

# CALL2RECYCLE CANADA, INC. 2023 PROVINCIAL ANNUAL REPORT

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## SASKATCHEWAN



**Submission Date:** June 28<sup>th</sup>, 2024

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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 producer responsibility organization for dry-cell batteries weighing up to five kilograms each. It is nationally recognized for operating Call2Recycle®, a highly effective program that safely collects, transports, and recycles batteries of every chemistry on behalf of 166 members (obligated producers) in the province. These producers choose to partner with Call2Recycle for its efficiency, transparency, cost-effectiveness, and unparalleled safety. Please see [Appendix A](#) for a complete list of Call2Recycle members in Saskatchewan.

Across the province, Call2Recycle works with a network of partners operating 416 collection facilities. Through these public and private drop-off points, Call2Recycle offers a convenient, efficient, and transparent way for consumers to responsibly manage their end-of-life batteries. The reclaimed materials are instead used in the manufacture of various products, such as new batteries, cookware, and appliances, thereby contributing to Canada's circular economy.

Call2Recycle was the first program of its kind to receive Responsible Recycling (R2) certification—the electronics recycling industry's leading certification—and continues to maintain this recognition in 2023 by gaining the R2v3 certification, along with ISO 14001:2015 and ISO 45001:2018 certifications. Through its relentless pursuit of quality, social responsibility, and safety, Call2Recycle continually affirms a reputation for excellence that has attracted longstanding partnerships with program members and collection partners across the country.

## 2. Executive Summary

Once again, Saskatchewan's annual used battery collections through the Call2Recycle program increased in 2023. The province's residents deposited 120,692 kg of batteries at Call2Recycle facilities during the year, 18% more than in 2022. Collections in both the single-use (primary) and rechargeable categories grew equally; however, single-use batteries represented the majority (70%) of batteries collected at 99,444 kg.

With 416 collection facilities, 8 in 10 Saskatchewanians (80%) have access to a Call2Recycle drop-off location within 15 kilometres of their home, matching the accessibility target set out in the product stewardship program plan.

Throughout 2023, Call2Recycle promoted its key message to “Collect, Protect and Drop Off” used batteries at least every three months. It also continues to promote battery recycling through a range of online, outdoor and television campaigns, including morning TV appearances by Call2Recycle staff for National Battery Day, digital media collection contests that drove significant deposits during Circular Economy Month, as well as creative partnerships with high-profile and high-touch collaborators such as SARCAN Recycling (SARCAN) and Earth Rangers to drive collections.

According to Call2Recycle’s third-party consumer research through IPSOS, on average, residents of Saskatchewan recycled significantly more household batteries than in 2022 (47%, up 8 points), and 8 in 10 residents are aware that household batteries can be recycled.

To further drive awareness, in December 2023, Call2Recycle launched its new consumer brand, *Recycle Your Batteries, Canada!*, to aid in consumer understanding and name recall and to boost collection efforts. A corresponding website, [recycleyourbatteries.ca](https://recycleyourbatteries.ca), launched that month, providing educational content for consumers on battery recycling best practices and safety. It is anticipated that the *Recycle Your Batteries, Canada!* website and the associated promotions will help drive consumer online traffic, as Saskatchewanians will find more consumer-focused content and locator support there.

## 3. Directorial and Advisory Oversight

### 3.1 Board of Directors

Call2Recycle is a federally incorporated non-profit 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 complete list of the members of the Board of Directors, see [Appendix B](#).

### 3.2 Saskatchewan Advisory Committee

In addition to the board, Call2Recycle has a Saskatchewan Advisory Committee that meets twice a year (or as needed) and includes members from the Retail Council of Canada, the Saskatchewan Waste Reduction Council, and the Ministry of Environment, among others. For a complete list of Advisory Committee members, see [Appendix C](#).

The Saskatchewan Advisory Committee supports stakeholders to provide feedback on the program and raise issues of local concern. It advises on program goals, reviews results, and provides input on the industry, market, policy, and opportunities for continuous improvement.

Call2Recycle provides committee members with updates on program performance, enhancements, and changes as required. In 2023, the Saskatchewan Advisory Committee convened on June 1<sup>st</sup> and December 4th, with Call2Recycle presenting updates.

