

2022

PROVINCIAL ANNUAL REPORT

Prince Edward Island



Submission date:
June 30, 2023

Submitted by:
Line Bérubé
Director, Eastern Canada
Call2Recycle Canada, Inc.

Submitted to:
Ministry of Environment, Energy and
Climate Action

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1. About Call2Recycle

Call2Recycle Canada, Inc. has successfully operated Call2Recycle®, a national, highly-efficient consumer battery collection and recycling program since 1997. In 2015, Call2Recycle signed a Memorandum of Understanding with Prince Edward Island to voluntarily collect batteries.

Upon the introduction of the formal regulation mandating battery recycling in 2018, Call2Recycle became the province's approved producer responsibility organization for stand-alone and replacement single-use and rechargeable dry-cell batteries weighing less than five kilograms in accordance with the Environmental Protection Act Material Stewardship and Recycling Regulations.

Over 130 members in Prince Edward Island rely on Call2Recycle to manage their compliance obligation under the regulation transparently and cost-effectively. A complete list of Call2Recycle's members in Prince Edward Island is provided in [Appendix B](#).

Through rigorous auditing for quality, safety, and transparency, Call2Recycle became the first program of its kind to earn the Responsible Recycling (R2) certification. Leveraging this reputation for excellence, Call2Recycle Canada has built strong partnerships with stakeholders, including program members, collection partners, and governments at both local and provincial levels. Call2Recycle aims to safely maximize the diversion of batteries from landfill through an established and convenient collection network while achieving the targets set out in the All-Battery Collection and Recycling Plan. This report outlines performance in Prince Edward Island between January 1, 2022, and December 31, 2022, against the provincially approved plan.

2. Executive Summary

Over its 25-year history, Call2Recycle has diverted nearly 40 million kgs of batteries from landfill. The program operates through an extensive network of collection partners, including local governments, depots, and retailers.

As of 2022, this network includes 124 active collection facilities; 63 public facilities that are accessible to all residents and 61 private facilities. Call2Recycle's network of collectors provides 97.4% of Islanders with convenient access to a battery recycling location within 15 km of their homes.

The 2022 battery collection total for Prince Edward Island reached 42,347 kgs, surpassing the previous year's total. This represents the highest annual collection total in the provincial program's history.

In accordance with our strategic emphasis on public education, Call2Recycle began educating consumers to "collect, protect, and drop off" their used batteries every 3 months. This message could be found in Call2Recycle's advertising campaigns as well as digital marketing efforts, keeping ideal battery recycling behaviours top of mind for Islanders.

Call2Recycle's 2022 consumer awareness and battery recycling habits survey revealed that Islanders continue to demonstrate high awareness of battery recycling (85%) and positive attitudes toward it, with 95% of respondents recognizing the associated environmental benefits.

According to this year's survey, recycling habits on the Island continue to improve year-over-year. More consumer batteries are being recycled (up 14 points from last year). Moreover, 83% of Islanders reported throwing out none of their batteries in 2022 (up from 69% in 2021).

Demographically, those aged 55 and above are recycling a significantly higher proportion of single-use batteries than younger Prince Edward Island residents. As in 2021, recycling depots were identified as the location of choice for dropping off batteries, although women were likelier to recycle at a school.

Call2Recycle proudly contributes to the circular economy and supports the province in meeting its sustainability and responsible recycling goals. This report outlines the performance of the Call2Recycle program in Prince Edward Island against the battery stewardship plan between January 1 and December 31, 2022.

3. Public Education Materials and Strategies

Call2Recycle engaged in a variety of activities throughout 2022 to raise public awareness of battery recycling. In Prince Edward Island, we employed a mix of digital marketing—including locally-targeted Facebook and Google ads, as well as radio promotion in conjunction with collection events/contests.

Additionally, Call2Recycle's digital presence included Reddit, Instagram, Twitch, YouTube, Snapchat, and search activity. These efforts expanded Call2Recycle's overall message reach and drove quality traffic to the organization's website.

As the year progressed, Call2Recycle moved from a simple message of environmental benefit to a more structured consumer education approach designed to activate the desired recycling behaviours; collect, protect, and drop off batteries every 3 months.

