

2021 Provincial Annual Report Saskatchewan

Submission Date:
June 29, 2022

Submitted by:
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Submitted to:
Saskatchewan Ministry of
Environment

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1. About Call2Recycle

Call2Recycle Canada, Inc. is Saskatchewan'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. It is nationally recognized for its highly efficient consumer battery collection and recycling program, Call2Recycle®, which has been in operation since 1997.

More than 130 producer organizations turn to Call2Recycle Canada to fulfill their battery recycling obligations in full compliance with Saskatchewan's battery recycling regulation. Please see [Appendix A](#) for a complete list of Call2Recycle Members in Saskatchewan. The organization is highly regarded by member operators for its efficiency, transparency, cost-effectiveness, and unparalleled safety. Batteries are collected from across the province in the Call2Recycle program through a network of collection partners in the business services, government, manufacturing, retail, and environmental sectors located. These facilities remit their boxes of batteries to Call2Recycle for sorting and processing (recycling) with the highest degree of efficiency. Call2Recycle's reputation for excellence has attracted longstanding partnerships with program members and collection partners alike.

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard, 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 safe, secure battery collection and processing. Call2Recycle also has ISO 14001:2015 and ISO 45001:2018 certifications, which affirm its commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills.

Call2Recycle proudly contributes to the circular economy and supports the province to meet its sustainability and responsible recycling goals. 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. This report outlines the Call2Recycle program's performance in its first year as Saskatchewan's battery stewardship program and covers the period between January 1, 2021 and December 31, 2021.

2. Advisory Committee

Call2Recycle is a federally incorporated non-profit that is governed by a board of directors committed to ensuring the program's efficiency and effectiveness. Board members include representatives from battery manufacturers, distributors, retailers, and independent directors. For a full list of Board of Directors Members, see [Appendix B](#). In addition to the board, Call2Recycle has a Saskatchewan Advisory Committee that meets one-to-two times per year (or as needed) and includes Saskatchewan-based members from the Retail Council of Canada, the Saskatchewan Recycling Council, and the Ministry of Environment, among others. For a full list of Advisory Committee members, see [Appendix C](#).

The advisory committee ensures that the interests of the province and its constituents are addressed by raising issues of local concern and advises on program goals, reviews results, and provides input on the industry, market, policy, and opportunities for continuous improvement. Call2Recycle members on the committee provide external committee members with updates on program performance, enhancements, and changes as required.

3. Marketing, Public Education and Partnerships

Call2Recycle recognizes that consumer awareness of and education on battery recycling are the first steps to driving recycling activity. The program therefore commits significant resources to promoting the importance of responsible end-of-life battery management and encouraging consumers to recycle their used batteries by providing information on how and where to do so in order to divert them from landfill.

3.1 Campaigns

In 2021, Call2Recycle adopted an "always on" approach to promotions that included a range of digital advertising. Leveraging occasions like National Battery Day in February and Earth Day in April, Call2Recycle reminded residents to act responsibly and protect the planet by finding a drop-off location near them on the call2recycle.ca website and then dropping off their batteries for recycling.

Call2Recycle conducted its first television campaign during the game show Family Feud from September 27th to October 4th. 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 percent over the same period the year before (3,128 users in 2021 vs. 1,757 users in 2020).

Fifteen-second ad segments for Call2Recycle also ran for two weeks over September and October on Sportsnet West during Blue Jays games and the MLB playoffs to an audience of more than 212,000 viewers.

3.2 Sponsorships, Partnerships and Events

The COVID-19 pandemic demanded a temporary shift in Call2Recycle’s awareness and education activities away from collection events and event sponsorships. These types of promotional activities are anticipated to resume in the coming years as restrictions ease and in-person gatherings resume.

In 2021, Call2Recycle partnered with SARCAN, the recycling arm of the Saskatchewan Association of Rehabilitation Centres (SARC), which is a province-wide association that provides services to community-based organizations that serve people experiencing disability. This affiliation is a strong fit as, like Call2Recycle, all materials received by SARCAN are recycled responsibly, within North America; nothing is ever shipped overseas or sent to landfill. Saskatchewan residents have been recycling their beverage containers at SARCAN locations since 1988. Through the Call2Recycle partnership, residents can also drop off their used batteries at any of SARCAN’s 75 locations across the province to be recycled with Call2Recycle.

3.3 Website & Social

In 2021, 15,672 users visited the Call2Recycle website from Saskatchewan and the province’s residents used Call2Recycle’s online site locator 124,801 times to find a public drop-off location near them.