## 4. Marketing, Public Education Materials and Partnerships

In December 2023, Call2Recycle launched its new consumer brand, ***Recycle Your Batteries, Canada!*** This consumer-friendly, call-to-action branding is designed to aid in consumer understanding and name recall and boost collection efforts. A corresponding website, [recycleyourbatteries.ca](https://recycleyourbatteries.ca), launched that month, providing educational content for consumers on battery recycling best practices and safety.

### 4.1 Website & Social

The Call2Recycle website ([call2recycle.ca](https://call2recycle.ca)) drew 17,363 visitors from Saskatchewan in 2023. It is anticipated that the [Recycle Your Batteries, Canada!](https://recycleyourbatteries.ca) website that launched in December and the associated promotions of this site will help drive more consumer traffic in 2024 as Saskatchewanians will find more consumer-focused content and locator support there. The new site attracted an additional 75 visitors from Saskatchewan in December 2023, its first month.

### 4.2 Campaigns

Call2Recycle continually encourages awareness and action on battery recycling through national television, outdoor and online campaigns as well as promotions targeted specifically to Saskatchewan residents. In the first half of the year, Call2Recycle used these media to emphasize its key message to “Collect, Protect and Drop Off” used batteries at least every three months. This ongoing campaign focuses consumers on the essential steps to recycle their batteries safely. As part of the campaign, Call2Recycle displayed the logos of local collection partners in TV, digital and outdoor advertising to educate consumers about where they can drop off their batteries. Other national promotions included activities centred around National Battery Day (February), Earth Day (April), and Waste Reduction Week and Circular Economy Month (October).

For National Battery Day, Call2Recycle’s Vice-President of Marketing and Communications appeared on Breakfast Television and Global TV’s Morning Show, where he spoke about the importance of

recycling batteries. During Circular Economy Month, Call2Recycle ran consumer promotions on TV and digital media that generated 4,000 contest entries across Canada, including 189 in Saskatchewan, which helped drive a 126% year-over-year increase in collections across Canada in October.

#### 4.3 Sponsorships, Partnerships and Events

Following the success of the award-winning “League of Super Recyclers” campaign in 2022, Call2Recycle partnered with SARCAN in July 2023 on another super-hero-themed promotion and contest. Saskatchewan residents could enter the contest to win up to \$1,000 by dropping off their batteries and scanning the QR code on a poster near the battery receptacle. The contest amassed 709 entries and led to a 118% increase in collections compared to the same period in 2022.

In 2023, Call2Recycle also launched a partnership with Product Care, a producer responsibility organization for household hazardous waste, to increase battery collections. The collaboration resulted in more than 2,000 kilograms of used batteries being deposited at 17 collection events across the province.

Call2Recycle continued its longstanding partnership with the Earth Rangers environmental conservation program for elementary students. This year’s collaboration saw ten schools from across the province participate in the “Battery Blitz” battery recycling contest, gathering 3,261 kilograms of used batteries from student and teacher participants. Ernest Lindner School collected the most batteries and won a cash prize of \$3,000.

#### 4.4 Consumer Awareness and Recycling Habits Assessment

Call2Recycle commissioned a survey by IPSOS to assess the battery recycling awareness and habits of Saskatchewan residents. Based on the representative sample of 700 respondents, awareness remained steady in 2023, with the majority of residents (8 in 10) aware that their household batteries can be recycled.

On average, residents of Saskatchewan are recycling significantly more household batteries than in 2022 (47%, up 8 points) and throwing away fewer (24%, down 6 points).

Consumer Awareness and Recycling Incidences	2023 Actual
Saskatchewan residents who were aware that consumer batteries can be recycled (%)	81%
Saskatchewanians who recycled their consumer batteries in 2023 (%)	47%

\*Based on a sample of 700 Saskatchewan residents surveyed online via the Ipsos I-Say panel. The precision of the online poll 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 Saskatchewanian adults been surveyed.

## 5. Collection System and Facilities

To maximize used battery collections in Saskatchewan, Call2Recycle aims to locate its collection facilities at convenient and accessible locations across the province. Eight in ten Saskatchewan residents (80%) have access to a Call2Recycle drop-off location within 15 kilometres of their home, matching the target established in the product stewardship plan.

In 2023, the number of Call2Recycle collection facilities in the province increased by 16% to 416 collection sites from 358 in 2022. The bulk of this growth was in public Call2Recycle collection points, which are accessible to everyone. These increased by 24% or 51 locations.

