

2018 Provincial ANNUAL REPORT

MANITOBA

June 20, 2019

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Submitted to:
Manitoba Sustainable
Development

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1. About Call2Recycle

For more than 20 years, Call2Recycle Canada, Inc. (Call2Recycle®) has pursued a mission to responsibly manage end-of-life batteries to keep them out of landfills and minimize their environmental impact. Call2Recycle is the country's first and largest consumer battery stewardship organization and operates the provincial collection program for the Province of Manitoba. The non-profit organization reports to a Canadian Board of Directors and fulfills the product stewardship obligations of 87 members that have been identified as the obligated producers for primary batteries in Manitoba (see [Appendix A](#)). It also represents close to 270 rechargeable battery manufacturers and product manufacturers (see [Appendix B](#)) who recycle their used batteries with Call2Recycle.

The Call2Recycle program works through a network of public and private collection facilities located in municipal offices, retail businesses, environmental organizations and other locations. These collection facilities offer consumers the opportunity to recycle their batteries conveniently and simply. Call2Recycle's collection partners also welcome the convenience of its turnkey seal-and-ship battery management process and its tracking capabilities to monitor their collection performance.

Call2Recycle continues to be a committed partner supporting the Province's environmental sustainability goals. In Manitoba, more than 570,000 kilograms of used batteries have been diverted from landfills through Call2Recycle since the collection program began in the province in 2011.

Call2Recycle's program plan renewal for 2018 – 2023 was approved by the Manitoba Minister of Sustainable Development on July 26, 2018. As required by Manitoba Conservation and Water Stewardship, this document reports on Call2Recycle's performance regarding the waste management of batteries collected between January 1, 2018 and December 31, 2018.

2. Executive Summary

In 2018, Call2Recycle exceeded its Manitoba commitment targets for accessibility, public awareness and recovery rate, demonstrating continued improvement over 2017 results. The battery recycling organization invested significantly in a range of national and provincial campaigns, sponsorships and events to raise awareness about battery recycling and spur Manitobans to responsibly manage their end-of-life batteries.

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Partnerships with organizations such as Earth Rangers and Assiniboine Park Zoo brought battery recycling to the attention of children and their families and encouraged them to contribute batteries to local collection drives. Call2Recycle built on the success of its various seasonal campaigns around National Battery Day, the change to and from Daylight Saving Time, and the spring cleaning campaign, which was rebranded Battery Hoarding Happens. It also added a Father's Day campaign to remind people to recycle their batteries during a traditionally slower summer. In addition, Call2Recycle participated in a number of community events, such as Manyfest in Winnipeg and The Pas Recycling Centre's tradeshow.

In all, Call2Recycle collected 105,932 kg of used household batteries from consumers in Manitoba in 2018, a 15 per cent increase over 2017's results. Of these batteries, 79 per cent were primary (single use). Call2Recycle's achieved a 22 per cent recovery rate, which exceeded the plan renewal commitment by two (2) percent. With the addition of 35 new collection facilities—which brought the total number of active facilities to 588 in Manitoba—Call2Recycle increased the accessibility to its boxes across the province. In 2018, 91 per cent of Manitobans had access to a Call2Recycle drop-off location within 15 km of their home, up from 87 per cent in 2017 and surpassing the stewardship plan commitment target of 90 per cent.

Research conducted during the year on behalf of Call2Recycle by Ipsos revealed that even with these promising results, there is still opportunity for growth in battery collections in Manitoba. While more than three-quarters of survey respondents (77 per cent) believe that consumer household batteries can be recycled, on average, only 44 per cent of all batteries are recycled. There is no shortage of enthusiasm for the idea of recycling in general (95 per cent agree there is environmental benefit), but that enthusiasm drops to 79 per cent when asked if consumer battery recycling is important to them. Additionally, lack of knowledge about where to recycle batteries is the top reason (38 per cent) Manitobans cited for not recycling. Baby boomers continue to lead the pack when it comes to battery recycling awareness and activity, while Millennials are underrepresented in both of these areas.

In 2018, Call2Recycle also continued to shine a light on the safe handling of used batteries, adding more content to its *Charge Up Safety!* campaign, intended to reduce the rare but potentially dangerous incidence of fire due to battery mismanagement.

Moving forward, Call2Recycle intends to continue its activities to raise awareness of how to responsibly manage used batteries by recycling with the program, while putting emphasis on engagement of younger demographics.

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3. Public Education Materials and Strategies

Raising consumer awareness of the importance of battery recycling and the ease with which they can participate in diverting batteries from landfills is a key element of Call2Recycle's activities. In 2018, Call2Recycle continued to significantly invest in promotional efforts to achieve this goal in Manitoba with a range of national and provincial campaigns, sponsorships and events. Through these activities, and a robust online presence, Call2Recycle encouraged Manitobans to recycle their used batteries with the provincial program. Several of the promotional activities are outlined below.

3.1 Campaigns

Together with its collection partners, Call2Recycle promoted its annual **National Battery Day campaign** in the weeks leading up to February 18th, National Battery Day, with radio ads that ran on Brandon and Winnipeg stations, as well as digital advertising through Facebook, Google, and weathernetwork.com. The digital advertising campaign resulted in 56,001 impressions and 1,601 visits to the Call2Recycle website in Manitoba. An informative, animated Call2Recycle video attracted 3,000 views and 3,400 unique page views nationally to its [National Battery Day web pages](#), an increase of 57 per cent over last year.

