

# 2021 Provincial Annual Report Manitoba

## **Submission Date:**

June 22, 2022

## **Submitted by:**

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## **Submitted to:**

Manitoba Environment,  
Climate and Parks

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## 1. About Call2Recycle

Call2Recycle Canada, Inc. has been Manitoba’s provincially-approved extended producer responsibility (EPR) organization for stand-alone replacement batteries used in household electronic and electrical products and weighing up to five kilograms since 2011. It is nationally recognized for its highly efficient consumer battery collection and recycling program, Call2Recycle®, which has been in operation since 1997.

More than 170 producer organizations turn to Call2Recycle Canada to fulfill their battery recycling obligations in full compliance with Manitoba’s battery recycling regulation. Please see [Appendix B](#) for a complete list of Call2Recycle Members in Manitoba. The organization is highly regarded by member operators for its efficiency, transparency, cost-effectiveness, and unparalleled safety. Call2Recycle is the first program of its kind to receive Responsible Recycling (R2) certification. This reputation for excellence has attracted longstanding partnerships with program members and collection partners across the province.

## 2. Executive Summary

The Call2Recycle program operates through a vast network of collection partners—including local governments, depots, and leading retailers. In 2021, 569 active collection facilities comprised this network, including 254 public facilities that are accessible to all residents and 315 private facilities serving select groups, such as employees at an organization. Call2Recycle’s array of collectors provide 88% of Manitoba residents with convenient access to a battery recycling location within 15 km of their home.

Manitoba residents took advantage of this convenience, recycling 148,060 kg of household batteries in 2021, the highest annual collection amount in the provincial program’s history. Both rechargeable battery collections and primary (single-use) battery collections increased significantly year over year (61% and 48% respectively) for an annual year-over-year increase of 51% overall.

In 2020, the COVID-19 pandemic demanded a shift in Call2Recycle’s awareness and education activities from collection events and event sponsorship to online promotions and reminders to store batteries for future recycling trips. These promotional activities and messages continued in 2020 with Call2Recycle’s “always on” approach, blanketing various social media and online platforms with

messages to keep battery recycling top of mind as consumers began to venture out more as the pandemic progressed.

Call2Recycle's 2021 consumer awareness and battery recycling habits survey revealed that more Manitobans say there are convenient locations for them to recycle, up 6 points since 2020.

52% of respondents from Manitoba said they recycled some or all of their used batteries, up from 47% in 2020. Of the batteries used in the province, 40% are recycled, 28% are stored, and 23% are thrown away. This represents an increase in stored batteries (up from 23%) and a decrease in recycled batteries (from 47%) from the previous year. While most respondents over 55 said they stored their batteries with the intention of recycling later when it is convenient, the primary reason the 18-35 demographic stored their batteries was not knowing what to do with them. This presents an opportunity for greater education directed at this group to increase battery recycling activity.

Call2Recycle proudly contributes to the circular economy and supports the province to meet its sustainability and responsible recycling goals. This report outlines the performance of the Call2Recycle program in Manitoba against the EPR plan between January 1, 2021 and December 31, 2021. The organization continues to divert millions of batteries from landfill through strong partnerships, unwavering focus on increasing public awareness about battery recycling, and ongoing efforts to meet and exceed the targets set out with the province.

### **3. Public Education Materials and Strategies**

Increasing awareness of the importance of end-of-life battery management, encouraging consumers to recycle their used batteries, and providing information on how and where to do so have always been key elements of Call2Recycle's efforts to divert used batteries from landfill.

In 2020, the COVID-19 pandemic demanded a shift in Call2Recycle's awareness and education activities away from collection events and event sponsorships to online promotions and reminders to store batteries for future recycling trips. These promotional activities and messages continued in 2021 as the pandemic endured.

#### **3.1 Campaigns**

In 2021, Call2Recycle adopted an "always on" approach to promotions that included traditional and digital advertising. Call2Recycle utilized traditional media, including billboards and ads in Winnipeg

transit shelters, to share messages that would keep battery recycling top of mind as consumers began returning to some pre-pandemic routines.

Call2Recycle leveraged occasions like Earth Day to remind residents to act responsibly and protect the planet by finding a drop-off location near them on the [call2recycle.ca](http://call2recycle.ca) website and then drop off their batteries for recycling. The Earth Day campaign earned an article in the *Winnipeg Free Press* entitled “New Life for Old Batteries,” which appeared on April 17. On the same day, a Call2Recycle ad ran on the paper’s front page, adding to the messaging impact.

Call2Recycle conducted its first television campaign this year with the game show *Family Feud* from September 27<sup>th</sup> to October 4<sup>th</sup>. The eight-episode campaign included 10-second sponsorship billboards, 15-second brandsells and an ad break survey in each episode, garnering more than 1.7 million consumer impressions. During the week of this campaign, activity on Call2Recycle’s website increased 78% over the same period the year before (3,128 users vs. 1,757 users in 2020).

