



Refillable Pressurized Cylinder Industry Stewardship Plan

Submitted to WDO: April 4, 2016

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GLOSSARY OF TERMS

Term	Definition
Accessibility	The range of options by which Ontarians can dispose of refillable pressurized SodaStream CO ₂ cylinders, taking into account such factors as the number and location of collection sites including hours of operation
Available for Collection	Estimated quantity of SodaStream CO ₂ cylinders potentially available for collection and subsequently available for 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.
Collection Rate	Metric to measure the quantity of SodaStream CO ₂ cylinders collected compared to what was available for collection. Calculated as a percentage with the numerator representing the quantity of SodaStream CO ₂ cylinders collected and the denominator representing the quantity available for collection
Collection Target	Projected quantity of SodaStream CO ₂ cylinders to be collected per annum, expressed as a percentage. 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.
Collector	An entity that is engaged in the collection of SodaStream CO ₂ cylinders, including municipalities.
Consumer	The user who makes the SodaStream CO ₂ cylinders available for recycling or disposal. See definition for Generator.
Diversion	The management and treatment of materials or products through reuse/and or recycling instead of disposal to landfill or incineration with or without energy recovery.
Diversion Rate	Metric to measure the quantity of SodaStream CO ₂ cylinders diverted. Calculated as a percentage with the numerator representing the SodaStream CO ₂ cylinders diverted and the denominator representing the quantity of the total SodaStream CO ₂ cylinders diverted plus disposed.
Depot	Facility where Generators can drop off SodaStream CO ₂ cylinders, which may have varying hours and periods of operation by season.
Equivalency Certificate	The Equivalency Certificate allows for the return of

	used SodaStream CO ₂ cylinders from the Consumer and retailers in a way that does not comply with all of the Transportation of Dangerous Goods (TDG) Regulations. It permits SodaStream to be the Shipper of Record and removes the requirements for consumers and retailers from having to be trained or from them having to document, package and mark the used cylinders for return to SodaStream for purposes of refilling the cylinders. SodaStream in turn must comply with all of the conditions of the Equivalency Certificate.
Event	Collection service operated temporarily, typically a portion of one day, at which generators can drop SodaStream CO ₂ cylinders.
Generator	Generators are the consumers who make SodaStream CO ₂ cylinders available for recycling or disposal including residents, small quantity IC&I businesses and large IC&I businesses.
Industrial, Commercial, Institutional (IC&I)	Industrial, Commercial, and Institutional
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 and Climate Change.
Industry Stewardship Organization (ISO)	Any organization (including one Steward or a group of Stewards) that submits an Industry Stewardship Plan (ISP) to WDO for review.
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 and Climate Change.
Municipal Hazardous or Special Materials (MHSM)	Goods and products sold into Ontario to Generators that result in MHSM.
Municipal Hazardous 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 Special Waste (MHSW) Program	The recycling program operated by Stewardship Ontario for the diversion of SodaStream CO ₂ cylinders and other designated MHSM.
Ministry of the Environment and Climate Change (MOECC)	Ontario Ministry of the Environment and Climate Change.
Minister	The Minister of the Environment and Climate Change in the Province of Ontario.

Ontario Regulation 542/06	The regulation under the WDA that designates MHSW
Processing	Manual or mechanical alteration of SodaStream CO ₂ cylinders for the purpose of refurbishing or recycling.
Program Request Letter	The letter from the Minister to WDO dated December 12, 2006 requiring WDO develop a diversion program for MHSW for certain categories of MHSW, including SodaStream CO ₂ cylinders.
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)	Metric to measure the quantity of SodaStream CO ₂ cylinders recycled compared to what was collected. Calculated as a percentage, with the numerator representing the quantity of SodaStream CO ₂ cylinders recycled, and the denominator representing the total amount of SodaStream CO ₂ cylinders collected through this ISP (minus the reuse, if applicable). In the MHSW Program Plan dated July 30, 2009, this is referred to as the Recycling Performance Rate.
Recycling Rate	Metric to measure the quantity of SodaStream CO ₂ cylinders recycled compared to what was available for collection. Calculated as a percentage, with the numerator representing the quantity of SodaStream CO ₂ cylinders recycled, and the denominator representing the quantity of SodaStream CO ₂ cylinders available for collection (minus reuse, if applicable). Under the MHSW Program Plan, this is called the Recycling Efficiency Rate (RER).
Recycling Target	Projected quantity of SodaStream CO ₂ cylinders to be recycled on an annual basis under the ISP, expressed as a percentage of what was available for collection (minus reuse, if applicable). Calculated by multiplying the RER target for SodaStream CO ₂ cylinders by the collection target for those materials.
Reduction	Activities by producers and Consumers to avoid the generation of waste at the source.
Reuse	The provision of a designated waste to another user for its intended purposes (e.g., refurbishment or refilling).
Reuse Target	Reuse Rates are calculated as a percentage with the numerator representing the quantity of SodaStream CO ₂ cylinders reused (after entering the program

	collection channel) and the denominator representing the quantity of SodaStream CO ₂ cylinders available for collection.
Service Provider	Companies that collect, transport and process SodaStream CO ₂ cylinders.
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.
Steward in Good Standing	A steward who is current with its financial and reporting obligations to Stewardship Ontario in accordance with the requirements of WDO.
Stewardship Ontario (SO)	The not-for-profit corporation funded by industry that operates Ontario's MHSW and Blue Box Programs.
Supplied to the market	Sold, leased, donated, disposed of, used, transferred (the possession or title) or otherwise made available or distributed in the Province of Ontario
Supply Chain	The system of handling the SodaStream CO ₂ cylinders returned to the program by including the collection system, transportation and recycling or other approved disposal options.
Visible Fee	Means a fee advertised or displayed separately from the price of the product to the Generator (e.g., Consumer), as a way to recover the cost of operating the ISP.
Waste Diversion Act (WDA)	Legislation passed in 2002 that provides for the development, implementation, operation and oversight of waste diversion programs and the ISPs in Ontario.
Waste Diversion Ontario (WDO)	The non-crown corporation that oversees Ontario's recycling programs, which currently includes: Blue Box materials, MHSW, used tires, and electrical/electronic equipment. In addition to oversight, WDO is also responsible for evaluating, approving, and overseeing ISP's.