Display remarketing tactics were employed to reach individuals who expressed an interest in recycling batteries (by searching the web or visiting our site). These potential recyclers were served ads regularly, prompting them to bring in their batteries.

3.1 Website & Social

In 2022, Call2Recycle deployed recycleyourbatteries.ca, an easy-to-remember consumer-facing landing page, along with a Collect/Protect/Drop Off page designed to inform and reinforce ideal recycling behaviours. These pages provided additional clarity regarding safety and terminal protection. Throughout the year, Call2Recycle maintained an "always on" online presence and an active digital and social presence to highlight the ease and convenience of battery recycling in Prince Edward Island. In 2022, the Call2Recycle website(s) received over 2,600 visitors from the province.

3.2 Campaigns

For National Battery Day in February, Call2Recycle strengthened its presence on Google, Facebook, YouTube, Twitch, and Reddit, the latter two providing opportunities to reach a younger (18-24) demographic. Digital ads linked to Call2Recycle's website and encouraged users to recycle.

Another campaign followed in April; this time aligned with Earth Day. Call2Recycle ran a refreshed series of digital ads, and new 15- and 30-second videos were created and shared widely on YouTube.

Waste Reduction Week in October was again the backdrop for Call2Recycle's annual "Battery Blitz" collection contest in partnership with the Earth Rangers organization. Students in 14 elementary schools across Prince Edward Island participated in this contest to collect and send in the highest volume of used batteries.

Students worked hard to collect used batteries. Some held drive-through collection events for their communities, while others used Call2Recycle-sponsored pizza parties to provide extra incentives. Almost 8,700 kgs were collected, with another stellar effort by defending champions Eliot River, who was responsible for over 3,000 kgs of that total, winning a cash prize from Call2Recycle.

3.3 Sponsorships, Partnerships and Events

At the end of 2022, Call2Recycle executed a mixed online/in-person promotion with Charlottetown radio station CFCY – The Island's Country and their sister station CHLQ-FM – The Island's Rock, to generate excitement, increase awareness and drive battery collection volume.

Participants could be entered to win tickets to the Holiday Dream Show or the Charlottetown Islanders by answering a battery quiz online or by dropping off their batteries at a partner drop-off location. The boosted posts for this promotion performed well, achieving a click-through rate of 4.54%, roughly twice the channel benchmark average.

4. Collections

4.1 Collection Facilities

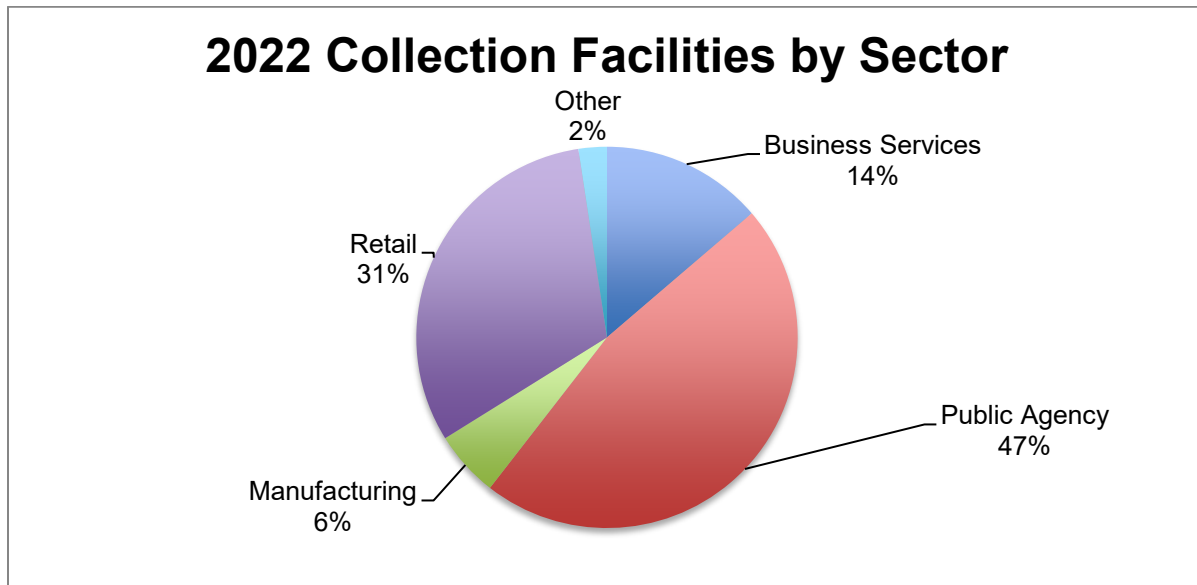
Call2Recycle collects batteries from consumers through a network of partners in the business services, public agencies, manufacturing, retail, and environmental sectors. Participating collectors may have Call2Recycle boxes available to the public or operate as private collection sites. A private collection site does not collect from the general public but generates battery collections through its business activities and employees.