Call2Recycle's spring and fall **Daylight Saving Time campaigns** continued to leverage the established behaviour of changing batteries in smoke detectors when we change our clocks. The 2018 campaigns emphasized three actions—1. Change your clocks 2. Replace your batteries 3. Recycle your batteries—across print ads in the *Winnipeg Free Press* and *Brandon Sun* and in online advertising (Google, weathernetwork.com, display ads, and social media). A dedicated [web page](#) provided 'Spring into Action' tips and downloadable materials in the spring. In the fall, radio ads that ran in Brandon and Winnipeg were added to the print and online campaign efforts. The fall campaign also engaged a social media influencer to create a conversation around battery recycling and offer a giveaway to encourage further engagement. Call2Recycle also distributed a press release and posted web information containing tips for recycling old batteries.

A significant trend among consumers is to accumulate used batteries in junk drawers, garages, etc. Call2Recycle revitalized its spring cleaning campaign to tackle this challenge. The **Battery Hoarding Happens campaign** ran from April 20 to May 18, 2018. Leveraging the common tendency to spring clean, the campaign encouraged consumers to recycle their batteries while

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decluttering their living spaces. Call2Recycle also hosted an online 'Break the Battery Hoarder Habit' contest in which individuals had the opportunity to win one of five anti-hoarding battery kits.

Call2Recycle's online **Father's Day campaign** ran on the weathernetwork.com, Facebook, and through Google Adwords in June, encouraging battery recycling during the traditionally slower summer months. Nationally, the campaign garnered more than two million impressions and the AdWords campaign generated more than 847,394 impressions and 1,035 hits to Call2Recycle's Father's Day landing page.

To ensure consumers in Manitoba were aware of environmental handling fees and their application on some new battery categories, in late November Call2Recycle ran awareness ads in major newspapers as well as several English and French community papers in Manitoba, such as the *Lac du Bonnet Clipper* (Beausejour), *The Winkler Morden Voice* (Winkler/Morden), *Portage Herald Leader Press* (Portage La Prairie) and *La Liberté* [French] (Winnipeg/St-Boniface).

3.2 Sponsorships, Partnerships and Events

Call2Recycle renewed its partnership with children's conservation group **Earth Rangers** in 2018 to continue to bring battery recycling awareness to school-age children through assemblies, battery collection contests, and online missions. The first of 11 Earth Rangers assemblies that were held in 2018 at schools across Manitoba took place at Minnetonka School on February 16th, The Honourable Rochelle Squires, Minister of Sustainable Development, attended this launch event, which focused on wildlife conservation, sustainability and battery recycling. At each Earth Rangers assembly throughout the year, students were encouraged to drop off end-of-life batteries in their school's Call2Recycle collection box, resulting in 1,297 kg of used batteries collected. Meadows West School in Winnipeg collected the most batteries (206 kg) during this challenge, winning a pizza party for the entire school. The Earth Rangers website simultaneously encouraged children to take their family's used batteries to be recycled. More than 3,800 members participated nationally by snapping a picture of themselves dropping off their batteries and submitting the photo with their story to the Earth Rangers' website.

From September 7 to 9, 2018, Call2Recycle served as the Giant Movie Zone sponsor for **ManyFest**, downtown Winnipeg's largest festival. The sponsorship included logo recognition and a 10 ft. x10 ft. battery recycling activation space, where movie attendees were encouraged to bring their batteries to be rewarded with a Call2Recycle-branded blanket.

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In recognition of Earth Day in April, Call2Recycle partnered with the **Assiniboine Park Zoo** to hold a Battery and Cellphone Earth Day Drive. Call2Recycle and battery recycling were featured on the zoo's website and included in its media opportunities. This resulted in five media interviews that aired across Manitoba. In addition, battery collection points were located at the Zoo Gift Shop and Call2Recycle staff handed out informational materials to further educate families.

Call2Recycle also participated in The Pas Recycling Centre's tradeshow and the Manitoba Community Recycling & Waste Reduction Forum (MARR), at which we gained more exposure to various municipalities. In the summer, it also sponsored the Manitoba Association for Resource Recovery Corporation's ambassador program, which allowed for interaction with consumers and distribution of Call2Recycle promotional materials to increase battery recycling awareness.

Expanding its reach into northern and First Nations communities has been an ongoing Call2Recycle priority in Manitoba. A new partnership with leading retailer The NorthWest Company in 2018 added new battery collection facilities in northern Manitoba, giving residents another convenient channel for recycling their used batteries. Most NorthWest outlets are located in rural or remote northern communities, and the partnership helps to serve many First Nations communities in northern regions as well.

3.3 Phone, Website & Social

Manitoba residents contacted Call2Recycle's customer service team 1,016 times in 2018. Visits to Call2Recycle's English website from within the province increased by 22.5 per cent in 2018 and the French website saw a 750 per cent increase, from 36 visitors in 2017 to 306 in 2018. In August 2018, Call2Recycle Canada spun-off its social media activities from its US counterpart and launched a bilingual Facebook page, and English and French Twitter accounts. The new properties have gained traction, with close to 2,000 Facebook followers and 4,000 shares of social content at the time of writing.

4. Collection System and Facilities

4.1 Collection Facilities & Accessibility

Call2Recycle collects consumers' used batteries through a network of partners and drop-off boxes across the province. Collection locations have been selected with consideration to a variety of

