## CALL2RECYCLE, INC., BOARD MEMBERS

- **Andrew J. Sirjord (Chairman)**  
  Panasonic Industrial Devices Sales Company of America  
- **Richard Abramowitz**  
  Duracell  
- **Marcus Boolish**  
  Energizer Battery Manufacturing, Inc.  
- **John Bradford**  
  Interface Americas  
- **James Bremner**  
  Varta Microbattery, Inc.  
- **Roger Dower**  
  The Johnson Foundation  
- **Daniel Hutter**  
  Spectrum Brands (Rayovac)  
- **John Matthews**  
  Matthews Strategic Services, LLC  
- **Charlie Monahan**  
  Panasonic Industrial Devices Sales Company of America  
- **Doug Smith**  
  Sony Electronics, Inc.  
- **Chip Wildes, Jr.**  
  Saft America, Inc.

## CALL2RECYCLE, INC., OFFICERS

- **Carl Smith**  
  CEO & President  
- **Greg Broe**  
  Vice President, Finance & Administration  
- **Linda Gabor**  
  Vice President, Marketing & Customer Service  
- **Tim Michaels**  
  Managing Director, Operations
ADAPTING TO THE CHANGING LANDSCAPE

For Call2Recycle, 2017 proved both tumultuous and rewarding.

We began the year believing that our top priority would be to renew our commitment to safety. We had seen the rise of lithium-based battery incidents in the marketplace and in response, felt the need to assert our leadership position in battery safety and up our game. To support this goal, we planned to introduce new education efforts and improve some of our operational policies.

We also knew that we needed to focus efforts on our public collection sites if we were going to maintain our mission over the long-term. To achieve this, we introduced fee-based services for those collection sites that weren’t public and for certain specialty services for which the market had demanded.

What we achieved in 2017 was beyond anything we had envisioned.

We developed and launched the Charge Up Safety™ campaign, a series of educational, outreach and operational strategies that has redefined market expectation on safe handling and transport of used batteries. You’ll read in this report about the impact our efforts are having. You will also read how our fee-based services for primary batteries and damaged lithium batteries was embraced by organizations, generating almost $3 million in incremental revenue to the program in the first year alone.

And amongst all of this, we increased our collections of consumer batteries in the U.S. for the year, exceeding 8 million pounds for the first time.

2017 reinforced for us the importance of our mission, which is founded on educating consumers on the importance of battery recycling. It also emphasized the challenges ahead as battery safety continues to grow as a universal concern. On behalf of Call2Recycle, we thank you for your contributions in helping us fulfill our mission and take on these market challenges.

As we enhance these efforts in 2018 and beyond, we seek your continued support in helping us preserve the environment through battery recycling.

Sincerely,

Carl E. Smith, LEED® AP
CEO / President, Call2Recycle, Inc.
2017 U.S. Battery Collections

Over 8 Million Pounds of Batteries Collected

8 Million pounds

Collected Weight in Pounds (lbs) by millions

<table>
<thead>
<tr>
<th>CHEMISTRY</th>
<th>LITHIUM PRIMARY</th>
<th>ALKALINE</th>
<th>NICKEL CADMIUM (Ni-Cd)</th>
<th>LITHIUM ION (Li-Ion)</th>
<th>NICKEL METAL HYDRIDE (Ni-MH)</th>
<th>SMALL SEALED LEAD ACID (SSLA/Pb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>single-use</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rechargeable</td>
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</tbody>
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3
A CONTINUED LEGACY OF BATTERY COLLECTIONS

Through our partnerships with industry stewards and collection partners, including municipalities and retailers, Call2Recycle diverted and recycled 8 million pounds of used rechargeable and single-use batteries in the U.S. in 2017.

This marks a slight rise (1.6 percent) in collections from 2016, with new recycling options generating an increase in primary battery collection by more than 20 percent. The program experienced growth in light of the introduction of a fee-based all battery offering and modifications for select customers that recycle rechargeable batteries.

Many factors shaped the battery recycling landscape and collections efforts in 2017, including: growth in primary battery recycling in the U.S., an increase in battery reuse (an eco-friendly approach) and a rise in products with non-removable batteries. These trends will continue to influence our collections – along with a growing focus on lithium battery safety – creating an opportunity to further educate and influence consumer battery recycling habits.
LEADING THE CHARGE FOR RECYCLING

All Battery Spotlight

To meet consumer needs and changing market conditions, 2017 marked the expansion of our battery recycling program to include a fee-based, single-use battery recycling option. This all battery offering provides collection sites the convenience of recycling all household batteries (under 11 lbs.) by using our collection kits, which come in various sizes, along with bulk options. This shift makes the collection process more efficient and provides a one-stop-shop for consumers dropping their batteries.