Call2Recycle strategically locates its boxes to maximize accessibility to Prince Edward Island's residents with a goal of having 95% of Islanders living within 15 km of a collection location. In 2022, Call2Recycle exceeded this accessibility target, with 97% of the island's residents living within this accessibility zone.

Over the reporting year, 124 active Call2Recycle collection facilities provided convenient battery recycling options for Islanders, up from 109 in 2021. An active facility is a site that joined the Call2Recycle program in 2022, 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.

2022 Active Collection					
Facilities by Access					
Public		63			
Private		61			
Total		124			
Collection Facilities per Municipality, Town, and City					
Cities	Charlottetown	45	Summerside	19	
TOTAL					64
Towns	Alberton	3	St.Louis	1	
	Cornwall	4	Stratford	2	
	Kensington	5	Three Rivers	8	
	North Rustico	1	Tignish	1	
	O'Leary	2	Tyne Valley	1	
	Souris	3			
TOTAL					31
Municipalities	Abrams Village	1	Morell	2	
	Bloomfield Station	1	Murray Harbour	1	
	Borden-Carleton	1	Murray River	1	
	Breadalbane	1	New Annan	1	
	Brockton	1	New London	1	
	Crapaud	2	Pinette	1	
	Dingwells Mills	1	Slemon Park	6	
	Donagh	1	St. Peters Bay	1	
	Hunter River	1	Wellington	3	
	Kinkora	2			
TOTAL					29
GRAND TOTAL: 124 active collection facilities					

Active Collection Facilities by Sector				
Sector	2022	2021	Change (#)	Change (%)
Business Services	17	8	9	112.5%
Public Agency	58	55	3	5%
Manufacturing	7	5	2	40%
Retail	39	40	-1	-2.5%
Other	3	1	2	200%
Total	124	109	15	14%



4.2 Performance Results

Call2Recycle monitors its battery collections in Prince Edward Island against its provincially approved battery stewardship plan. Collections grew in 2022, surpassing 2021 results with 42,347 kgs collected. Per capita, collections were at .19 kgs for single-use batteries and .05 kgs for rechargeables.

Collections for single-use batteries remain more than four times higher than rechargeable batteries (33,668 kg vs 8,679 kg); however, growth in rechargeable collections (10%) was significant, whereas single-use volumes decreased slightly (-2%). The following chart provides a year-over-year comparison of battery collections by weight, and the following chart outlines collections per capita.

Call2Recycle Collections by Weight (kg)*			
Type	2022	2021	% Change
Single Use (Primary)	33,668	34,239	-2%
Rechargeable	8,679	7,880	10%
Total	42,347	42,120	1%

Prince Edward Island Battery Collections per Capita		
Type	2022 Collections	2022 Collections Per Capita*
Single Use (Primary)	33,668	0.19 kgs
Rechargeable	8,679	0.05 kgs
Total	42,347	0.24 kgs

*Based on the [province's reported population](#) of 173,854 as of January 2022.