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 and YouTube content. Call2Recycle also established location pins in the Waze app to help people find drop-off locations near them. Remarketing efforts focused on “lower intent” keywords to broaden awareness and higher intent keywords to drive people to the website.

Call2Recycle also had a robust presence on Instagram, Snapchat, and Reddit, which offered opportunities to reach younger audiences (18-34)—a demographic that Call2Recycle’s consumer survey reveals 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

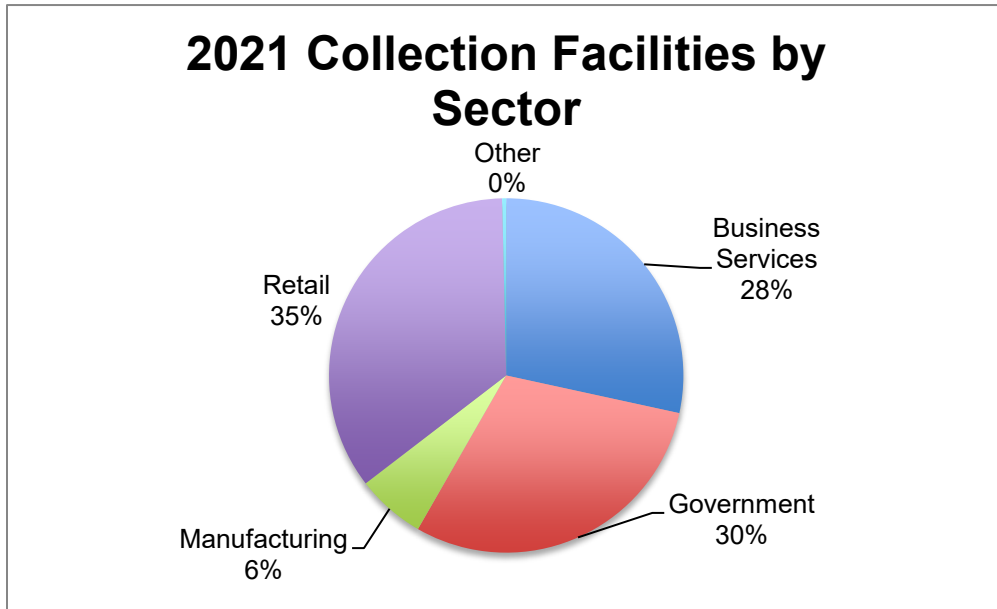
Call2Recycle collects batteries from consumers through a network of partners in the business services, government, manufacturing, retail, and environmental sectors. Participating collectors may have Call2Recycle boxes that are available to the public or may have private boxes that have limited access

(e.g., employees only). Call2Recycle strategically locates its boxes to maximize accessibility to Saskatchewan residents for greater participation in the program. In the first year of the regulated collection program, 74 percent of Saskatchewan residents lived within this accessibility zone. Call2Recycle commits to continuing to increase the proportion of residents who reside within 15 kilometres of a battery drop-off site or collection event with the goal of reaching 80 percent accessibility over the course of the provincial battery stewardship plan period.

In 2021, there were 271 active Call2Recycle collection facilities in Saskatchewan. An active facility 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. As the program progresses, Call2Recycle will provide year-over-year comparisons of collection performance in this annual report.

2021 Active Collection Facilities by Access	
Public	139
Private	132
Total	271

Active Collection Facilities by Sector				
Sector	2021	2020	Change (#)	Change (%)
Business Services	77	n/a	n/a	n/a
Government	81	n/a	n/a	n/a
Manufacturing	17	n/a	n/a	n/a
Retail	95	n/a	n/a	n/a
Other	1	n/a	n/a	n/a
Total	271	n/a	n/a	n/a



5. Collection Results

Call2Recycle monitors its battery collections across the province. In the first year of this regulated collection program, Saskatchewan residents deposited 103,199 kg of used batteries in Call2Recycle collection boxes. The majority of these, at 82,001 kg, were primary (single) use batteries, with the remainder being rechargeable collections (21,198). In subsequent years of the program, Call2Recycle will provide year-over-year collection results for comparison purposes so that reviewers can track collection progress.

Call2Recycle Collections by Weight (kg)*			
Type	2021	2020	% Change
Single Use (Primary)	82,001	n/a	n/a
Rechargeable	21,198	n/a	n/a
Total	103,199	n/a	n/a

Call2Recycle also tracks collections by battery chemistry. Among rechargeable batteries, Lithium-Ion batteries, often found in portable electronic devices, were the most commonly deposited battery for recycling. Alkaline and Zinc Carbon batteries, such as your standard AA and AAA batteries and larger D cell batteries, made up the vast majority of single-use battery collections. Below are charts outlining collections by battery chemistry.

