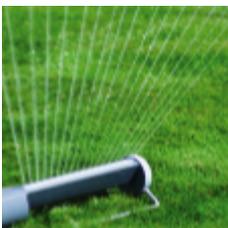




## **ECPA's Guidelines for Collection and Recovery Schemes**



## **Recycling of Crop Protection Plastic Containers**



## **Management of Reprocessors and Recyclers**

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## 1. Purpose

To provide guidelines to collection and recovery schemes established by the European Crop Protection industry on the management of Reprocessors and Recyclers (Referred to in this document as *Toll Manufacturers*) of Crop Protection containers.

Note:

Toll Manufacturers have a major part to play in the control and minimisation of the hazard associated with new products manufactured from crop protection containers. The management of Toll Manufacturers includes process safety, worker health and safety and the environment.

ECPA has identified two main objectives for Toll Manufacturers:

*Reprocessors* – to ensure that plastic chips made from decontaminated crop protection plastic containers do not contain more than a total of 0.1% of T+ active ingredients.

*Recyclers* – to ensure that products made from the plastic chips do not contain more than a total of 0.01% of T+ active ingredients

## 2. Background

ECPA is committed to encouraging the recycling of crop protection plastic containers into new products to conserve valuable resource. However, ECPA recognises that there is a need to ensure that the reprocessing and recycling of containers into new products is safe to health and the environment.

To ensure a consistent approach to the management of Toll manufacturers, ECPA together with European collection and recovery schemes has developed these written guidelines.

In developing these guidelines ECPA has drawn on the good practice and experience of collection schemes in South and North America. Carefully managed the recycling in these regions has proven to be a safe way of disposing of crop protection containers with significant benefits to the environment.

## 3. Principles and Scope

### 3.1 Principles

3.1.1 Affecting this guidance:

1. Schemes should limit the number of Toll Manufacturers that they use so that close working relationships and trust can be built up between both parties.
2. Toll Manufacturers should be subject to a full selection and approval process the results of which should be documented.
3. The performance of Toll Manufacturers should be measured and improved.

4. The mutual responsibilities and liabilities of the Scheme and Toll Manufacturer must be subject to a legally binding contract.

3.1.2 Affecting recycling of containers as a whole:

1. These principles and guidelines are recommended to any organisation wishing to recycle crop protection plastic containers.

2. In the first three years of recycling by a scheme only industrial recycled products shall be manufactured.

3. Schemes must not recycle crop protection plastic containers into products destined for the food, drink, pharmaceutical, toy, furniture, veterinary, pet, clothes and hobby garden sectors

4. End uses must be safe, economic, technically sound and socially acceptable.

5. Expert guidance will be given by ECPA to Schemes to help them:

- Decide if a Recycled Product is acceptable and will include an assessment of the risk to health and the environment.
- In the selection and management of Reprocessors and Recyclers.

6. Schemes should maintain comprehensive records of their recycling activities

7. Risk assessments are country and Recycler specific

### 3.2 Scope of the guideline

1. This guideline is addressed to all Schemes established by the industry operating within Europe.

2. Each Scheme is expected to implement these guidelines and ensure that any action taken meets the legal and current practice in their country.

## 4. Definitions

Toll Manufacturer:

Means Reprocessors and Recyclers

Recycling:

ECJ Judgment 2003:” `Recycling’ within the meaning of Article 3(7) of European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste is to be interpreted as not including the reprocessing of metal packaging waste when it is transformed into a secondary raw material” (such as plastic chips), “but as covering the reprocessing of such waste when it is used to produce” new products.

For the purposes of this guideline creating plastic chips (secondary raw material) from containers is defined as 'reprocessing' and the process of producing new products from the chips as 'recycling'. The word 'shreds' is used to describe the material that is produced from reducing the volume of containers at collection sites.

It is acknowledged that frequently the Reprocessor will be the same company as the Recycler.

Note: A new Waste Framework Directive is being proposed by the European Union in which the existing Waste Framework and Hazardous Waste Directives are being combined. In early drafts of the new directive 'Recycling' is defined as follows:

" Recycling means the recovery of waste into products, materials or substances whether for the original or other purposes. It does not include energy recovery"

Further the new draft also states:

" With a view to determining whether it is appropriate to deem certain waste to have ceased being waste, to have completed reuse, recycling or recovery operation, and to classify that waste as secondary products materials or substances, the Commission shall assess whether the following conditions are met:

- (a) Reclassification would not lead to overall negative environmental impacts;
- (b) A market exists for such a secondary product, material or substance "

It is believed that this guideline meets many of the possible new WFD requirements.

#### Recycled Product:

Is a new article designed and manufactured from crop protection container waste for sale or demonstration purposes.

#### End Use:

For the purposes of this guideline 'end use' means intended uses that appear on any recycled product label, in leaflets or are recommended by word of mouth.

## **5. Accountability**

The Management of any European scheme established by the industry is accountable for ensuring that:

- Toll Manufacturing is carried out in accordance with this guideline.
- Each Toll Manufacturer is authorised
- Contractual arrangements are drawn up and agreed with the Toll Manufacturer
- That the person(s) responsible for the management of Toll Manufacturers has the appropriate type and level of qualification, skills and experience required.
- Records are kept as outlined in this guideline

## 6. Guidelines

The guidance given below consists of four main sub processes:

### **6.1 The selection and approval of Reprocessors and Recyclers**

The aim of this process is to select Toll Manufacturers that can routinely meet the industry's requirement for Quality, Health, Safety and Environmental protection.

Step 6.1.9 of this guidance links to the Risk Assessment guideline Step 7

### **6.2 Performance Improvement**

The aim of this process is to ensure that the required level of performance is maintained and improved at Toll Manufacturers so that new raw materials and products are produced effectively.