4.3 Collections by Chemistry

Rechargeable and single-use batteries are made of different materials, and even within the two categories, there are different types of batteries with differing components. Call2Recycle tracks the various battery components extracted from the batteries it collects and recycles. Among rechargeable battery collections, small sealed lead acid batteries showed the most increase in volume. In contrast, lithium led in growth among single-use batteries, but this is negligible given the relative quantity of alkaline batteries in the collection stream.

Rechargeable Battery Collections by Chemistry (in kg*)				Single-Use Battery Collection by Chemistry (in kg*)			
	2022	2021	% Change		2022	2021	% Change
Ni-Cd	1,859	2,038	-9%				
Ni-Mh	946	871	9%	Alkaline	32,808	33,742	-3%
Li-Ion	3,402	3,117	9%	Lithium	858	485	88%
SSLA	2,472	1,854	33%	Mercury	2	11	-82%
Total	8,679	7,880	10%	Total	33,668	34,238	-2%

4.4 Recovery Rate

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

To better address the variability in battery lifespan and availability for collection, beginning in 2023, the recovery rate will be reported based on the weight collected into the market for the reporting calendar year divided by the weight sold into the market, which will be calculated based on a three-year rolling average. The formula for recovery rate calculation:

$$\text{Recovery rate} = \frac{\text{Batteries Collected in 2023}}{\text{Average of Sales into the market for 2020, 2021, 2022}}$$

4.5 Collection Process

Collection

The Call2Recycle program process starts by providing consumers with easy access to collection locations to enable maximum participation in the program. Through collection partners across the province, we offer consumers convenience and a simple drop-off process. Our collection partners use one of two collection methods: the box program or the bulk program. Box program sites receive Call2Recycle's fire-retardant bag-and-drop, seal-and-ship collection boxes free of charge. Each box holds up to 30 kilograms of batteries. Our bulk program caters to facilities that generate large quantities of batteries for recycling (250 kg minimum per shipment). Call2Recycle covers the cost of shipping for both the bulk and box programs.

Shipping and Sorting

Batteries collected through Call2Recycle in Prince Edward Island are sorted and consolidated mainly by Laurentide in Quebec. The contents are weighed and sorted at the facility according to battery chemistry, then shipped to the appropriate recycling processors based on their chemical composition.

Call2Recycle operates in accordance with intra- and inter-provincial shipping and transportation standards established by Transport Canada, Environment Canada, the Ministry of Environment, Energy and Climate Action and all other provincial environment and transportation ministry standards.

To bolster safety while handling and transporting batteries in Canada, all of Call2Recycle's battery collection boxes include an innovative, flame-retardant liner. The liner provides an extra layer of protection from any residual charge that end-of-life batteries might still have during the collection, transportation, and recycling process.

Processing

Call2Recycle has partnerships with various processors to ensure optimal performance. We seek local processing partners wherever possible to reduce our transportation footprint. Our processing facilities use the latest and proven-effective thermal, mechanical, and chemical processes to recover materials such as nickel, iron, lead, cadmium, and cobalt.

5. Recovered Product Management and Materials Processing

When it comes to managing used batteries, the pollution prevention hierarchy—reduce, reuse, and recycle—cannot be as easily applied to batteries as 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.

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 products such as new batteries, cookware, and appliances.

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.

2022 Recycling Efficiency Rates by Chemistry*											
BATTERY TYPE	Rechargeable Battery Chemistry						Primary Chemistry				
	NI-CD	LI-ION		NI-MH	SSLA		ALKALINE			LI	
Metal(s)	52%	78%	63%	77%	79.23%	66%	21%	21%	27%	18%	35%
Co-product aggregate	0%	0%	30%	0%	0%	0%	1%	72%	54%	62%	0%
Cadmium	21%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Secondary Recovery**	0%	0%	0%	0%	4.04%	2%	57%	0%	0%	0%	21%
Plastic Recovery or Reductant	0%	0%	0%	0%	8.40%	8%	5%	2%	0%	0%	0%
Total Material Recovery (%)	73%****	78%	93%	77%	91.67%	76%	84%	95%	81%	80%	56%
Not Recovered for use in Secondary Market During Recycling Process***	27%	22%	7%	23%	8.33%	24%	16%	5%	19%	20%	44%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Recovery rates provided by processors.