1 INTRODUCTION

In accordance with the Waste Diversion Act (WDA), and Waste diversion Ontario (WDO), Procedures for Industry Stewardship Plans (WDO Procedures), SodaStream Canada is submitting this Industry Stewardship Plan (ISP) for its refillable pressurized carbon dioxide (CO₂) cylinders.

SodaStream is the world's largest manufacturer, distributor, and marketer of home carbonation systems. The company has its origins dating back to 1903 with a system that enabled consumers to carbonate water at home. Over the past century, SodaStream has continued to innovate and holds 65 patents and 198 trademark registrations worldwide. Today SodaStream products are sold in over 60,000 retail locations across 45 countries.

SodaStream produces and distributes a range of products that include the carbonation machines, reusable carbonating bottles, flavour mixes and CO₂ which is provided in the form of a refillable pressurized cylinder which is manufactured, refilled and safety checked by SodaStream. Each SodaStream CO₂ cylinder is supplied to the market under license such that the cylinders remain the property of SodaStream. This ISP is for the SodaStream refillable pressurized carbon dioxide (CO₂) cylinders only.

Unlike previous ISP applications that have been approved by WDO, this application is unique. SodaStream is not proposing to initiate a new service for diverting a designated waste; rather, this ISP has been initiated to recognize the existing and fully operational process already in place for diverting SodaStream CO₂ cylinders. SodaStream has been operating a comprehensive, self-managed system since starting up in Canada for the SodaStream CO₂ cylinders - a model of true extended producer responsibility. Furthermore, this ISP is for a single steward only, rather than an entire material category.

For this ISP, SodaStream has retained Reclay StewardEdge (RSE) to assist them with the ISP development and support services only. The current and ongoing management of the SodaStream CO₂ cylinders, transportation and reuse network will remain the responsibility of SodaStream Canada.

1.1 CONSULTATIONS

SodaStream is taking a proactive approach to the consultation process and has already discussed this process with some stakeholders. Additional consultations will take place as determined by WDO to allow stakeholders to give feedback and ask questions. Key stakeholders to consider in this process include:

- **Municipalities** – outreach has included reaching out to the Municipal Waste Association (MWA) MHSW Committee, Association of Municipalities of Ontario (AMO), Regional Public Works Commissioners of Ontario (RPWCO), as well as individual municipalities
- **MSHW Supply Chain** – service providers who provide MHSW management services for pressurized cylinders for municipalities in Ontario
- **Retail partners** – retail customers who sell and handle returned SodaStream CO₂ cylinders
- **Stewardship Ontario** – existing industry funding organization for MHSW program

For a complete list of potentially impacted stakeholders, please see Appendix B.

This consultation process will be inclusive and ongoing; furthermore, all stakeholders are encouraged to contact RSE or the WDO with any questions, comments, or information requests.

1.2 LEGISLATIVE BACKGROUND

SodaStream is submitting an ISP for the designated waste category of Pressurized Cylinders, as designated by Ontario Regulation 542/06 “Municipal Hazardous and Special Waste” under Phase I Materials” pursuant to the Waste Diversion Act, 2002. Section 34 of the WDA states:

“On application, Waste Diversion Ontario may approve a written plan for the purposes of this section if (a) the plan relates to a designated waste for which the Minister has approved a waste diversion program under section 26; and (b) Waste Diversion Ontario is satisfied that the plan will achieve objectives that are similar to or better than the objectives of the waste diversion program approved by the Minister. 2002, c. 6, s. 34 (1).”

This clause allows single stewards to submit ISP applications that are intended to operate as similar to, or better than, the existing program, for designated waste.

Stewardship Ontario became the designated IFO in 2006 for all Phase I MHSW. The MHSW plan, approved by WDO and the MOECC, came into effect in July 2008.

2 DESIGNATED MATERIALS

2.1 PRODUCT DEFINITION

This ISP is for the management of refillable pressurized cylinders as defined in the Ontario Regulation 542/06 Municipal Hazardous or Special Waste (O. Reg. 542/06).

“Municipal special waste” means waste that consists of any of the following materials, or any combination of them, whether or not the waste is owned, controlled or managed by a municipality: ... (b) pressurized containers”

We propose that the products included in the ISP will be limited to SodaStream CO₂ cylinders.

2.1.1 Refillable Pressurized Cylinders

The SodaStream program only accepts branded SodaStream CO₂ cylinders, irrespective of damage to the cylinder itself. Appendix A provides a copy of the shrink wrap label found on the CO₂ cylinders. Figure 1 shows a photograph of the SodaStream cylinder and its relative size:



Figure 1: SodaStream TC-3ALM Cylinder

2.2 TYPES OF GENERATORS SERVED BY THE PROGRAM

The SodaStream program manages SodaStream CO₂ cylinders used by all customers in Ontario. While the vast majority of users are residential Generators, SodaStream machines are also found in offices and some food service establishments. Our program currently handles all SodaStream branded CO₂ cylinders regardless of the Generator (e.g., resident or IC&I).

2.3 MARKET SUPPLY, CONTAINER SIZES, AND MATERIALS

SodaStream CO₂ cylinders are supplied to the market through a variety of major national retailers such as Canadian Tire, Walmart, Hudson's Bay Company, smaller independent retailers and online via www.sodastream.ca and Amazon websites. See Appendix B for a complete list of Ontario retailers who supply and exchange SodaStream CO₂ cylinders.

The aluminum cylinder is a proprietary design exclusively for SodaStream carbonation machines. SodaStream currently has two different CO₂ cylinders:

- The standard sized TC-3ALM SodaStream CO₂ cylinder holds 410 grams of CO₂ which can carbonate approximately 60 litres of water depending on the carbonation, and weighs 680 grams. See Appendix A for an enlarged photo of the standard sized SodaStream CO₂ cylinder sleeve and see Figure 1 above for a photo of the standard sized SodaStream CO₂ cylinder.
- Some machines sold through "On-Line" channels such as Amazon.ca are provided with a mini-SodaStream CO₂ cylinder which contains enough CO₂ to carbonate approximately 10 litres of water.

The quantity of SodaStream CO₂ cylinders entering the marketplace will be obtained from actual sales data provided by SodaStream on a go forward basis and will be reported in kilograms and units.