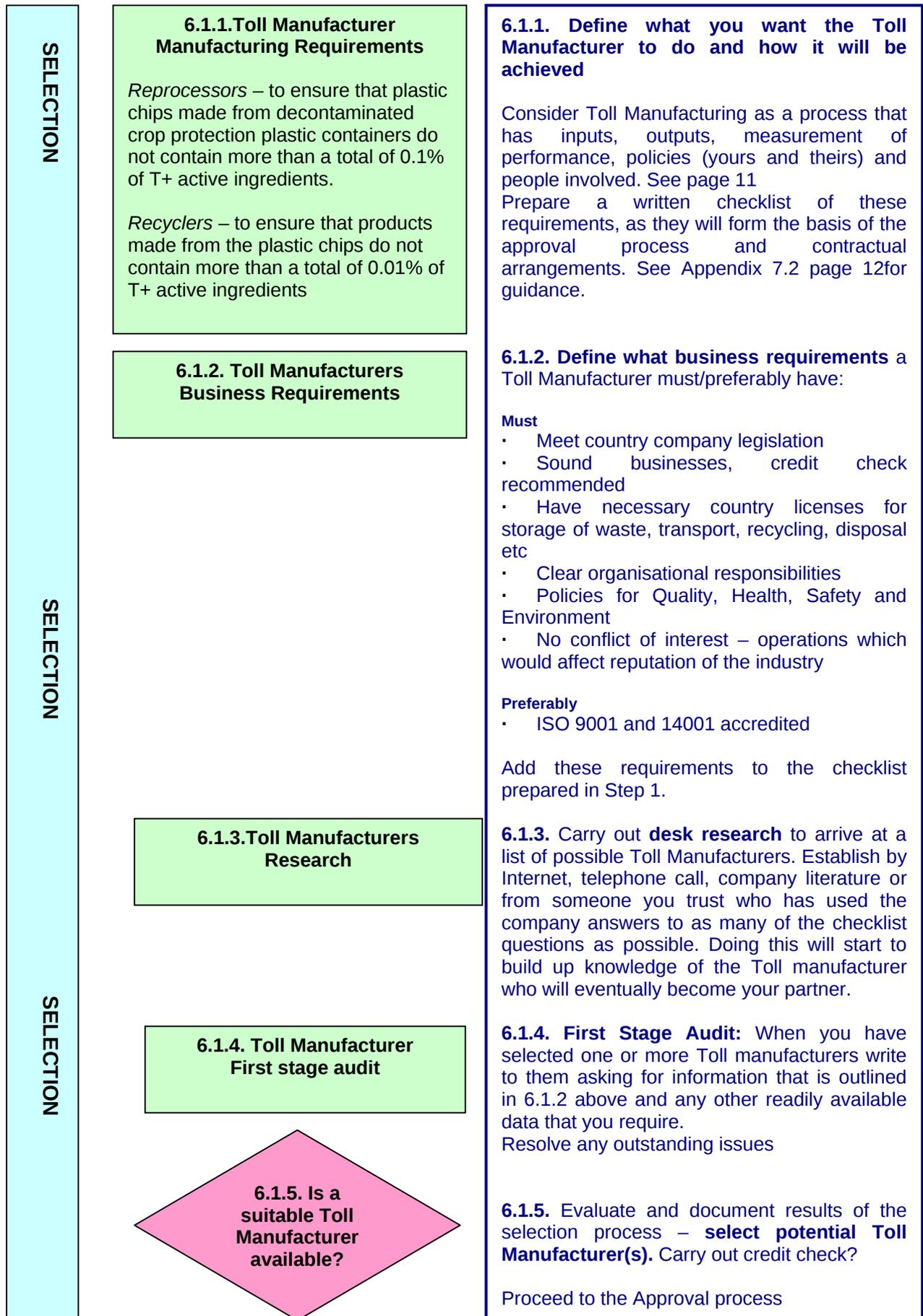
### **6.3 Contractual Arrangements**

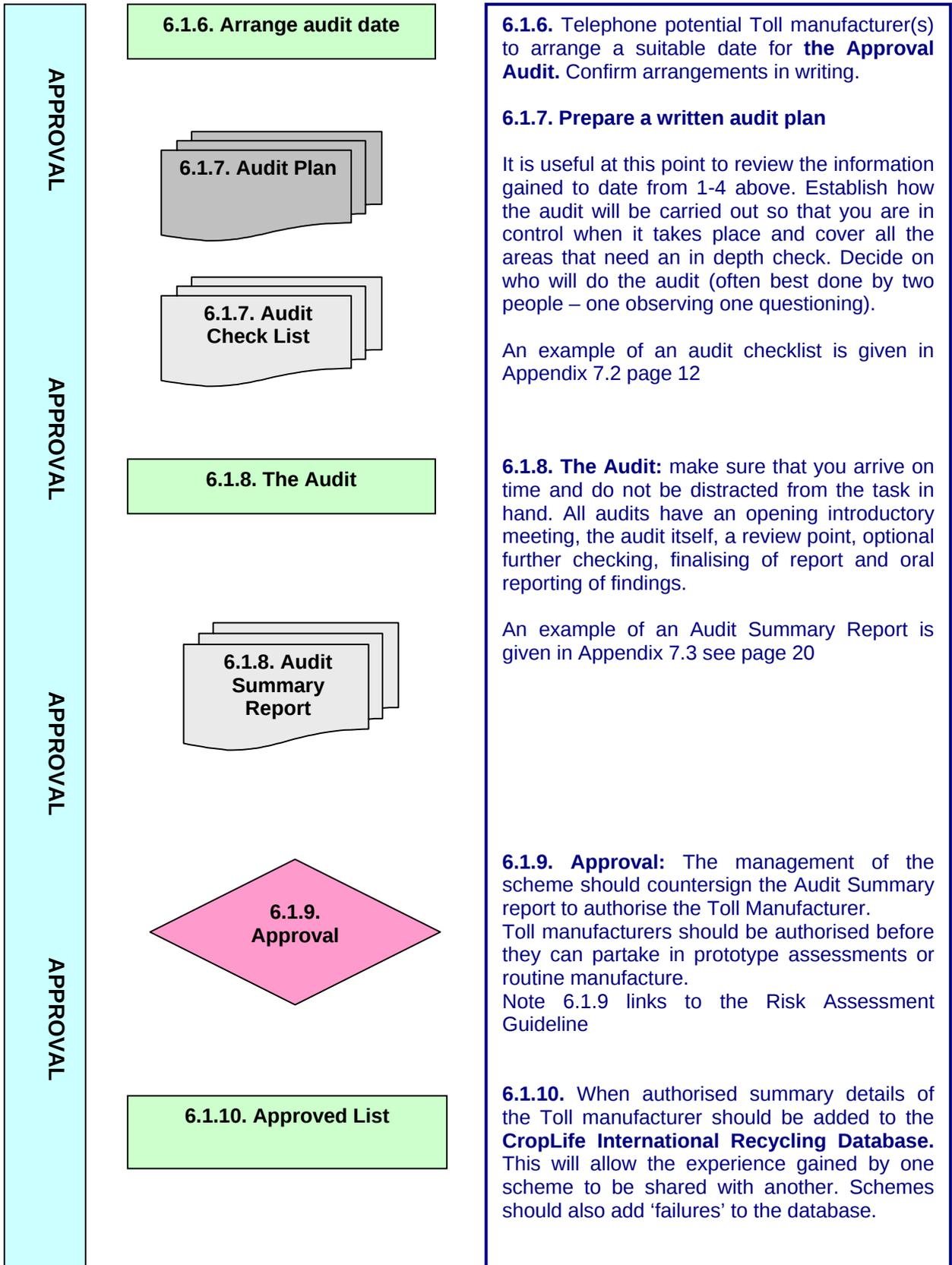
The aim of this process is to agree and write down the separate and joint responsibilities of the Scheme and the Toll Manufacturer