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

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

****Call2Recycle Canada began using a North American-based processor for Ni-Cd in 2022. Previously Ni-Cd batteries were sent to a European processor. RERs are processor-specific and may change occasionally if there is a change in processor or updates to the processor's technology.

6. Consumer Awareness, Research and Development

Call2Recycle commissions an annual survey of Prince Edward Island residents to assess their battery recycling awareness and habits. The 2022 survey of 400 residents took place between December 2, 2022 and January 25, 2023.

Overall awareness of battery recycling among Islanders remained high at 85%. As in 2021, more were aware of single-use battery recyclability (79%) than that of rechargeable batteries (70%). Older (55+) Islanders were significantly more likely to believe that batteries of all types can be recycled (89%). Younger respondents (18-34), by contrast, were significantly more likely (41%) to not know if rechargeable batteries can be recycled.

In terms of habits, 72% of respondents said they recycled some or all of their used batteries, up from 64% in 2021. 20% of respondents indicated that they are still storing some or all of their batteries, while 14% indicated that some batteries were thrown away. This represents a significant decrease (6%) from the previous year, suggesting that fewer batteries are being improperly disposed of.

Along with awareness, battery recycling habits on the Island improve with age. Those aged 55+ were significantly more likely to recycle their rechargeable batteries 87% vs 55% of those aged 18-34) and less likely (5%) to say they were storing or throwing away all of their batteries.

Among residents who said they threw out their batteries in the last 12 months, the most common reason cited was greater ease of throwing the batteries out. At 57% of respondents, this is 13% higher than reported in the previous two years, making it necessary to reinforce the ease of recycling instead.

The majority of Islanders who recycled their batteries in the past year did so at a recycling depot. This is true for both single-use and rechargeable battery chemistries. Almost half (48%) of residents recycled their single-use or rechargeable batteries at a recycling depot or center, while 4 in 10 used a retailer.

Call2Recycle’s survey results emphasize a need for more targeted communications to residents – particularly those in the younger demographics – about battery recycling and, specifically, the ease and importance of responsibly managing one’s batteries at the end of their life.

Consumer Awareness and Recycling Incidences Targets¹	2022 Actual
Prince Edward Islanders who are aware that consumer batteries can be recycled (%)	85%
Prince Edward Islanders who recycle some or all of their consumer batteries in a calendar year (%)	65%

7. Program Funding

Call2Recycle collects Environmental Handling Fees (EHF) 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 Prince Edward Island. EHF’s are determined using a calculation that factors in the cost to manage the collection and responsible recycling of each battery by specific type. The EHF schedule is available [here](#).

Call2Recycle collected EHF from members who reported sales of these batteries in Prince Edward Island between January 1 and December 31, 2022. Please see [Appendix C](#) for Call2Recycle’s audited financial statements.

¹ Based on a sample of 400 residents of Prince Edward Island surveyed online via the Ipsos I-Say panel from December 2nd, 2022 to January 25th, 2023. The precision of online polls is measured using a credibility interval. In this case, the results are considered to within +/- 5.6 percentage points, 19 times out of 20, of what the results would have been had all Prince Edward Island adults been surveyed.

8. Organizational Reports

8.1 Revenue & Expense

Call2Recycle Canada Inc.	
Statement of Revenue and Expense – Prince Edward Island	
For the Year-ended December 31, 2022	
Revenue	
Steward Fees	\$ 205,657
Investment income	\$ -
Other	\$ -
Total Revenue	\$ 205,657
Expense	
Material Management & Processing	\$ 157,730
Consumer awareness & Communications	\$ 22,799
Other (Salary, Professional, Admin)	\$ 33,362
Total Expense	\$ 213,891
Excess Revenue over Expense	\$ (8,234)

Call2Recycle Canada Inc.	
Sales into the market in kgs – Prince Edward Island 2022	
Primary	78,960
Rechargeable	32,231
Total Kgs	

To view Call2Recycle's 2022 Corporate Annual Report visit: <http://www.call2recycle.ca/annual-report/>. Call2Recycle Canada's Audited Financial Statement is included as [Appendix C](#) to this document and can also be found in the 2022 Annual Report.