Since launching in April 2017, we’ve seen a positive trend in all battery program enrollment. Through the transition to an all battery program, we enrolled 573 new sites from our ecommerce platform.

With safety as a core tenant and the rise in damaged, defective and recalled lithium ion batteries in the market, we also introduced a service to safely and responsibly handle these battery types. The offering is complemented by consumer and industry educational campaigns on the hidden dangers that can come from improper disposal of damaged, defective or recalled batteries.

In assessing the long-term sustainability of our program, we also transitioned to a fee-based rechargeable battery service for private-facing organizations, such as businesses, organizations and some retailers, that don’t collect directly from consumers. This competitively priced option is necessary to keep our battery stewardship efforts moving forward.

Even with the addition of new fee structures, our free rechargeable battery recycling services to public-facing collection sites, such as those offered by municipalities, industry stewards and qualified national retailers, continued to flourish.

These required changes support our mission of responsibly managing consumer batteries that have reached their end-of-life and our work to remain stewards of our valuable environmental resources.
Taking Safety to New Heights

In 2017, Call2Recycle took its commitment to safety to the next level. As the cornerstone of our program, we elevated the role of safety through the introduction of new operational, outreach and support resources. These additions considered various touchpoints along the battery recycling journey, from consumer to sorter and processor.

Operationally, we launched a patent-pending flame retardant box liner, which is now included in every Call2Recycle box. When used in conjunction with terminal protection and box shipping guidelines, the liner adds an extra layer of security by helping to prevent flames from escaping the box if materials ignite.

Education and awareness are critical components of our safety efforts, making outreach resources an important part of reinforcing safe handling practices and guidelines. In addition to ongoing media and digital campaigns, we created an animated safety video overviewing proper terminal protection requirements. Distributed through various communication channels, the video complemented the Flame Retardant Box Liner launch as a valuable resource for safe battery recycling.

Vermont Update

Vermont – the first state in the U.S. requiring producers to finance a collection and recycling program for single-use (primary) batteries – also contributed to the program’s overall growth in 2017. Consumers collected nearly 135,000 pounds of batteries via the Call2Recycle program, which is the approved stewardship organization for Vermont. Total battery collections in 2017 grew by 14 percent over last year.

Currently 32 producers participate in Call2Recycle’s approved Vermont stewardship plan, which covers nearly 100 battery brands. Vermont’s battery recycling efforts exemplify the positive outcomes that can be realized when manufacturers and government partner on sustainable initiatives.

Battery recycling awareness and accessibility continue to be critical components to the Vermont plan. There is a 98 percent accessibility rate, reflecting the percentage of Vermont population within 10 miles of a collection site. With more than 200 publicly accessible collection sites, Vermont achieved a 13 percent recycling rate of primary batteries in 2017.
2017 Call2Recycle Industry Stewards