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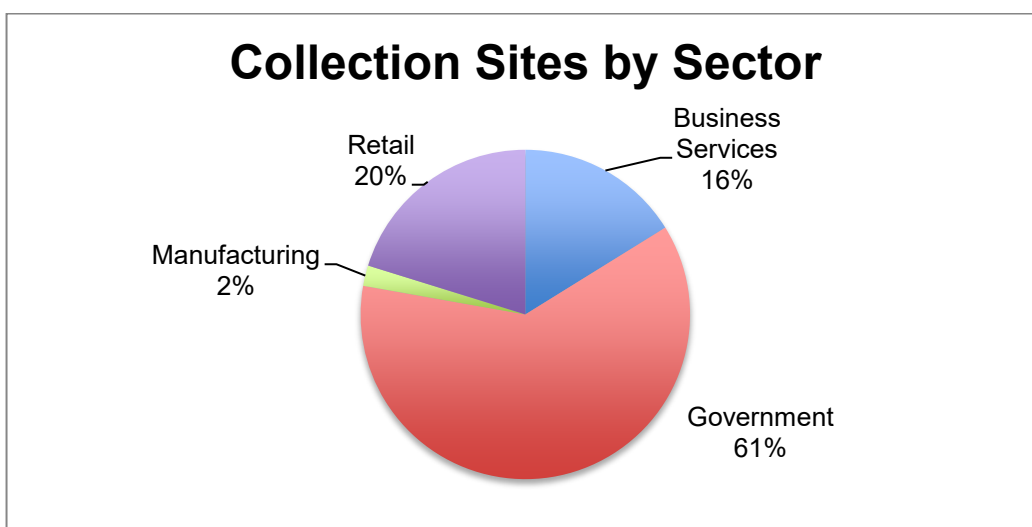
factors in order to maximize battery returns. Call2Recycle's provincial stewardship plan committed to an accessibility target of 90 per cent of Manitobans having access to a Call2Recycle box within 15 km of their home.

In 2018, Call2Recycle surpassed this accessibility standard with 91 per cent of Manitobans having access to a collection facility, up from 87 per cent in 2017. There were 588 active Call2Recycle collection facilities in 2018 (i.e., facilities that returned full battery boxes or began their collection program during the 2018 reporting period). This is an increase of 35 facilities, or 6 per cent, over 2017.

2018 Active Collection Facilities by Access	
Public	233
Private	355
Total	588

Active Collection Facilities by Sector				
Sector	2018	2017	Change (#)	Change (%)
Business Services	97	106	-9	-8%
Government	359	346	13	4%
Manufacturing	12	11	1	9%
Retail	119	89	30	34%
Other	1	1	0	n/c
Total	588	553	35	6%

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4.2 Performance Results

Call2Recycle battery collections in Manitoba increased notably in 2018, rising 15 per cent over the previous year. Call2Recycle does not accept batteries that are sold in or with devices covered under other program plans, such as electronics. This shift resulted in an anticipated decline in total rechargeable battery weight collected in 2018. As lighter weight batteries replace heavier units, we anticipate a continued moderating effect on the total weight of collections.

Call2Recycle Collections by Weight (kg)			
Type	2018	2017	% Change
Single Use (Primary)	83,407	68,799	21%
Rechargeable	22,525	23,417	-4%
Total	105,932	92,216	15%

In the provincial plan, Call2Recycle has committed to a 20 per cent recovery rate for 2018. Call2Recycle exceeded the 2018 target by achieving a 22 per cent recovery rate. Recovery rate is calculated by dividing the weight of batteries collected in 2018 by the total weight of batteries sold in 2018. The recovery rate for 2018 excludes collection of small sealed lead batteries, as estimates of sales into the market are not currently available. Small sealed lead acid batteries will be included in the 2019 recovery rate. The recovery rate is based on 101,815 kg collected (4,117 kilograms of

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SSLA batteries were subtracted from total collection). Primary battery sales are based on reported sales by members and converted to weight. Rechargeable battery sales are calculated based on a population extrapolation from Quebec where EHF's on rechargeable batteries are in place. Different types of batteries are composed of different chemistries. The following charts break down primary and rechargeable battery collections by their chemistries. Total sales in Manitoba were 464,806 kilograms in 2018.

Rechargeable Battery Collection by Chemistry (kg)

	2018	2017	% Change
Ni-Cd	7,459	9,498	-21%
Ni-MH	3,083	2,246	-37%
Li-Ion	7,866	6,971	13%
SSLA	4,117	4,702	-12%
Total	22,525*	23,417	-4%

* Accurate within a margin of +/- 3%. Based on a conversion rate from pounds to kilograms of 0.453592.

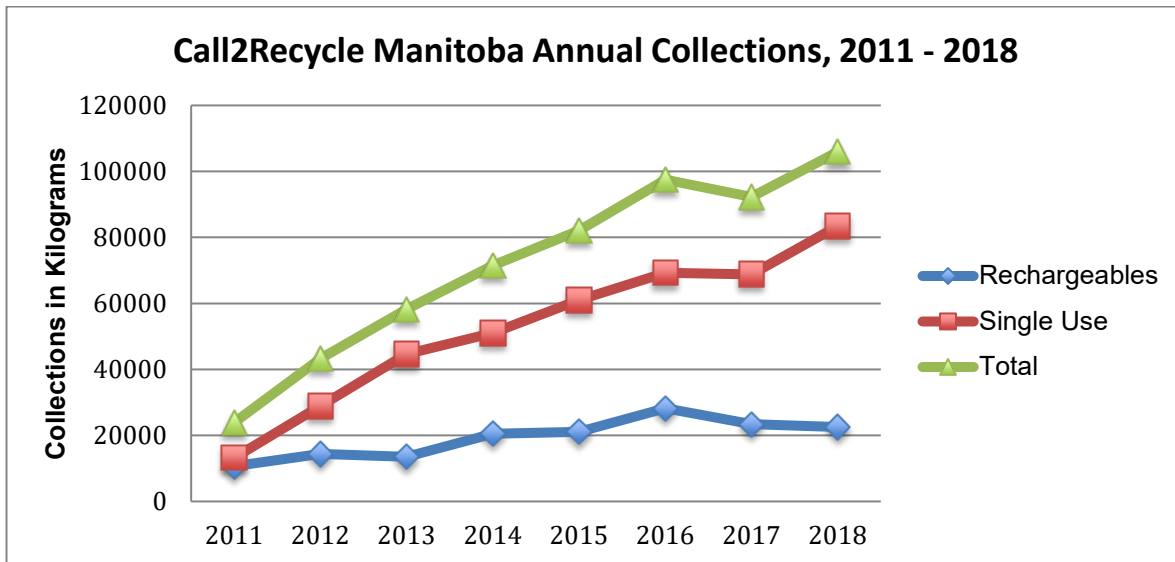
Primary (Single Use) Battery Collection by Chemistry (kg)