Appendix A – Board of Directors as of December 31, 2022

Norman Clubb, Chair, Independent Director

Joe Borsellino, Member Director

Annalise Czerny, Independent Director

Peter Daley, Member Director

Julie Dickson Olmstead, Member Director

David Houston, Member Director

Raman Johal, Member Director

James McPhedran, Independent Director

Alan Moyer, Independent Director

Tim Reuss, Independent Director

Martin Tammik, Member Director

Harriet Velazquez, Independent Director

David Ward, Member Director

Appendix B – Call2Recycle Prince Edward Island Members

As of December 31, 2022

Acer America Corporation	FuturPlus (Division of Cathelle Inc.)
Aimlite Lighting Products	Gazelle USA, LLC
Amazon Canada / Amazon.com.ca, Inc.	Giant Bicycle Canada Inc
Apple Canada Inc.	Giant Tiger Stores Limited
Battery Canada	Google Canada Corporation
BDI, a division of Bell Mobility Inc.	Grand & Toy Ltd.
Bed Bath and Beyond Canada L.P.	Green Light Cycle Ltd.
Best Buy Canada Ltd.	Grin Technologies
Bike Co LLC	Groupe BBH Inc.
BISSELL Canada Corporation	Groupe BMR Inc.
Bose Corporation	Guillevin International Cie
Canada Computers Inc. / Ordinateurs Canada	Hawthorne Canada Limited
Canadian Tire Corporation, Ltd.	Hilti Canada Corporation
Canon Canada Inc.	Hitfar Concepts Ltd.
Cardinal Health Canada Inc.	Home Hardware Stores Limited
Cervelo Cycles Inc.	HRS Global
Château Manis Electronics Inc.	Hudson's Bay Company
Costco Wholesale Canada Ltd	Husqvarna AB
Couche-Tard Inc.	IKEA Supply AG
Cycles Devinci	ILINK Industries Ltd
Cycles Lambert	Imperial Dade Canada Inc.
Dell Canada Inc.	Indigo Books and Music Inc.
Dollarama L.P.	John Deere Canada ULC
Dynabook Canada Inc	Kay's Wholesale
Dyson Canada Limited	Kona Canada, The Bicycle Group (TBG)
East Penn Canada (Power Battery Sales Ltd.)	Kranked Bikes
ECHO Power Equipment (Canada)	Lee Valley Tools Ltd
Epic Cycles Inc.	Lego Brand Retail, Inc.
EUCAN Distribution Inc.	Lenovo Canada Inc.
Fastenal Canada, Ltd.	Les pieces d'auto Transit Inc.
FERMETCO INC.	Les Variétés P. Prud'homme Inc.
FGL Sports Ltd.	Live to Play Sports Group Inc.
Fourniture de Bureau Denis Inc.	Loblaws Inc.

Louis Garneau Sports Inc.	Sonos Inc.
LTP Sports Group Inc.	Specialized Bicycle Components Canada
M.F. Schurman Company, Limited	Spring Valley Building Castle
Marin Bikes Canada	Standard Products Inc.
Mark's / L'Équipeur	Staples Canada Inc.
McKesson Canada	Staples Professional, Inc.
Mica Sport Canada Inc.	Steelcase Canada Ltd
Michaels Stores Inc.	Stihl Limited
Microsoft Corporation	TD Synnex Canada ULC
Mountain Equipment Company Ltd.	Telus Mobility
MSA Safety Sales, LLC	Tenaquip Limited
Nikon Canada Inc.	The Home Depot of Canada, Inc.
O'Leary Building Centre (Castle	The Source (Bell) Electronics Inc.
On the Edge Canada Inc.	The Stevens Medical Company Limited
Onlybatteries.com – Technologies Duslan Inc.	Toys R Us Canada, Ltd.
Oracle Canada ULC	Trek Bicycle Canada ULC
Orgill Inc.	T-Zone Health
Outdoor Gear Canada	UAP Inc.
Prime Deals International Ltd.	Uline Canada Corporation
Princess Auto Ltd.	Uni-Select Inc.
Rad Power Bikes LLC	Veritas Technologies LLC
Rexel Atlantique	Veritiv Canada Inc.
Rexel Canada Electrical Inc.	Voltage Bikes Ltd. (Pedego Can.)
Riese & Muller	Walmart Canada
Robert Bosch Inc. (Canada)	Wisdom Electronics Inc.
Rocky Mountain, Div. of Industries RAD Inc.	Wurth Canada Ltd.
S.P.Richards Co. Canada, Inc.	Yamaha Motor Company
Santa Cruz Bicycles, LLC	Yeti Cycling LLC
Scotts Canada Ltd.	
SharkNinja Operating LLC	
Sherwood Timbermart	
Shimano Canada LTD	
Shopper+Inc.	
Shoppers Drug Mart Inc.	
Snap-On Tools of Canada Ltd	
Sobeys Capital Inc.	

