providers would continue to provide services on the current basis for approximately one year from the approval date of the ISP.

There are currently no commitments made to any sorters and processors with respect to this ISP for single use batteries. Any existing service providers of the Call2Recycle Canada program would be invited to participate in the RFP process on the same terms as any potential new processors. Call2Recycle Canada will comply with the requirements established by Waste Diversion Ontario and will provide any information requested related to this matter.

For more details on the Call2Recycle ISP transition, please see Appendix 11.7 - **Call2Recycle ISP Transition**.

11. APPENDICES

11.1 WDA and WDO Procedures for Industry Stewardship Plans

Refer to [WDO website here](#).

11.2 Program Guidelines



Rechargeable Battery & Cell Phone RECYCLING GUIDELINES: U.S. & Canada

- **Who is Call2Recycle®?**

Call2Recycle is the only free rechargeable battery and cell phone collection program in North America. Since 1994, Call2Recycle has diverted over 50 million pounds of rechargeable batteries from local landfills and established a network of 30,000 recycling drop-off locations. Advancing green business practices and environmental sustainability, Call2Recycle is the most active voice promoting eco-safe reclamation and recycling of rechargeable batteries and cell phones. Call2Recycle is operated by the non-profit Rechargeable Battery Recycling Corporation (RBRC).

- **What rechargeable batteries are included in the recycling program?**

Small, dry cell rechargeable batteries eligible for collection and recycling are:

- Nickel Cadmium (Ni-Cd)
- Nickel Metal Hydride (Ni-MH)
- Nickel Zinc (Ni-Zn)
- Lithium Ion (Li-ion)
- Small Sealed Lead (Pb)*

*weighing less than 11 lbs/5 kg each.

Rechargeable batteries can be commonly found in cordless power tools, cellular and cordless phones, laptop computers, camcorders, two-way radios and digital cameras. All types of cell phones are accepted - any size, make, model, digital or analog, with or without battery or charger. We do not recycle household cordless phones, mobile installed or bag phones, two-way radios, or pagers.

Call2Recycle does not accept the following types of batteries:

- Alkaline, Lithium, and other Non-Rechargeable Batteries
- Wet Cell
- Small Sealed Lead Acid weighing more than 11 lbs/5 kg each

- **What does the program cost?**

There is no cost to participate in the Call2Recycle program. Call2Recycle's recycling kit is free and it provides for safe, efficient rechargeable battery and cell phone collection. The kit includes collection boxes and plastic bags in which to place individual rechargeable battery, or cell phone with battery, into a separate bag to ensure safe storage and shipping.

- **How does the program work?**

- (1) Register online at www.call2recycle.org or call 1-877-723-1297
- (2) Receive an initial recycling kit 2-3 weeks from signup date. Start collecting used rechargeable batteries and cell phones.
- (3) Ship collected rechargeable batteries and cell phones via ground services to Call2Recycle's recycling or consolidation facilities.
- (4) Rechargeable batteries are recycled, and metals reclaimed are used to make new products; cell phones are recycled or refurbished and resold when possible, with a portion of the proceeds from resale of phones benefitting select charities.

- **What is included with the Call2Recycle collection box? How are the boxes shipped to the recycling facility?**

Each Call2Recycle box includes an affixed, pre-paid, pre-addressed UPS/FedEx or Purolator (Canada) shipping label, safety instructions, chemistry sorting stickers (non-retail only), and plastic bags.

Each box holds up to approximately 20 or 40 pounds of rechargeable batteries and cell phones (size determined upon sign-up).

The address to which the batteries and cell phones will be shipped to is already printed on the shipping label, so all you have to do is write your return address on the shipping label and securely seal the box.



Call2Recycle helps people and businesses care for the environment through its network of 30,000 battery and cell phone collection locations across North America. For more information, please visit our web site call2recycle.org or call toll-free (US) 877-723-1297; (Canada) 888-224-9764. 11//09/09

11.3 Call2Recycle Canada, Inc. Processor Qualification Standards (To be reviewed and finalized by Advisory Committee)



Processor and Sorter Qualification Standards

Processor standards define the minimum operating requirements to qualify as a processor and or sorter of batteries, cell phones and other materials collected for the Call2Recycle® program.

The following processing and sorting standards do not absolve processors or sorters from any federal, provincial/state and/or municipal legislation and regulations applicable to their operation. It is the processors' responsibility to be aware of and abide by all such legislation and regulations.

PROCESSOR STANDARDS

1. Comply with all business licensing and permitting requirements as well as any local, state/provincial and federal environmental operating permit requirements, such as but not limited to, recycling, hazardous waste/material management, storage and treatment, air quality, water quality, import/export permits and any special conditions set forth in the licenses and/or permits.

Including but not limited to:

- Ministry of the Environment Federal and Provincial- Certificates of Approval; Ontario *Environmental Protection Act*, 1990 (including R.R.O. 1990, O. Reg. 347, General – Waste Management) and Federal Permit of Equivalent Level of Environmental Safety;
- *Transportation of Dangerous Goods Act* (TDGA);
- Export and Import of Hazardous Waste and Hazardous Recyclable Material Regulations, 2005 (EIHWHRMR) under the Canadian Environmental Protection Act;
- United States Environmental Protection Agency;
- United States Department of Transportation;
- International Civil Aviation Organization (ICAO)

2. Complete and pass a qualification audit of the facility performed by CHWMEG (in past 3 years) or outside auditor chosen by Rechargeable Battery Recycling Corporation (RBRC) to ensure the facility is in compliance with all regulatory and performance requirements. RBRC and program participants shall be allowed to audit the facility in-person at mutually agreeable specified times. The most recent facility audit summary shall be provided within seven days to RBRC, program participants, auditors or regulators upon request.
3. Possess workers' compensation coverage, comprehensive or commercial general liability insurance, including coverage for bodily injury, property damage, complete operations, contractual liability, and closure. With combined single limits of not less than \$1,000,000 per occurrence, \$4,000,000 general aggregate.
4. Possess environmental liability insurance with combined single limits of not less than \$5,000,000 per occurrence, \$10,000,000 general aggregate.
5. Have a written policy approved by senior management outlining corporate commitment to environmental management and continuous improvement.