Fifteen-second ad segments for Call2Recycle also ran for two weeks over September and October on Sportsnet West and Rogers Sports Manitoba during NHL and MLB games.

### 3.2 Sponsorships, Partnerships and Events

Call2Recycle partners with other Producer Responsibility Organizations in Manitoba to provide recycling services to First Nations communities accessible by seasonal ice roads. The project focuses on ensuring the communities of Bunibonibee Cree Nation-Oxford House, St. Theresa Point, Waskagamack, Northlands-Lac Brochet, Barren Lands-Brochet, and Sayisi Dene-Tadoule Lake have the required materials to collect, store, and safely transport stewarded materials—such as used batteries, paint, e-waste, and fluorescent tubes—as well as the removal of designated stewardship material from selected communities. In 2021, no batteries were collected through the Northern Remote Communities initiative, however, Call2Recycle continues its commitment to this effort and has already seen a boost in 2022 collection numbers at the time of this report’s production.

### 3.3 Website & Social

At 44,241 times, Manitoba residents used Call2Recycle’s online locator to find a public drop-off location near them almost three times as often in 2021 as they did in 2020 (15,643 searches). This year

continues a notable growth trend in locator activity, as 2020 also saw locator searches grow by 30 percent over the previous year.

Call2Recycle maintained an “always on” social media presence from January to December, to keep battery recycling front of mind for consumers. This included display remarketing, Facebook boosted posts, Instagram, YouTube, Snapchat, Call2Recycle location pins in the Waze app, and search activity. Call2Recycle also established a presence on Reddit, which offered opportunities to reach a younger audience (18-34) —a demographic that Call2Recycle’s consumer surveys reveal recycle at lower rates than older demographics. These online efforts were designed to expand Call2Recycle’s message reach and drive quality traffic to the organization’s website.

## 4. Collection System and Facilities

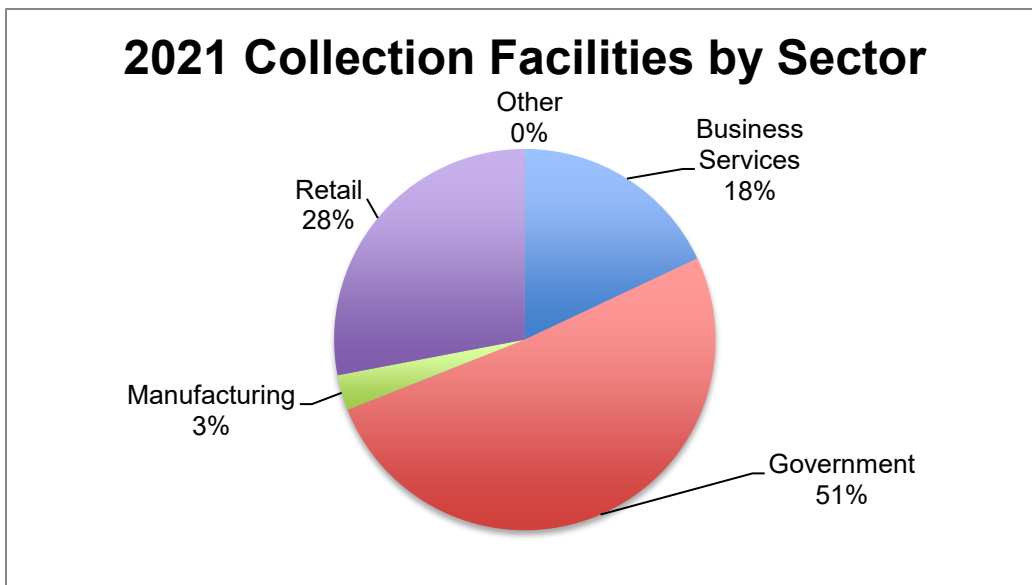
### 4.1 Collection Facilities & Accessibility

Call2Recycle collects batteries from consumers through a network of partners in the business services, government, manufacturing, retail, and environmental sectors. Participating collectors may have Call2Recycle boxes that are available to the public or may have private boxes that have limited access (e.g., employees only). Call2Recycle strategically locates its boxes to maximize accessibility to Manitoba residents for greater participation in the program. In 2021, 88 percent of residents lived within this accessibility zone, which is less than Call2Recycle’s plan target of 93 percent for the year but on par with 2020’s accessibility rate.

In 2021, there were 569 active Call2Recycle collection facilities in Manitoba, a 33 percent increase over the previous year’s total of 428, reflecting consumer’s tentative return to regular recycling activity after a year of staying home and holding on to batteries in the first year of the pandemic. An active location is one that has joined the Call2Recycle program in the past 12 months, returned a full box or bulk shipment of batteries or ordered a replacement collection box in that same period. The following charts outline Call2Recycle’s public and private collection facilities and their division by sector.