### **6.4 Improvements in Reprocessing and Recycling**

The aim of this process is to ensure that Schemes are given the opportunity to exchange information and best practice to improve their reprocessing and recycling performance.

## 6.1 The selection and approval of Reprocessors and Recyclers







### 6.3 Contractual Arrangements

A form of contract used by inpEV with Reprocessors and Recyclers is attached as appendix 7.4 page22. The contract should additionally clearly state the following:

Reprocessors:

That the new raw material must contain less than 0.1% total of T+ active ingredient established by means of Method DO505

Recyclers:

That new Recycled Products must contain less than 0.01% total of T+ active ingredient established by means of Method DO505 Two independent analytical results are needed if the reprocessed material is already >0.01%

Reprocessors and Recyclers

A plan for the disposal of waste associated with the manufacturing processes should be agreed with the scheme and referenced in the contract

### 6.4 Improving reprocessing and recycling

ECPA should ensure that Schemes have the opportunity of exchanging experiences and developing new more effective ways of working. This may include:

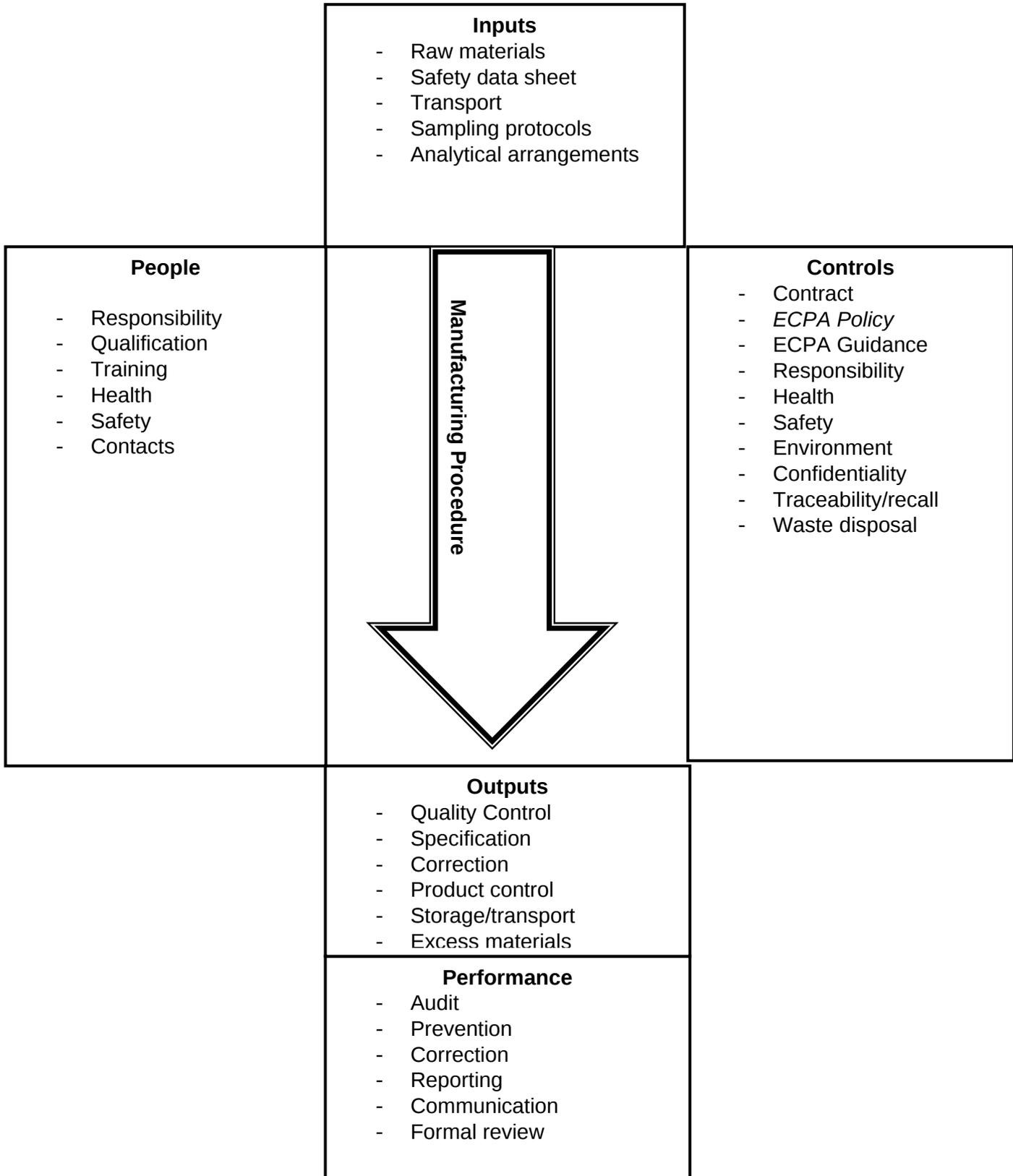
- The establishment of a CropLife International recycling database
- Support for Managers of Schemes to meet annually to exchange information and best practice
- Access to expert help<sup>1</sup>