11.4 Battery Licensees & Stewards of Call2Recycle Canada

**Denotes Canadian single-use battery stewards*

As of August 1, 2013

3M COMPANY - OH&ES DIVISION	COVIDIEN
ACCESS BATTERY & POWER SYSTEMS	COSTCO WHOLESALE CANADA*
ACER SERVICES CORP	CHRYSLER CANADA INC.*
ADVANCED BATTERY SYSTEMS, INC.	DANTONA INDUSTRIES
ADVANCED ELECTRONICS ENERGY LIMITED	DELL INC.
AGILENT TECHNOLOGIES	DIGI-KEY CORPORATION
AIR STRUCTURES INTERNATIONAL, UK	DONGGUAN GOLDEN CEL BATTERY CO.
ALEXANDER TECHNOLOGIES EUROPE, LTD	DOUGLAS QUICKUT
ALLIED INTERNATIONAL/ALLIED TOOLS	DR. BATTERY
ALLTRADE TOOLS LLC	DURACELL CANADA INC.*
AMBIENT CORP.	EASTMAN KODAK COMPANY*
AMERICAN LAWNMOWER COMPANY	ECHELON, INC.
AMERICAN TOPPOWER INC.	ELECTROLUX HOME CARE PRODUCTS
AMPERGEN	ENERCO GROUP, INC.
ANTON/BAUER INC.	ENERGY SALES, INC.
APPLE, INC.	ENERSYS DELAWARE INC.
APPLIED POWER INC.	EPSON AMERICA, INC.
ARROW FASTENER CO., LLC	ESI CASES & ACCESSORIES
AVED GENERATIONS ELECTRONICS	ETICA BATTERY INC.
AVEX ELECTRONICS CORPORATION	ENERGIZER/EVEREADY BATTERY COMPANY, INC.*
BATTERY SPECIALTIES	EXACT BATTERY
BEST BUY*	EXCELL BATTERY COMPANY
BISSELL HOMECARE, INC.	FDK AMERICA, INC.
BLACK & DECKER CORPORATION	FEDCO ELECTRONICS
BLOUNT, INC.	FEIN POWER TOOLS, INC
BMR GROUP INC.*	FESTOOL
BMW CANADA INC.*	FINISH THOMPSON INC.
BOREN ELECTRONICS CO., LTD.	FLYING DRAGON DEVELOPMENT LTD.
BOSE CORPORATION	FORD OF CANADA*
BRAUN, A DIVISION OF P&G	FREIGHT SECURITY NET
BROTHER INTERNATIONAL CORPORATION	FRESHBATTERY.COM
BYD BATTERY (USA) CO.	FRONTROW
CANADIAN SATELLITE RADIO	FUJIFILM HOLDINGS AMERICA CORP.
CANADIAN TIRE*	FUNAI CORPORATION
CANON U.S.A, INC.	GARMIN INTERNATIONAL, INC.
CANON CANADA INC.*	GENERAL DYNAMICS ITRONIX
CAR-GO BATTERY CO.	GENERAL MOTORS OF CANADA*
CASIO AMERICA, INC.	GERBING'S HEATED CLOTHING
CELL-CON INC.	GIANT TIGER STORES LIMITED*
CENTURY OPTRONIC, INC.	GILLETTE, A DIVISION OF P&G
CHERVON NORTH	GLOBAL TECHNOLOGY SYSTEMS, INC.
AMERICA/MASTERCRAFT MAXIMUM	GOLD PEAK INDUSTRIES*
CISCO SYSTEMS, INC.	GOLDEN CEL BATTERY CO. LTD.
COLEMAN COMPANY, INC	GREATBATCH, LTD.
COLUMBIA SPORTSWEAR COMPANY, INC	
CONAIR CORPORATION	

GREEN SMOKE, INC.
 GREENRON ENERGY LIMITED
 GS BATTERY (USA) INC.
 HENAN HUANYU POWER SOURCE CO., LTD.
 HEWLETT-PACKARD COMPANY
 HILTI (CANADA) CORPORATION
 HILTI, INC.
 HITACHI - KOKI U.S.A. LTD.
 HITACHI-KOKI CANADA CO.
 HOBBICO - HOBBY CORPORATION OF AMERICA
 HONG KONG HIGHPOWER TECHNOLOGY CO., LTD
 HONDA CANADA INC.*
 HOME DEPOT CANADA*
 HOME HARDWARE STORES LTD.*
 HOOVER COMPANY (TTI FLOOR CARE NORTH AMERICA)
 HOT-SHOT PRODUCTS CO., INC.
 HOUSE OF BATTERIES
 HTC CORPORATION
 HYUNDAI AUTO CANADA CORP.*
 ICOM AMERICA, INC.
 IDX SYSTEM TECHNOLOGY
 ILLINOIS TOOL WORKS
 INDUSTRIAL BATTERY SERVICE, INC.
 INDUSTRIAL SCIENTIFIC CORPORATION
 INSPIRED ENERGY, LLC
 INTEC INDUSTRIES CO. LTD.
 INVOX HARDWARE LIMITED
 IOTTIE
 ITECH "INTELLEAGENT TECHNOLOGIES"
 ITO CO., LTD.
 JEAN COUTU GROUP INC.*
 JIANGSU HIGHSTAR BATTERY MANUFACTURING CO., LTD
 JLG INDUSTRIES, INC.
 JVC AMERICAS CORP.
 KENSINGTON COMPUTER PRODUCTS GROUP, A DIVISION OF ACCO BRANDS USA LLC
 KENWOOD AMERICAS CORPORATION
 KIA CANADA INC.*
 KING OF FANS
 KODAK*
 L'MAGE HOME PRODUCTS INC.*
 LEICA CAMERA, INC.
 LENMAR BATTERY SOLUTIONS
 LENOVO (UNITED STATES) INC.
 LEXEL BATTERY (SHENZHEN) CO., LTD.

LG ELECTRONICS, INC.
 LOBLAW INC*
 LOWES CANADA*
 MAG INSTRUMENT, INC.
 MAKITA CANADA INC.
 MAKITA U.S.A., INC.
 MAX CO., LTD.
 MAXELL CORPORATION OF AMERICA
 MCNAIR TECHNOLOGY CO., LTD.
 MEASUREMENT LTD., INC.
 MEDTRONIC PHYSIO-CONTROL CORP.
 MERITool LLC
 MILWAUKEE ELECTRIC TOOL CORPORATION
 MITSUBISHI MOTORS OF CANADA*
 MOTOROLA, INC.
 NEC CASIO HITACHI MOBILE
 NEPTUNE TECHNOLOGY GROUP, INC.
 NIKON CANADA INC.
 NISSAN CANADA INC*
 NOKIA
 NORELCO CONSUMER PRODUCTS CO.
 NORMARK INNOVATIONS
 NOVATEL WIRELESS
 NYLUBE PRODUCTS COMPANY, LLC
 OKI DATA AMERICAS, INC.
 OLYMPUS AMERICA, INC.
 ONLIVE, INC.
 OOMA, INC.
 OPTEX, INC.
 ORAL-B, A DIVISION OF P&G
 PALLADIUM ENERGY
 PANASONIC CORPORATION OF NORTH AMERICA*
 PANTECH CO. LTD.
 PASLODE
 PERSONAL COMMUNICATION DEVICES, LLC (PCD)
 PHILIPS CONSUMER ELECTRONICS
 PHOTO CONTROL CORPORATION
 PHYSIO-CONTROL CORPORATION
 PORTACELL USA LLC
 POSITEC TOOL CORPORATION
 POWER PRODUCTS
 POWERGENIX
 PRO TEAM THE VACUUM COMPANY
 PROCTER & GAMBLE*
 PROFESSIONAL TOOL PRODUCTS, LLC
 PROGRESSIVE TECHNOLOGIES, INC.
 PROMARK ELECTRONICS
 QUANTUM INSTRUMENTS INC.

QUICKIE MANUFACTURING CORPORATION
 RADIOSHACK
 RAYOVAC CORPORATION, A DIVISION OF
 SPECTRUM BRANDS*
 REALFLEET CO., LTD.
 REMINGTON, DIVISION OF SPECTRUM
 BRANDS, INC.
 RESEARCH IN MOTION LIMITED
 RESISTACAP, INC.
 RIDGE TOOL COMPANY (RIDGID)
 RKI INSTRUMENTS
 ROBERT BOSCH TOOL CORPORATION
 RONA*
 ROZON BATTERIES INC.*
 RRC POWER SOLUTIONS INC
 RYOBI NORTH AMERICA, INC.
 SAFT AMERICA INC.
 SAMSUNG
 SANYO ENERGY (U.S.A.) CORPORATION
 SATO AMERICA INC
 SEARS CANADA*
 SEIKO INSTRUMENTS USA, INC.
 SENSIDYNE/GILIAN
 SHARP ELECTRONICS CORP
 SHENZHEN BOFUNENG BATTERY CO., LTD.
 SHENZHEN LTT ELECTRONICE CO., LTD.
 SHOPPERS DRUGMART INC.*
 SIGMA CORPORATION
 SIRIUS XM RADIO INC.
 SNAP-ON INCORPORATED
 SONY OF CANADA LTD*
 SOUTHWICK TECHNOLOGIES
 SPECTRUM BRANDS, INC.
 SRAM LLC
 STAR MICRONICS CO., LTD.
 STIHL INCORPORATED
 SUZUKI CANADA*