2021 Active Collection Facilities by Access	
Public	254
Private	315
<b>Total</b>	<b>569</b>

Active Collection Facilities by Sector				
Sector	2021	2020	Change (#)	Change (%)
Business Services	105	77	28	36%
Government	291	220	71	32%
Manufacturing	15	13	2	15%
Retail	157	116	41	35%
Other	1	2	-1	-50%
<b>Total</b>	<b>569</b>	<b>428</b>	<b>141</b>	<b>33%</b>

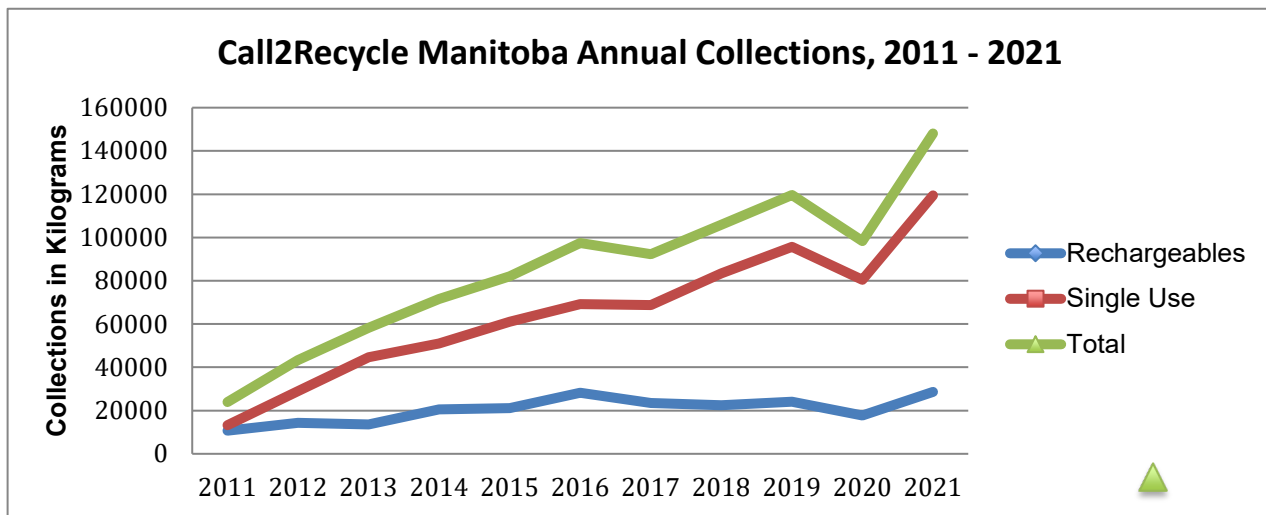


#### 4.2 Performance Results

Call2Recycle monitors its battery collections in Manitoba against targets set out in its provincially approved battery stewardship plan. After a slower year of collections in 2020 due to the impact of the COVID-19 pandemic, Manitoba rebounded in 2021 with an unprecedented year of used battery collections. Quantities for both rechargeable and primary (single-use) batteries increased significantly over the prior year’s totals, contributing to an overall increase in collections of 51 percent, the highest single-year jump on record for the province. Manitobans deposited 148,060 kg of used batteries at

Call2Recycle collection facilities in 2021, which is also the largest single-year collection total for the province since the all-battery recycling program began in 2011. Both single-use and rechargeable batteries recorded their highest collection totals in the program’s 11-year history.

Call2Recycle Collections by Weight (kg)*			
Type	2021	2020	% Change
Single Use (Primary)	119,444	80,483	48%
Rechargeable	28,616	17,777	61%
<b>Total</b>	<b>148,060</b>	<b>98,260</b>	<b>51%</b>



Call2Recycle also tracks collections by battery chemistry. Collections for all rechargeable and single-use battery categories increased in 2021, with Lithium-Ion batteries more than doubling in collections, with a 130 percent increase among rechargeable batteries, and Lithium single-use battery deposits growing by 86 percent this year. Overall, rechargeable battery collections increased by 61 percent and single-use batteries increased by 48 percent. As rechargeable batteries are increasingly used in battery-powered devices, it is anticipated that rechargeable used battery deposits will continue to outpace single-use deposits.



Primary (Single Use) Battery Collection by Chemistry (kg)*			
Material Name	2021	2020	% Change
Alkaline and Zinc Carbon	115,566	78,354	47%
Lithium	3,748	2,020	86%
Mercury	129	109	18%
<b>Total</b>	<b>119,443</b>	<b>80,483</b>	<b>48%</b>
Rechargeable Battery Collection by Chemistry (kg)*			
Type	2021	2020	% Change
Ni-Cd	10,006	7,553	32%
Ni-MH	3,984	2,291	74%
Li-Ion	11,215	4,886	130%
SSLA	3,411	3,047	12%
<b>Total</b>	<b>28,616</b>	<b>17,777</b>	<b>61%</b>

**Recovery Rate**

Recycling recovery rates are calculated by dividing total battery weight collected in the province in the reporting year by the total weight sold in the province in the same year, and then expressed as a percentage. Battery units sold into the province, as reported by members through remittance of Environmental Handling Fees (EHFs), are converted into weights based on industry standards.