Rechargeable Battery Collection by Chemistry (kg)*			
Type	2021	2020	% Change
Ni-Cd	5,716	n/a	n/a
Ni-MH	2,392	n/a	n/a
Li-Ion	8,087	n/a	n/a
SSLA ¹	5,004	n/a	n/a
Total	21,198	n/a	n/a

Primary (Single Use) Battery Collection by Chemistry (kg)*			
Material Name	2021	2020	% Change
Alkaline and Zinc Carbon	80,015	n/a	n/a
Lithium	1,924	n/a	n/a
Mercury	62	n/a	n/a
Total	82,001	n/a	n/a

6. 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

¹ Small sealed lead acid (SSLA) batteries are not a regulated program product, and represent a considerable portion of battery types dropped off at collection sites.

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.

Collected Battery Management (by Percentage)		
Batteries Recycled	Batteries Reconditioned	Batteries Disposed
100%	0%	0%

Call2Recycle records Recycling Efficiency Rates (RER) by chemistry to assess the quantity of materials reclaimed from each battery chemistry that can be used in secondary products. Below is that assessment.

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)	86	18	75	57	98	67	97	21	18	18	80	35
Co-product aggregate	0	0	0	14	0	22	0	1	72	68	0	0
Cadmium	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Recovery**	0	60	0	5	0	0	0	57	0	0	0	21
Plastic Recovery or Reductant	0	0	0	10	0	1	0	5	4	0	13	0
Total Material Recovery (%)	86	78	75	86	98	90	97	84	95	86	93	56
Not Recovered for use in Secondary Market During Recycling Process***	14	22	25	14	2	10	3	16	5	14	7	44
Total:	100	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.

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

7. Consumer Awareness Research

Call2Recycle commissioned a survey of Saskatchewanians to assess their battery recycling awareness and habits. This provincial survey will take place annually throughout the provincial stewardship plan period. In 2021, the survey of 700 residents took place between November 18 and December 16, 2021.

Awareness of battery recycling among Saskatchewanians is strong with three-quarters of residents acknowledging that consumer household batteries can be recycled. However, 50 percent of respondents recycled some or all of their batteries in 2021. Respondents cited recycling depots and retailers as their locations of choice for recycling their batteries, at 56 percent and 30 percent of respondents, respectively.

Fourteen percent of survey respondents said they are storing their batteries and one in five said they threw away all of their used batteries. The most common reasons for both storing and throwing away batteries were inconvenience, which may correlate to COVID-19 limitations, and lack of knowledge. Female respondents tended to be unsure about their recycling options, while men were more likely to be concerned with convenience. Only half of Saskatchewanians believe that household battery recycling is convenient, which offers an opportunity to educate on the accessibility and simplicity of the Call2Recycle program.

Overall, respondents aged 55+ are more actively recycling their household batteries and storing fewer in total or storing none at all than those in younger age groups. Respondents in the 18-34 age bracket were the least likely to recycle all of their batteries (11 percent, compared to 34 percent of respondents 55+) and more likely than other age groups to have thrown out all of their batteries (24 percent). This suggests promotions and activities that are targeted to a younger demographic could notably improve collection results in the province.

Consumer Awareness and Recycling Incidences Targets*	2021
Saskatchewanians who were aware that consumer batteries can be recycled (%)	76%
Saskatchewanians who recycled their consumer batteries (%)	50%

*Based on a sample of 700 residents of Saskatchewan who were surveyed online via the Ipsos I-Say panel from November 18th to December 16th, 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 Saskatchewan adults been surveyed.

8. Organizational Reports & Operations

To view Call2Recycle's 2021 Corporate Annual Report visit: <http://www.call2recycle.ca/annual-report/>.

Call2Recycle Canada's Audited Financial Statement is included as [Appendix D](#) to this document and can also be found in the 2020 Annual Report.