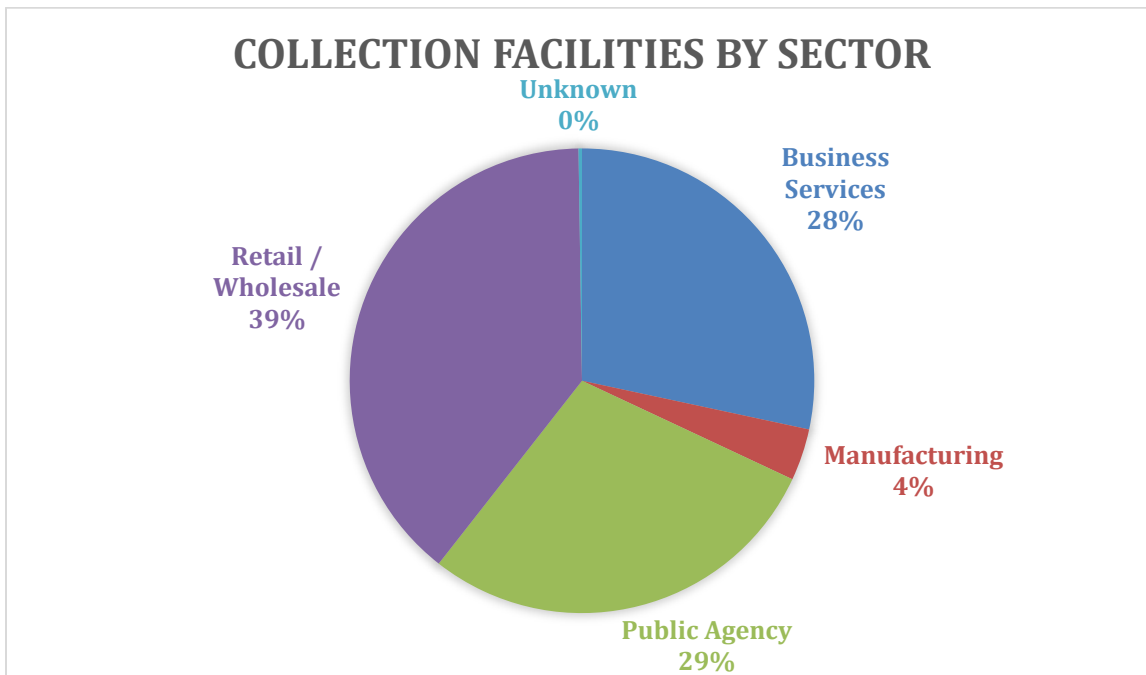
### 2023 Active Saskatchewan Collection Facilities by Access

Public	260
Private	156
<b>Total</b>	<b>416</b>

The following chart compares the sectoral distribution of collection facilities in Saskatchewan from 2022 to 2023, and the graph outlines the distribution by percentage in 2023.

### Active Collection Facilities by Sector

Sector	2023	2022	Change (#)	Change (%)
Business Services	118	108	10	9%
Public Agency	119	99	20	20%
Manufacturing	15	14	1	7%
Retail	163	136	27	20%
Other	1	1	0	0%
<b>Total</b>	<b>416</b>	<b>358</b>	<b>58</b>	<b>16%</b>



## 6. Collection Results

Used battery collections through the program rose by 18% in Saskatchewan from 2022 to 2023, with a total of 120,692 kg collected this year. The growth was evenly split across the single-use (primary) and rechargeable categories, although single-use batteries represented the majority (82%) of those collected in the year. These numbers do not take into account the 7,899 kg of lead-acid batteries that were also collected but are not included in The Household Hazardous Waste Product Stewardship Regulations. Despite their exclusion, small sealed lead acid batteries are often deposited with the Call2Recycle program because they are relatively small, and most residents do not discern between rechargeable battery types. The 7,899 kg collected in 2023 represent a represents a 15% increase over the previous year.

The following chart provides a year-to-year comparison of regulated battery collections by Call2Recycle in the province.