Annually, to forecast the total volume of batteries required to meet recovery rates, battery sales from the previous year are used to determine trends in battery purchasing for the next year. This calculation is used to determine the total battery weight required to collect in the province to meet recovery rate target commitments.

In its approved program plan, Call2Recycle committed to reaching a 26 percent recovery rate in 2021, however, 2020 was an unusual year with extremely high battery sales as consumers spent more time at home using battery-powered devices due to the pandemic. The unforeseen increase in batteries sold into the market in 2020 created a larger-than-projected denominator for the recovery rate calculation last year. With the uncertainty of how long the pandemic would affect consumer behaviour, forecasting sales for 2021 proved challenging.

Like 2020, battery sales into the market were abnormally high due to COVID. Despite achieving the largest battery collection total in the program’s history this year, the recovery rate for 2021, at 18%, missed the plan’s projected target due to high sales and compounded by year-end environmental events that affected collection partners’ shipping trends. As there are now signs of a more sustained

shift in the broader pandemic response, we anticipate a gradual move toward more predictable consumer behaviours in the coming year.

<b>2021 Recovery Rate</b>			
<b>2021 Batteries Collected in Manitoba</b>	<b>2021 Manitoba Battery Sales</b>	<b>Recovery Rate Actual</b>	<b>Recovery Rate Target</b>
<b>146,764</b>	<b>817,412</b>	<b>18%</b>	<b>26%</b>

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

## **5. Recovered Product Management and Materials Processing**

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard. The R2:2013 Standard is the latest version of R2, the electronics recycling industry's leading certification. Each provision of the R2 Standard is designed to help ensure the quality, transparency, and environmental and social responsibility of the certified electronics recycling facility. The distinction reinforces Call2Recycle's commitment to following stringent requirements regarding the safe, secure battery collection and processing. Call2Recycle also received ISO 14001:2015 and ISO 45001:2018 certifications, which affirms its commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills.

When it comes to the 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 reports on Recycling Efficiency Rates (RER) by chemistry to demonstrate the quantity of materials reclaimed from each battery chemistry that can be used in secondary products.

Recycling Efficiency Rates by Chemistry*											
BATTERY TYPE % Material recovered – Recycled to	Rechargeable Battery Chemistry						Primary Battery Chemistry				
	NI- CD	LI-ION		NI- MH	SSLA		ALKALINE			LITHIUM	
Metal(s)	N/A	18	27	57	98	66	21	18	19	94	35
Co-product aggregate	N/A	0	0	14	0	22	1	72	68	4	0
Cadmium	N/A	0	0	0	0	0	0	0	0	0	0
Secondary Recovery**	N/A	60	0	5	0	0	57	0	0	0	21
Plastic Recovery or Reductant	N/A	0	44	10	0	5	5	4	0	0	0
Total Material Recovery (%)	N/A	<b>78</b>	<b>71</b>	<b>86</b>	<b>98</b>	<b>93</b>	<b>84</b>	<b>94</b>	<b>87</b>	<b>98</b>	<b>56</b>
Not Recovered for use in Secondary Market During Recycling Process***	N/A	22	29	14	2	7	16	6	13	2	44
Total:	N/A ^	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* Recovery rates provided by processor.

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

\*\*\*Not recovered for use in secondary market includes: Water, Oxygen, Plastics, and Organics (carbon, electrolytes).

## 6. Consumer Awareness, Research and Development

### Consumer Awareness

Call2Recycle commissions an annual survey of Manitobans to assess their battery recycling awareness and habits. The 2021 survey of 1,000 residents took place between November 18 and December 13, 2021. Overall awareness of battery recycling among Manitobans remained high and stable in 2021 at 76%. More Manitobans are aware that single-use batteries can be recycled (68%) than are aware of the recyclability of rechargeable batteries (60%). Like last year, older Manitobans are significantly more likely than younger Manitobans to believe there is an environmental benefit to recycling batteries, that

doing so protects the future environment, that recycling is important, and that it is their civic duty to recycle. Younger Manitobans, by contrast, are less likely than other age groups to know where to go to recycle different products or that there are convenient battery recycling locations in their community.

In 2021, 52% of respondents from Manitoba said they recycled some or all of their used batteries, up from 47% in 2020. Of the batteries used in the province, 40% are recycled, 28% are stored, and 23% are thrown away. This represents an increase in stored batteries (up from 23%) and a decrease in recycled batteries (from 47%) from the previous year.

Among survey respondents who said they threw out their used batteries, the most common reason (4 out of 10 respondents) was their belief that it is easier than recycling. This is indicative of general Manitoban attitudes towards convenience; respondents who said they are storing their batteries are also waiting for a more convenient time to recycle them. Just over 3 in 10 Manitobans cited not knowing where to recycle batteries as their reason for throwing them away. This presents an opportunity for greater education directed at this group to increase battery recycling activity.