As this application is being made on behalf of a single steward, some information is proprietary. As such, SodaStream will not be able to provide some figures that may have been presented in other ISPs as it represents confidential and sensitive market information that cannot be made public.

SodaStream will provide this information to WDO both as part of the review of this ISP and for the purpose of overseeing this ISP in accordance with the Plan Agreement.

3 PROGRAM DESIGN

SodaStream's current business approach is consistent with the required components of an ISP. The following are the waste management options in accordance with the common practice pollution prevention hierarchy. The SodaStream CO₂ cylinder program first and foremost is a SodaStream pressurized cylinder exchange and refill system that has been in place since SodaStream products entered the market in Canada.

3.1 REDUCTION

SodaStream CO₂ cylinders are infinitely reused and represent a tremendous waste reduction initiative. The SodaStream machine and carbonation system has the added reduction benefit in the form of reduced beverage packaging such as aluminum cans, glass and PET bottles. For example, a SodaStream customer who uses four SodaStream CO₂ cylinders a year may reduce the need for up to 240 one litre bottles of store bought carbonated beverages per year.

3.2 RE-USE

The hallmark of the SodaStream system is the reuse of the CO₂ cylinder. Maximizing the number of reused cylinders is the core of SodaStream business. When a user runs out of gas, the empty SodaStream CO₂ cylinders can be exchanged at over 560 participating retailers in Ontario for a gas-only price. For example, the price of a full SodaStream CO₂ cylinder is reduced when the old one is brought to the retailer for exchange.

The retailers collect the empty/used SodaStream CO₂ cylinders from customers and place them into multi-trip boxes (MTB) that hold either nine (9) or eighteen (18) cylinders. The MTB are the same corrugated boxes that refilled cylinders are shipped to the retailer. The retailers collect the SodaStream cylinders and consolidate loads for shipment to SodaStream's distribution centre in Mississauga for consolidation and reshipment to the SodaStream CO₂ cylinder refilling facility in New Jersey. Retailers are trained to use the MTB containers to return the empty CO₂ cylinders as part of SodaStream's business process. However, under its Transport Canada Equivalency Certificate, SodaStream assumes command over the entire chain of custody for the cylinders from the point of the retail.

SodaStream has made significant investments in the collection, handling and refilling of their CO₂ cylinders; from the use of the MTB, a first-of-its kind tracking system, all transportation costs from retail collection. The system is designed to refill one hundred percent of their SodaStream cylinders. The current program flow is presented on the following page in Figure 2 as well as in Appendix C.

Figure 2: Current SodaStream CO₂ Cylinder Flow



SodaStream is also proposing to improved recovery performance and reduce the potential for SodaStream CO₂ cylinders that possibly “leak” into the MHSW programs with a new initiative:

MHSW Supply Chain

- Municipalities will continue to collect any SodaStream CO₂ cylinders that their residents deliver to their depots or events in the same manner they currently are now (i.e., no change).
- Transporters will collect and transport any SodaStream CO₂ cylinders that end up in municipal events or depots in the same manner that they do now (i.e., no change).
- SodaStream will offer the same MTB system to processors who handle refillable pressurized containers. SodaStream will provide them with the SodaStream MTB to ensure the CO₂ cylinders can be easily segregated from other non-SodaStream CO₂ cylinders. The processor will store and ship back the empty SodaStream CO₂ cylinders to SodaStream for refilling. The costs associated with this arrangement will be reconciled with Stewardship Ontario and re-evaluated on an annual basis (i.e., SodaStream will reimburse Stewardship Ontario for any collection and transportation costs based on the actual amount of SodaStream CO₂ cylinders that travel through the MHSW Supply Chain to the processor).

MHSW Municipal Collection

- If municipalities are interested in getting involved with this program SodaStream will provide MTB’s that will allow SodaStream CO₂ cylinders flow to be intercepted at the municipal level. Once the MTB is full, it can be collected and shipped using SodaStream’s contracted courier.

All SodaStream CO₂ cylinders that have been collected and sorted in Ontario are shipped to the facility in the New Jersey for refilling. At this facility, all SodaStream CO₂ cylinders are diagnostically tested for quality control. Cylinders that pass the test they are refilled and redistributed across Canada.

3.3 RECYCLING

SodaStream CO₂ cylinders that do not pass quality control in New Jersey are removed and sent to SodaStream’s manufacturing facility located in Israel. In Israel, the SodaStream CO₂ cylinders are refurbished and reintroduced into the market, thereby extending their useful life even longer, or they are recycled. In addition to removing cylinders that do not pass quality control when getting refilled, each SodaStream CO₂ cylinder has a date stamped into the brass valve of the cylinder which ensures that cylinders are regularly removed from inventory every five years for testing. Often the cylinders themselves are fit for reuse but the brass valve requires replacing. If the SodaStream CO₂ cylinders have reached the end of their lifecycle, they are recycled into raw aluminum and brass.

3.4 STANDARDS AND REGISTRATION/QUALIFICATION PROCESS

SodaStream applies stringent standards for the entire supply chain that are equal to or exceed existing Stewardship Ontario standards.

SodaStream has and maintains Equivalency Certificate number SU 11512 with Transport Canada¹. SodaStream is the only company in Canada to have a Certificate issued by Transport Canada for the reverse logistics program.

The explanatory note that accompanies SodaStream Equivalency Certificate is as follows:

This Equivalency Certificate authorizes the certificate holder to offer for transport and transport dangerous goods that are UN1013, CARBON DIOXIDE, Class 2.2, in a manner that does not comply with paragraph 3.5(1)(d) and Part 6 (Training) of the *Transportation of Dangerous Goods Regulations*, when the used cylinders are being transported from the consumer or retailer to a SodaStream Canada Ltd. facility or from a SodaStream Canada Ltd. facility to a SodaStream USA Refill facility for recycling, recall, replacement or disposal.

Through a quality assurance process and procedures containing sufficient information and detailed instructions for the consumer or retailer to be able to handle and offer for transport the used cylinders, the certificate holder assumes all of the shipper's duties and responsibilities related to the return of the used cylinders, and ensures that the dangerous goods are handled, offered for transport, and transported in compliance with the conditions of this Equivalency Certificate and the applicable sections of the *Transportation of Dangerous Goods Regulations*.