Call2Recycle Collections by Weight (kg)\*

Type	2023	2022	% Change
Single Use (Primary)	99,444	84,415	18%
Rechargeable	21,248	18,002	18%
<b>Total</b>	<b>120,692</b>	<b>102,417</b>	<b>18%</b>

## 7. Recovered Product Management and Materials Processing

Call2Recycle is steadfastly committed to operating the safest, most efficient, transparent and socially responsible battery collection, transportation and recycling program in Canada. To this end, Call2Recycle was the first program of its kind to achieve Responsible Recycling (R2) certification, the electronics recycling industry's leading certification. In 2023, it began the process to attain the latest R2 Standard—R2v3 Certification. This distinction will confirm Call2Recycle's ongoing strict adherence to Sustainable Electronics Recycling International's stringent requirements regarding safe, secure battery collection and processing, and proper downstream management of its battery collections. In 2023, Call2Recycle received the ISO 9001:2015 certification and was recertified for the ISO 14001:2015 and ISO 45001 certifications, further affirming its commitment to the environment and occupational health and safety.

### Collected Battery Management

Batteries Recycled	Batteries Reconditioned	Batteries Disposed
98%	0%	2%

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's performs regular due diligence to ensure that the program and its contracted service providers operate in accordance with the highest environmental standards. Call2Recycle recently discovered that its contracted lithium primary battery processor was not meeting these standards Call2Recycle is

developing a corrective action plan, including identifying alternate processors who can meet the program's environmental standards. Multiple solutions are actively being investigated and the program will keep the ministry apprised of developments.

## 8. 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 Saskatchewan.

Please see [Appendix D](#) for Call2Recycle's audited financial statements, which detail the total EHFs collected in Saskatchewan to fund the program, the amount spent to operate and administer the program, and the amount spent on public education, awareness, and communication. The program does not provide recycling incentives, therefore none are disclosed in the financial statements.

## Appendix A – Call2Recycle Members

### Call2Recycle Saskatchewan Members (as of December 31, 2023)

3M Canada Company	Epic Cycles Inc.
501 Audio/ The Source	EUCAN Distribution Inc.
Acer America Corporation	Fastenal Canada, Ltd. ON100
Acklands-Grainger Canada Inc.	Federated Co-Operatives Limited
ACS Distributing	FERMETCO INC.
Amazon.com.ca, Inc.	FGL
Amplifon - Miracle Ear	Gazelle USA, LLC
Apple Canada Inc	GE Healthcare Canada, Inc.
Battery Canada	Gescan (Division of Sonepar)
BDI, a division of Bell Mobility In	Giant Bicycle Canada Inc.
Best Buy Canada Ltd. 1000	Giant Tiger Stores Limited
Bike Co LLC	Google Canada Corporation
Biktrix Enterprises Inc.	Grand & Toy Ltd.
BISSELL Canada Corporation	Green Light Cycle Ltd.
Bolt Mobile	Gregg Distributors Limited Partnership
Bose Limited	Grin Technologies Ltd.
Buy-Low Foods LP	Groupe BBH Inc.
Cabela's	Guillevin International Cie
Canadian Energy and Power Corporation	HAWTHORNE CANADA LIMITED
Canadian Tire Corporation, Ltd	HearingLife Canada Ltd
Canadian Tire Petroleum	Hilti Canada Corporation
Canon Canada Inc	Hitfar Concepts Ltd.
Cardinal Health Canada Inc.	Home Hardware Stores Limited
Carlton Trail Hearing Clinic	HRS Global
Cervelo Cycles Inc.	Hudsons Bay Company
Chateau Manis Electronics	Husqvarna AB
Core-Mark International Inc	IKEA Supply AG
Costco Wholesale Canada Ltd	Imperial Dade Canada Inc.
CTG Brands Inc	Indigo Books and Music Inc
Cycles Devinci Inc.	Interstate Batteries Saskatoon
Cycles Lambert Inc./HLC	Isaac Instruments Inc.
D'Amour Bicycle & Sports Inc.	Ivan Hupalo - 2448131 Manitoba Ltd
Dell Canada Inc.	John Deere Canada ULC
Dollar Tree Stores Canada Inc.	KMS Tools and Equipment Ltd
Dollarama L.P.	Kona Canada, The Bicycle Group (TBG)
Dr. Phone Fix Parent Company	Kranked Bikes
Dynabook Canada Inc	L3Harris Technologies Inc.
Dyson Canada Limited	Lee Valley Tools Ltd
East Penn Canada	Lego Brand Retail
ECHO Power Equipment (Canada)	Lenovo (Canada) Inc.