STRYKER
 SUNBEAM PRODUCTS
 SWISSVOICE
 TARGET CANADA CO.*
 TECHNICAL POWER SYSTEMS, INC.
 TECHTRONIC INDUSTRIES CO., LTD.
 TERRALUX
 TEST RITE PRODUCTS CORP.
 TEXAS INSTRUMENTS EDUCATION
 TECHNOLOGY
 THE FURUKAWA BATTERY CO., LTD.
 THE SOURCE*
 TNR TECHNICAL INC. / THE BATTERY
 STORE
 TOYOTA CANADA INC.*
 TOYS R US CANADA LTD.*
 TOSHIBA AMERICA, INC.
 TRAXXAS
 TREK BICYCLE CORPORATION
 TTEK ASSEMBLIES INC.
 ULTRALIFE CORPORATION
 UNIDEN AMERICA CORPORATION
 UNISYS
 UNIVERSAL POWER GROUP
 VARTA BATTERIES INC.
 VENOM POWER
 VERNIER SOFTWARE & TECHNOLOGY
 VTECH COMMUNICATIONS LTD.
 WACOM TECHNOLOGY CORP.
 WAHL CLIPPER CORP.
 WALMART CANADA CORPORATION*
 WINTONIC BATTERY & MAGNET CO. LTD.
 WOHLER USA, INC.
 XPLORE TECHNOLOGIES CORP.
 YIYANG CORUN BATTERY CO., LTD.
 YUASA BATTERY INC.



11.5 Single Use Battery Collection and Recycling Agreement (Sample)

This Single Use Battery Collection and Recycling Agreement (the “Agreement”) is made effective as of the first day upon which it has been executed on behalf of both Parties (as defined below) (“**Effective Date**”), and is by and between the Call2Recycle Canada, Inc., a corporation incorporated pursuant to the *Canada Corporations Act*, and _____ (“**Steward**”), a corporation incorporated pursuant to the law of _____.

RECITALS

- A. CALL2RECYCLE CANADA, INC. has operated a used rechargeable battery and used cellular telephone collection and recycling program in Canada for approximately a dozen years and intends to continue to do so;
- B. Several Provinces of Canada are requiring certain entities identified as “stewards” of used consumer-type rechargeable batteries and used consumer-type Single Use batteries to implement collection and recycling programs within their jurisdictions;
- C. Steward is identified as a “steward” of consumer-type Single Use batteries in one or more such Provinces and, therefore, is now or will soon be required to implement a collection and recycling program for its batteries in those Provinces;
- D. CALL2RECYCLE CANADA, INC. is willing to expand its program in specific Provinces to include the collection and recycling of consumer-type Single Use batteries; and
- E. Steward wishes to engage CALL2RECYCLE CANADA, INC. to provide this service in those Provinces where it has been identified as a “steward” of consumer-type Single Use batteries.

NOW, THEREFORE, for value received and intending to be bound hereby, CALL2RECYCLE CANADA, INC. and Steward agree as follows.

SECTION 1 – DEFINITIONS

For the purposes of this Agreement, the following terms are defined as set out below.

- 1.1 **Battery Management Plan:** shall mean a plan for the collection and recycling of rechargeable and Single Use consumer-type batteries submitted by CALL2RECYCLE CANADA, INC. to the Provincial authorities responsible for approving such plans, or a contract in accordance with which CALL2RECYCLE CANADA, INC. has agreed to provide such services to another entity that has obtained approval of a plan from Provincial authorities.
- 1.2 **Confidential Information:** shall mean any information identified by either Party as “Confidential” or which, under all of the circumstances, ought reasonably to be treated as confidential, whether provided orally, in writing, electronically or in such other form or medium, but does not include any information that: (i) is at the time of disclosure, or thereafter becomes, part of the public domain through a source other than the receiving Party, (ii) is subsequently rightfully learned from a third party that does not impose an obligation of confidentiality on the receiving Party, (iii) was known to the receiving Party at the time of disclosure without obligation of confidentiality, (iv) is generated independently by the receiving Party without use of or reference to Confidential Information, or (v) is required to be disclosed by law, subpoena or other legal process, provided that the receiving Party shall use commercially reasonable efforts to: (a) give at least ten days prior written notice of such disclosure to the other Party; (b) limit such disclosure to the extent practicable, and (c) make such disclosure only to the extent so required.
- 1.3 **Covered Sales:** shall mean the annual total weight in pounds of Covered Batteries sold by Steward into a Covered Province, plus the Steward’s good faith estimate of the annual total weight in pounds of Covered

Batteries sold by Steward to one or more other entities for use in a battery-powered devices that are sold by such entities into the same Covered Province.

- 1.4 **Covered Batteries:** shall mean consumer-type Single Use batteries which are subject to regulation or other legal requirements by a Covered Province arising from or relating to responsibilities imposed on Steward for end-of-life handling.
- 1.5 **Covered Province:** shall mean any Province of Canada that has adopted a law or regulation implementing regulations or other legal requirements arising from or relating to responsibilities imposed on Steward for end-of-life handling of Covered Batteries.
- 1.6 **Governmental Authority:** shall mean any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal, dispute settlement panel or body or other law, rule or regulation-making entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, state or other geographic or political subdivision thereof; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.
- 1.7 **Party:** shall mean either CALL2RECYCLE CANADA, INC. or Steward, and **Parties** shall mean both CALL2RECYCLE CANADA, INC. and Steward.
- 1.8 **Plan Cost:** shall mean the total cost, calculated by CALL2RECYCLE CANADA, INC. in good faith, of implementing a Battery Management Plan in a Covered Province. The Plan Cost shall include both direct and indirect costs incurred by CALL2RECYCLE CANADA, INC., including (but not limited to) charges attributable to transportation of Covered Batteries; sorting Covered Batteries from other materials collected by CALL2RECYCLE CANADA, INC.; a share of communications expenses incurred for each Covered Province; and any changes imposed on CALL2RECYCLE CANADA, INC. (on behalf of itself or a Steward) or by any Governmental Authority.
- 1.9 **Stewards:** shall mean Steward and all other entities that entered into an agreement with CALL2RECYCLE CANADA, INC. that is substantially similar to this Agreement.

SECTION 2 – STEWARD’S RESPONSIBILITIES

- 2.1 Steward shall assume the following responsibilities with respect to its Covered Sales:
- (a) Within 30 days of the Effective Date, Steward shall notify CALL2RECYCLE CANADA, INC. of its Covered Sales in the Covered Province for the prior year and the current year to date; and
 - (b) By February 1 of each year, Steward shall provide to CALL2RECYCLE CANADA, INC. its Covered Sales in each Covered Province for the prior year, and shall inform CALL2RECYCLE CANADA, INC. of any substantial changes in Covered Sales it anticipates for the coming year.
- 2.2 Upon request, Steward shall provide to CALL2RECYCLE CANADA, INC. such information as may be reasonably required to comply with an approved Battery Management Plan.