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<sup>1</sup> ECPA PTEG

## 7. Appendix

### 7.1 Checklist of items for defining requirements of Toll manufacturers



## 7.2 Audit checklist

### 1. General Information

Name of Company: \_\_\_\_\_  
 Managing Director: \_\_\_\_\_  
 Address of Company: \_\_\_\_\_  
 Headquarters: \_\_\_\_\_

### 2. Possible conflicts of interest:

### 3. Site Information

Name/Location of Facility: \_\_\_\_\_  
 Address of Facility: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Audit Contact: \_\_\_\_\_  
 Facility Manager: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Safety Manager: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Environmental Manager: \_\_\_\_\_ Telephone: \_\_\_\_\_  
 Site History: \_\_\_\_\_  
 Previous Owners: \_\_\_\_\_  
 Former Operations at Location: \_\_\_\_\_  
 Large Chemical or Waste Spills at Location: \_\_\_\_\_  
 Historic Soil Contamination? \_\_\_\_\_ Cleaned up? \_\_\_\_\_  
 Historic Groundwater Contamination? \_\_\_\_\_ Cleaned up? \_\_\_\_\_  
 Governmental Actions at Facility: \_\_\_\_\_  
 Legal Orders, Notices, Fines, etc. \_\_\_\_\_

Wastes that are already produced at the facility:

### 4. Community Information

Area Classification:  
 Urban: \_\_\_\_\_  
 Commercial: \_\_\_\_\_  
 Industrial: \_\_\_\_\_  
 Rural: \_\_\_\_\_  
 Low Population Density: \_\_\_\_\_  
 High Population Density: \_\_\_\_\_

Distance to Nearest:  
 Residence (Dwelling): \_\_\_\_\_  
 School: \_\_\_\_\_  
 Playground: \_\_\_\_\_  
 Hospital: \_\_\_\_\_  
 Nursing Home: \_\_\_\_\_  
 Business: \_\_\_\_\_

Surface Waters that could receive run-off or spills from the location:

Rivers/Streams: \_\_\_\_\_ meters  
 Lakes/Ponds: \_\_\_\_\_ meters  
 Wet Lands/Marshes: \_\_\_\_\_ meters  
 Sea/Bay/Ocean: \_\_\_\_\_ meters

Area Weather/Natural Conditions:

Subject to Flooding: \_\_\_\_\_  
 Other: \_\_\_\_\_

**5. Regulatory Information**

Major environmental, safety and health laws (regulations) governing activities at the site.

List and briefly explain all significant governmental permits and licenses governing operations at the facility

List governmental agencies with authority over the facility:

List previously conducted audits/inspections that have been conducted at this site by government agencies in the last 5years:

Discuss any infractions reported as part of any governmental audits/inspections, the corrective action taken and the current status:

List any formal violation notices or fines received within the past 5 years:

**6. Air Pollution Prevention**

Briefly discuss the facility's program for controlling atmospheric pollution from its normal operations and activities.

Describe air pollution control equipment used at the facility to control atmospheric emissions from its normal operations and activities, such as scrubbers, absorbers, flares, incinerators, etc.

Describe the facility's emergency equipment used to control air pollution during abnormal operations, such as scrubbers, absorbers, flares, incinerators, water curtains, deluge systems, fire systems, etc.

Discuss the facility's procedures for controlling odours from its operations and describe its program for handling neighbour (community) odour complaints.

Discuss the facility's management practices for control of toxic chemical releases to the atmosphere.

Discuss any past incidents involving the community, such as off-site injuries or neighbourhood evacuations resulting from emergencies at the facility.

Discuss the facility's compliance status with laws and permit requirements related to air pollution prevention. Specify any requirements that the facility does not currently meet or requirements that it has difficulty in maintaining compliance.

**7. Water Pollution Prevention**

Briefly discuss the facility's program for controlling water pollution from its normal operations and activities.

Processes Waste water Disposal:

- Treated before disposal\_\_\_\_\_ Describe pre-treatment system\_\_\_\_\_
- Discharged to surface water (ditch, river, stream, lake, pond, bay, sea)\_\_\_\_\_
- Discharged to a public or private sewer system\_\_\_\_\_
- Discharged to an underground disposal system (septic, leach, dry well)\_\_\_\_\_
- Discharged to an underground injection well\_\_\_\_\_
- Evaporation system\_\_\_\_\_
- Recycle system\_\_\_\_\_
- Off-Site disposal\_\_\_\_\_

Storm water Disposal:

- Treated before disposal\_\_\_\_\_ Describe pre-treatment system\_\_\_\_\_
- Discharged to surface water (ditch, river, stream, lake, pond, bay, sea)\_\_\_\_\_
- Discharged to a public or private sewer system\_\_\_\_\_
- Discharged to an underground disposal system (septic, leach, dry well)\_\_\_\_\_
- Discharged to an underground injection well\_\_\_\_\_
- Evaporation system\_\_\_\_\_
- Recycle system\_\_\_\_\_
- Off-Site disposal\_\_\_\_\_

Discuss the facility's program for preventing chemical and waste spills and the procedures and equipment available for spill clean up.

