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RecycleBank was founded in 2004 with the belief that environmental solutions create economic opportunities. Today, RecycleBank inspires people to become better citizens and smarter consumers by financially rewarding them for recycling at home. RecycleBank has three goals:

- Dramatically increase recycling rates
- Promote socially responsible businesses
- Generate savings for municipalities by avoiding landfill disposal fees

Our progress is built on creating important and lasting partnerships with waste haulers, municipalities and businesses. Without these partnerships RecycleBank would still be an idea. In 2006, we worked with some progressive cities such as Clayton NJ, Wilmington DE and Westville NJ. Our partnership with Ches-Mont Waste Disposal provided us access to more than 3,000 homes in Bucks and Montgomery Counties.

<table>
<thead>
<tr>
<th>Location</th>
<th>Municipal/Waste Hauler</th>
<th>Homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clayton, NJ</td>
<td>Municipal</td>
<td>2,500</td>
</tr>
<tr>
<td>Wilmington, DE *</td>
<td>Municipal</td>
<td>&gt; 6,000</td>
</tr>
<tr>
<td>Bucks and Montgomery Counties, PA</td>
<td>Ches-Mont Waste Disposal</td>
<td>&gt;3,000</td>
</tr>
<tr>
<td>Westville, NJ</td>
<td>Municipal</td>
<td>1,633</td>
</tr>
</tbody>
</table>

We are appreciative of the success and opportunities that have dominated the RecycleBank landscape in the past year. We have been fortunate enough to receive a remarkable amount of recognition. In November, RecycleBank was chosen, alongside Dell Inc., as the 2006 Recipient of Waste News’ Corporate Environmental Award. This annual award recognizes companies that have made significant environmental progress. We were voted to be one of the top 7 incentive program for 2006 by Incentive Magazine! In addition, we also received some interesting press coverage from leading publications such as The New York Times and The Philadelphia Inquirer.

We participated in a host of conferences such as the Green Festival, D.C, MPlanet in Orlando and the New Jersey League of Municipalities in Atlantic City. As anticipated we received a tremendous amount of interest from community members and businesses. In an effort to sustain this interest in the environment and RecycleBank we made several changes to our website. We have had some excellent additions to our staff in the past year and we now have over 200 national and local businesses that support RecycleBank.

Our ultimate goal is to dramatically reduce the amount of weight that reaches landfill, creating a zero waste society. Clearly, we are several years away from reaching this goal. However, we are steadily working towards getting more communities on board, developing our schools program, and creating a RecycleBank model for businesses. 2007 promises to be an exciting year for us!

Ron Gonen and Patrick FitzGerald
Founders of RecycleBank
How RecycleBank works:
Through RecycleBank, homes earn RecycleBank Dollars that they can spend on rewards and discounts at businesses, both national and local. This program is not available on an individual subscription basis. RecycleBank will partner with either an independent waste hauler (George Leck and Sons in PA) or a municipality (City of Wilmington, DE) to bring this program to a community. RecycleBank has successfully increased the monthly rates of recycling participation in each of our areas of service to 80-90 percent. The baseline numbers for average weight recycled, rate of diversion and cost-benefit to a municipality can differ for every community. A typical RecycleBank household recycles around 20-25 lbs of materials a week, which in some cases is twice or triple the amount previously recycled.

**Recycle**: RecycleBank provides your home with a 35, 64, or 96 gallon RecycleBank Container that has an imbedded barcode. A user can place all items that can be recycled (paper, plastic, glass, cardboard, tin, aluminum) into this container.

**Record**: During each weekly pickup, the container is weighed and the barcode is read, recording the amount a user has recycled. This data is then transferred to a user’s individual account.

**Reward**: The weight of the recyclables placed in the container is converted to RecycleBank dollars. A user can earn up to $35 RecycleBank Dollars a month.
RecycleBank’s success is dependent on a community of stakeholders. Our stakeholders are community groups, employees, municipalities, redemption partners, strategic partners and waste haulers. By educating our partners and stakeholders about the environment, we help decrease the environmental footprint every step of the way.

Community
RecycleBank sees community related environmental education as a core responsibility in the company’s mission of preserving the environment. The RecycleBank website is a source of environmental information in the area of waste management and corporate and social responsibility.