SECTION 3 – FEES AND PAYMENTS

- 3.1 In Covered Provinces except as may be identified by amendment to this Agreement pursuant to Section 14.6:

- (a) Steward shall pay to CALL2RECYCLE CANADA, INC. a quarterly fee for the implementation and operation of each Battery Management Plan to which this Agreement applies. The quarterly fee shall be paid in advance of the start of each quarter and shall be calculated separately for each Covered Province, in accordance with the following formula:

$$\text{Quarterly Fee} = (\text{CS}_{\text{Steward Est}} / \text{CS}_{\text{Total Est}}) \times \text{PC}$$

Where:

$\text{CS}_{\text{Steward Est}}$ = The weight in pounds of Steward's Covered Sales in the Covered Province in the previous year, as reported to CALL2RECYCLE CANADA, INC. by Steward pursuant to Section 3.1;

$\text{CS}_{\text{Total Est}}$ = The weight in pounds of all Stewards' Covered Sales in the Covered Province in the previous year, as reported to CALL2RECYCLE CANADA, INC. by Stewards; and

PC = The total Plan Cost projected by CALL2RECYCLE CANADA, INC. to be incurred in collecting and recycling Covered Batteries in the next quarter.

- (b) In the first invoice submitted to Steward after February 1 of each year this Agreement is in effect, CALL2RECYCLE CANADA, INC. shall adjust the quarterly fee then due to account for any overpayment or underpayment of fees by Steward in the previous year. The amount of the adjustment to Steward shall be calculated in accordance with the following formula:

$$\text{Adjustment} = F_{\text{Tot}} \times \left[\left(\frac{\text{CS}_{\text{Steward Act}}}{\text{CS}_{\text{Total Act}}} \right) / \left(\frac{\text{CS}_{\text{Steward Est}}}{\text{CS}_{\text{Total Est}}} \right) - 1 \right]$$

Where:

F_{Tot} = The total amount of quarterly fees paid by Steward in the previous year;

$\text{CS}_{\text{Steward Act}}$ = The weight in pounds of Steward's actual Covered Sales in the Covered Province in the previous year, as reported to CALL2RECYCLE CANADA, INC. by Steward pursuant to Section 2.1;

$\text{CS}_{\text{Total Act}}$ = The weight in pounds of all Stewards' actual Covered Sales in the Covered Province in the previous year, as reported to CALL2RECYCLE CANADA, INC. by Stewards;

$\text{CS}_{\text{Steward Est}}$ = as defined in Section 3.1(a); and

$\text{CS}_{\text{Total Est}}$ = as defined in Section 3.1(a).

- (c) CALL2RECYCLE CANADA, INC. shall invoice Steward for all quarterly fees due under this Section on or about December 1, March 1, June 1, and September 1 of each year this Agreement is in effect.
- (d) All fees payable by Steward are non-refundable.

3.2 Payments by Steward:

- (a) Steward shall pay all invoices from CALL2RECYCLE CANADA, INC. for fees due under Section 3.1 within 60 days of receipt of the invoice. Any invoice amount or portion thereof that is not paid by the date due shall accrue interest at the rate of 2%, compounded monthly.
- (b) In the event Steward invokes the dispute resolution provisions of this Agreement as to any invoice amount or portion thereof, Steward may withhold no more than 20% the disputed amount. Steward shall pay the undisputed invoice amount and the remaining 80% of the disputed amount within 60 days of receipt of the invoice.
- (c) A failure by Steward to make a payment within 90 days following receipt of an invoice shall result in termination of CALL2RECYCLE CANADA, INC.'s obligations under this Agreement.
- (d) To the extent that CALL2RECYCLE CANADA, INC. is assessed any levy, surcharge, penalty or similar charge by a Covered Province or any Governmental Authority thereof in connection with a Battery Management Plan (any such amount being a "**BMP Levy**"), Steward shall in addition to the other fees provided for in this Agreement, provide an additional amount to CALL2RECYCLE CANADA, INC. as is equal to Steward's pro-rata contribution to CALL2RECYCLE® CANADA, INC. of all fees (excluding those collected under this subsection) as are collected by CALL2RECYCLE CANADA, INC. in the calendar year prior to the Levy being assessed against CALL2RECYCLE CANADA, INC.. Notwithstanding the foregoing, if any such Levy is assessed as a result of negligence, willful misconduct or recklessness by CALL2RECYCLE CANADA, INC. there shall be no contribution obligation on the Steward in connection with such Levy.

SECTION 4 – TERM AND DURATION

- 4.1 Subject to Section 4.2, this Agreement shall be effective from the Effective Date and shall remain in place so long as CALL2RECYCLE CANADA, INC. is a participant in a Battery Management Plan, provided that CALL2RECYCLE CANADA, INC. may withdraw from this Agreement as to any Battery Management Plan covered by this Agreement, without penalty and with no obligation to refund fees to Steward if: (i) within 30 days following receipt of a notice of plan approval in Provinces in which CALL2RECYCLE CANADA, INC. is directly implementing a Battery Management Plan, CALL2RECYCLE CANADA, INC. determines that any changes which are proposed to such Battery Management Plan are not reasonable or feasible and CALL2RECYCLE CANADA, INC. elects not to continue with such Battery Management Plan, or (ii) in Provinces in which CALL2RECYCLE CANADA, INC. is implementing a Battery Management Plan as a contractor to another entity, CALL2RECYCLE CANADA, INC.'s contract with that entity is terminated.
- 4.2 This Agreement may be terminated in its entirety as provided below:
 - (a) By mutual agreement of the Parties;
 - (b) By either Party with cause upon the commission of a material breach of this Agreement which is not cured within 30 days after the breaching Party receives notice of such; or
 - (c) By Steward if any Force Majeure (being any delay or failure by CALL2RECYCLE CANADA, INC. in the material performance of its obligations under this Agreement shall be excused if and to the extent caused by a cause or causes beyond the reasonable control of CALL2RECYCLE CANADA, INC., which shall include, but is not limited to, acts of God, strikes, action of any

Governmental Authority, fire, flood, windstorm, explosion, riot, war, and sabotage) is not rectified within 60 days of receipt of the written notice from CALL2RECYCLE CANADA, INC..

- 4.3 Notwithstanding any termination of this Agreement, Steward shall still be obligated to pay to CALL2RECYCLE CANADA, INC. all fees incurred (whether invoiced or not) prior to the effective date of termination.
- 4.4 The provisions relating to confidentiality, governing law, dispute resolution, jurisdiction, indemnification, and liability remain in effect after termination or expiration of this Agreement.

SECTION 5 – WARRANTY, INDEMNITY, AND INSURANCE

- 5.1 Each Party warrants that neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby will (i) violate any statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which it subject, or (ii) violate any provision of its governing documents.
- 5.2 Except to the extent Section 6.2 limits the obligation of CALL2RECYCLE CANADA, INC., each Party will indemnify and save harmless the other Party and each of its officers, directors, employees, and agents from and against all actions, suits, claims, damages, fines, executions, and demands which may be brought against it and/or its officers, directors, employees or agents by reason of any breach of this Agreement by the other Party, including reasonable solicitor fees and any charges or fines imposed by any regulatory authority.
- 5.3 CALL2RECYCLE CANADA, INC. shall carry, or shall require that all collectors, recyclers, handlers, and transporters with which it contracts to perform the services contemplated hereunder to maintain, maintain comprehensive general insurance policies without an environmental exclusion, or equivalent coverage in another contractual form, of at least \$2 million per occurrence, \$5 million aggregate.