SodaStream has made significant investments in the approval and the responsibilities that are inherent in maintaining the Equivalency Certificate.

4 ACCESSIBILITY

SodaStream has an existing network of retailers that will exchange the SodaStream CO₂ cylinders at any approved location for a reduced price on a full SodaStream CO₂ cylinder, or accept SodaStream CO₂ cylinder returns at over 560 retail locations in Ontario. The SodaStream website (www.sodastream.ca) is designed to inform consumers on what to do with empty or unwanted SodaStream CO₂ cylinders as well as the ability to guide consumers to the most convenient approved location using geo-location software. See Appendix D for infographics from the website, which illustrate the ease and simplicity for consumers to access information related to SodaStream CO₂ cylinder exchange.

Additionally, consumers are able to access approved MHSW depots and events to return SodaStream CO₂ cylinders. SodaStream however, will not advertise this, and continue to encourage their customers to return through the existing retail network.

¹ <http://www.wapps.tc.gc.ca/saf-sec-sur/3/tdgcert-tmdcert/certificate.aspx/11512>

SodaStream will continue to look for new avenues to add to the significant network of available options for SodaStream consumers to exchange or return the SodaStream CO₂ cylinders.

5 PROGRAM PERFORMANCE

The Program Plan requires that the ISP be monitored on a quarterly basis, and assessed annually by the WDO with respect to the following targets, including but not limited to:

- a) Collection target;
- b) Reuse target;
- c) Recycling Efficiency target;
- d) Recycling target; and
- e) Diversion target

Performance targets and calculations will be based on the methods outlined in the WDO document *Data Requirements for Monitoring Effectiveness and Efficiency of Waste Diversion Programs in Ontario*

SodaStream will continue to use the current data collection system to capture all available data related to the tracking of SodaStream CO₂ cylinders.

5.1 AVAILABLE FOR COLLECTION

One hundred percent of SodaStream CO₂ cylinders supplied to the market are available for collection.

At any given time however, SodaStream CO₂ cylinders are spread across various stages of the cycle: in use by customers at their homes and places of business on their way to being emptied, or stored for use as a spare. See Appendix C for an infographic that illustrates the current SodaStream exchange process.

Under this ISP, the only change to the flow of SodaStream CO₂ cylinders presented in Appendix C will be the capture of SodaStream CO₂ cylinders that users inadvertently return to municipal MHSW depots and special events. This quantity of SodaStream CO₂ cylinders that are handled through the current refillable MHSW programs is not known or accurately tracked, but based on SodaStream's data (reviewed with WDO) is expected to be very small. Under this ISP, SodaStream will establish collection mechanisms with Ontario municipalities and/or processors to segregate SodaStream branded CO₂ cylinders from other pressurized containers and return them to SodaStream for refilling.

5.2 COLLECTION RATE TARGETS

The following collection targets have been developed to meet or exceed year five collection targets in the Consolidated MHSW (CMHSW) Program Plan. SodaStream is confident that the ISP will maintain the CMHSW targets for years 1 through 5.

In accordance with the WDO Plan Agreement, SodaStream will report a Collection Rate to WDO on a quarterly basis.

$$\text{Collection Rate \%} = \frac{\text{Total Collected}}{\text{Available for Collection}^2} \times 100$$

Table 1: Year 1 through 5 Collection Target Rates

Material	Year 1 Collection Target	Year 2 Collection Target	Year 3 Collection Target	Year 4 Collection Target	Year 5 Collection Target
SodaStream CO ₂ Pressurized Cylinder	100%	100%	100%	100%	100%

5.3 REUSE RATE TARGETS

As a result of the uniqueness of the SodaStream business model, SodaStream will also set targets for Reuse/Refurbishment of SodaStream CO₂ cylinders. Reuse Rates are calculated as a percentage with the numerator representing the quantity of SodaStream CO₂ cylinders reused (after entering the program collection channel) and the denominator representing the quantity of SodaStream CO₂ cylinders available for collection.

In accordance with the WDO Plan Agreement, SodaStream will report a Reuse Rate to WDO on a quarterly basis.

$$\text{Reuse Rate \%} = \frac{\text{Total Reuse (product reuse) + (component reuse)}}{\text{Total Available for Collection}^3} \times 100$$

It has been SodaStream’s experience since starting up in Ontario that the number of SodaStream CO₂ cylinders collected and reused exceeds the total number of cylinders available for collection. This is because SodaStream CO₂ cylinders are often refilled more than once in a calendar year. As a result, the Reuse Rate as calculated above exceeds 100%. For the purposes of this ISP, SodaStream is proposing to maintain the Reuse Rate at a minimum at 100% each year.

Table 2: Reuse Rate Target (%)

Material	Year 1 Target Reuse Rate	Year 2 Target Reuse Rate	Year 3 Target Reuse Rate	Year 4 Target Reuse Rate	Year 5 Target Reuse Rate
SodaStream CO ₂ Pressurized Cylinder	100%	100%	100%	100%	100%

² SodaStream Available for Collection is 100% supplied into market as outlined in 5.1

³ SodaStream Available for Collection is 100% supplied into market as outlined in 5.1

5.4 RECYCLING EFFICIENCY RATE TARGET

Under the WDA, landfilling, incineration and energy-from-waste are not considered recycling, and these tonnages will not be counted towards the volume of recycled SodaStream CO₂ cylinders.

In accordance with the WDO Plan Agreement, SodaStream will report RER results on a quarterly basis to WDO.

$$\text{Recycling Rate Efficiency \%} = \frac{\text{Total Recycled}}{\text{Total Collected (not refurbished or refilled)}} \times 100$$

Table 3: Recycling Efficiency Rate Target (%)

Material	Year 1 Target Recycling Efficiency Rate	Year 2 Target Recycling Efficiency Rate	Year 3 Target Recycling Efficiency Rate	Year 4 Target Recycling Efficiency Rate	Year 5 Target Recycling Efficiency Rate
SodaStream CO ₂ Pressurized Cylinder	100%	100%	100%	100%	100%

5.5 DIVERSION RATE TARGETS

Existing Stewardship Ontario processes require reporting on pressurized cylinder waste recycled as well as the amount put on the market. Since a primary objective of the SodaStream business model is to reuse SodaStream CO₂ cylinder, cylinders that fail the quality control are refurbished where possible (i.e. replace the valve) and if not, all parts including the brass valve and the aluminum cylinder if damaged are recycled into raw aluminum and brass. SodaStream will report on a Diversion Rate rather than a Recycling Rate (which would only be 98%).