As in the previous two years, recycling depots are Manitoban’s preferred location for recycling batteries (43%) followed by retailers (30%).

Consumer Awareness and Recycling Incidences Targets*	2021 Target	2021 Actual
Manitobans who were aware that consumer batteries can be recycled in a 2021 (%)	82%	76%
Manitobans who recycled their consumer batteries in 2021 (%)	56%	52%

\*Based on a sample of 700 residents of Manitoba who were surveyed online via the Ipsos I-Say panel from November 18th to December 13th, 2021. The precision of online polls is measured using a credibility interval. In this case the results are considered accurate to within +/- 4.2 percentage points, 19 times out of 20, of what the results would have been had all Manitoba adults been surveyed.

## 7. Program Funding

Call2Recycle collects Environmental Handling Fees (EHFs) on each unit of primary batteries, rechargeable batteries and batteries sold with or in portable flashlights and spotlights, e-toys, and smoke and carbon monoxide detectors in Manitoba. [EHFs](#) are calculated based on the cost to manage the collection and responsible recycling of each battery, by specific type. The EHF schedule can be found [here](#).

Call2Recycle collected EHF's from members who reported sales of these batteries in Manitoba between January 1 and December 31, 2021. Please see [Appendix C](#) for Call2Recycle's audited financial statements.

As in 2020, battery sales in 2021 outpaced projections due to the pandemic. With consumers continuing to spend more time at home than in the past and using more battery-powered devices, sales of single-use and rechargeable batteries have increased significantly. With increased battery purchasing and related environmental handling fees (EHF) remittance, Call2Recycle's program reserves have increased. To address the increase, Call2Recycle reduced environmental handling fees (EHF) on most categories effective January 1, 2021 to ensure the reserve level continues to meet the government's requirement that program reserves not exceed one year of program revenue. EHF reductions were introduced with the intention of drawing down the reserves in future years. They also reflect increased program efficiencies. Call2Recycle will continue to monitor revenues and make best efforts to address anticipated increases.

## 8. Organizational Reports

At the time of writing, Call2Recycle's 2021 Corporate Annual Report is in development and will be completed by June 30, 2022.

## 9. Program Performance

Annual Targets and Goals			
Measures	2021 Target	2021 Result	Target Achieve and Remediation Plan
Accessibility - % of population within 15 km of a collection site	93%	88%	<ul style="list-style-type: none"> <li>Call2Recycle will continue to seek new public collection locations with the goal of increasing access to battery recycling opportunities.</li> <li>As pandemic restrictions ease, Call2Recycle will offer more collection events in underserved areas of the province to increase accessibility to the program.</li> </ul>

<p>Collections Targets - batteries to be collected expressed as a percentage of what is sold into the Manitoba market</p>	<p>26%</p>	<p>18%</p>	<ul style="list-style-type: none"> <li>Manitoba collections increased 51% over the previous year – the highest year-over-year volume increase and the largest provincial collection amount since the program was first approved in 2011.</li> <li>Call2Recycle will increase investment in promotion and education to encourage Manitoba residents to recycle used batteries.</li> </ul>
<p>Battery Recycling Awareness (Percentage of Manitobans who were aware that Consumer Batteries can be Recycled in 2021)</p>	<p>82%</p>	<p>76%</p>	<ul style="list-style-type: none"> <li>Call2Recycle will continue its “always on” promotional approach to keep battery recycling top of mind among Manitobans. In addition, sustained digital promotions geared at the younger demographics on social platforms to increase awareness among this group whose recycling habits show the most room for improvement.</li> </ul>
<p>Battery Recycling Incidence (Percentage of Manitobans who Recycled their Consumer Batteries in 2021)</p>	<p>56%</p>	<p>52%</p>	<ul style="list-style-type: none"> <li>Using insights from its 2020 consumer survey, Call2Recycle will continue to conduct focused recycling promotions targeting non- and low recyclers (e.g., condo dwellers under the age of 35) and highlighting the convenience of battery recycling.</li> <li>Call2Recycle will also test the use of community and ethnocultural publications to increase awareness and battery recycling activity - a successful approach tested in other regions.</li> </ul>

## **Appendix A – Board of Directors**

**As of December 31, 2021**

Call2Recycle Canada, Inc.'s board of directors is comprised of:

**Norman Clubb, Chair**, Independent

**Marc K. Boolish**, Energizer Holdings, Inc.

**Joe Borsellino**, Chateau Manis Electronics Inc.

**Annalise Czerny**, Independent

**Peter Daley**, Dollarama Inc.

**Julie Dickson Olmstead**, Save On Foods

**David Houston**, Panasonic Canada Inc.

**Raman Johal**, London Drugs Ltd.

**James McPhedran**, Independent

**Alan Moyer**, Independent

**Tim Reuss**, Canadian Automobile Dealers Association

**Martin Tammik**, Live To Play Sports

**Harriet Velazquez**, Velazquez Consulting Inc. (Independent)

**David Ward**, Metro Ontario Inc.

## Appendix B – Call2Recycle Members

### Call2Recycle Manitoba Members As of December 31, 2021

3M Canada  
Acklands Grainger Canada Inc.  
ACS Distributing  
Amazon Canada / Amazon.com.ca, Inc.  
Amplifon  
Apple Canada Inc.  
Acer America Corporation  
ADI Global  
Battery Canada  
BDI, a division of Bell Mobility Inc.  
Bed Bath and Beyond Canada L.P.  
BellMTS, a division of Bell Canada  
Best Buy Canada Ltd.  
Bike Co LLC  
BISSELL Canada Corporation  
Bose Corporation  
Cabela's  
Canada Computers Inc. / Ordinateurs Canada  
Canadian Tire Corporation, Ltd.  
Canadian Tire Petroleum  
Canon Canada Inc.  
Cardinal Health Canada Inc.  
Cervelo Cycles Inc.  
Château Manis Electronics Inc.  
Canadian Energy and Power Corporation  
Cell Mechanics Inc.  
Connect Hearing Canada  
Core-Mark International Inc.  
Costco Wholesale Canada Ltd  
Cycles Devinci  
Cycles Lambert  
D'Amour Bicycle & Sports Inc.  
Dell Canada Inc.  
Dollar Tree Stores Canada Inc.  
Dollarama L.P.  
Dynabook Canada Inc  
East Penn Canada (Power Battery Sales Ltd.)  
ECHO Power Equipment (Canada)  
Edma Marketing Ltd.  
EECOL Electric ULC  
Enns Brothers Ltd.  
Epic Cycles Inc.  
EUCAN Distribution Inc.  
Fastenal Canada, Ltd.  
Federated Co-Operatives Limited  
Fermetco Inc.  
FGL Sports Ltd.  
Furniture de Bureau Denis Inc.  
FuturPlus (Division of Cathelle Inc.)  
Giant Bicycle Canada Inc  
Giant Tiger Stores Limited  
Gescan (Sonepar Canada)  
Google Canada Corporation  
Grand & Toy Ltd.  
Grin Technologies  
Groupe BBH Inc.  
Groupe BMR Inc.  
Guillevin International Cie  
Hawthorne Canada Limited  
HearingLife Canada Ltd.  
Hilti Canada Corporation  
Hitfar Concepts Ltd.  
Home Hardware Stores Limited  
HRS Global  
Hudson's Bay Company  
Husqvarna AB  
IKEA Supply AG  
Henry's Enterprises Inc.  
ILINK Industries Ltd  
Ivan Hupalo -2448131 Manitoba Ltd.  
Indigo Books and Music Inc.  
Interstate Batteries Inc.  
John Deere Canada ULC  
KMS Tools and Equipment Ltd.  
Kranked Bikes  
Landco Import International Inc.  
Lee Valley Tools Ltd  
Lego Brand Retail, Inc.  
Lem-Rich Foods Ltd.  
Lenovo Canada Inc.



Les pieces d'auto Transit Inc.  
Les Variétés P. Prud'homme Inc.  
Loblaws Inc.  
London Drugs Limited  
Louis Garneau Sports Inc.  
Lowe's Canada ULC  
LTP Sports Group Inc.  
Mac's Convenience Stores Inc.  
Magnacharge Battery Corporation  
Makita Canada Inc.  
Mark's / L'Équipeur  
Mastermind LP  
MB Battery Distributors Inc.  
McKesson Canada  
McMunn and Yates  
Mica Sport Canada Inc.  
Michaels Stores Inc.  
Microsoft Corporation  
Motorola Solutions Canada  
Mountain Equipment Company Ltd.  
MSA Safety Sales, LLC  
Nedco West Division  
Newell Brands Canada (Sunbeam before 10/1/20)  
NIS Northern Industrial Sales  
NII Northern International Inc.  
Northern Building Supply  
Northern Specialities Ltd.  
Novexco Inc.  
Onlybatteries.com  
On the Edge Canada Inc.  
Orgill Inc.  
Outdoor Gear Canada  
Orka Division Rexel Canada Electrical Inc.  
Part Source  
Peavey Industries Limited  
Pedego Canada (Voltage Bikes Ltd.)  
Photo Central Inc.  
Prairie Battery Ltd.  
Praxis Works  
Prime Deals International Ltd.  
Princess Auto Ltd.  
Proflash Technologies Inc.  
Rad Power Bikes LLC  
Riese & Muller  
Robert Bosch Inc. (Canada)  
Rocky Mountain, Div. of Industries RAD Inc.  
RONA Inc.  
Save on Food Limited Partnership  
Scotts Canada Ltd.  
SharkNinja Operating LLC  
Shimano Canada LTD  
Shopper+Inc.  
Shoppers Drug Mart Inc.  
Snap-On Tools of Canada Ltd  
Sobeys Capital Inc.  
Sonos Inc.  
S.P.Richards Co. Canada, Inc.  
Specialized Bicycle Components Canada  
Staples Canada Inc.  
Staples Professional, Inc.  
Steelcase Canada Ltd  
Stihl Limited  
Super Thrifty Drug Stores  
Supreme Basics  
T-Zone Health  
Telus Communications Company  
Tenaquip Limited  
The \$1. Store Plus  
The Battery Man  
The Bicycle Group (TBG) Kona Canada  
The Home Depot of Canada, Inc.  
The North West Company  
The Source (Bell) Electronics Inc.  
The Stevens Medical Company Limited  
Tip Top Electronics Supply Ltd.  
ToolTown Inc.  
Toys R Us Canada, Ltd.  
Trek Bicycle Canada ULC  
UAP Inc.  
Uline Canada Corporation  
Veritas Technologies LLC  
Veritiv Canada Inc.  
Velec Inc.  
Vulpine Networks  
Wallace and Carey Inc.  
Walmart Canada  
Wurth Canada Ltd.  
Wesco Distribution Canada  
Westburne Midwest Division  
Wisdom Electronics Inc.