Material Name	2018	2017	% Change
Alkaline and Zinc Carbon	79,572	67,600	18%
Lithium	3,835	1,199	220%
Mercury	0	55	-100%
Total	83,407*	68,799*	21%

* Accurate within a margin of +/- 3%. Based on a conversion rate from pounds to kilograms of 0.453592.

In all, more than 574,000 kg of used batteries have been diverted from landfill since the Call2Recycle program began in Manitoba in 2011. The following chart shows the year-to-year performance of the collection program. Overall collections have risen steadily throughout the program's history, with the exception of 2017, which saw a modest decrease from the previous year.

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5. Recovered Product Management and Materials Processing

When it comes to management of used batteries, the pollution prevention hierarchy—reduce, reuse and recycle—cannot be as easily applied to batteries as it is to other products. Call2Recycle is not able to promote a reduction in the use of batteries, and reconditioning batteries for reuse can pose an unacceptable safety risk to consumers if not done properly. Call2Recycle therefore, at this time, advocates the efficient and cost-effective option of battery recycling.

Recycling is the most viable way of keeping batteries from entering landfills. The Call2Recycle program efficiently and cost-effectively recycles consumer batteries of all types, and no battery collected through the program that can be recycled goes to landfill. The reclaimed materials from the batteries collected can be used in various products, such as new batteries, cookware, and appliances. Whenever possible, Call2Recycle uses local service providers to minimize its environmental footprint, and all of Call2Recycle's sorters and processors use the latest and most effective techniques for reclaiming materials. Call2Recycle's sorting and processing partners continue to meet the highest environmental, health and safety, transportation, and financial operations standards.

Call2Recycle maintains its third-party certification to meet the highest standards of responsible recycling. It secured the R2:2013 certification with the Responsible Recycling Practices Standard,

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verifying Call2Recycle meets stringent requirements in areas of environmental, public and worker health and safety. The organization also received ISO 14001:2015 and OHSAS 18001:2007 certifications, which affirms Call2Recycle's commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills.

The following chart demonstrates how the various materials that are extracted from the recycling process are managed and the corresponding recycling efficiency rates. Call2Recycle strives to have no intact battery that is received through its program go to landfill.

2018 Recycling Efficiency Rates											
BATTERY TYPE % Material recovered – Recycled to* <i>Each column under the chemistry represents the RER for individual processors.</i>	Rechargeable Battery Chemistry						Primary Chemistry				
	NI- CD	LI-ION		NI- MH	SSLA		ALKALINE			LITHIUM	
Metal(s)	50	18.3	27	57	98	65	21	18.34	18.72	93.97	35.30
Co-product aggregate	2	0	0	14	0	22	1	72.23	68.24	4.00	0
Cadmium	12	0	0	0	0	0	0	0	0	0	0
Secondary Recovery**	4	60.1	0	5	0	0	57	0	0	0	21.10
Plastic Recovery or Reductant	12	0	44	10	0	5	5	4.04	0	0	0
Total Material Recovery (%)	80	78.4	71	86	98	92	84	94.61	86.96	97.97	56.4
Not Recovered for use in Secondary Market During Recycling Process: Water, Oxygen, Plastics, Organics (carbon, electrolytes).	20	21.6	29	14	2	7	16	5.39	13.04	3.03	43.60
Total:	100	100	100	100	100	100	100	100	100	100	100

* Recovery rates provided by processor.

**This includes metals that are recovered at secondary processors.

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6. Consumer Awareness and Research and Development

In 2018, Call2Recycle continued its evaluation of Manitobans' awareness of battery recycling and their recycling habits by engaging Ipsos to conduct its annual survey. Close to eight in ten respondents (77 per cent) believe that consumer household batteries can be recycled, which meets Call2Recycle's target commitment set out in the provincial stewardship plan. The survey also measured how many Manitobans recycle their used household batteries, with 44 per cent of respondents confirming they recycle some or all of their batteries, which also meets Call2Recycle's plan commitment.

Manitobans appear to be enthusiastic about the idea of recycling in general, as well as consumer household battery recycling with 95 per cent agreeing that there is an environmental benefit to recycling batteries. A smaller proportion (79 per cent) agree that recycling consumer household batteries is important to them. While 91 per cent of Manitobans have a Call2Recycle collection facility within 15 km of their home, only 55 per cent of survey respondents believed that there are battery recycling locations within their community. Fewer than half (46 per cent) believe that consumer household battery recycling is convenient.

There are notable differences between the attitudes and actions of Millennials (18-34) and Baby Boomers (55+). Millennials are significantly less aware that consumer household batteries can be recycled, and in turn are recycling fewer, while throwing out larger proportions. Conversely, Baby Boomers are significantly more aware and acting to recycle. Boomers are also more likely to agree with the environmental benefits of recycling, as well as the accessibility of the practice.

These survey results reveal that future Call2Recycle promotions should more broadly communicate the ease of participating in battery recycling activities, the convenience of Call2Recycle drop off locations, and how consumers can find a location near them. It must especially target these messages to Millennial audiences.