Appendix A – Call2Recycle Members

Call2Recycle Saskatchewan Members As of December 31, 2021

3M Canada
Acklands Grainger Canada Inc.
ACS Distributing
Amazon Canada / Amazon.com.ca, Inc.
Amplifon
Apple Canada Inc.
BDI, a division of Bell Mobility Inc.
Bed Bath and Beyond Canada L.P.
Best Buy Canada Ltd.
Bike Co LLC
BikTrix Enterprises
BISSELL Canada Corporation
Bolt Mobile
Bose Corporation
Buy-Low Foods LP
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.
Costco Wholesale Canada Ltd
Cycles Devinci
Cycles Lambert
D'Amour Bicycle & Sports Inc.
Dell Canada Inc.
Dollar Tree Stores Canada Inc.
Dollarama L.P.
E.B. Horsman & Son Ltd
East Penn Canada (Power Battery Sales Ltd.)
ECHO Power Equipment (Canada)
Epic Cycles Inc.
EUCAN Distribution Inc.
Fastenal Canada, Ltd.
Federated Co-Operatives Limited
Fermetco Inc.
FGL Sports Ltd.
FuturPlus (Division of Cathelle Inc.)
Giant Bicycle Canada Inc
Giant Tiger Stores Limited
Google Canada Corporation
Grand & Toy Ltd.
Grin Technologies
Groupe BMR Inc.
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
Interstate Batteries Saskatoon
John Deere Canada ULC
KMS Tools and Equipment Ltd.
Kranked Bikes
Lee Valley Tools Ltd
Lenovo Canada Inc.
Les pieces d'auto Transit 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
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
Murlin Electronics
Nedco West Division

Newell Brands Canada (Sunbeam before 10/1/20)
NIS Northern Industrial Sales
On the Edge Canada Inc.
Onlybatteries.com
Orgill Inc.
Outdoor Gear Canada
Part Source
Peavey Industries Limited
Pedego Canada (Voltage Bikes Ltd.)
Prairie Battery Ltd.
Princess Auto Ltd.
Rad Power Bikes LLC
Riese & Muller
Robert Bosch Inc. (Canada)
Rocky Mountain, Div. of Industries RAD Inc.
RONA Inc.
Saskbattery Dist. Inc.
Save on Food Limited Partnership
Scotts Canada Ltd.
SharkNinja Operating LLC
Shimano Canada LTD
Shopper+Inc.
Shoppers Drug Mart Inc.
Sobeys Capital Inc.
Sonos Inc.
Specialized Bicycle Components Canada

Staples Canada Inc.
Staples Professional, Inc.
Steelcase Canada Ltd
Stihl Limited
Super Thrifty Drug Stores
Supreme Basics
Techtronic Industries Canada, Inc.
Telus Communications Company
Tenaquip Limited
The Bicycle Group (TBG) Kona Canada
The Home Depot of Canada, Inc.
The Source (Bell) Electronics Inc.
The Stevens Medical Company Limited
Toys R Us Canada, Ltd.
Trek Bicycle Canada ULC
T-Zone Health
UAP Inc.
Uline Canada Corporation
Velec Inc.
Veritas Technologies LLC
Veritiv Canada Inc.
Wallace and Carey Inc.
Walmart Canada
Westburne Electric
Wurth Canada Ltd.

Appendix B – 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 C – Saskatchewan Advisory Committee Members

Claire Amendsen – Ministry of Environment

Joanne Fedyk – Saskatchewan Waste Reduction Council

John Graham – Retail Council of Canada

Tracey Jones – Home Hardware

Anne Mathewson – Association of Regional Waste Management Authorities of Saskatchewan

Deanna Nichols – Saskatchewan Association of Rural Municipalities

Augustina Osaseri – Saskatchewan Urban Municipalities Association

Amy Richter – Ministry of Environment

CALL2RECYCLE MEMBERS

Joe Zenobio – President

Jon McQuaid – VP, Marketing and Account Management

Kristen Romilly – Director, Western Canada

Appendix D – Audited Financial Statement

See next page

Note: Saskatchewan 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

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

Call2Recycle Canada, Inc.
Statement of Financial Position

December 31	2021	2020
Assets		
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
	\$ 35,451,090	\$ 35,449,031
Liabilities and Net Assets		
Accounts payable and accrued expenses (Notes 5,8)	\$ 3,748,794	\$ 5,264,492
Unrestricted Net Assets		
Undesignated	10,469,432	9,912,053
Board Designated (Note 6)	21,232,864	20,272,486
	31,702,296	30,184,539
	\$ 35,451,090	\$ 35,449,031

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.

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)
	1,121,839	2,776,143
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
	117,216	4,812,160
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	3,008,708	2,294,167
Cash, end of the year	\$ 1,100,508	\$ 3,008,708

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2021

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.

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2021

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">- 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 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>

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2021

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>

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2021

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.

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2021

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.

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2021

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.

Call2Recycle Canada, Inc.
Schedule of Operations - Saskatchewan

For the year ended December 31	2021
Revenues	
Steward fees	\$ 1,233,364
Investment income	<u>5,747</u>
	<u>1,239,111</u>
Expenses	
Material management and processing	341,968
Public education and awareness	190,007
Other (salary, professional, administrative)	<u>310,515</u>
	<u>842,490</u>
Excess of revenues over expenses	396,621
Net assets, beginning of year	<u>-</u>
Net assets, end of year	<u>\$ 396,621</u>