RecycleBank engages both local businesses as well as Fortune 500 companies in the RecycleBank Rewards Program to support responsible business practices, community-based initiatives, and the preservation of the environment. For those companies such as Coca-Cola who are not able to directly participate in the Rewards Program by offering products, RecycleBank has initiated a Donations Program. RecycleBank participants can donate their RecycleBank Dollars towards local environmental initiatives. Last year over $10,000 RecycleBank dollars was donated. This was used towards sponsoring recycling for community Earth Day events and environmental program in schools. We are currently working on a more focused donation program to be implemented in 2007. RecycleBank also engages business partners by assisting them in their efforts towards environmental stewardship and responsible waste management. Starbucks consulted RecycleBank to develop a recycling program for some of their stores in the Philadelphia region. RecycleBank hopes to expand this service to all of our business partners.

Employees and Consultants
RecycleBank has over 20 full time employees and consultants. As we expand to the more homes, we continue to hire locally.

Households
RecycleBank users or customers benefit from our growing rewards program. They can supplement their monthly income with the RecycleBank dollars earned. Most customers have a sense of fulfillment because they are being rewarded for a good behavior.

Municipalities:
RecycleBank partners with municipalities to complement an existing recycling program, or to execute a new curbside recycling program. Municipalities sign a long-term contract and pay a pre negotiated fee. Below are the benefits that accrue to a municipality if they partner with RecycleBank:

- **Avoid landfill disposal fees due to increased recycling rates:** Municipalities can pay $40-$90 a ton to dispose trash in the landfill. However, RecycleBank provides an incentive for households to recycle, hence reducing the amount a municipality pays for landfill disposal fees. This translates into savings in tax payer dollars, cleaner neighborhoods and a sense of community.
- **Increased revenue from sale of recyclables**
- **Promote economic development:** RecycleBank provides municipalities tremendous economic development opportunities by providing households with RecycleBank Dollars that are accepted at local and national retailers.
Average pounds of recyclables collected per household in Wilmington, DE

Average pounds of recyclables collected per household in Clayton, NJ

With Pre RecycleBank

Preserving Our Environment One Home At A Time™
Reward Partners
A business partners with RecycleBank to devise a reward that meets their marketing objectives. Whether a partner wants to attract new customers or increase the average sales in their store, RecycleBank can help a business with an easy and effective marketing program.

By being reward redemption partner a business sees:
- Increased purchases when a reward in redeemed
- Additional Visits to Your Business
- New Customer Acquisition
- Ability to communicate corporate values to customers
- Positive Return on Investment for CSR initiative

Strategic Partners
The financial support provided by Columbia University was fundamental in providing the initial capital RecycleBank needed to begin its operations.

Strategically, RecycleBank has partnered with Cascade Engineering to provide carts with RFID technology that enables a households’ cart to be scanned and weighed and the amount recycled then linked to an individual or household. RecycleBank partnered with the LTS Scale Corporation to configure scales and a tipping mechanism for the carts to be attached to the back of the trucks so that the carts can be weighed and easily emptied. The integration of these technologies serves as the backbone of RecycleBank’s daily operations.

Finally, RecycleBank’s partnership with Casella Waste Systems and Blue Mountain Recycling has been essential to our continuous growth strategy and operational expertise. In 2006, Casella Waste Systems joined RecycleBank as an equity partner and remains committed to aiding RecycleBank in its growth. To that end, RecycleBank has partnered with Casella Waste Systems to introduce the RecycleBank program to over 100,000 households in New England in 2007.

Waste Haulers:
The multi-billion dollar waste hauling industry is characterized by low barriers to entry, lack of customer loyalty and competition based purely on price. By partnering with RecycleBank a waste hauler can improve their business and better the environment. Here are some ways in which a hauler benefits by partnering with RecycleBank:

- Secure customer loyalty
- Gain market share
- Avoid disposal fees
- Generate revenue from sale of recyclables
Marketing:
The marketing team actively reaches to business partners, both local and national. The goal of the marketing group is to continuously grow the rewards program and also create other ways for companies to partner with RecycleBank. The marketing team currently consists of seven full time staff. Apart from participating in the traditional rewards program, a business can also further its corporate social responsibility efforts by partnering with RecycleBank in the following ways.

*Cause marketing for our environment:* Your business will touch consumers through their good recycling behavior.

*Meaningful connections:* Our program allows you to create an emotional bond with consumers

*It’s a “Perfect Storm” out there:* Consumers are searching for market based solutions to today’s increasing environmental challenges.

*Support of the environmental movement:* RecycleBank helps consumers create positive changes for the environment

*Measurable and meaningful results:* Proprietary data mining tools are a click away.

Customer Care:
Customer Care is the face of RecycleBank. During each weekly pickup, RecycleBank users receive RecycleBank dollars which they can use to shop at a wide variety of retailers. A user can order for rewards by logging on to the RecycleBank website or by calling customer service. Apart from fulfilling reward orders, customer service also handles requests for a larger container, complaints, suggestions and general RecycleBank related questions. This group has three full time employees and is headed by Cindy Kruger. On an average this group handles over 150 phone calls daily. Customer Care aims for a 24 hour response time.