Comment on spill prevention, control and countermeasure provisions at the following waste management locations:

Drum Storage Areas:

Indoors \_\_\_\_\_ Outside \_\_\_\_\_  
Concrete Floor \_\_\_\_\_ Curbed \_\_\_\_\_ Bunded (Diked) \_\_\_\_\_  
\_\_\_\_\_  
Collection Sumps or Other Secondary Containment \_\_\_\_\_  
Sewer Drains \_\_\_\_\_ Valves Closed \_\_\_\_\_ Plugged \_\_\_\_\_

Tank Storage Areas:

Indoors \_\_\_\_\_ Outside \_\_\_\_\_  
Concrete Floor \_\_\_\_\_ Curbed \_\_\_\_\_ Bunded (Diked) \_\_\_\_\_  
\_\_\_\_\_  
Collection Sumps or Other Secondary Containment \_\_\_\_\_  
Sewer Drains \_\_\_\_\_ Valves Closed \_\_\_\_\_ Plugged \_\_\_\_\_

Treatment Areas:

Indoors \_\_\_\_\_ Outside \_\_\_\_\_  
Concrete Floor \_\_\_\_\_ Curbed \_\_\_\_\_ Bunded (Diked) \_\_\_\_\_  
\_\_\_\_\_  
Collection Sumps or Other Secondary Containment \_\_\_\_\_  
Sewer Drains \_\_\_\_\_ Valves Closed \_\_\_\_\_ Plugged \_\_\_\_\_

Waste Disposal Areas:

Synthetic and/or Natural Liners and Caps \_\_\_\_\_  
Stormwater Collection Systems \_\_\_\_\_  
Leachate Collection Systems \_\_\_\_\_  
Groundwater Collection or Intercept Systems \_\_\_\_\_  
Groundwater Monitoring Wells \_\_\_\_\_

Discuss the facility's compliance status with laws and permit requirements related to water pollution prevention. Specify any requirements that the facility does not currently meet or requirements that it has difficulty in maintaining compliance.

**8. Groundwater**

Briefly discuss the facility's groundwater protection program and any indications of contamination due to facility activities.

Discuss current or potential uses of groundwater near the facility, such as drinking water, agricultural irrigation, etc.

Is groundwater monitoring done at the site? Yes \_\_\_\_\_ No \_\_\_\_\_

Is the monitoring plan approved by govt. agencies? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, answer the following:

Is monitoring the result of site contamination? Yes \_\_\_\_\_ No \_\_\_\_\_

Give location and number of wells on site:

Is analysis done on each well sampled? Yes \_\_\_\_\_ No \_\_\_\_\_

How often are wells sampled? \_\_\_\_\_

Who does the analysis? \_\_\_\_\_

Is there data available from the last testing? Yes \_\_\_\_\_ No \_\_\_\_\_

(Obtain a copy if possible)

Is there geology data available on the site? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, answer the following:

Depth below site to ground water

Less than 5 meters Yes \_\_\_\_\_ No \_\_\_\_\_

Potable water sources on-site? Yes \_\_\_\_\_ No \_\_\_\_\_

Is site is located in 100 year flood plan? Yes \_\_\_\_\_ No \_\_\_\_\_

**9. Soils**

Has any soil sampling been done at the site? Yes \_\_\_\_\_ No \_\_\_\_\_

Briefly discuss the results of any soil sampling and the current status of that or any related projects.

**10. Waste Management**

Briefly discuss the facility's waste management program and describe the management practices it employs to protect the environment.

Waste Activities Performed at the Facility:

Waste Storage:	Drums _____	Tanks _____	Lagoon _____
Waste Treatment:	Neutralization _____	Detoxification _____	
	Solidification _____	Other _____	
Waste Recovery:	Fuel Blending _____	Distillation _____	
	Other _____		
Waste Disposal:	Land Filling _____	Land Farming _____	
	Incineration _____	Injection Wells _____	
	Burning in a Boiler or Industrial Furnace (BIF) _____		
	Biological Destruction _____		

Describe the facility's waste characterization program. Discuss the procedures employed to ensure compatibility of wastes received with facility processes and equipment and the other waste materials on-site.



Alarms/Surveillance:

Intrusion Alarms \_\_\_\_\_  
 Motion Detectors \_\_\_\_\_  
 TV Monitors \_\_\_\_\_  
 Other \_\_\_\_\_

**12. Staff Training**

Discuss the facility’s employee training programs. Include any general environmental, safety and health training for new and experienced employees. Indicate frequency of employee training and whether the facility has a formal training program or its employee’s are trained “on the job”.

Indicate training programs for employees working at the facility’s waste management operations:

- Emergency procedures
- Fire extinguisher use
- Respirator use/maintenance
- Safety equipment use/maintenance
- Hazardous chemical handling
- Industrial hygiene practices
- Manifest and record keeping
- Waste analysis
- Groundwater monitoring
- Operating procedures
- Maintenance procedures
- Spill containment and clean-up
- Emergency shutdown procedures
- Emergency alarms
- Evacuation procedures
- Other

**13. Health and safety programmes**

Briefly discuss the facility’s safety and health performance. Include details of any employee fatalities, major injuries or illnesses in the last two years.

Describe any major accidents, fires and explosions at the facility within the last five years.

Indicate the personal protective equipment (PPE) provided to the employees by the facility. Indicate if the use of PPE is mandatory (M), voluntary (V), or is required for certain jobs (J).

Gloves	_____
Safety Shoes	_____
Hard Hat	_____
Safety Glasses	_____
Chemical Goggles	_____
Face Shield	_____
Uniforms	_____
Protective Coveralls	_____
Protective Overshoes/Boots	_____
Dust Masks	_____

Air Purifying Respirators	_____
Airline Respirators	_____
Self Contained Breathing Apparatus	_____

Indicate if uniforms or work clothes are worn home or laundered in the employee's homes.

Indicate the emergency equipment available at the waste management areas:

Fire Extinguisher	_____
Fire Hose	_____
Water Deluge System	_____
Foam System	_____
Eye Wash Station	_____
Safety Shower	_____
Emergency Respirators	_____

Discuss the facility's respirator program. Include respirator selection, cleaning, maintenance, fit testing, and training. Indicate any medical approval or surveillance programs for respirator users.