In accordance with the WDO Plan Agreement, SodaStream will report a Diversion Rate to WDO on a quarterly basis. Table 4 contains the proposed targets for years one through five. Diversion Rate is calculated using the reused products plus recycled products divided by the number available for collection.

$$\text{Diversion Rate \%} = \frac{\text{Reused + Recycled}}{\text{Available for Collection}} \times 100$$

Table 4: Diversion Rate (%)

Material	Year 1 Diversion Rate	Year 2 Diversion Rate	Year 3 Diversion Rate	Year 4 Diversion Rate	Year 5 Diversion Rate
SodaStream CO ₂ Pressurized Cylinder	100%	100%	100%	100%	100%

6 PROGRAM REPORTING

As stipulated in the WDO Program Plan Agreement, SodaStream will provide quarterly updates as well as an annual public report concerning the operation and performance of this ISP. As detailed above, SodaStream will use collection, reuse, recycling efficiency (RER), and diversion rates for the purpose of reporting program performance.

6.1 INTERNAL AUDIT

Internal audit procedures will be employed on an annual basis using existing structures to confirm program performance in accordance to agreement with WDO. This includes data related to sales, returns, transportation, and shipping. SodaStream already tracks and monitors this data and more to maintain its Equivalency Certificate with Transport Canada.

7 RISK MITIGATION

SodaStream will work to mitigate any risks that may impact the achievement of the targets and objectives stated in this ISP.

- The utilization of SodaStream’s existing information monitoring and tracking system which is in accordance with its Equivalency Certificate;
- Additional training and information with municipalities and service providers concerning appropriate handling/shipping of the SodaStream MTB.

8 PROMOTION AND EDUCATION

Promotion and education activities will focus on three areas: consumer education and awareness, retail partner staff engagement and support to new supply chain municipal and service provider staff.

8.1 SUPPORT AND COMMUNICATION

Multiple communication activities will be developed to further strengthen SodaStream’s commitment to increasing public awareness and participation concerning reusable pressurized cylinders.

The SodaStream website has and will continue to serve as the primary pillar of support and communication between SodaStream and consumers. This website contains all relevant information related to retail locations that participate in SodaStream CO₂ cylinder exchange and return, as well as a list of alternative locations, such as service providers, where SodaStream CO₂ cylinders are collected. Additionally, this website contains a product registration component which permits SodaStream to communicate with their Consumers regarding any concerns related to the management or disposal of the SodaStream CO₂ cylinders. See Appendix D for images of the website illustrating this user friendly resource. These methods of consumer outreach facilitate direct

communication between SodaStream and Consumers on any matter related to the SodaStream CO₂ cylinders, including email reminders to return empty SodaStream CO₂ cylinders.

SodaStream will work with our retail partners to discuss ways that we can improve the communication that is available to customers about how the SodaStream CO₂ cylinder exchange process works and is facilitated with each retailer.

SodaStream will also undertake additional consumer research with customers to ask them how the SodaStream CO₂ cylinder exchange program can be improved.

9 PROGRAM COST AND REVENUE METHODOLOGY

SodaStream's business model operates in a closed loop, where consumers are charged for the cost of gas and are offered an incentive to exchange the SodaStream CO₂ cylinders at participating retail locations.

All program and SodaStream CO₂ cylinder management costs covered under this ISP are now and will continue to be funded by SodaStream. This includes all costs associated with cylinder management including: collection, transportation, cylinder refilling, quality control and lastly recycling of end-of-life cylinders.

There will be no visible fee as part of this ISP.

10 IMPROVING PROGRAM EFFICIENCY

SodaStream is committed to improving program efficiency as the program matures. To facilitate this, we are intent on working with stakeholders to continuously recover feedback and apply changes as necessary to ensure the success of the program and its' objectives.

There are a number of other activities that will contribute to the improvement of program efficiency, including but not limited to:

- Increased promotion and awareness to retailers about the SodaStream CO₂ cylinder exchange/return program;
- Enhanced outreach and communication with SodaStream consumers;
- Intercept SodaStream CO₂ cylinders to avoid potential for leakage outside of proper exchange and return channels; and
- Conduct research and polling related to consumer behaviour and awareness concerning recycling

11 MOVING FORWARD

SodaStream is keen on having continued interaction with the WDO and all relevant stakeholders concerning the continuation and enhancement of the SodaStream CO₂ cylinder exchange program in

Ontario. In order to move forward, we have summarized our commitments and objectives with relevant stakeholders during the consultation process:

Service Providers

- Existing MHSW service contracts will be undisrupted by this ISP.
- Develop relationships with additional service providers to increase provincial coverage
- Conduct consultations to maximize the efficiency of collection and transportation of empty SodaStream CO₂ cylinders

Municipalities

- Conduct consultations with key municipalities to address any concerns related to this ISP;
- Provide the option of participating in the ISP, but if no involvement is desired, nothing will change from the existing MHSW program.

Retailers

- Provide additional information booklets to retailers to provide to employees responsible for in-store exchanges and returns;
- Provide information with or near the product to educate consumers on what to do with the empty SodaStream CO₂ cylinders;
- Conduct telephone interviews to ensure retailers continued commitment to the program

Stewardship Ontario

- Any potential issues or impacts on Stewardship Ontario and other pressurized container stewards have already been resolved.

sodastream
up to
jusqu'à
60L*

Earth Friendly
Lower emissions to recycle or reuse
Less transportation

Net Wt. 410g CO₂ 14.5 oz.
CO₂ Carbonator / Cylindre de CO₂
*Depending on level of carbonation and type of soda maker
*Varie selon les niveaux de gazéification et la machine utilisée

Carbon Dioxide
Dioxyde de carbone

U

NON-FLAMMABLE
GAS
2

Imported by / Importé par:
Canada:
SodaStream Canada Ltd.
5450 Explorer Drive, Suite 202
Mississauga, ON
L4W 5N1
Tel: 1.877.436.5866
www.sodastream.ca

CO₂
UN 1013
DOT Approved
TC Approved

8 1136910012211

SODASTREAM CYLINDER- UNDER LICENSE
for use with suitable home soda makers only

This SodaStream Cylinder is provided under license and remains the property of Soda-Club (CO2) SA or its affiliates. It should only be maintained and refilled by SodaStream. Unauthorized refilling of SodaStream Cylinders by third parties could be risky, illegal and may violate SodaStream's rights. SodaStream only warrants the safety of SodaStream Cylinders refilled by it, bearing a SodaStream safety valve seal. When empty, please return this Cylinder to SodaStream or to an authorized SodaStream dealer in exchange for a full SodaStream Cylinder, for the price of the gas refill only, or you may return this Cylinder in good condition without exchanging it and receive a return fee of \$1.