Live to Play Sports Group Inc.  
Loblaws Inc.  
London Drugs Limited  
Louis Garneau Sports Inc.  
Mac's Convenience Stores Inc.  
Magnacharge Battery Corp.- West Hub  
Makita Canada, Inc.  
Marin Bikes Canada  
Mark's / L'Equipeur  
MasterMind LP  
McKesson Canada  
McMunn & Yates  
Mica Sport Canada Inc.  
Michaels Stores Inc.  
Microsoft Corporation  
Motorola Solutions Canada  
Mountain Equipment Company Ltd  
MSA Safety Sales LLC  
Murlin Electronics Ltd.  
Nedco West Division  
Newell Brands Canada  
Nikon Canada Inc  
On the edge Canada Inc  
Onlybatteries.com - Technologies Duslan Inc  
Oracle Canada ULC  
Orgill Inc  
Outdoor Gear Canada  
PA Battery & Truck Accessories  
Part Source  
Pattison Food Group Ltd.  
Peavey Industries Limited  
Prairie Battery Ltd  
Praxis Works  
Premier Tech Ltd.  
Prime Deals International Ltd  
Princess Auto Ltd  
Rad Power Bikes LLC  
Rexel Canada Electrical Inc  
Riese & Müller GmbH  
Robert Bosch Tool Corporation  
Rocky Mountain, Div. of Industries RAD Inc.  
(Procycle)  
RONA Inc.  
Santa Cruz Bicycles, LLC  
Saskatoon Hearing & Audiology Clinic  
Saskbattery Dist. Inc.  
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.  
Specialized Bicycle Components Canada  
SPI Santé Sécurité Inc.  
Staples Canada ULC  
Staples Professional, Inc.  
Steelcase Canada Ltd  
Stihl Limited  
Super Thrifty Drug Stores  
Supreme Basics  
TELUS Mobility  
Tenaquip Limited  
The Home Depot of Canada, Inc.  
The North West Company  
The Source - Meadowlake  
The Source (Bell) Electronics Inc.  
The Stevens Medical Company  
ToolTown Inc  
Toys R Us Canada, LTD  
Trek Bicycle Canada ULC  
T-Zone Health Inc.  
UAP Inc  
Uline Canada Corporation  
Ultralife Corporation  
Uni-Select Canada Inc.  
Velec Inc.  
Veritas Technologies LLC  
Voltage Bikes Ltd. (Pedego Can)  
Wallace & Carey Inc  
Walmart Canada  
Wesco Distribution Canada LP  
Westburne Midwest Division  
Würth Canada Limited  
Yamaha Motor Canada  
Yeti Cycling LLC.

## Appendix B – Board of Directors

**As of December 31, 2023**

Call2Recycle Canada, Inc.'s Board of Directors is comprised of:

**Norman Clubb, Chair**, Independent

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

**Annalise Czerny**, Independent

**Peter Daley**, Dollarama Inc.

**Tammy Giroux**, General Motors of Canada

**Raman Johal**, London Drugs Ltd.

**James McPhedran**, Independent

**Alan Moyer**, Independent

**Kevin Rejent**, Energizer Holdings, Inc.

**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

Association of Regional Waste Management Authorities of Saskatchewan

Home Hardware

Ministry of Environment

Retail Council of Canada

Saskatchewan Association of Rural Municipalities

Saskatchewan Recycling Council

Saskatchewan Urban Municipalities Association

## 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, 2023



Call2Recycle Canada, Inc.  
Financial Statements  
For the Year Ended December 31, 2023

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## Independent Auditor's Report

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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, 2023, 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, 2023, 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, Licensed Public Accountants

Toronto, Ontario

June 14, 2024

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Call2Recycle Canada, Inc.  
Statement of Financial Position

December 31	2023	2022
<b>Assets</b>		
Cash (Note 2)	\$ 2,141,682	\$ 4,310,012
Accounts receivable	5,709,862	7,002,393
Marketable securities (Note 3)	29,250,959	30,757,685
Other assets	540,795	423,241
	\$ 37,643,298	\$ 42,493,331
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued liabilities (Notes 4 & 7)	\$ 5,711,095	\$ 5,602,513
<b>Unrestricted Net Assets</b>		
Undesignated	8,969,026	8,609,662
Board Designated (Note 5)	22,963,177	28,281,156
	31,932,203	36,890,818
	\$ 37,643,298	\$ 42,493,331