## Appendix C – Audited Financial Statement

**See next page**

***Note: Manitoba Schedule of Operations can be found on the final page of the audited financial statement***

Call2Recycle Canada, Inc.  
Financial Statements  
For the Year Ended December 31, 2021

Call2Recycle Canada, Inc.  
Financial Statements  
For the Year Ended December 31, 2021

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## Independent Auditor's Report

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To the Board of Directors of  
Call2Recycle Canada, Inc.

### Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the "Entity"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets 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 Entity as at December 31, 2021, and its operations 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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, 2022

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Call2Recycle Canada, Inc.  
Statement of Financial Position

December 31	2021	2020
<b>Assets</b>		
Cash (Notes 2,3)	\$ 1,100,508	\$ 3,008,708
Accounts receivable (Note 8)	6,716,988	7,233,348
Marketable securities (Note 4)	27,213,746	24,792,412
Other assets	419,848	414,563
	<u>\$ 35,451,090</u>	<u>\$ 35,449,031</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses (Notes 5,8)	<u>\$ 3,748,794</u>	<u>\$ 5,264,492</u>
<b>Unrestricted Net Assets</b>		
Undesignated	10,469,432	9,912,053
Board Designated (Note 6)	21,232,864	20,272,486
	<u>31,702,296</u>	<u>30,184,539</u>
	<u>\$ 35,451,090</u>	<u>\$ 35,449,031</u>

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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	2021 Total	2020 Total
Balance, beginning of the year	\$ 9,912,053	\$20,272,486	\$30,184,539	\$ 26,397,460
Excess of revenues over expenses	557,379	960,378	1,517,757	3,787,079
Balance, end of the year	\$ 10,469,432	\$21,232,864	\$31,702,296	\$ 30,184,539

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

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Call2Recycle Canada, Inc.  
Statement of Operations

For the year ended December 31	2021	2020
Revenues		
Steward fees	\$ 30,297,523	\$ 24,925,062
Investment income	909,849	1,348,526
Other	26,441	51,202
	<u>31,233,813</u>	<u>26,324,790</u>
Expenses		
Material management and processing	22,333,879	16,085,321
Public education and awareness	2,378,516	2,089,929
Other (salary, professional, administrative)	5,003,661	4,362,461
	<u>29,716,056</u>	<u>22,537,711</u>
Excess of revenues over expenses	\$ 1,517,757	\$ 3,787,079

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

Call2Recycle Canada, Inc.  
Statement of Cash Flows

For the year ended December 31	2021	2020
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 1,517,757	\$ 3,787,079
Items not affecting cash:		
Net realized and unrealized gain on investments	(395,918)	(1,010,936)
	<u>1,121,839</u>	<u>2,776,143</u>
Changes in non-cash working capital:		
Accounts receivable	516,360	(1,542,506)
Accounts payable and accrued liabilities	(1,515,698)	3,458,501
Other assets	(5,285)	120,022
	<u>117,216</u>	<u>4,812,160</u>
Cash flows from investing activities:		
Marketable securities	(2,025,416)	(4,097,619)
Net (decrease) increase in cash	(1,908,200)	714,541
Cash, beginning of the year	<u>3,008,708</u>	<u>2,294,167</u>
Cash, end of the year	<u>\$ 1,100,508</u>	<u>\$ 3,008,708</u>

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

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# Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2021

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## 1. Significant Accounting Policies

### Nature and Purpose of Operations

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

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

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

The Entity 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.

### Revenue Recognition

The Entity 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 6 regulated provinces (QC, ONT, BC, MB, PEI, and SK), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Entity 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 Entity in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2021

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1. Significant Accounting Policies (continued)

Revenue Recognition - Continued	<p>Unrestricted net investment income is recognized as revenue when earned.</p> <p>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.</p>
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. Items subject to such estimates and assumptions include:</p> <ul style="list-style-type: none"><li>- accrued expenses</li><li>- allocation of expenses</li><li>- allowance for doubtful accounts</li></ul>
Accounts Receivable	<p>Uncollectable amounts receivable are written off at the time the accounts are determined to be uncollectable. There is no allowance for doubtful accounts at December 31, 2021 as management of the Entity 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>

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2021

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2. Cash

The Entity 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 Entity as a result of this concentration.