SECTION 6 – LIMITATION OF LIABILITY

- 6.1 IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, ECONOMIC, SPECIAL, COMMERCIAL, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF BUSINESS REVENUE OR EARNINGS, LOST DATA, DAMAGES CAUSED BY DELAYS, OR A FAILURE TO REALIZE EXPECTED SAVINGS) DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, WHETHER OR NOT SUCH DAMAGES COULD REASONABLY BE FORESEEN OR THEIR LIKELIHOOD HAS BEEN DISCLOSED TO THE OTHER PARTY.
- 6.2 CALL2RECYCLE CANADA, INC.'s aggregate liability to all Stewards for the implementation and operation of its Battery Management Plans (including any breach of its obligations under this Agreement) shall not exceed CALL2RECYCLE CANADA, INC.'s rights to indemnification, contribution, and insurance. Neither Party shall be liable in an action initiated by one against the other for special, indirect or consequential damages resulting from nor arising out of this Agreement, however they may be caused.
- 6.3 The limitations, exclusions and disclaimers set out in this Agreement shall apply: (i) whether an action, claim or demand arises from a breach of warranty or condition, breach of contract, tort (including negligence), strict liability or any other kind of civil or statutory liability connected with or

arising out of this Agreement; and (ii) to each Party's affiliated companies as well as such affiliated companies' directors, officers, employees, and independent contractors.

- 6.4 Some jurisdictions do not allow limitation or exclusions of certain types of damages and/or of implied conditions or warranties. The limitations, exclusions, and disclaimers set forth in this Agreement shall not apply only if and to the extent that the laws of a competent jurisdiction require liabilities beyond and despite these limitations, exclusions, and disclaimers.

SECTION 7 – DISPUTE RESOLUTION

- 7.1 If either Party disagrees with the amount of any fee paid or alleged to be due, or asserts any other breach of this Agreement, the Party will promptly notify the other Party in writing of the dispute. The Parties will seek to resolve the dispute informally. Any amounts not disputed shall be paid promptly.
- 7.2 If the dispute has not been resolved informally within 30 days after the receipt of written notice, either Party may refer the dispute to the ADR Institute of Canada, Inc. for mediation. Any disputes that arise under or relate to this Agreement, and that are not resolved informally or by mediation, may only be decided by arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. Any such arbitration shall take place in Toronto, Ontario, unless the parties mutually agree on another location. The language of the arbitration shall be English. To the extent the dispute is resolved in arbitration in CALL2RECYCLE CANADA, INC.'s favor; CALL2RECYCLE CANADA, INC. may seek interest on the delayed payment. Any judgment upon the award rendered by the arbitrator(s) shall be final and binding and may be entered in any court with jurisdiction.
- 7.3 Nothing in this Agreement limits either Party's right to obtain a preliminary injunction against the other Party pending the resolution of an arbitrable dispute.
- 7.4 Nothing in this Agreement shall prohibit the Party finally prevailing in an arbitration or action under this Section (after appeal, if any) from seeking to recover from the unsuccessful Party reasonable attorneys' fees, costs, and disbursements in addition to any other relief to which it may be entitled.

SECTION 8 – CONFIDENTIALITY

- 8.1 During the period of this Agreement and for a period of three years following its termination, CALL2RECYCLE CANADA, INC. and Steward undertake mutually that they shall neither give nor make available to any third party, any Confidential Information, provided that for data reporting purposes necessary under applicable regulations, CALL2RECYCLE CANADA, INC. may disclose Confidential Information if such information is rendered anonymous or aggregated with other information so that no third party or Steward can identify any Steward's individual Confidential Information, or unless the disclosing party consents in writing to the receiving party's disclosure of such Confidential Information.
- 8.2 Each Party warrants that its employees shall be under explicit instructions not to disclose any Confidential Information to third parties, and that each Party shall take all steps reasonably necessary to obtain compliance with such instructions.

SECTION 9 – NOTICE

- 9.1 Any notice to CALL2RECYCLE CANADA, INC. shall be delivered by courier or post to the following, or to such other persons or addresses as CALL2RECYCLE CANADA, INC. may in the future notify Steward in writing:



CALL2RECYCLE CANADA, INC.
4576 Yonge St., Suite 606
Toronto, ON M2N 6N4

With an additional copy to:

Chief Executive Officer
Call2Recycle, Inc.
1000 Parkwood Circle
Suite 200
Atlanta, GA, USA 30339

9.2 Any notice to Steward shall be delivered by courier or post to the following:

SECTION 10 – AUDIT

10.1 Subject to a reasonable advance notice, Steward or its duly authorized representative shall be entitled to examine all information related to Steward in books and records maintained by CALL2RECYCLE CANADA, INC. in connection with this Agreement. Steward shall also be authorized to access information related to CALL2RECYCLE CANADA, INC.'s operations and other Stewards (to the extent such information is anonymous and/or aggregated).

SECTION 11 – GENERAL

- 11.1 The failure of any Party to insist upon the strict performance of a covenant or obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Party's right to demand strict performance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any covenant or obligation hereunder shall constitute a consent or waiver to or of any other breach or default in the performance of the same or of any other obligation hereunder.
- 11.2 This Agreement may be executed in counterparts which, taken together, shall be considered a single Agreement. This Agreement may be executed by facsimile or by email if scanned and sent in PDF,
- 11.3 All uses of the words "Section(s)" in this Agreement are references to sections of this Agreement, unless otherwise specified.
- 11.4 Steward shall have the right, upon reasonable notice and in accordance with such restrictions as may exist between CALL2RECYCLE CANADA, INC. and its contractors, to inspect from time to time all facilities under contract to CALL2RECYCLE CANADA, INC. to handle Covered Batteries.
- 11.5 Steward is not the agent of CALL2RECYCLE CANADA, INC. for any purpose. CALL2RECYCLE CANADA, INC. is not the agent of Steward for any purpose. Nothing in this Agreement shall be interpreted to create such an agency relationship. Except as otherwise set forth in this Agreement, each Party agrees that it will be responsible for its own independent acts and the results thereof. Each Party therefore agrees that, except as otherwise set forth in this Agreement, it will assume liability for itself, for its employees and agents, and for any injury to persons or property resulting in any manner from the

conduct of its own operations. Nothing in this section shall bar any legal remedies that Steward or CALL2RECYCLE® CANADA, INC. may have against each other for failure to fulfill obligations pursuant to this Agreement.

- 11.6 This Agreement may only be amended by a written instrument duly executed by both Parties.
- 11.7 This Agreement may be assigned by CALL2RECYCLE CANADA, INC. to any entity affiliate or parent, or subsidiary of CALL2RECYCLE CANADA, INC. that succeeds to all of CALL2RECYCLE CANADA, INC.'s obligations hereunder, provided timely notice of such assignment is provided to Steward. This Agreement may be assigned by CALL2RECYCLE CANADA, INC. to any other entity that succeeds to all of CALL2RECYCLE CANADA, INC.'s obligations hereunder with prior written consent of Steward, which shall not be unreasonably withheld. This Agreement may not be assigned by Steward without the prior written consent of CALL2RECYCLE CANADA, INC., which shall not be unreasonably withheld.
- 11.8 If any provision of this Agreement, or the application thereof, shall for any reason and to any extent be determined by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be struck from this Agreement and the remaining provisions of this Agreement shall be interpreted so as best to reasonably effect the intent of the parties.
- 11.9 This Agreement shall be deemed to be made in, interpreted, and enforced pursuant to the laws of Ontario, Canada.
- 11.10 This Agreement supersedes all documents or arrangements previously concluded by Steward and CALL2RECYCLE CANADA, INC. with respect to the subject matter hereof, and evidences the entire agreement of the Parties hereto.
- 11.11 Nothing in this Agreement amends or affects the terms of any license agreement that exists, now or in the future, between Steward and CALL2RECYCLE CANADA, INC.

<< Signature page follows. >>



ACCEPTED and AGREED:

Call2Recycle Canada, Inc.