3M Automotive Aftermarket Division
3M Commercial Solutions Division
3M Construction & Home Improvement
3M Materials Resources
3M Personal Safety Division
A2Z Development Center, Inc.
Accell North America
Ace Hardware Corporation
Acer America Corporation
Advance Stores Company, Inc.
Advanced Battery Systems
Advanced Respiratory, Inc.
Aero Design, Inc.
Aerosense Inc.
Agilent Technologies
Alcatel and Alcatel Onetouch
Allied Intl/Allied Tools
Alltrade Tools, LLC
Alpha Source, Inc.
Amazon.com, Inc.
American Honda Motor Co., Inc.
American Lawn Mower Co.
American Toppower
Anton/Bauer
APC - Schneider Electric
Arris Group, Inc.
Asus Computer International
Audio Enhancement, Inc.
Axiom Mobile Group
Baccus Global
Barnesandnoble.com, LLC
Battery Specialties
Bayco Products
Bayer Healthcare
Belkin International, Inc.
Best Buy Co., Inc.
BionX International
Bissell Homecare, Inc.
BlackBerry Limited
Bose Corporation
Brother International
Bushnell, Inc.
BYD Company Limited
Canadian Tire Corporation, Ltd.
Canon Canada Inc.
Canon USA Inc.
Casio America, Inc.
Cell-Con Inc.
Century Optronics Inc.
Changzhou Globe Tools Co. Ltd.
Chervon HK Limited
Chervon HK/The Home Depot
Chervon HK Limited/
The Home Depot Canada
Cisco Systems Inc.
Cleva North America/
LawnMaster
Cognex Inc.
Computer Technology Link Corp. (DBA CTL)
Conair Corporation
CTE Energy Co., Ltd.
Cybertron International
DANTONA INDUSTRIES/ ULTRALAST
Deere & Company (John Deere)
Delhaize America
Dell Canada Inc.
Dell Inc.
Deltran USA LLC
Digi-Key Corporation
DLG (Shanghai) Electronic
Do it Best Corporation
Dongguan Sunly Battery Tech Co., Ltd.
Dorcyl International
Duracell Canada Inc.
Duracell US Operations
Eaton Corporation
Echo Incorporated
Enenco Group Inc.
Energizer Holdings, LLC.
Energizer Power Systems
Energy Sales
EnerSys Delaware Inc.
Epson America, Inc.
Esselte Corporation
Evenergy (C.P) USA Inc.
EZsmart Gutter Cleaner, LLC
Family Dollar Stores of NY, Inc.
FDK AMERICA
Fedco Electronics, Inc.
Ferno - Washington, Inc.
Finish Thompson, Inc.
Flying Dragon Development Ltd.
Fujifilm Holdings America Corp.
Fujiitsu America
GammaTech Computer Corporation
Garmin International, Inc.
GE Healthcare Canada, Inc.
Getac Inc.
Gibson Innovations USA, Inc.
GiiNii Tech Corporation
Global Technology Systems, Inc.
Gold Peak Industries (NA), Inc.
GP Batteries
GRACO, Inc.
Gradus Group
Greatbatch Inc.
GreenSmoke, Inc.
GS Battery (USA) Inc.
Guangzhou Great Power Energy Tech Co Ltd.
Harris Corporation
HD Supply Holdings, Inc.
Hewlett Packard Enterprise
Hilti, Inc.
Hitachi Koki Canada Co.
Hitachi Koki USA Ltd.
Hobbico, Inc.
HoMedics
Honeywell International Inc.
HP Inc.
HTC Corporation
Huawei Device USA. Inc.
Husqvarna AB
IDX System Technology Inc.
Illinois Tool Works
Industrial Battery Service Inc.
Ingersoll Rand
Inspired Energy, LLC
Intec Industries Co. Ltd.
Intermetro Industries Corp.
Interstate Batteries Inc.
Invacare Corporation
Invox Hardware Limited
iRobot Corp.
iTech
Jasco Products Company
Jiawei Technologies (USA) Ltd.
JIN CO Ltd.
JKH Health Co., Ltd.
JLG Industries Inc.
JVCKENWOOD USA Corp.
Kam Shing Industries
KAN Battery Co., Ltd.
Karcher North America
Keyence Corporation of America
Keysight Technologies
Konica Minolta
Kwonnie Electrical Products, Ltd.
LEVDANCE, LLC
Lego Group
Leica Camera Inc.
Lenmar Enterprises, Inc.
Lenovo (United States) Inc.
LEXEL BATTERY CO Ltd.
LG Electronics Canada, Inc.
LG Electronics MobileComm USA
L’Image Home Products Inc.
Logic Technology Development
LOGITECH Inc.
Mag Instrument, Inc.
Maha Energy
Makita Canada, Inc.
Makita USA
Mattel, Inc.
Maxell Corporation of America
Meritool LLC
Metabo Corporation
Microsoft
Midland Radio Corporation
Miller Mfg Co.
Milwaukee Electric Tool Corporation
Moshi
Motorola Mobility, LLC
Motorola Solutions, Inc.
MTD Products Inc.
myCharge
National Battery
National Power Corp.
NEC Corporation of America
Neptune Technology Group Inc.
Nest Labs, Inc.
Netgear, Inc.
Nikon
Nikon Canada Inc.
Nippon Primex Inc.
Normark Innovations Inc.
Novatel Wireless Inc.
NU MARK LLC
Nylube Products Company LLC
O2COOL, LLC
Olympus Corp. of the Americas
OOMA Inc.
OMRON Healthcare
Oracle America, Inc.
Original Power Palladium Energy
Panasonic Canada Inc.
Panasonic Corporation
Pantech Co Ltd.
Pelican Products, Inc.
Philips Consumer Electronics
Philips Lighting
Pioneer Home Entertainment
Putney Bowes, Inc.
Plantronics, Inc.
PLR IP Holdings, LLC
Polycom, Inc.
Positec Tool Corporation
POWER PRODUCTS
Powermax USA
Privoro, LLC
ProTeam, Inc.
PSA PARTS, Inc.
Quality One Wireless
Rapport, Inc.
Resistacap
Richpower Industries, Inc.
Ricoh Imaging Americas Corporation
Ridge Tool Company (RIDGID)
Rite Aid
RKI Instrument, Inc.
Robert Bosch Tool Corporation
Royal Consumer Information Products, Inc.
RRC POWER SOLUTIONS
Samsung Electronics America Inc.
Scosche Industries
SDI Technologies Inc.
Senco Products, Inc.
SensiDryne LP
SharkNinja
Sharp Electronics Corporation
SHIMANO
Sigma Corporation
Sinopower Technology (HK) Ltd.
Snap-on Inc.
Sony Electronics, Inc.
Southern Telecom, Inc.
SOUTHWICK TECHNOLOGIES Inc.
Southwire Company
Spectrum Brands
SRAM, LLC
Stanley Black & Decker, Inc.
Stihl Incorporated
Stihl Limited
StorTronics
Strand Europe Ltd.
Streamlight, Inc.
Summer Infant, Inc.
SUNBEAM PRODUCTS
Surefire, LLC
SY KESSLER SALES, Inc.
Tacony Corporation
TCL Mobile
TCT MOBILE Inc.-ALCATEL BlackBerry
Technical Power Systems Inc.
Techtronic Industries GmbH
Techtronic Trading Ltd.
Test Rite Products Corp.
Texas Instruments Inc.
The Coleman Company
The Gillette Co/Braun Div.
The Gillette Co/oral-B Div.
The Source
The Toro Company
TNR Technical
Tokyo Seimitsu Co., Ltd.
TomTom Inc.
TOSHIBA AMERICA
Toshiba of Canada Limited
Toys R Us, Inc.
Tractor Supply Company
Transcosmos America Inc.
Traxxas L.P.
Trek Bicycle Corporation
True Value Company
TTEK ASSEMBLIES Inc.
TTI (Macanau Commercial Offshore) Ltd.
ULTRALIFE CORPORATION
Uniden America Corporation
VARTA Microbattery Inc.
Venom Power
Vera Bradley
Vernier Software and Technology
Vibratex, Inc.
Vizio Inc.
VTech Telecommunications Ltd.
WACOM TECHNOLOGY CORP
WATER PIK, Inc.
Whill, Inc.
WOHLER USA
Xplore Technologies Corp.
Zebra Technologies Corp.
Zippo Manufacturing Company
CALL2RECYCLE, INC.
Statement of Financial Position
December 31, 2017