Operations/Municipal Sales:
The operations team consists of five full time staff and two part time staff. Primary responsibilities of the team include developing and marketing to municipalities and private waste haulers, planning, implementing and maintaining carts. This encompasses city-wide cart roll outs, coordinating post roll-out cart maintenance, and delivery activities. Operations team is responsible for all technical service activities, planning and strategic design/recommendations. In addition the team supports townships, municipalities and private haulers with all data related activities including collection, procession and reporting. A significant portion of their time is also devoted to maintaining relationships and contact with local officials, community representative and public works employees.
Policies:
A year ago, we had few formal internal policies. Our increasing and continuous growth has made us focus our internal policies.

In September of this year, Michael Gajewski from Canusa Recycling joined RecycleBank as our CFO. As part of that role, he was charged with putting together an employee manual that spells out both the values RecycleBank deems important and the policies of the company. He created this manual by using the Canusa employee manual as a guide, yet taking into account the unique size and nature of RecycleBank.

This Version 1 of the employee manual is fairly standard. As we grow, we hope to continually stay progressive and incorporate new policies and benefits that will maintain a positive environment that is fun, respects and compensates employees, builds morale and reflects the good work we do in the community. RecycleBank has extraordinary and dedicated leaders, hence employee morale is high. Further, the company offers staff a generous compensation package AND the ability to make the world a better place. Because of this opportunity, many bright, motivated people want to work for RecycleBank.

The challenge at this stage is to best use our limited resources to offer benefits that resonate with employees. Some early benefits include a 401K plan available to staff after one year, a profit sharing plan to begin in 2007, 70% of health insurance paid by employer and 1 month paid maternity leave.

Currently, we are interviewing staff on what could be done to improve their jobs and make RecycleBank an even better place to work. From there we will create a plan to incorporate suggestions and ideas into our policies. As our management structure has solidified, we now have staff and board members dedicated to working on these issues.

Our long term goal is to consistently top the list of best companies to work for.
Management:
In 2006 we more than doubled our staff, budget and service area. In addition we added more structure to our departments and clearly defined the leaders in each department. Employees’ roles have become more defined and independent thus freeing founder Ron Gonen to take up role as CEO and lead the company.
Environmental Training:
By working at RecycleBank, staff receives a de facto environmental training. Everything we do is focused around reducing waste, recycling, reusing. In addition we highlight the many benefits of environmental protection – from a business and individual standpoint. In order to succeed in a job at RecycleBank, it is vital to understand the benefits of recycling and reducing our environmental footprint.

According to Bob Staub, National Account Director at RecycleBank, “Working for RecycleBank has opened up a whole new world for my wife and me. Since RecycleBank, we have learned that there are many more things we, as typical consumers, can be doing to be good environmentally-aware citizens – we are researching trading our relatively new vehicles in for hybrid vehicles; we are looking at installing rain collection systems; we are proactively shopping at many more retailers who have good environmental records and believe in fair trade (much more so than before) – many of these ideas are born out of the materials and discussions I see and hear at RecycleBank.”.

Each employee comes to RecycleBank with a different level of understanding of environmental issues. Based on a new employee’s prior knowledge, they are given the appropriate resources to help them understand the issues and the job. They further work with their supervisor to ensure a full understanding. Finally, new employees have the opportunity to tour their nearest single stream recycling facility to see how the process works.
Suppliers and purchasing

At RecycleBank, Jen and Bridget are the environment conscience. They ensure that we source most of our products from green suppliers. Here is a break down of our current suppliers.

**Coffee/Tea**: Green Mountain Coffee, Timothy’s
In fact, Green Mountain Coffee recently signed up as a RecycleBank partner. This is a significant offer to RecycleBank customers and exciting partnership for us.

**Cups, Spoons, napkins and other kitchen supplies**: GreenLine Paper Company (Green Company)

**Copy paper**: Staples (we use 30% and 100% PC recycled paper). In addition, Jen encourages us to reuse paper. Almost all internal documents are reused before they are recycled!

**Other office supplies**: Staples. When available we try to purchase products that are made of recycled content

**Cleaning products**: Sun and Earth (Green Company).
Sun and Earth is a leading brand of safe, natural, non-toxic cleaning products. They are also RecycleBank partners. In addition to offering a discount for RecycleBank users, they also provide samples for RecycleBank users during the initial roll-out.

