2017 Annual Stewards "State of State" Webinar Questions and Answers

Question:

What is an R2 Certification? Whose standard is this covered under? **Response:**

R2 (or Responsible Recycling) is a management standard used in the electronics recycling industry to ensure proper handling and end-of-life for used electronics. The standard covers "focus materials", including batteries, which requires the recycler to provide and prove full transparency of where materials are being sent for final disposition. The Standard is managed by the Sustainable Electronics Recycling International (SERI), a nonprofit organization dedicated to advancing safe and sustainable reuse and recycling of used electronics through consensus-driven standards. More information can be found <u>here</u>.

Question:

Why is the cost down so much this year? What is driving it down to \$1.44 per pound?

Response:

This question references the "Recycling Collections vs Cost Per Pound" graph (note – costs include direct operating and administrative costs) on slide seven. In 2016, the cost per pound was \$1.53 and we are estimating to finish 2017 at \$1.44. The two major reasons for this reduction: 1) we have found areas to reduce/cut our budget, and 2) we have improved the operational efficiency of our operations by, for example, strategically placing sorting sites near recycling facilities to reduce the physical distance batteries need to travel to be recycled and ensure that when batteries do travel, to the extent possible, that they travel in "bulk", rather than in small quantities (i.e., individual boxes). In 2018, we may experience a slight increase in costs due to our continued safety efforts, including the recently introduced "flame retardant box" liner.

Question:

Slide 10, do each of these incidences have a true root cause done on what happened? If so, are those root causes communicated out? If so, how can we obtain copies?

Response:

No, the true root causes of these incidents are often not easily identifiable because when a lithium based battery is involved, there is almost nothing left to perform forensic analysis on. Several independent testing facilities have looked at replicating some of these incidents, but there has been no overwhelming, clear attributes as to why.

Question:

Where do I find information on the fee based program for damaged batteries?

Response:

For general information on Call2Recycle's damaged or defective battery recycling program, please click <u>here</u>. For specific questions or for a custom solution, please contact our Customer Service Department at 1.877.723.1297.

Question:

Are the fees per pound or unit? If not in pounds, can you convert to pounds? **Response:**

Stewardship fees are based on weight and are per gram. These are measured in grams as this is the typical unit of measure used in the marketplace. The stewardship fees are weight based because that is the greatest determinate in our costs to you - we are charged by weight for transportation, sorting and processing – we believe this is the most transparent and equitable way to base stewardship fees.

Question:

It was stated fees didn't increase in 2017 or 2017 to 2018, unless I misunderstood. Perhaps US rechargeable prices did not increase, but rechargeable batteries in Canada did increase in 2017, and Vermont fees are increasing in 2018.

Response:

For clarification, rechargeable battery stewardship fees in the U.S. did not increase in 2017, but did increase for this category in Canada. For 2018, rechargeable stewardship fees for both the U.S. and Canada will not change. Primary battery stewardship fees in Vermont did not change in 2017, but will increase in 2018.

Question:

Can you touch on what you are doing to be able to handle larger lithium ion batteries (> 300 Watt-hours)? We are paying Call2Recycle to recycle >300 watt hour batteries and then discovered the 300 watt hour barrier. Can we ship the batteries to you as damaged goods via ground transportation for recycling?

Response:

Due to our "special permit" from the US Department of Transportation, batteries greater than 300-watt hours cannot be transported in the Call2Recycle collection box. We are currently looking at various options to assist with recycling these batteries as more and more are entering the marketplace. We will keep you updated as we continue to explore options in 2018.

Question:

Have you ever looked at countries outside of the US/Canada? If not, why not?

Response:

Call2Recycle looks to provide service in jurisdictions 1) where we can add value and 2) where the regulatory and legal structures exist to ensure the program is properly funded. Mexico and several South American countries have passed regulations, but those regulations are still evolving. There have been discussions by our Board on this and it appears if we were to extend beyond the U.S. and Canada, then it would be to Mexico, but at this point, there has not been a compelling need for us to do so. We also have had conversations with trade groups in other countries and offered to consult, but nothing has emerged at this point as an opportunity to partner.

Question:

Based on stewards' shipment reports, do you think you are collecting close to what is being put in the market? Can you provide an estimated percentage?

Response:

Collection rates are difficult to accurately establish as these rates vary dramatically by jurisdiction. For instance, highly regulated jurisdictions, such as British Columbia & Quebec, have higher collection rates, near 30-40%, than a non-regulated, rural area where placing accessible collection sites is a challenge. Another factor, especially for rechargeable batteries, is the extended life of the battery. Batteries being recycled today may have been sold in the early 2000's making it very difficult to determine year over year results. The highest collection rates are claimed by some northern European countries which come in around 60%.

Question:

We are a manufacturer of Bluetooth Speakers. Do we need to remove the internal Lithium battery before depositing into a collection box?

Response:

The Call2Recycle® program only accepts batteries and cells phones. We do not recycle small electronic devices. However, are happy to provide a custom-quote to manage these materials. Please contact Todd Ellis to discuss.

Question:

What is the percentage of licensees vs. free rider batteries in the collection stream?

Response:

These are very difficult numbers to provide as it would require us to capture brand information at our sorting facilities which we currently do not do. We do perform "spot" audits of small sample sizes of batteries received to help identify "free riding" brands. We then use this information to chase these "free riders" to enroll them as Stewards or pass the information on to the various state and provincial enforcement agencies. Unfortunately, we can't capture a large enough sample size to provide accurate percentages.

Question:

Is E-Stewards an applicable standard for Call2Recycle to subscribe to or is R2 the only option? **Response:**

Call2Recycle was an early supporter of the Basel Action Network's (BAN) E-Steward certification. We signed on to the standard, but BAN has yet to come up with a way to "certify" a collection program like ours, so we are not certified. We do manage to the E-Steward standard. Eventually we began the process of becoming R2 certified as we believed we needed a level of downstream certification.

Question:

What should MRFs being doing to mitigate safety issues that they aren't doing now?

Response:

Many communities and haulers continue to collect used batteries at curbside. The batteries, along with other recyclables, are transported to MRFs where they are dumped out on the MRF floor and sent through the sorting lines, making them more susceptible to being damaged and causing an issue. So, eliminating curbside collection may help. In addition, communities haven't given much direction or guidance to residents on how to properly package and recycle these batteries to help mitigate these incidents. Proper education and awareness on how to properly recycle these items at the end of their useful life is needed.