(Print name and title)

(Signature)

(Date)

I have the authority to bind the Corporation

Steward

(Print name and title)

(Signature)

(Date)

I have the authority to bind the Corporation

11.6 Call2Recycle Canada, Inc. Articles of Incorporation



Canada Not-for-profit Corporations Act (NFP Act)

Form 4004

Articles of Amendment

1	Corporate name
	Call2Recycle Canada, Inc.
2	Corporation number
	3, 3, 3, 3, 9, 7, —, 3
3	The articles are amended as follows: (complete all applicable sections)
	<p>A The corporation amends its name to: Call2Recycle Canada, Inc. Appel à Recycler Canada, Inc.</p> <p>B The corporation amends the province or territory in Canada where the registered office is situated to:</p> <p>C The corporation amends the number of directors to: (for a fixed number, indicate the same number in both boxes)</p> <p style="text-align: center;">Minimum number <input type="text"/> Maximum number <input type="text"/></p> <p>D Other amendments, please specify:</p>
4	Declaration
	<p>I hereby certify that I am a director or an authorized officer of the corporation.</p> <p>Signature <u>Carl E. Smith</u></p> <p>Print name <u>Carl E. Smith</u></p> <p>Phone number <u>(416) 224 - 0141</u></p> <p><small>Note: A person who makes, or assists in making, a false or misleading statement is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000 or to imprisonment for a term of not more than six months or to both (subsection 262(2) of the NFP Act).</small></p>

4004 (2011-10)





Certificate of Amendment

Canada Not-for-profit Corporations Act

Certificat de modification

Loi canadienne sur les organisations à but non lucratif

Call2Recycle Canada, Inc.
Appel à Recycler Canada, Inc.

Corporate name / Dénomination de l'organisation

333397-3

Corporation number / Numéro de
l'organisation

I HEREBY CERTIFY that the articles of the
above-named corporation are amended under
section 201 of the *Canada Not-for-profit
Corporations Act*, as set out in the attached
articles of amendment.

JE CERTIFIE que les statuts de l'organisation
susmentionnée sont modifiés aux termes de
l'article 201 de la *Loi canadienne sur les
organisations à but non lucratif*, tel qu'il est
indiqué dans les clauses modificatrices ci-
jointes.

Marcie Girouard

Director / Directeur

2013-02-15

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)

11.7 ISP Transition Plan

Call2Recycle Canada, Inc.
Industry Stewardship Plan (ISP)
Transition Guide
January 21, 2014

Battery recycling has tremendous potential for growth in Ontario and—supported by an experienced recycling provider with an established and effective process network—can increase diversion from Ontario’s waste stream. Call2Recycle Canada, Inc.—part of North America’s first and largest battery stewardship program—has operated the best-in-class battery collection and recycling program in Canada since 1997. We are eager to bring that experience and expertise to Ontario to offer single-use battery recycling to the Province’s diverse stakeholders: municipalities, transporters, collectors and consumers.

We are committed to working collaboratively with each stakeholder group to add value to them and achieve a smooth transition. We believe hand-in-hand partner relationships will achieve the most effective battery recycling program possible for Ontario. Our exceptional customer service, flexible service options, and transparent pricing and operations will ensure that any obstacle stakeholders face in diverting household batteries from landfill is minimized.

Call2Recycle Canada has developed a comprehensive and well thought out transition guide to detail how the current battery collection program would seamlessly and expeditiously be moved from Stewardship Ontario to our program. We have also developed a detailed operating plan. Upon approval of this ISP and prior to implementation, we will consult with municipalities and other service providers on these plans. Our dedicated program staff and operating team are well prepared to invest considerable resources towards ensuring all stakeholders experience a smooth transition. This document summarizes those transition elements and is based on Waste Diversion Ontario’s (WDO) [ISP Transition Plan Guide \(final version\)](#).

1. What are the proposed changes compared to the existing system?

At Call2Recycle Canada, we recognize that change is by its nature disruptive. Our goal is and has always been to maximize battery collections and recycling results, so our rollout strives for as little disruption as possible to program participants and as many enhancements as possible for the various stakeholders so that no additional batteries end up in landfills unnecessarily.

Under Call2Recycle Canada’s transition plan, very little is likely to change during the first year of operations of this ISP, with only modest—and we think beneficial—changes in future years. Call2Recycle Canada operates with a spirit of openness and collaboration. If any unforeseen material changes to the ISP did become necessary, we would engage stakeholders in consultations as early as possible so that they may help to inform the change process and also seek Waste Diversion Ontario approval to those changes. In general, key stakeholders would see these benefits:

Step-by-step support: Information is key to every successful program, so to enhance our partners’ success, Call2Recycle will establish a billing and reporting system for these participants, and ensure that participating sites have customized supports to fulfill the needs of their local efforts. Additionally, municipalities, transporters and collectors should expect more prompt payment and highly responsive customer service upon implementation of the ISP.

More options and support for consumers: Through the Call2Recycle program, consumers will have more drop-off locations choices, one-stop drop-off for both single-use and rechargeable batteries, and will be exposed to more awareness-raising efforts to encourage their participation in the Province’s program.

1.1. What would change for consumers?

If WDO approved the Call2Recycle ISP, it would offer beneficial changes for consumers, making it easier for them to participate in battery recycling and likely improving overall collections.

Ontario consumers would be able to continue going to collection sites from the current program (who choose to continue with battery collections). In addition, with the approval of this ISP, consumers would have even more collection site options through the Call2Recycle program, which currently offers 1,000 strategically placed public collection sites across the province. Many of these sites are situated in retail locations that consumers already visit regularly. Any current concerns or confusion consumers may experience determining which household batteries can and cannot be recycled under the province's current program would be eliminated since this ISP encompasses the collection of both primary and rechargeable batteries together.

In addition, consumers would benefit from Call2Recycle's extensive battery-specific education materials and promotions, which would assist them in understanding how, where and why consumer batteries should be recycled. Locally based marketing initiatives would increase public awareness and ultimately collections.

Through Call2Recycle's website, consumers can tap into up-to-date Ontario-specific information about collection sites, the Province's program, battery usage tips and general recycling information to broaden their knowledge of the value of recycling batteries and opportunities for participating near them. As a complement to the website, awareness campaigns and collection site promotions, consumers also have access to a dedicated 1-800 number to address any battery questions they may have or to locate a convenient collection site near them.

1.2. What would change for stewards?

Steward reporting requirements under the ISP would be relatively similar to current reporting requirements under Stewardship Ontario with the following exceptions: 1) at least initially, reporting would not be online – it would be handled electronically through email; 2) quarterly payments would be issued based on program costs; and 3) reporting would be based solely on sales by weight by chemistry into the province. Most of the major obligated battery stewards already participate in Call2Recycle Canada's program and quickly adapted to the reporting requirements. Furthermore, many would benefit from the efficiencies of a national program and their specific familiarity with our program's operations. This is reflected in the broad support our ISP has received from national branded and private label stewards.

While having an ISP for certain covered materials and a Stewardship Ontario-managed program for others may potentially cause some fragmentation, the reporting requirements under this ISP are significantly more simplified and less extensive than what Stewardship Ontario requires, minimizing this issue for industry stewards.

Inevitably, stewards and Stewardship Ontario will need to reconcile stranded costs and the program operator's fund balance/deficits upon the transition of the battery responsibility to Call2Recycle Canada. We are committed to working collaboratively with all affected parties to ensure that this is accomplished equitably and expeditiously.

The agreement between Call2Recycle Canada and obligated stewards is included as an appendix to the ISP as submitted and posted on the website.