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### The STATS

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
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<tbody>
<tr>
<td>Amount of paper purchased by RecycleBank</td>
<td>3,000 sheets of printing paper/month</td>
</tr>
<tr>
<td>Envelopes:</td>
<td>1,500 envelopes/month</td>
</tr>
<tr>
<td>Folders:</td>
<td>200 folders/month</td>
</tr>
<tr>
<td>Business cards:</td>
<td>400 business cards/month</td>
</tr>
<tr>
<td>Rewards orders:</td>
<td>5,000 rewards/month</td>
</tr>
<tr>
<td>Paper reused</td>
<td>20%</td>
</tr>
<tr>
<td>Paper recycled</td>
<td>98%</td>
</tr>
<tr>
<td>Pounds we send to trash.</td>
<td>30lbs per week</td>
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Energy and emissions

*Weekly commute in miles during 2006:*

<table>
<thead>
<tr>
<th></th>
<th>Bridget</th>
<th>Cindy</th>
<th>Gaya</th>
<th>Jen</th>
<th>Josh</th>
<th>Matt</th>
<th>Patrick</th>
<th>Ron</th>
<th>Rowena</th>
<th>Scott</th>
<th>Soren</th>
<th>Sue</th>
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<tr>
<td><strong>Single Occupant Car</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>25</td>
<td></td>
<td>116</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Carpool</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
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<tr>
<td><strong>Public Transit</strong></td>
<td>32</td>
<td>100</td>
<td>26</td>
<td>110</td>
<td>10</td>
<td>480</td>
<td>25</td>
<td>120</td>
<td>100</td>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bike</strong></td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Walking</strong></td>
<td>1</td>
<td>7</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20</td>
<td>5</td>
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*Monthly business travel (outside of daily commute) in 2006:*

<table>
<thead>
<tr>
<th></th>
<th>Plane</th>
<th>Train</th>
<th>Car</th>
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</thead>
<tbody>
<tr>
<td>Bill</td>
<td>2,000</td>
<td>600</td>
<td>300</td>
</tr>
<tr>
<td>Bob. M</td>
<td>1600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bob. S</td>
<td>4,000</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Bridget</td>
<td>1500</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>Gaya</td>
<td>100</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Ish</td>
<td>1000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Josh</td>
<td>250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Patrick</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ron</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scott</td>
<td></td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Soren</td>
<td>400</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Sue</td>
<td>3000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21,000</td>
<td>1,100</td>
<td>4,470</td>
</tr>
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</table>
Office Culture
The office culture at RecycleBank is casual, friendly and open. Everyone is encouraged to communicate and interact with different departments. Most people travel extensively around, hence it is difficult to organize regular staff meetings. However, every attempt is made to organize monthly company wide meetings. In addition departments meet on a weekly basis.

Employees are given the appropriate levels of independence and guidance needed to do their jobs well. For instance, many of the positions require staff to be away from the office a lot. So long as the work is getting done and they are communicating with their supervisors, they are allowed the independence and trust to work from the necessary locations. Staff that travel a lot are also given the appropriate tools to communicate and work efficiently during travel – including PDA’s, laptop computers and wireless cards for computers.

Health, Safety and Wellbeing
The jobs at RecycleBank vary greatly and therefore so do the potential risks on the job. Employees are trained properly when using any potentially dangerous equipment. We follow OSHA standards whenever applicable.

Workplace Diversity
In the last year, there has been an effort to build diversity into the staff at an early stage. And RecycleBank has become increasingly diverse (show charts)*. However, there is a lack of diversity in the senior management and board level positions. This is not a reflection of RecycleBank’s culture, but is merely due to the nature of the waste and recycling industry. However, the company is still hiring for some management positions and to reflect the diverse needs of the staff, it will be important for the company to increase the diversity of the people in leadership positions.

RecycleBank Workplace Diversity

- Caucasian, 80%
- African American, 7%
- Eastern European, 7%
- Asian, 7%
Environmental education
RecycleBank sees environmental education as a core responsibility in the company’s mission of preserving the environment. The RecycleBank website (www.recyclebank.com) is increasingly becoming a source of environmental information, particularly in the area of waste management but also for corporate and social responsibility. In addition, we have also created an Environmental Footprint section. This section educates our users about the tangible effects of their recycling efforts. For topics in which we lack expertise, we provide links to outside organizations such as earth911.org.
RecycleBank was founded in 2004 with the belief that environmental solutions create economic opportunities. Through RecycleBank, homes earn RecycleBank Dollars that they can spend on rewards and discounts at businesses, both national and local.

Today, RecycleBank inspires people to become better citizens and smarter consumers by financially rewarding them for recycling at home. RecycleBank has three goals:

- Dramatically increase recycling rates
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