Discuss the facility's Industrial Hygiene monitoring program. List and summarize recent results of monitoring and briefly discuss problems identified by the IH monitoring program.

Briefly discuss the facility's medical programs. Include first aid teams, on-site medical department, off-site clinics, and hospitals.

**14. Emergency procedures**

Briefly discuss the facility's emergency plans. Include on-site and off-site resources such as fire department, emergency squads and mutual aid agreements with industrial neighbours.

Indicate if the following are available on-site (OS) or give distance of the nearest facility in km. or response time of service.

Fire Brigade	_____
Emergency/Rescue Team	_____
First Aid Team	_____
Fire Department	_____
Ambulance	_____
Hospital	_____
Clinic	_____

Discuss key requirements of the safety and health laws or the facility's permits related to safety and health.

Discuss the facility's compliance status with laws and permit requirements related to safety and health. Specify any requirements that the facility does not currently meet or requirements that it has difficulty in maintaining compliance.

Discuss the findings of any governmental inspections within the last two years. Specify any judgments, orders, violation notices, or fines related to safety and health issues.

### 7.3 Audit summary report

<b>GENERAL INFORMATION</b>
<p><b>Site Name and Address:</b></p>  <p><b>Audit Guide:</b></p> <p><b>Phone Number:</b></p> <p><b>Date Audited:</b></p> <p><b>Auditors:</b></p>

<b>Scope of Review:</b>	
On-site Visit: _____	Phone Audit: _____
Checklist Used: _____	

<b>Overall Evaluation (Check One):</b>	<b>Recommended Frequency:</b>	<b>Review</b>
Superior _____	_____ Months	
Good _____	_____ Years	
Acceptable _____		
<b>Unacceptable</b> _____		
<b>But acceptable contingent on the resolution of the EHS issues listed on the next page.</b>		

<b>Signed:</b>	<b>Date:</b>
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<b>Site Environmental Service Categories:</b>	
<p><b><u>Disposal to</u></b></p> <p>Landfill _____</p> <p>Incinerator _____</p> <p>Storage _____</p> <p>Treatment _____</p> <p><b><u>Recycler of</u></b></p> <p>Energy Recovery _____</p> <p>Precious Metal _____</p> <p>Solvent _____</p> <p>Oil _____</p> <p>Fuel Blending _____</p> <p>Scrap Metal _____</p> <p>Raw Material Recovery _____</p> <p>Cement Kiln _____</p>	<p><b>Cleaner</b></p> <p>Drum _____</p> <p>Railcar _____</p> <p>Ship/Barge _____</p> <p>Tote _____</p> <p>Tank truck _____</p> <p><b><u>Other (Specify)</u></b></p>

**SELECTION CRITERIA**

**The ideal contract waste management facility meets all the following criteria. Briefly summarize whether the proposed site meets each criterion.**

1. **Risk Evaluation:** The site is the lowest risk alternative available or is a low risk alternative. Which other sites were reviewed and considered, and why is this one recommended?
  
2. **Site Condition:** The site has no soil/groundwater contamination. If soil/groundwater contamination exists or is likely to exist, then the owner/operator appears willing and capable (technically and financially) of addressing the problem.
  
3. **Site Management:** Site management is competent and has demonstrated its commitment to safety, health and the environment and full compliance with laws and regulations. Briefly describe any concerns about housekeeping, location emergency response plans, location technical expertise, equipment maintenance/condition, security, and legal/regulatory violations observed or known.
  
4. **Site Location:** The site's location and geology protects the public from exposure to waste constituents should there be a release from the site. Is the groundwater in the area used as a source of drinking water? Is surface water that could receive spills or runoff environmentally sensitive or a source of drinking water? Are neighbours close enough to be injured by releases to the air?

5. Financial Assurance: The owner has the finances available to close the facilities and perform remedial action, including funding any needed perpetual care. Comment on size, assets, insurance coverage, etc.
6. Facility Design: The facility has state-of-the-art design and operation for the waste types it manages. Describe significant features such as landfill liner design, incinerator combustor and emission control device type, existence of paved secondary containment, etc.
7. Site Health and Safety: The site's health and safety procedures adequately protect its workers. Is the location taking adequate precautions to prevent personnel from exposure to chemicals?
8. Compliance: The site has all necessary permits and legal authorizations needed to operate, and complies with applicable laws, regulations and permits.
9. In the opinion of the auditor the following EHS issues should be addressed before the contractor is approved:

#### **7.4 inpEV: Technical and operating cooperation agreement in the recycling area**

**1) Instituto Nacional de Processamento de Embalagens Vazias - inpEV**, a non-profit organization with its principal place of business at Rua Capitão Antônio Rosa, No. 376, 7<sup>th</sup> floor, São Paulo, State of São Paulo, duly enrolled with the Brazilian Corporate Taxpayer Registry of the Ministry of Finance (CNPJ/MF) under No. 04.875.587/0001-33, exempted from state enrolment, hereby represented by its undersigned legal representative, hereafter referred to as **inpEV**;

**2) Company Name / Corporate name**, a private legal entity with its principal place of business at (Company address), duly enrolled with (Enrolment number with the Ministry of Finance), hereby represented by its legal representative, Mr. (Name of representative), (Nationality), (Marital status), (Occupation), bearer of the (Identity card number), and (Individual taxpayer registry number), hereafter referred to as **(Company name)**;

**CLAUSE 1 – SUBJECT- MATTER**

- 1.1 The subject-matter of this agreement is the operating technical cooperation in the recycling area of plastic waste resulting from empty agrochemical containers originating from the national receiving and transportation logistic system implemented and managed by **inpEV**, aimed at improving all phases of the waste recycling manufacturing process provided herein, environmental care and worker's health;
- 1.2 For the purposes of performing this agreement, empty agrochemical container for recycling purposes is understood as those plastic, rigid and triple rinsed high-density polyethylene (HDPE) and co extruded (COEX) resin containers.
- 1.3 For the purposes of performing this agreement, recycling is understood as the industrial betterment process of empty triple-rinsed agrochemical container (plastic scrap) into a "grinded plastic" or "granulated plastic" sub-product for further transformation thereof into a final artefact.