Consumer Benefits:

- More collection sites
- All-in-one battery collections (no sorting)
- Battery-specific education materials
- Public awareness campaigns
- Responsive customer service
- Dedicated 1-800 customer line with service in English and French
- User-friendly

1.3. What would change for municipalities?

Call2Recycle Canada recognizes that municipalities are key collection partners and integral to the success of our program. In order to minimize any disruptions that may occur, Call2Recycle Canada will work collaboratively with municipalities (and their respective associations should they wish) to ensure their input is considered as part of the transition plan. Municipalities will be contacted by Call2Recycle Canada no later than 30 days after ISP approval.

Collection standards will remain as they are. While reporting requirements are not expected to change at this time, they could possibly change for municipalities. However any changes that may occur will be implemented in an effort to lead to more efficient delivery of the battery recycling program.

Municipal Reporting Requirements

Municipalities are a key source of used batteries and a valued partner in Ontario's collection program as we envision it. Call2Recycle Canada is committed to implementing a simple and expeditious process for reporting and issuing payment to municipalities. Reporting requirements for municipalities would change under this ISP, and in fact, would **become easier**. (See the chart below which compares the current reporting requirements versus our reporting requirements.) Currently, municipalities must separate rechargeable batteries from primary batteries, and report primary batteries to Stewardship Ontario and report rechargeable batteries to the Recycling Council of Ontario (RCO). Under this ISP, municipalities can report collections in aggregate to Call2Recycle if they choose to send all batteries through our program.

Table 2: Required Reporting – Comparison of Current and Call2Recycle Programs
(as previously shown in this ISP)

MHSW Services-Depot Hours		Event Collection Services		Post Collection Services	
Current Process	Call2Recycle Process	Current Process	Call2Recycle Process	Current Process	Call2Recycle Process
No reporting required	No reporting required	Contract Number	X	Contract Number	X
		Bill of Lading or Manifest	X	Bill of Lading or Manifest	X
		Service Type		Pick up date	X
		Event Date		Delivery date	
		Originating address		Originating address	
		Destination address		Destination address	
		Transporter Name		Material category	
		Destination address		Container Type	
		Material category		Container quantity	
		Reporting Units		Weight* in kilograms	
		Weight in kilograms		Supporting Documents emailed	

*Weight of collections will be reported by Transporters to Call2Recycle Canada.

Call2Recycle Canada will explore opportunities to utilize the RCO reporting portal so that municipalities face no changes or disruption in this regard. If this is not possible, we will work collaboratively with municipalities and actively seek their involvement in creating a reporting portal that meets their requirements as best as possible. We will have a secure web portal operating by the ISP effective date to enable municipalities to view the collections they have generated, report on their performance to officials and validate the payments that they receive. Call2Recycle will provide dedicated resources to supporting municipalities in this regard.

Municipalities will still need to separate consumer batteries from the balance of their waste stream to prepare for shipment. Part of a municipality's payment is reimbursement for separating and properly preparing batteries for shipment, so this will continue and payments will be no less than what is currently received from Stewardship Ontario. It is the clear intent of Call2Recycle Canada to ensure that municipalities are kept whole both through the transition and after we are managing the battery program.

While contracts with Call2Recycle Canada will ultimately mean some changes for municipalities, we believe that we all share the responsibility to make these arrangements work. We commit to a "pattern bargaining"¹ approach to optimize efficiencies and enable a smooth transition. In the event that a municipality requires incremental support or an extension of the transition period, we will certainly work on an individual basis to assist the municipality. We will work with RCO, provided they are agreeable, to streamline reporting and billing issues as part of our new web portal.

1.4. What would change for service providers?

The intent of this ISP is to meet Provincially-approved collection targets. Call2Recycle Canada intends to combine our established collection network with the existing Provincial network in order to increase collections. Accordingly, we plan to preserve all existing agreements with collectors and transporters. In this regard, the existing Battery Incentive Program (BIP) for transporters will continue without change under the ISP. If there are any agreements between transporters, collectors and Stewardship Ontario, Call2Recycle will seek to have them assigned upon approval of the ISP. None of the terms, including compensation, would be changed. At this time, there is also no intent to change reporting requirements.

After approval of the ISP, Call2Recycle Canada would seek to add collectors, collection sites and transporters to the program in order to optimize participation, improve efficiency and meet or exceed collection targets. Call2Recycle Canada would use the same requirements currently employed by Stewardship Ontario for collectors and transporters.

Upon approval of the ISP, Call2Recycle Canada will establish and convene an advisory committee charged with recommending sorters and processors to our management and board. The advisory committee will be comprised of some of the most qualified global authorities on batteries and battery recycling, as well as finance and legal professionals. The committee will create selection criteria, issue a request for proposal (RFP), review proposals, and make a recommendation to Call2Recycle Canada's management and board. The duration of this process will minimally be nine months after the formation of the committee. Furthermore, Call2Recycle will appoint a Fairness Commissioner to further enhance the transparency and accountability of the selection process. This individual will be responsible for overseeing, reviewing and reporting on the activities of the advisory committee and management as they engage in the selection of sorters and processors, as described in the body of this ISP.

Regardless of the recommendation and ultimate decision on the selection of sorters and processors, no transition is expected for at least one year after the effective date of the ISP.

¹ A collective bargaining technique in which contract terms in one settlement are used as models for other negotiating parties within an industry.

2. How would program performance change?

Program performance would improve considerably, particularly after the transition from Stewardship Ontario to Call2Recycle Canada has been completed. We anticipate improvements because:

- 1) The ISP's existing footprint will be combined with Stewardship Ontario's current footprint, immediately increasing collections and further expanding accessibility to consumers.
- 2) Combining primary with rechargeable collections has consistently been shown to optimize collections, compared with collecting only one or the other.
- 3) Education and promotional materials produced and distributed by Call2Recycle Canada will be much more specific to household batteries, and will more effectively communicate to consumers the need and how to recycle batteries.
- 4) Call2Recycle's specialized battery staff, who are highly knowledgeable on all applicable regulations and issues, will assist large generators of used batteries in understanding how best to recycle them.
- 5) Our experienced and award winning customer service staff will quickly and knowledgeably help Ontario consumers to properly handle the disposal of their batteries.
- 6) The program will be dedicated and focused solely on the collection of household batteries, allowing for better consumer clarity and program communication.

The two most important performance indicators to closely monitor during the first year are transfers to the program among collection sites that participated under Stewardship Ontario, and battery collections compared to historical collections from those sites. A successful transition is dependent on a seamless integration of all sites under both the ISP's existing footprint and Stewardship Ontario's current program in order to optimize the collection result. Through our comprehensive transition plan, Call2Recycle Canada is committed to ensuring that integration is well executed and supported.

The three biggest challenges in transitioning the program from Stewardship Ontario to Call2Recycle Canada are:

1. The timely, comprehensive and orderly receipt of information from Stewardship Ontario on collections, contracts, collection sites, transporters and other vendors, particularly those whose responsibilities need to be assigned to Call2Recycle Canada to ensure a smooth transition
2. The awareness, willingness and cooperation of municipalities in transferring responsibility from Stewardship Ontario to Call2Recycle Canada, including unbundling their compensation so it can be effectively managed and paid by Call2Recycle.
3. The awareness and willingness of any potential remaining stewards of the Stewardship Ontario program to join the Call2Recycle ISP.

A risk management plan for this transition is organized around these three challenges and will be implemented accordingly. Call2Recycle Canada has contingencies ready and the human and financial resources to deliver a successful transition for Ontario's stakeholders under any circumstances.

3. Outline and explain any changes to how materials would be recycled.

Under this ISP, there would be no change to how batteries are recycled for the near future. Even after the completion of the selection of sorters and processors—outlined in section 1.4—there still may not be any changes to how materials are recycled. It is important to note, however, that regardless of how the battery materials are ultimately handled, Call2Recycle Canada is committed to meeting the Ministry of the Environment's efficiency ratings.