WARNING – CONTENTS UNDER PRESSURE

1) Do not expose the Cylinder to heat or direct sunlight or store at temperatures above 120°F/50°C. 2) Do not tamper with this Cylinder in any way, including puncturing, incinerating or removing the valve. 3) Keep out of reach of children. 4) Never remove the Cylinder from the soda maker while gas is flowing into the bottle. 5) Never screw a Cylinder into your home soda maker while a bottle is in position.

This Cylinder was filled and checked by SodaStream International BV, Provincienbaan 16, 5121 DL RIJEN, NL, or on its behalf.

SODA-CLUB and SODASTREAM are trademarks of Soda-Club (CO2) SA or its affiliates.

CYLINDRE SODASTREAM - SOUS LICENCE
Pour l'utilisation uniquement avec des modèles appropriés d'appareils de gazéification

Ce cylindre SodaStream est fourni sous licence et demeure la propriété de Soda-Club (CO2) SA ou de ses affiliés. Il doit être entretenu et rempli par SodaStream seulement. Le remplissage non autorisé des cylindres SodaStream par des tiers peut être dangereux, illégal et viole les droits de SodaStream. SodaStream garantit uniquement la sécurité des cylindres SodaStream qu'elle ait rempli par SodaStream, et portant la soupape de sécurité SodaStream. Lorsqu'il est vide, veuillez retourner ce cylindre à SodaStream ou à un revendeur agréé de SodaStream en échange pour un cylindre SodaStream plein, pour le prix de la recharge de gaz seulement; vous pourrez retourner ce cylindre en bon état, sans l'échanger, et recevoir une remise de \$1.

AVERTISSEMENT – CONTENUS SOUS PRESSION

1) N'exposer pas le cylindre à la chaleur ou aux rayons directs du soleil à des températures supérieures de 50°C/120°F. 2) N'essayer pas de démonter de cylindre dans aucune manière, ni le perforer, ni l'incinérer ou retirer la valve. 3) Gardez les cylindres hors de portée des enfants. 4) Ne retirer jamais le cylindre de l'appareil de gazéification tandis que le gaz s'introduit dans la bouteille. 5) Ne pas visser un cylindre dans la machine lorsque la bouteille plastique est en position.

Ce cylindre a été rempli et vérifié par SodaStream International BV, Provincienbaan 16, 5121 DL RIJEN, NL, ou pour son compte.

SODA-CLUB et SODASTREAM sont des marques de commerce de Soda-Club (CO2) SA ou de ses affiliés.

Reuse Save Money!
When Empty: Swap and save!
Bring your empty carbonator to any participating SodaStream retailer and take home a full one for a special 'Exchange Only' price.

Réutilisez Faites des économies!
Lorsque vide: échanger et faites des économies !
Amenez votre carbonateur vide aux détaillants agréés de SodaStream et achetez-en un plein pour le prix de son contenu en gaz uniquement.

For Cylinder refills, other orders or questions:
Pour remplir le cylindre, vos autres commandes ou questions:

Canada:
Tel: 1.877.436.5866
www.sodastream.ca

APPENDIX B – LIST OF POTENTIALLY IMPACTED STAKEHOLDERS

Industry (Service Providers who have handled pressurized cylinders)

- Buckham Transport
- Clean Harbours
- Drain-All Ltd.
- Hotz Environmental
- Photech
- Veolia Canada Services

Municipal

- Ontario municipalities represented by Municipal Waste Association (MHSW Committee), Association of Municipalities of Ontario (AMO), Regional Public Works Commissioners of Ontario (RPWCO), and individual municipalities

Public

- Consumers

Retailers who Supply and Handle Returned SodaStream CO₂ Cylinders

- Alliance Coffee
- Beans in a Tree
- Bed Bath & Beyond
- Bradshaws
- Canadian Pure Filtered Water
- Canadian Tire
- COOK IT
- Dolce & Gourmando
- Ecoexistence
- ECS Coffee Inc
- Equipment
- FeelGood Natural Health Store & Clinic
- Fulford Kitchenware
- Goodness Me Natural Food Market
- Grace in the Kitchen
- Half Full Glassware & Accessories
- Home Comfort Centre
- Home Hardware
- Home Outfitters
- IQLIVING
- Jill's Table
- Kitchen Bits
- Kitchen Stuff Plus

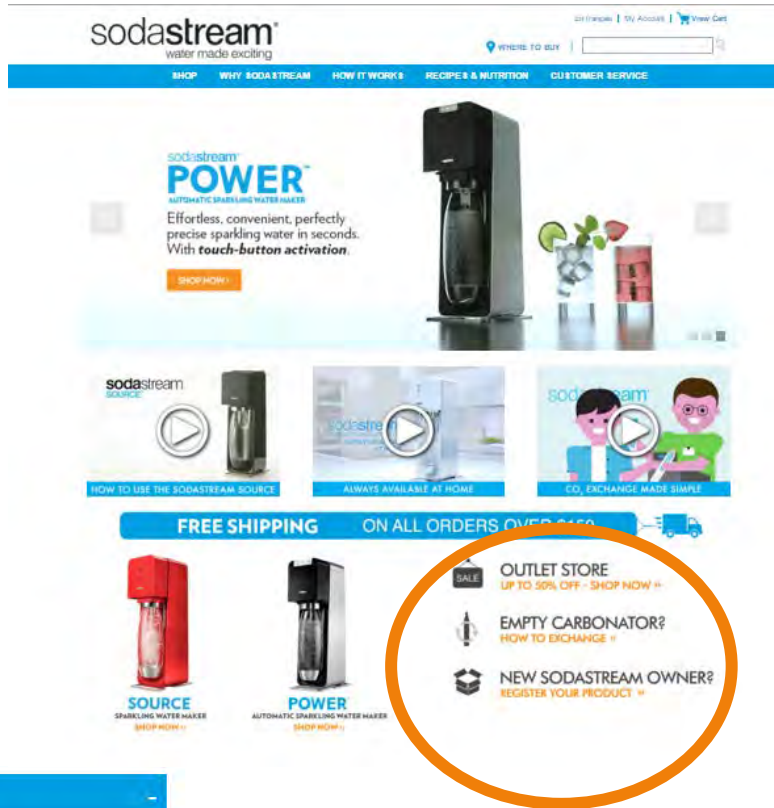
- Kitchenomics
- Linen Chest
- Markcol Distribution
- Nella Cutlery
- Personal Edge
- Planet Organic Market
- S.T.O.P Restaurant Supply
- Sears Canada
- Staples
- The Bay
- The Chef's Paradise~Le Paradis du Chef
- Walmart Canada
- Water Depot (4 locations at this time)
- Williams Food Equipment