**CLAUSE 2 – OBLIGATIONS OF (Company name)**

- 2.1 (Company name) undertakes to carry out the recycling of empty agrochemical containers referred to in item 1.2 and solely and exclusively within its manufacturing plant and manufacturing process, meeting the applicable technical procedures, acting in diligent manner when performing its operations.
- 2.2 (Company name) shall keep an internal control capable of recording in weight (unit – kilogram) the input of empty containers referred to herein, individualized per receiving unit, as indicated by **inpEV**, aimed at issuing periodical reports (form attached – Spreadsheet for controlling the load receipt) with the amounts in weight of containers per type of resin and shipment site, etc;
- 2.3 (Company name) shall also keep an internal control (form attached - Spreadsheet for controlling the use and sale of inpEV raw material) capable of recording in weight the exits of pellets originated from empty agrochemical containers for exclusive delivery to companies authorized by **inpEV**;
- 2.4 Upon marketing the recycled raw material, (Company name) shall require from the user company a liability agreement (form attached – Liability Agreement).
- 2.5 (Company name) shall make available to the **inpEV** associate controls capable of identifying the payment per load, resin type and shipment site (receiving unit);
- 2.6 (Company name) undertakes to warehouse and store the empty agrochemical containers properly;
- 2.7 (Company name) shall maintain its effluent treatment system working within the indicated operating standards, notifying **inpEV** should any events take place that might compromise the adequate working thereof;

- 2.8 Solid waste originating from the effluent treatment system (*ETE – Estação de Tratamento de Efluentes*) shall be duly classified and disposed of in places compatible with their environmentally licensed class, and no discharge of such waste into the environment is permitted;
- 2.9 (Company name) shall keep a control of the Destination Certificates for industrial waste actually disposed of;
- 2.10 (Company name) shall operate as required by the relevant environment agency, maintaining the environment licenses updated and informing the **inpEV** associate of any environmental event connected with its industrial activity;
- 2.11 (Company name) shall operate within recognized labour safety and health standards;
- 2.12 (Company name) shall act according to the requirements of federal, state and municipal laws, and observe the determinations set forth by inspection bodies, under penalty of accounting administratively, civilly and environmentally for damages caused;
- 2.13 (Company name) shall provide individual protection equipment – IPE to its employees or assigns that will provide services in its head office, according to the characteristics of the labour performed by each employee, according to labour safety standards;
- 2.14 (Company name) shall only produce artefacts formally authorized by the **inpEV** associate;
- 2.15 (Company name) shall provide **inpEV** with information of prices of virgin resins acquired by the recycling company (if applicable);
- 2.16 (Company name) shall make available all material and documents necessary, such as free access to the manufacturing facilities to be audited by the **inpEV** associate;

### **CLAUSE 3 – Obligations of the inpEV**

- 3.1 inpEV shall provide, through its own technical staff or by consultants hired therefore, technology and advisory services in the environment area linked to the effluent treatment system (*ETE*) installed in the manufacturing plant of **(Company name)**;
- 3.2 inpEV shall provide training to employees of **(Company name)** as regards the proper management of empty agrochemical containers;
- 3.3 inpEV shall transport empty agrochemical containers from the receiving units to the manufacturing plant of **(Company name)**, through duly qualified carriers;
- 3.3.1 inpEV shall bear the transportation freight costs provided in item 3.3;
- 3.4 inpEV shall make available to **(Company name)** information concerning the result of researches for development of new final artefacts in the recycling of empty agrochemical containers;

- 3.5 inpEV shall allocate to **(Company name)** the minimum amount of **(XXXXXX)** tons of HDPE resin containers and **(XXXXXX)** tons of COEX resin containers per year;
- 3.6 inpEV shall provide **(Company name)** with all the technical and documental support in obtaining the environmental license with the relevant agency for the industrial operation;

#### **CLAUSE 4 – CONTAINER PRICE and PAYMENT TERMS**

4.1 For empty **HDPE** resin containers the parties set forth the minimum initial price as follows:

a) \$ xxxxxxxx per ton of empty unlabelled containers (plastic sleeve label) and in case of self-adhesive paper booklet labels, without the booklet. No seal except the part cast-in to the neck border. With colour sorting.

b) \$ xxxxxxxx per ton of empty containers with label, booklet and seal;

4.2 For empty **COEX** resin containers the parties set forth the minimum initial price as follows:

a) \$ xxxxxxxx per ton of empty unlabelled containers (plastic sleeve label) and in case of self-adhesive paper booklet labels, without the booklet. No seal, except the part cast-in to the neck border. With colour sorting.

b) \$ xxxxxxxx per ton for empty containers with label, booklet and seal;

4.3 **(Company name)** shall pay for the load received as follows:

##### **4.3.1 For HDPE resin containers:**

a) 60% of the gross load value of the container type mentioned in item “a”, 4.1, shall be paid directly to the manager of the shipping receiving unit 15 days after the arrival at the **inpEV** associate’s facilities, and the remaining 40% of the gross load value shall be paid to the **inpEV** associate for the refund mentioned in items 3.1 and 3.2 hereof by the fifteenth day of the following month.

b) 53% of the gross load value of the container type mentioned in item “b”, 4.1, shall be paid directly to the manager of the shipping receiving unit 15 days after the arrival at the associate’s facilities, and the remaining 47% of the gross load value shall be paid to the **inpEV** associate for the refund mentioned in items 3.1 and 3.2 hereof by the fifteenth day of the following month.

#### 4.3.2 For COEX resin containers:

- a) 56% of the gross load value of the container type mentioned in item “a”, 4.1, shall be paid directly to the manager of the shipping receiving unit 15 days after the arrival at the associate’s facilities, and the remaining 44% of the gross load value shall be paid to the **inpEV** associate for the refund mentioned in items 3.1 and 3.2 hereof by the fifteenth day of the following month.
  