In addition to Ipsos research, Call2Recycle research and development activities included bolstering the safety of its operations and highlighting safety to its partners. New program enhancements, processes, and training materials were added to Call2Recycle's *Charge Up Safety!* campaign, which launched in 2017 to ensure that safe handling and transporting batteries continues to be a key priority. As of January 2018, every collection container distributed to participating Call2Recycle

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collection facilities included a flame-retardant box liner. This innovation offers an additional layer of protection in the prevention of a thermal event during the battery journey from collection to processing. When used in conjunction with Call2Recycle's program and regulatory terminal protection guidelines, the liner helps prevent flames escaping from the battery box in the event of a thermal event. The *Charge Up Safety!* campaign also includes a dedicated [online safety portal](#) that houses such training materials as a guideline sheets, best practices learning module, Battery 101 safety video and onsite or remote training opportunities.

7. Program Funding

Since 2017, Call2Recycle has applied a per-unit Environmental Handling Fee (EHF) on primary batteries based on a schedule that is determined by the size and composition of the battery. Rechargeable batteries were not subject to EHF in 2018 and continue to be funded via the licensee agreement. The EHF schedule can be found [here](#).

8. Organizational Reports

To view Call2Recycle's 2018 Corporate Annual Report visit: <http://www.call2recycle.ca/annual-report/>.

Call2Recycle Canada's Audited Financial Statement is included as [Appendix C](#) to this document and can also be found in the 2018 Annual Report.

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9. Program Performance

		Annual Targets and Goals	
Measures	2018 Target	2018 Result	Target Achieve and Remediation Plan
Accessibility - % of population within 15 km of collection site	90%	91%	Y
Collections Targets - batteries to be collected expressed as a percentage of what is sold into the MB market	20%	22%	Y
Battery Recycling Awareness*	77%	77%	Y
Battery Recycling Incidence**	44%	44%	Y

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Appendix A – Call2Recycle Members

PRIMARY BATTERY MEMBERS FOR 2018

Acklands Grainger Canada Inc.
Amazon Canada Inc.
Battery Canada
Bay6 Computer Services
Bed Bath and Beyond Canada L.P.
Best Buy Canada Ltd.
Canada Computers Inc. / Ordinateurs Canada
Canadian Energy and Power Corporation
Canadian Tire Corporation, Ltd*
Canon Canada Inc.
Cardinal Health Canada Inc.
Château Manis Electronics Inc.
Connect Hearing Canada
Core-Mark International Inc.
Costco Wholesale Canada Ltd.
Dollar Tree Stores Canada Inc.
Dollarama L.P.
East Penn Canada (Power Battery Sales Ltd.)
Edma Marketing Ltd
EECOL Electric ULC
Fastenal Canada Ltd.
Federated Co-Operatives Limited
Fourniture de Bureau Denis Inc
FuturPlus - Div Cathelle Inc.
G & S Distributors
Gescan (Sonepar Canada)
Giant Tiger Stores Limited
Grand & Toy Ltd.
Guillevin International Cie
HearingLife Canada Ltd
Henry's
Home Hardware Stores Limited
Hudson's Bay Company
IKEA Canada
Indigo Books and Music Inc.
Interstate Batteries Inc.
John Deere Canada ULC
Landco Import International Inc.
Ledvance Ltd
Loblaws Inc.
London Drugs Limited
Lowe's Canada ULC
Magnacharge Battery Corporation
Mastermind LP
MB Battery Distributors Inc.
McKesson Canada
McMunn and Yates
Michaels Stores Inc.
Mountain Equipment Co-op
Nedco West Division
NII Northern International Inc.
NIS Northern Industrial Sales
Novexco Inc.
Onlybatteries.com
Overwaitea Food Group
Peavey Industries Limited
Photo Central Inc.
Prairie Battery Ltd
Princess Auto Ltd
Proflash Technologies Inc.
RONA Inc.
S.P.Richards Canada
Scosche Industries, Inc.
Shopper+Inc
Shoppers Drug Mart Inc.

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Sobeys Capital Inc.
Staples Advantage Inc. (Corporate Express)
Staples Canada Inc.
Super Thrifty Drug Stores
Supreme Basics
Tenaquip Limited
The Battery Man
The Home Depot of Canada Inc.
The Medical Battery Corporation
The North West Company
The Source (Bell) Electronics Inc.

The Stevens Medical Company
Toys R Us Canada, Ltd
UAP Inc.
Uline Canada Corporation
Veritiv Canada Inc.
Wallace and Carey Inc.
Walmart Canada
Wesco Distribution Canada
Westburne Midwest Division
Wisdom Electronics Inc.
Wurth Canada Ltd

* Including Strategic Business Units : FGL / Canadian Tire Petroleum / Mark's

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Appendix B – Battery Stewards