3. Line of Credit

The Entity 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, 2021, 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 Entity.

4. Marketable Securities

The carrying amounts of investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
At fair value:		
Cash held for long-term investment	\$ 4,499,275	\$ 4,081,830
Equity investments	7,342,047	6,530,139
Bonds	13,291,165	12,172,475
Real estate	1,267,473	1,100,569
Hedge fund investments	813,786	724,086
Precious metals and commodities	-	183,313
	<u>\$27,213,746</u>	<u>\$ 24,792,412</u>

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2021

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5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$601,395 (2020 - \$809,531).

6. Board Designated Net Assets

The Entity's governing board has designated \$21,232,864 (2020 - \$20,272,486) as of December 31, 2021 for future use in the regulated provinces of Quebec, Ontario, British Columbia, Manitoba, Prince Edward Island, and Saskatchewan. The designated balances by regulated province are as follows:

Quebec	\$14,115,940
Ontario	(3,275,460)
British Columbia	7,372,356
Manitoba	2,658,858
Prince Edward Island	(35,451)
Saskatchewan	<u>396,621</u>
Total	<u>\$21,232,864</u>

7. Allocation of 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 Entity'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 total population at the end of the year in the jurisdiction.

8. Significant Contractual Arrangements

The Entity 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 2021 were CDN \$1,700,281 (2020 - \$1,593,781). This fee is assessed to the Entity net of a US \$150,000 (2020 - \$370,000) 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 receivable is an amount of \$138,674 (2020 - included in accounts payable and accrued expenses is an amount of \$755,949) in respect of these contracted services.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2021

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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 Entity is exposed to credit risk resulting from the possibility that the registrants of the Entity 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 Entity's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Entity'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 Entity 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 Entity operates.

The Entity is exposed to market risk through its investment in marketable securities, the value of which changes through fluctuations in market values. The investment policies of the Entity are designed to mitigate this risk through diversification of the portfolio.

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 Entity is exposed to currency risk as a result of its significant contractual arrangement for accounting and managerial services with a US organization.

10. Financial Uncertainty due to COVID-19

Throughout the year, the impact of COVID-19 in Canada and on the global economy was ongoing with resulting worldwide emergency measures to combat the spread of the virus. As the impacts of COVID-19 continue there could be further impacts on the Entity, as well as the market value of investments and the magnitude of battery collection services and access to end of cycle material handlers. At this time, the full potential impact of COVID-19 on the Entity is not known.



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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2021

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11. Commitments

The Entity has entered into various lease commitments for building rentals. Expected payments over the next four years are as follows:

	2022		2023		2024		2025
Quebec	\$ 500	\$	-	\$	-	\$	-
British Columbia	18,120		-		-		-
Ontario	78,310		80,501		82,691		20,810
	<u>\$ 96,930</u>	\$	<u>80,501</u>	\$	<u>82,691</u>	\$	<u>20,810</u>

12. Comparative Figures

Certain comparative figures have been reclassified to conform to current year presentation.

13. Subsequent Events

During the year, the Entity conducted reviews of various service providers in the Province of Ontario who collected recyclable materials on behalf of the Entity. As a result of the reviews, certain service providers had their contracts terminated for non-compliance with program requirements. Subsequent to year end, the Entity terminated its agreement with a significant service provider for non-compliance.

At the time of the termination of the agreement with the significant service provider, that organization had submitted invoices to the Entity for materials collected in the amount of \$1,423,299. The balance included in Accounts Payable as at December 31, 2021 was \$1,299,714. Subsequent to the date of termination of the agreement, no further materials have been accepted from the significant supplier and no further payments have been made against the outstanding Accounts Payable balance. Upon termination of the agreement the Entity has demanded a refund of prior amounts paid to the significant service provider based upon the observations made in its compliance reviews. Management is not able to estimate the likelihood of recovery on the amount to be refunded or offset to the liability and as such no provision has been made in these financial statements.

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Call2Recycle Canada, Inc.  
Schedule of Operations - Manitoba

For the year ended December 31	2021	2020
<b>Revenue</b>		
Steward fees	\$ 1,439,828	\$ 1,443,226
Investment income	73,582	83,780
	<u>1,513,410</u>	<u>1,527,006</u>
<b>Expenses</b>		
Material management and processing	784,780	489,662
Public education and awareness	282,978	154,628
Other (salary, professional, administrative)	206,510	167,325
	<u>1,274,268</u>	<u>811,615</u>
Excess of revenues over expenses	239,142	715,391
Net assets, beginning of year	<u>2,419,716</u>	<u>1,704,325</u>
Net assets, end of year	<u>\$ 2,658,858</u>	<u>\$ 2,419,716</u>