- b) 50% of the gross load value of the container type mentioned in item “b”, 4.1, shall be paid directly to the manager of the shipping receiving unit 15 days after the arrival at the associate facilities, and the remaining 50% of the gross load value shall be paid to the **inpEV** associate for the refund mentioned in items 3.1 and 3.2 hereof by the fifteenth day of the following month.

#### **CLAUSE 5- PRICE ADJUSTMENT**

5.1 The price adjustment for the container ton, according to the resin type, will take place at every four-month period, by establishing a relation with the price of the virgin resin acquired by **(Company name – if applicable)**, and the first adjustment shall be negotiated at the first four-month period after the recycling operation has started.

5.1.1 **(Company name)** may only negotiate the price adjustment of the container ton with the **inpEV** associate, manager of the national receiving and transportation logistic system, and no price negotiation shall be permitted directly with managers of the receiving units.

#### **CLAUSE 6 – LABOR LIABILITY**

6.1 This agreement shall not create any employment relationship between the parties hereto.

#### **CLAUSE 7– TRANSPORTATION LIABILITY**

7.1 The **inpEV** associate shall be solely liable for the transportation of empty agrochemical containers from the receiving units to the manufacturing plant of **(Company name)**, which shall be made through its hired logistic operator;

#### **CLAUSE 8– LIABILITY FOR THE RECEIPT**

- 8.1 **(Company name)** shall not withdraw, receive or transport empty agrochemical containers directly from the receiving units without the authorization of the **inpEV** associate, or from any other non-authorized source, and shall assume full responsibility for doing so.

#### **CLAUSE 9- WAREHOUSING LIABILITY**

- 9.1 **(Company name)** shall be solely liable for the environmentally proper warehousing of empty containers inside the manufacturing plant.

#### **CLAUSE 10 – LIABILITY FOR FINAL DISPOSAL**

- 10.1 **(Company name)** shall be liable for the environmentally proper final disposal of solid waste originating from the effluent treatment system (*ETE*), according to item 2.8.

#### **CLAUSE 11 - TERM OF EFFECTIVENESS OF THE AGREEMENT**

- 11.1 This agreement shall be effective for (xx) months from the date of the signature thereof and it may be renewed, provided it is justified and recorded in writing and executed in mutual agreement by both parties, at least one hundred and eighty (180) days prior to the termination thereof.
- 11.2 At the end of said period, all the effects of this agreement shall cease.

#### **CLAUSE 12 – TERMINATION / RESCISSION**

- 12.1 This agreement may be terminated at any time upon mutual agreement between the parties or upon the will of the principal or contractor, upon written termination notice of at least one hundred and eighty (180) days. In both cases, no charge, fine or indemnification shall be incident on any of the parties.
- 12.2 The agreement termination, regardless of the reason therefore, shall imply in the final settlement between the parties of any allowance resulting from the performance of the object hereof.
- 12.3 The default of any clauses hereof by either party shall be cause for termination of this agreement, automatically, regardless of any judicial or extrajudicial notice, and damages shall be settled.
- 12.4 This agreement may be terminated by either party in the event the other party becomes insolvent, files for reorganization or composition with creditors or for extrajudicial moratorium or has its bankruptcy ordered.

#### **CLAUSE 13 – ENVIRONMENTAL LIABILITY**

- 13.1 **(Company name)** and the client companies authorized by **inpEV** shall be liable for any administrative, civil, environmental violation, demands or suits they incur as a result of negligence, imprudence and malpractice performed in their manufacturing plants upon recycling and transforming empty agrochemical containers.

#### **CLAUSE 14 - MISCELLANEOUS**

- 14.1 The existence of an inspection at the head office of **(Company name)** and/or client companies authorized by **inpEV** shall not exclude or reduce the responsibility it is accountable for.
- 14.2 **(Company name)** and the client companies authorized by **inpEV** shall keep absolute secrecy on the information hereof, and shall be civilly accountable for the leakage of confidential information.
- 14.3 The parties hereto undertake not to hire, up to one year after the agreement expiration, any employees of each other, except upon prior consent, under penalty of payment of fine corresponding to one-year agreement.
- 14.4 This agreement may be altered only by an amendment agreed and signed by the parties. Should any provision hereof become invalid, void or indefensible under the current or future laws, the remaining provisions shall remain in full force and effect and shall not be affected, harmed or invalidated in any way whatsoever.
- 14.5 The recycling process shall start only after the certification and validation by **inpEV** associate that all environmental and technical requirements have been complied with by **(Company name)**.

#### **CLAUSE 15- ASSIGNMENT / TRANSFER / SUCCESSION**

- 15.1 This agreement is binding upon the parties hereto, their heirs or successors for the faithful compliance with the conditions hereby agreed upon.
- 15.2 The parties hereto may not assign, transmit or delegate to third parties the liabilities on rights or duties hereof without the other party's prior authorization.

#### **CLAUSE 16 - NOVATION**

- 16.1 Tolerance of the parties to any contractual breach shall not be a contractual waiver, precedent or notation.

IN WITNESS WHEREOF, the parties hereto execute this agreement in three (03) counterparts of equal content and form, in the presence of the undersigned witnesses for all legal effects.

Place and date.

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**Instituto Nacional de Processamento de Embalagens Vazias - inpEV**

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Company's legal representative

**Company name.**

Witnesses:

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LIABILITY AGREEMENT (It must be printed on company's letterhead)

(Company's name) established at (company's address), holder of (registration number at Ministry of Finance) is solely liable for the use of recycled plastic raw material, originated from flushed empty agrochemical containers, supplied by (Name of recycled raw material supplier – inpEV-associated Recycler), that shall be used exclusively for the manufacture of (product properly approved by inpEV).

Being aware of the aforesaid term, we are liable for non-compliance with the terms herewith agreed, being subject to all penalties under law.

Place and date,

Company (Notarized signature of the responsible person)