RECHARGEABLE BATTERY STEWARDS (LICENSEES) OF THE CALL2RECYCLE PROGRAM FOR 2018

3M Automotive Aftermarket Division	Catapult1 LLC
3M Commercial Solutions Division (CSD)	Century Optron Inc.
3M Constrctn & Home Imprv	Changzhou Globe Tools Co. Ltd.
3M Personal Safety Division	Chervon HK Limited
A2Z Development Center	Chervon HK Limited/The Home Depot
Accell North America	Chervon HK Lmtd/The Home Depot Canada
Acer America Corporation	Cisco Systems Inc.
Advanced Respiratory, Inc.	Cleva North America/LawnMaster
Aero Design, Inc	Cognex Inc.
Aerosense Inc.	Computer Technology Link Corp (DBA CTL)
Agilent Technologies	Conair Corporation
Alcatel and Alcatel Onetouch	CTE Energy Co., Ltd.
Allied Intl/Allied Tools	Cybertron International
Alltrade Tools LLC	Deere & Company (John Deere)
Amazon.com, Inc.	Dell Canada Inc.
American Honda Motor Co., Inc.	Dell Inc
American Lawn Mower Co	Deltran USA LLC
American Toppower	Digi-Key Corporation
APC - Schneider Electric	DLG (Shanghai) Electronic
Apple, Inc	Dongguan Sunly Battery Tech Co., LTD
Arlo Technologies, Inc.	Dorcy International
Arris Group, Inc	Durabooks Americas, Inc.
Asus Computer International	Duracell Canada Inc
Audio Enhancement, Inc.	Duracell US Operations
Axiom Mobile Group	Eaton Corporation
Baccus Global	Echo Incorporated
barnesandnoble.com, LLC	Enerco Group Inc.
Battery Specialties	Energizer Holdings, Inc.
Bayco Products	Energizer Holdings, LLC.
Bayer Healthcare	EnerSys Delaware Inc.
Belkin International, Inc.	Epson America, Inc.
Best Buy Co., Inc.	Esselte Corporation
BionX International	Evergreen (C.P.) USA Inc
Bissell Homecare, Inc	EZsmart Gutter Cleaner, LLC
Bose Corporation	FDK AMERICA
Brother International	Fedco Electronics, Inc.
Bushnell, Inc.	Ferno - Washington, Inc.
BYD Company Limited	Finish Thompson, Inc.
Canadian Tire Corporation, Ltd	Flying Dragon Development Ltd.
Canon Canada Inc	FujiFilm Holdings America Corp
Canon USA Inc	Fujitsu America
Car Mate USA Inc.	Garmin International, Inc
Casio America, Inc.	GE Healthcare Canada, Inc.

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Getac Inc.
 Gibson Innovations USA, Inc.
 GiiNii Tech Corporation
 Global Technology Systems, Inc
 Gold Peak Industries (NA), Inc
 Google, Inc.
 GRACO, Inc.
 Gradus Group
 GreenSmoke, Inc.
 GS Battery (USA) Inc.
 Guangzhou Great Power Energy Tech Co LTD
 Harris Corporation
 Hewlett Packard Inc
 Hilti Canada Corporation
 Hilti, Inc.
 Hitachi Koki Canada Co.
 Hobbico, Inc
 HoMedics
 Honeywell International Inc.
 HP Inc.
 HTC Corporation
 Huawei Device USA. Inc
 Husqvarna AB
 IDX System Technology Inc
 IMA Test Steward
 Industrial Battery Service Inc
 Ingersoll Rand
 Inspired Energy, LLC
 Intec Industries Co. Ltd.
 Intermetro Industries Corp
 Invacare Corporation
 Invox Hardware Limited
 iRobot Corp.
 Jasco Products Company
 JC Technology dba Ace Computers
 Jiawei Technologies (USA) Ltd.
 JIN CO Ltd
 JKH Health Co., Ltd.
 JLG Industries Inc
 JVCKENWOOD USA Corp
 KAN Battery Co., Ltd
 Karcher North America
 Keyence Corporation of America
 Keysight Technologies
 Koki Holdings America Ltd
 Konica Minolta
 Kwonnie Electrical Products, LTD
 LEDVANCE, LLC.
 LEGO Brand Retail, Inc.
 Leica Camera Inc
 Lenmar Enterprises, Inc.
 Lenovo (United States) In
 LEXEL BATTERY CO LTD
 LG Electronics Canada, Inc.
 LG Electronics USA, Inc.
 L'Image Home Products Inc. (IHP)
 Logic Technology Development
 LOGITECH INC.
 Mag Instrument, Inc
 Maha Energy
 Makita Canada, Inc.
 Makita USA
 Mattel, Inc.
 Metabo Corporation
 Microsoft Corporation
 Midland Radio Corporation
 Miller Mfg Co
 Moshi
 Motorola Mobility, LLC
 Motorola Solutions, Inc
 MTD Products Inc
 MTRLC LLC
 myCharge
 National Battery
 National Power Corp
 NEC Corporation of America
 Neptune Technology Group Inc.
 Nest Labs, Inc.
 Netgear, Inc.
 Nikon Canada Inc
 Nikon Inc. EL3R
 Nippon Primex Inc.
 Normark Innovations Inc.
 Novatel Wireless Inc
 NU MARK LLC
 Nylube Products Company LLC
 O2COOL, LLC
 Olympus Corp of the Americas
 OMRON Corporation
 OOMA INC
 Oracle America, Inc.
 Panasonic Corporation
 Pantech Co Ltd
 Pelican Products, Inc.
 Philips Consumer Electron
 Pioneer Home Entertainment
 Pitney Bowes, Inc.
 Plantronics, Inc.
 Polycom, Inc.
 Positec Tool Corporation
 POWER PRODUCTS

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Privoro, LLC
 ProTeam, Inc.
 PSA PARTS, INC.
 Quality One Wireless
 Razor USA LLC
 Richpower Industries, Inc.
 Ricoh Imaging Americas Corporation
 Ridge Tool Company (RIDGID)
 Riese & Muller
 RKI Instrument, Inc
 Robert Bosch Tool Corporation
 Royal Consumer Information Products, Inc.
 RRC POWER SOLUTIONS
 Samsung Electronics America Inc.
 Sandvik Machining Solutions USA LLC
 Scosche Industries
 SDI Technologies Inc
 Senco Products, Inc
 Sensidyne LP
 SharkNinja
 Sharp Electronics Corporation
 Shenzhen Grepow Battery Co., Ltd.
 SHIMANO
 Sigma Corporation
 Sinopower Technology (HK) Ltd
 Snap-on Inc
 Sony Electronics, Inc
 Southern Telecom, Inc.
 SOUTHWICK TECHNOLOGIES INC
 Southwire Company
 Spectrum Brands
 SRAM, LLC
 Stanley Black & Decker, Inc.
 Stihl Incorporated
 Stihl Limited
 StorTronics
 Streamlight, Inc.
 Summer Infant, Inc.
 Surefire, LLC
 Tacony Corporation
 TCL Mobile
 TCT MOBILE INC-ALCATEL BlackBerry
 Technical Power Systems Inc.
 Techtronic Industries GmbH
 Techtronic Trading Ltd
 Test Rite Products Corp
 Texas Instruments Inc.
 The Coleman Company
 The Gillette Co/Braun Div
 The Gillette Co/Oral-B Div
 The Source