($'000)

ASSETS:
Cash and cash equivalents $ 603
Receivables, no allowance deemed necessary 4,557
Prepaid expense and other assets 174
Long-term investments 19,842
Net property and equipment 82
Total assets $ 25,258

LIABILITIES and NET ASSETS:
Accounts payable and accrued expenses $ 1,287
Unearned revenue 5,714
Total liabilities 7,001
Unrestricted net assets 18,257
Total liabilities and net assets $ 25,258

INDEPENDENT AUDITORS’ REPORT
Board of Directors
Call2Recycle, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Call2Recycle, Inc. (a non-profit organization) as of December 31, 2017, and the related statements of activities and changes in net assets, and cash flows for the year then ended (not presented herein); and in our report dated May 11, 2018, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the financial statements from which it has been derived.

May 11, 2018

Smith & Howard
Certified Public Accountants and Advisors
CALL2RECYCLE, INC.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>($’000)</th>
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<tbody>
<tr>
<td><strong>OPERATING ACTIVITIES:</strong></td>
</tr>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>Fees</td>
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<tr>
<td>Shared service fees</td>
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<tr>
<td>Cell phone revenue</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
</tr>
<tr>
<td>Expenses:</td>
</tr>
<tr>
<td>Program Expenses</td>
</tr>
<tr>
<td>Collection and recycling operations</td>
</tr>
<tr>
<td>Public education and marketing</td>
</tr>
<tr>
<td>Seal administration</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
</tr>
<tr>
<td>Management and General Expenses</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
</tr>
<tr>
<td>Decrease in unrestricted net assets before non-operating activities</td>
</tr>
<tr>
<td><strong>NON-OPERATING ACTIVITIES:</strong></td>
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<tr>
<td>Investment Income</td>
</tr>
<tr>
<td>Increase in unrestricted net assets</td>
</tr>
<tr>
<td>Unrestricted net assets, beginning of year</td>
</tr>
<tr>
<td>Capital Contribution</td>
</tr>
<tr>
<td><strong>Unrestricted net assets, end of year</strong></td>
</tr>
</tbody>
</table>