4. Identify any challenges that would need to be addressed between the ISO and the IFO.

Call2Recycle Canada is ready to work with Stewardship Ontario to facilitate a smooth transition of the Province's battery recycling program. In addition to the potential challenge outlined in section 2, we

anticipate the following challenges would need to be addressed between Call2Recycle Canada and Stewardship Ontario:

- 1) Stewardship Ontario maintains considerable information on the existing program of which Call2Recycle Canada has no knowledge, preventing it from making several important decisions. This information includes the number and terms of various agreements between Stewardship Ontario and municipalities, collectors and processors; a listing of current stewards; and detailed historical information on program performance.
- 2) Stewardship Ontario and Call2Recycle Canada would need to reach an understanding on handling any sunk or stranded costs (including potential bad debts) that Stewardship Ontario has or will incur. Call2Recycle Canada is committed to a fair and quick payment process to Stewardship Ontario regarding stranded costs.

Call2Recycle has contacted and met with Stewardship Ontario, which advised that it does not want to have any discussions with respect to a transition until formal approval of the ISP in question is granted by WDO. This plan may need to be revised depending on the cooperation of Stewardship Ontario.

5. Communications Strategy & Materials

Call2Recycle Canada's comprehensive communications strategy will begin immediately upon WDO approval of the ISP. Our overall strategy is to focus on key stakeholders, particularly those who are potentially most affected by the transition, rather than a broad-based communication campaign. Such a targeted campaign will be heavily dependent on the cooperation and support of Stewardship Ontario to identify at least some of these stakeholders and to co-sponsor some of the more important communications. This campaign may be altered depending upon information gleaned from Stewardship Ontario and other sources.

There are four critical transition materials that will be developed and distributed:

1. A communication to non-municipality collection sites explaining how the program will be changing and what they need to do to ensure a smooth transition.
2. A communication to municipal sites that not only conveys the information directed to non-municipal collection sites but also explains the assignment of municipality contracts to us and our commitment to fair compensation.
3. A communication to transporters/collectors who wish to continue to be paid under the Battery Incentive Program (BIP) for collecting batteries, including how they can register for continued payment.
4. RFP processes, including requirements and guidelines for sorters and processors.

Other materials that Call2Recycle Canada will prepare include:

- a. A formalized list of requirements for serving as a collection site under the ISP (review or validated from the current program)
- b. Rules and requirements governing transporters (review or validated from the current program)
- c. Instructions on steps that potentially obligated stewards should take
- d. Vendor agreements for municipalities, transporters and processors
- e. Information and instructions that accompany the Call2Recycle collection kit informing collection site operators how to participate in the program

6. Provide a Proposed Timeline for Key Communications and Other Activities

a. Effective Date

Upon approval of the Industry Stewardship Plan by WDO, Call2Recycle Canada expects the effective date for the assumption of battery responsibilities to be three months following approval.

b. Announcement of Approval & Next Steps

Upon WDO approval and contract execution, Call2Recycle Canada will make announcements within one month of approval date via:

- Media release throughout the province
- Email blast to our list of key opinion leaders, suppliers, government officials and collectors subject to receipt of the collectors mailing list from Stewardship Ontario
- Communication via the Ontario Waste Management Association (OWMA) to its members, subject to OWMA approval
- Communication via the Association of Municipalities of Ontario (AMO) to its members, subject to AMO approval
- Communication via the Recycling Council of Ontario (RCO) to its municipal client base that is currently receiving reimbursement from the MOE for collecting rechargeable batteries, subject to approval
- Direct calls to contacts at each municipal government currently participating in the SO program—subject to receipt of the collectors mailing list from Stewardship Ontario

c. Communication of Selection Process for Battery Sorters and Processors

Once the WDO Board has approved the ISP, Call2Recycle Canada will directly contact all North American primary battery sorters and processors (for example, Teck, Newalta, Laurentide Battery Solutions, RMC and INMETCO) to inform and advise of next step. Follow-up communication will be sent to these sorters and processors and European primary battery processors seeking expressions of interest to participate in the selection process (within one month of approval).

The formation and composition of the Advisory Committee will be announced on the website, through a media release and to those processors that have expressed interest in participating in the selection (within three months of approval).

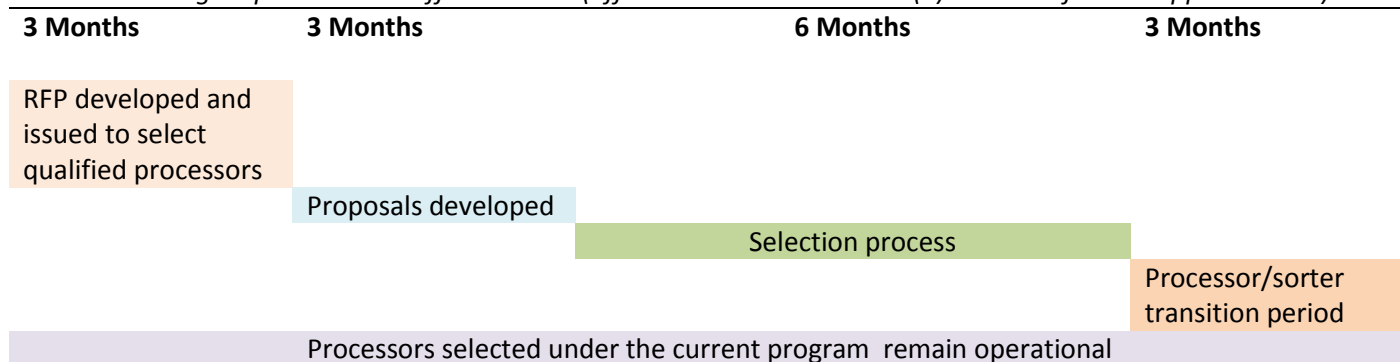
The RFP will be made public, posted on the website and sent to those interested in submitting proposals (within three months of advisory committee formation).

Proposals will be due to the Advisory Committee (within three months of RFP posting).

The recommendation to Call2Recycle Canada will be announced (within six months of proposal submissions).

Primary battery processors RFP timeline

Schedule to begin upon the ISP's effective date (Effective date will be three (3) months after ISP approval date)



d. Collection Site Communication

Stewardship Ontario has collection sites that are not municipalities and that do not receive payment from Stewardship Ontario for collecting batteries. These sites must be informed of:

- The change in the program management
- Collection site guidelines
- The process by which they will transition from the existing program to the Call2Recycle program
- How to have general questions answered

e. Municipality Follow-up Consultations of the Operating Plan

Prior to the effective date, Call2Recycle Canada will conduct a webinar for all interested municipalities to summarize progress to date and address any general or specific concerns about the transition. We will also maintain a dynamic operations plan (developed in collaboration with the municipalities).

Key Stakeholder Communication Timeline associated with this ISP

Timeline covers the 3 months between ISP approval date and effective date

Month 1
Media release Communications with current processors E-mail and calls to Municipalities Communications via AMO/OWMA/RCO/RCC (subject to consent) Announce Advisory Committee search Communication to BIP collectors & transporters Call2Recycle website updates
Month 2
Collection sites communication Stakeholder webinars (municipalities/stewards/collectors/transporters) E-mail to obligated stewards Agreements sent to municipalities, transporters and processors Call2Recycle website updates
Month 3
Announce Advisory committee and Fairness Commissioner Communication of alkaline battery processor selection process Follow-up e-mail to stakeholders Collection kits sent to collection sites (if required) Agreements follow-up Reminder to all parties of upcoming effective date Call2Recycle website updates