Appendix C – Audited Financial Statement

Begins on Next Page

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2022

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2022

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148 - 10th Street
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Independent Auditor's Report

To the Members 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, 2022, 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, 2022, 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 14, 2023

Call2Recycle Canada, Inc.
Statement of Financial Position

December 31	2022	2021
Assets		
Cash (Notes 2 & 3)	\$ 4,310,012	\$ 1,100,508
Accounts receivable (Note 8)	7,002,393	6,716,988
Marketable securities (Note 4)	30,757,685	27,213,746
Other assets	423,241	419,848
	\$ 42,493,331	\$ 35,451,090
 Liabilities and Net Assets		
Accounts payable and accrued expenses (Notes 5 & 8)	\$ 5,602,513	\$ 3,748,794
 Unrestricted Net Assets		
Undesignated	8,609,662	10,469,432
Board Designated (Note 6)	28,281,156	21,232,864
	36,890,818	31,702,296
	\$ 42,493,331	\$ 35,451,090

Call2Recycle Canada, Inc.
Statement of Changes in Net Assets

For the year ended December 31	Undesignated	Board Designated	2022 Total	2021 Total
Balance, beginning of the year	\$ 10,469,432	\$ 21,232,864	\$ 31,702,296	\$ 30,184,539
Excess (deficiency) of revenues over expenses	<u>(1,859,770)</u>	<u>7,048,292</u>	<u>5,188,522</u>	<u>1,517,757</u>
Balance, end of the year	<u>\$ 8,609,662</u>	<u>\$ 28,281,156</u>	<u>\$ 36,890,818</u>	<u>\$ 31,702,296</u>

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

Call2Recycle Canada, Inc.
Statement of Operations

For the year ended December 31	2022	2021
Revenues		
Steward fees	\$ 30,800,753	\$ 30,297,523
Investment income (loss)	(1,919,471)	909,849
Other	10,820	26,441
	<u>28,892,102</u>	<u>31,233,813</u>
Expenses		
Material management and processing	15,484,337	22,333,879
Public education and awareness	2,393,491	2,378,516
Other (salary, professional, administrative)	5,825,752	5,003,661
	<u>23,703,580</u>	<u>29,716,056</u>
Excess of revenues over expenses	\$ 5,188,522	\$ 1,517,757

Call2Recycle Canada, Inc. Statement of Cash Flows

For the year ended December 31	2022	2021
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 5,188,522	\$ 1,517,757
Items not affecting cash:		
Net realized and unrealized (gain) loss on investments	2,273,338	(395,918)
	7,461,860	1,121,839
Changes in non-cash working capital:		
Accounts receivable	(285,405)	516,360
Accounts payable and accrued liabilities	1,853,719	(1,515,698)
Other assets	(3,393)	(5,285)
	9,026,781	117,216
Cash flows from investing activities:		
Marketable securities	(5,817,277)	(2,025,416)
Net increase (decrease) in cash	3,209,504	(1,908,200)
Cash, beginning of the year	1,100,508	3,008,708
Cash, end of the year	\$ 4,310,012	\$ 1,100,508

Call2Recycle Canada, Inc.