APPENDIX C – CURRENT SODAStream CO₂ CYLINDER FLOW



APPENDIX D – WEBSITE EXCHANGE INFORMATION

Figure 3: SodaStream Website



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Figure 3: Illustrates user-friendly primary page of the SodaStream website which clearly displays links for “Empty Carbonator”: How to Exchange” and “New SodaStream owner: register your product”

WHAT DO I DO WITH MY EMPTY CARBONATOR?

When your carbonator runs out of gas, you need an EXCHANGE carbonator. Bring your empty carbonator(s) to any participating retail location. The retailer will exchange your empty carbonator for a full one on the spot, for the price of the gas contents only.



Figure 4: What to do with empty SodaStream CO₂ cylinders?

WHERE CAN I EXCHANGE MY CARBONATOR?

TOP QUESTIONS ABOUT CARBONATORS

Figure 5: Where Can I Exchange my SodaStream CO₂ cylinder?

WHERE CAN I EXCHANGE MY CARBONATOR?

Bring your empty carbonator to any participating local retailer that stocks exchange carbonators. Bed Bath & Beyond, Canadian Tire, Home Outfitters, The Bay and Wal-Mart are some national retailers that carry exchange carbonators. When you return your empty carbonator, the retailer will sell you a full one for the price of the gas contents only. Most retail locations carry the 60L exchange carbonators only.

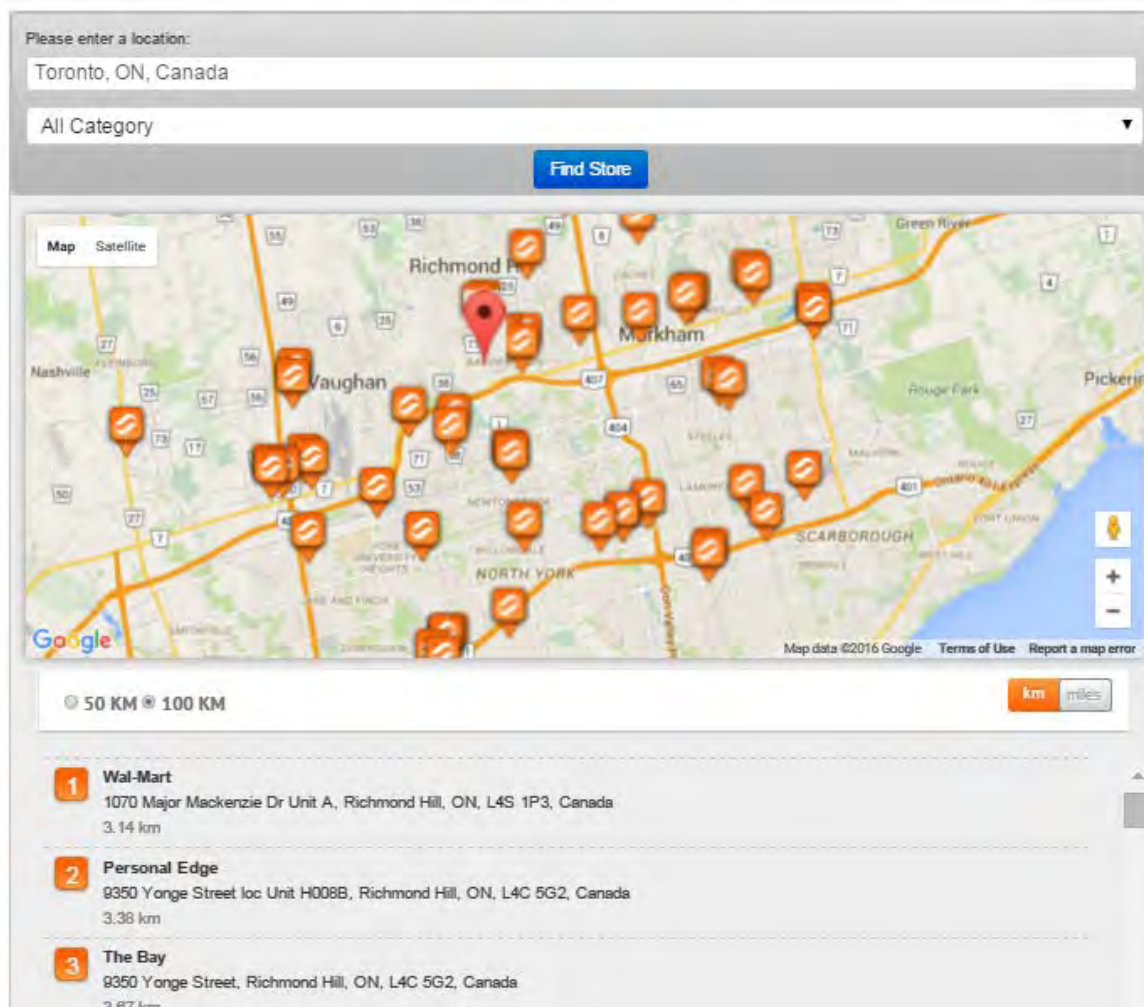


Figure 5 exemplifies the ease of locating multiple participating retailers for SodaStream CO₂ cylinder exchange using the personalized geo-location software.