The Toro Company
 Tokyo Seimitsu Co., LTD
 TomTom Inc.
 Toshiba America Client Solutions In
 Toshiba Client Solutions Canada Ltd
 Trans Cosmos America/GVIDO
 Transcosmos America Inc.
 Traxxas L.P.
 Trek Bicycle Corporation
 TTEK ASSEMBLIES INC
 TTI (Macao Comm OfSh) Ltd
 ULTRALIFE CORPORATION
 Uniden America Corporation
 VARTA Microbattery Inc.
 Venom Power
 Vera Bradley
 Vernier Software and Technology
 Vibratex, Inc.
 Vizio Inc.
 VTech Telecommunications Ltd
 WACOM TECHNOLOGY CORP
 WATER PIK, INC.
 Whill, Inc
 WOHLER USA
 Xplore Technologies Corp.
 Yamaha Motor Corp. USA
 Zebra Technologies Corp
 Zippo Manufacturing Company

Appendix C – Audited Financial Statement

See next page

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2018

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2018

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Schedules



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BDO Canada LLP
148 - 10th Street
Brandon MB R7A 4E6 Canada

Independent Auditor's Report

To the Board of Directors of
Call2Recycle Canada, Inc.

Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the Organization), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net asset and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba
June 13, 2019

Call2Recycle Canada, Inc.
Statement of Financial Position

December 31 **2018** **2017**

Assets

Cash (Notes 2, 3)	\$ 1,106,298	\$ 1,730,879
Accounts receivable	6,013,380	5,521,576
Marketable securities (Note 4)	17,757,082	8,575,394
Other assets	160,214	97,581
	<u>\$ 25,036,974</u>	<u>\$ 15,925,430</u>

Liabilities and Net Assets

Accounts payable and accrued expenses (Notes 5, 8)	<u>\$ 2,689,350</u>	<u>\$ 2,203,199</u>
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Unrestricted Net Assets

Undesignated	7,006,452	5,389,161
Board Designated (Note 7)	15,341,172	8,333,070
	<u>22,347,624</u>	<u>13,722,231</u>
	<u>\$ 25,036,974</u>	<u>\$ 15,925,430</u>

The accompanying notes and schedules are an integral part of these financial statements.

Call2Recycle Canada, Inc.
Statement of Changes in Net Assets

For the year ended December 31	Undesignated	Board Designated	2018 Total	2017 Total
Balance, beginning of the year	\$ 5,389,161	\$ 8,333,070	\$ 13,722,231	\$ -
Excess of revenues over expenses	1,617,291	7,008,102	8,625,393	9,006,884
Capital contribution (Note 2)	-	-	-	4,715,347
Balance, end of the year	<u>\$ 7,006,452</u>	<u>\$ 15,341,172</u>	<u>\$ 22,347,624</u>	<u>\$ 13,722,231</u>

The accompanying notes and schedules are an integral part of these financial statements.

Call2Recycle Canada, Inc.
Statement of Operations

For the year ended December 31 **2018** **2017**

(Restated Note 10)

Revenues

Steward fees	\$ 22,772,659	\$ 19,963,649
Investment income (loss)	(307,651)	75,394
Other	<u>363,127</u>	<u>224,424</u>
	<u>22,828,135</u>	<u>20,263,467</u>

Expenses

Material management and processing	9,416,787	7,800,501
Public education and awareness	2,070,815	1,191,084
Other (salary, professional, administrative)	<u>2,715,140</u>	<u>2,264,998</u>
	<u>14,202,742</u>	<u>11,256,583</u>

Excess of revenues over expenses **\$ 8,625,393** **\$ 9,006,884**

Call2Recycle Canada, Inc. Statement of Cash Flows

For the year ended December 31	2018	2017
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 8,625,393	\$ 9,006,884
Items not affecting cash:		
Net realized and unrealized gain (loss) on investments	379,524	(45,319)
	9,004,917	8,961,565
Changes in non-cash working capital:		
Accounts receivable	(491,805)	(39,217)
Accounts payable and accrued liabilities	486,151	(2,474,269)
Other assets	(62,633)	117,955
	8,936,630	6,566,034
Cash flows from investing activities:		
Marketable securities	(9,561,211)	(8,530,075)
Capital contribution	-	3,486,301
	(9,561,211)	(5,043,774)
Cash flows from financing activities:		
Opening contribution of cash	-	208,619
Net (decrease) increase in cash	(624,581)	1,730,879
Cash, beginning of the year	1,730,879	-
Cash, end of the year	\$ 1,106,298	\$ 1,730,879

The accompanying notes and schedules are an integral part of these financial statements.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies

Nature and Purpose of Organization

Call2Recycle Canada, Inc. (the Organization) is a not-for-profit organization formed on January 1, 2017. The Organization's head office is registered in Toronto, Ontario, and conducts its operations throughout all of Canada.

The Organization's purpose is to promote social welfare by addressing environmental concerns related to the recycling or proper disposal of consumer batteries. The Organization operates battery collection and recycling programs and educates the public with respect to the proper disposal and recycling of batteries.