Notes to Financial Statements

December 31, 2022

1. Significant Accounting Policies

Nature and Purpose of Operations	<p>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.</p> <p>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.</p> <p>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.</p> <p>The Entity is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Entity follows the deferral method of accounting for revenues.</p> <p>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.</p> <p>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.</p> <p>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.</p>

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued)

Revenue Recognition - Continued Unrestricted net investment income is recognized as revenue when earned.

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

Financial Instruments Financial instruments are recorded at fair value at initial recognition.

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.

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.

Use of Estimates 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:

- accrued expenses
- allocation of expenses
- allowance for doubtful accounts

Accounts Receivable 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, 2022 as management of the Entity considers any possible bad debts to be negligible.

Expenses 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.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

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, 2022, 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>2022</u>	<u>2021</u>
At fair value:		
Cash held for long-term investment	\$ 3,880,247	\$ 4,499,275
Equity investments	8,097,565	7,342,047
Bonds	16,371,604	13,291,165
Real estate	1,497,309	1,267,473
Hedge fund investments	910,960	813,786
	<u>\$ 30,757,685</u>	<u>\$ 27,213,746</u>

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$939,634 (2021 - \$601,395).

6. Board Designated Net Assets

The Entity's governing board has designated \$28,281,156 (2021 - \$21,232,864) as of December 31, 2022 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:

	2022	2021
Quebec	\$ 13,740,887	\$ 14,115,940
Ontario	3,901,162	(3,275,460)
British Columbia	7,605,178	7,372,356
Manitoba	2,450,110	2,658,858
Prince Edward Island	(43,685)	(35,451)
Saskatchewan	627,504	396,621
Total	\$ 28,281,156	\$ 21,232,864

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 2022 were CDN \$1,719,056 (2021 - \$1,700,281). This fee is assessed to the Entity net of a US \$143,440 (2021 - \$150,000) 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 payable and accrued liabilities is an amount of \$145,246 (2021 - included in accounts receivable is an amount of \$138,674) in respect of these contracted services.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

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.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

10. Commitments

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

	2023	2024	2025	2026
Quebec	\$ 30,481	\$ 35,496	\$ 37,933	\$ 3,178
British Columbia	28,384	19,328	-	-
Ontario	101,246	110,909	27,911	-
	<u>\$ 160,111</u>	<u>\$ 165,733</u>	<u>\$ 65,844</u>	<u>\$ 3,178</u>

11. Contingencies

During fiscal 2021, 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.

At the time of the terminations one service provider had previously submitted invoices to the Entity for materials collected in the amount of \$1.4 million which are included in accounts payable. Subsequent to the date of termination of the agreement, no further materials have been accepted from the service provider 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 service provider based upon the observations made in its compliance reviews.

In addition to the \$1.4 million in accounts payable in dispute, the service provider has filed a claim for an additional \$10.5 million in costs plus damages. The Entity in turn has filed a claim for \$5.2 million in damages plus interest and costs.

Management is not able to estimate the likelihood of either any recovery or losses as the outcome of this matter and therefore no further provisions have been made in these financial statements. Any gains or losses will be recorded at the time they become known.

The Entity is subject to other possible legal claims of which the legitimacy or magnitude cannot be determined at this time. As management is not able to estimate the likelihood of any loss at this time, no provision for these claims have been made in these financial statements. Any loss will be recorded at the time they become known.

Call2Recycle Canada, Inc.
Schedule of Operations - Prince Edward Island

For the year ended December 31	2022	2021
Revenues		
Steward fees	\$ 205,657	\$ 206,603
Investment income	-	3,245
	<u>205,657</u>	<u>209,848</u>
Expenses		
Material management and processing	157,730	139,415
Public education and awareness	22,799	25,066
Other (salary, professional, administrative)	33,362	30,828
	<u>213,891</u>	<u>195,309</u>
Excess (deficiency) of revenues over expenses	(8,234)	14,539
Net assets (deficiency), beginning of year	<u>(35,451)</u>	<u>(49,990)</u>
Deficiency, end of year	\$ (43,685)	\$ (35,451)