Step 1: Enter your location

Step 2: Refine your radius (50 km or 100 km)

Step 3: Choose the optimally accessible location for your SodaStream CO₂ cylinder exchange

APPENDIX E – TRANSITION PLAN

The Transition Plan is intended to provide additional information and clarify any direct impact to stakeholders as a result of this ISP application. This transition plan for SodaStream however, will be unique as a result of the programs current operational status.

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

a. What would change for consumers?

b. Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes

As a result of the fully operational status of the program, nothing would change from a consumer's perspective as the ease and accessibility for SodaStream CO₂ cylinder exchange and returns remains the same.

As detailed above, the program is currently operational and as a result the program would remain the same from a consumer, retailer, and municipal perspective. With respect to service providers however, the only modification to the current process is the provision of an MTB box to the service provider to collect and segregate the SodaStream CO₂ cylinders. These cylinders will then be shipped to the distribution centre in Mississauga prior to being shipped for testing and refurbishment or recycling, all of which will be at SodaStream's cost.

2. What would change for stewards?

a. Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes.

Not applicable.

b. Discuss the extent of fragmentation from a steward perspective, which could be caused by the need for a steward to report to the ISO (for the ISP materials), to the IFO (for remaining materials in the 'basket of goods' that would continue to be managed by the IFO), and/or to other ISOs should WDO approve ISPs for other materials in the 'basket of goods' in the future

Not applicable.

3. What would change for municipalities?

a. Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes.

Existing programs and structures would remain the same. Municipalities however, will have the option to 'opt-in' and participate in the program. In the event that Municipalities want to get involved, an MTB box will be supplied for the collection and segregation of SodaStream CO₂ cylinders, which will be shipped to the Distribution Centre in Mississauga. The MTB as well as the shipping will be at a cost to SodaStream. Additionally, any shared transportation related to municipal involvement will be reconciled with Stewardship

Ontario on an annual basis.

- b. If the ISP would impact any contracts between municipalities and waste management companies, then describe how the ISO proposes to address these impacts.

Not applicable.

- c. Establish a plan to provide and consult with municipalities on an operational plan before full implementation of the plan, if the ISP is approved.

This ISP will not impact any contracts between municipalities and waste management.

4. What would change for service providers?

- a. Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes. For example, are there any changes proposed for:

- Collection channels

No change.

- Collection, transportation, or processing standards?

No change.

- Compensation

SodaStream proposes that service providers continue to participate in the same way they currently participate with respect to the MHSW program. SodaStream will supply service providers with the necessary MTBs to segregate SodaStream branded CO₂ cylinders when processing. The costs associated with this arrangement will be reconciled with Stewardship Ontario and re-evaluated on an annual basis.

- Reporting

No change.

- b. Discuss how any existing service provider contracts between IFOs, municipalities or collection sites would be addressed (e.g., would they be assigned?).

Not applicable

- c. Discuss any changes to how service providers would be selected for the new system (e.g., eligibility requirements, RFP process, etc.), and the timelines for implementing those changes.

There are no plans to change existing couriers and service providers.

- d. Establish a plan to provide and consult with service providers on an operational plan before full implementation of the plan, if the ISP is approved.

Not applicable.

5. Outstanding Issues and Making Changes after the ISP's Approval

- a. If after the ISP is approved, the ISO determines that additional changes are required to those proposed in the ISP, explain the ISO's process for consultation with affected stakeholders.

For any proposed changes, SodaStream will consult with the impacted stakeholders using the communication method preferred by that stakeholder group.

- b. Discuss how the proposed changes will be communicated to stakeholders.

Types of consultation can include written and oral communication, individual or group meetings, as well as committee meetings.

- c. Outline any other outstanding concerns that would be addressed between the ISO and each stakeholder group.

Stakeholder consultation is ongoing and SodaStream will continue to work with all impacted parties to ensure any outstanding concerns are addressed in a timely manner.

6. How would program performance change?

- a. Explain how the ISO expects program performance could change in the first year and thereafter.

SodaStream will use the performance metrics required by the ISP procedures, specifically using collection, diversion, and reuse rates.

- Discuss the challenges the ISO could face in transitioning the system.

Not applicable.

- Outline the steps the ISO would take to monitor the transition and address challenges.

Not applicable.

- b. Explain any changes to how materials would be recycled. Discuss the processes and end-uses that would or could be used, and the rationale for any changes from the existing system.

There will be no changes to the method SodaStream is currently managing SodaStream CO₂ cylinders that fail quality control; cylinders that cannot be refurbished are recycled in Israel into raw aluminum and brass.

7. Identify any challenges that would need to be addressed between the ISO and IFO.
 - a. Outline any outstanding concerns or requirements.
Not applicable.

8. Prepare a Communications Strategy & Materials for Transitioning to the New System.
 - a. Describe the expected communications strategy to communicate the transition from the existing system to the new system to key stakeholder groups.
A communication strategy will be provided to service providers and municipalities who opt-in to the program. This will include key aspects related to the provision of MTBs and compensation for collecting and separating the SodaStream CO₂ cylinders.

9. Provide a Summary of the Proposed Timeline for Implementation of the ISP.
 - a. Provide a timeline (e.g., with a graphic) that includes key activities and dates for key announcements/decision points. Include activities proposed for before and after the ISP's consideration by the WDO Board.

Under the ISP, the program will take effect and exit the Stewardship Ontario MHSW Program on the same day, April 13, 2016 following WDO approval.

Summary of Proposed Timeline	
WDO Related Matters	Dates
Ontario ISP Development and Task List	Ongoing
Submission of Draft ISP to WDO for Consultation	January 28, 2016
Submission of Final ISP to WDO for consideration	March 22, 2016
Decision of WDO Board on SodaStream proposed ISP	April 14, 2016
Proposed Effective Date (to be determined by WDO)	April 15, 2016
Service Providers	
Initiate discussion with voluntary participating municipalities and processors	February 1, 2016
Finalize contract and compensation discussion model for transportation and collection	April 4, 2016
Municipalities	
Consultation process	Ongoing
Stewardship Ontario	
Finalize compensation scheme for the removal of SodaStream CO ₂ cylinders with Stewardship Ontario	TBD
Retailers	
Finalize educational materials to be supplied to retailers	Ongoing