The Organization seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries. The Organization is committed to a cleaner, healthier environment through public education on battery recycling. All aspects of the Organization's business are conducted in an environmentally sensitive manner, as the Organization is convinced that sound environmental product stewardship and sound business practices go hand in hand.

The Organization is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).

Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Revenue Recognition

The Organization follows the deferral method of accounting for revenues.

Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred.

Steward fees are received from legally obligated stewards in 3 regulated provinces (BC, MB and QC), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Organization recognizes these fees as revenue in the year that battery units are sold by the stewards to consumers and businesses.

The costs of the corresponding collection and recycling for some of these batteries may occur in future years, and those associated costs are reported as expenses of the Organization in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.

Unrestricted net investment income is recognized as revenue when earned.

Unrestricted revenues from the sales of recycled materials are recognized in income when the recovered materials are sold and the amount to be recovered can be estimated and collection is reasonable assured.

Call2Recycle Canada, Inc.

Notes to Financial Statements

December 31, 2018

1. Significant Accounting Policies (continued)

Financial Instruments	<p>Financial instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>
Use of Estimates	<p>The preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant items subject to such estimates and assumptions include:</p> <ul style="list-style-type: none">- accrued expenses- allocation of expenses- allowance for doubtful accounts
Accounts Receivable	<p>Uncollectable amounts receivable are written off at the time the accounts are determined to be uncollectible. There is no allowance for doubtful accounts at December 31, 2018 as management of the Organization considers any possible bad debts to be negligible.</p>
Expenses	<p>Material management and processing costs are recorded when the collection and processing services (freight, handling, recycling of materials) has been provided. Other expenditures are recognized as incurred.</p>

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2018

2. Cash

The Organization maintains the majority of its cash balance in a Canadian financial institution. The Canada Deposit Insurance Corporation (CDIC) insures this account up to \$100,000 for this financial institution. From time to time the aggregate funds held in this institution may exceed the CDIC insured limits and may not be covered by CDIC insurance. Management does not anticipate any material effect on the financial position of the Organization as a result of this concentration.

3. Line of Credit

The Organization has a line of credit agreement with a bank which provides borrowings up to \$1,500,000. Borrowings under the agreement bear interest at Canadian Dollar Offer Rate plus 2%. At December 31, 2018, there were no borrowings against the line of credit. Borrowings under the line of credit are secured by substantially all of the investments held by the Organization.

4. Marketable Securities

The carrying amounts of investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
At fair value:		
Cash held for long-term investment	\$ 6,388,721	4,189,985
Equity investments	3,736,218	1,312,518
Bonds	6,025,198	2,509,255
Real estate	760,963	229,901
Hedge fund investments	845,982	333,735
	<u>\$17,757,082</u>	<u>\$ 8,575,394</u>

5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$729,097 (2017 - \$684,650).

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2018

6. Allocation Expenses

Expenses are charged directly to their respective jurisdiction based on actual costs as incurred. When expenses are not identified to a specific jurisdiction, but benefit all jurisdictions, they are allocated among the jurisdictions based on the Organization's allocation methodology. Collections and processing costs are allocated based on battery collections for each jurisdiction. Salary and benefits are allocated based on employee time allocation by jurisdiction. Other expenses, including professional fees, general marketing, communication and promotion, shared service costs, office supplies, and occupancy, which cannot be identified with a specific jurisdiction are allocated based on the percentage of all battery collections for each jurisdiction.

7. Board Designated Net Assets

The Organization's governing board has designated \$15,341,172 (2017 - \$8,333,069) as of December 31, 2018 for future use in the regulated provinces of Quebec, British Columbia and Manitoba. The designated balances by regulated province are as follows:

Quebec	\$ 9,991,883
British Columbia	4,095,657
Manitoba	<u>1,253,632</u>
Total	<u>\$15,341,172</u>

8. Significant Contractual Arrangements

The Organization is governed by a Board of Directors that is separate and independent of its former parent entity, but continues to contract accounting and managerial services from Call2Recycle, Inc. US. Fees paid for contracted services to Call2Recycle, Inc. US for 2018 were CDN \$1,392,570 (2017 - \$1,099,871). This fee is assessed to the Organization net of a US \$480,000 (2017 - \$552,860) fee recovery collected by Call2Recycle, Inc. US for battery seal license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued expenses is an amount of \$614,500 (2017 - \$628,889) in respect of these contracted services.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2018

9. Financial Instruments

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that the registrants of the Organization defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Organization's registrants are numerous and diverse, which reduces the concentration of risk. Management closely evaluates the collectibility to mitigate this risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization is exposed to financial risk that arises from fluctuations in the sale of recyclable batteries and consumer electronic products. This risk is minimized by an expected corresponding decrease in program delivery and recycling process expenses and by the regulations established by the respective Department of the Environment in each jurisdiction in which the Organization operates.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization is exposed to currency risk as a result of its significant contractual arrangement for accounting and managerial services with a US organization.

10. Prior year figures

The prior year figures have been reclassified to conform to current year presentation.

Call2Recycle Canada, Inc.
Schedule of Operations - Manitoba

For the year ended December 31	2018	2017
		(Restated Note 10)
Revenue		
Steward fees	\$ 1,353,781	\$ 1,135,376
Investment income (loss)	(17,439)	3,010
Other	13,508	8,162
	<u>1,349,850</u>	<u>1,146,548</u>
Expenses		
Material management and processing	389,844	322,396
Public education and awareness	186,867	98,576
Other (salary, professional, administrative)	117,494	127,589
	<u>694,205</u>	<u>548,561</u>
Excess of revenues over expenses	655,645	597,987
Net assets, beginning of year	<u>597,987</u>	-
Net assets, end of year	<u>\$ 1,253,632</u>	<u>\$ 597,987</u>