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	2023 Total	2022 Total
Balance, beginning of the year	\$ 8,609,662	\$28,281,156	\$36,890,818	\$ 31,702,296
Excess (deficiency) of revenues over expenses	359,364	(5,317,979)	(4,958,615)	5,188,522
Balance, end of the year	\$ 8,969,026	\$22,963,177	\$31,932,203	\$ 36,890,818

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	2023	2022
Revenues		
Steward fees	\$27,508,479	\$ 30,800,753
Investment income (loss)	1,850,542	(1,919,471)
Other	240,177	10,820
	<u>29,599,198</u>	<u>28,892,102</u>
Expenses		
Material management and processing	22,742,710	15,484,337
Public education and awareness	5,017,534	2,393,491
Other (salary, professional, administrative)	6,797,569	5,825,752
	<u>34,557,813</u>	<u>23,703,580</u>
Excess (deficiency) of revenues over expenses	<u>\$ (4,958,615)</u>	<u>\$ 5,188,522</u>

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	2023	2022
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ (4,958,615)	\$ 5,188,522
Items not affecting cash:		
Net realized and unrealized (gain) loss on investments	(1,028,928)	2,273,338
	(5,987,543)	7,461,860
Changes in non-cash working capital:		
Accounts receivable	1,292,531	(285,405)
Accounts payable and accrued liabilities	108,582	1,853,719
Other assets	(117,554)	(3,393)
	(4,703,984)	9,026,781
Cash flows from investing activities:		
Marketable securities	2,535,654	(5,817,277)
Net (decrease) increase in cash	(2,168,330)	3,209,504
Cash, beginning of the year	4,310,012	1,100,508
Cash, end of the year	\$ 2,141,682	\$ 4,310,012

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, 2023

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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, 2023

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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, 2023 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, 2023

### 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. Marketable Securities

The carrying amounts of investments are comprised of the following:

	2023	2022
At fair value:		
Cash held for long-term investment	\$ 867,359	\$ 3,880,247
Equity investments	8,550,052	8,097,565
Bonds	17,451,919	16,371,604
Real estate	1,335,543	1,497,309
Hedge fund investments	920,999	910,960
Precious metals and commodities	125,087	-
	\$29,250,959	\$ 30,757,685

### 4. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$147,899 (2022 - \$939,627).

### 5. Board Designated Net Assets

The Entity's governing board has designated \$22,963,177 (2022 - \$28,281,156) as of December 31, 2023 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:

	2023	2022
Quebec	\$12,035,871	\$ 13,740,887
Ontario	(244,067)	3,901,162
British Columbia	8,175,136	7,605,178
Manitoba	2,388,515	2,450,110
Prince Edward Island	(181,468)	(43,685)
Saskatchewan	789,190	627,504
	\$22,963,177	\$ 28,281,156
Total		

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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6. 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.

7. 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 2023 were CDN \$1,075,586 (2022 - \$1,719,056). This fee is assessed to the Entity net of a US \$272,187 (2022 - \$143,440) fee recovery collected by Call2Recycle, Inc. US for battery sale license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued liabilities is CDN \$199,742 (2022 - \$145,246) in respect of these contracted services.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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8. 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 and its stock portfolio holdings denominated in US currency.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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9. Commitments

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

	2024	2025	2026	2027	2028
Quebec	\$ 35,496	\$ 37,933	\$ 3,178	\$ -	\$ -
British Columbia	29,596	20,536	-	-	-
Ontario	110,909	111,644	111,644	113,848	114,582
	<u>\$ 176,001</u>	<u>\$ 170,113</u>	<u>\$ 114,822</u>	<u>\$ 113,848</u>	<u>\$ 114,582</u>

10. 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.

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Call2Recycle Canada, Inc.  
Schedule of Operations - Saskatchewan

For the year ended December 31	2023	2022
<b>Revenue</b>		
Steward fees	\$ 1,097,814	\$ 1,097,735
Investment income (loss)	33,193	(29,501)
	<u>1,131,007</u>	<u>1,068,234</u>
<b>Expenses</b>		
Material management and processing	504,438	408,469
Public education and awareness	247,155	155,671
Other (salary, professional, administrative)	217,728	273,211
	<u>969,321</u>	<u>837,351</u>
Excess of revenue over expenses	161,686	230,883
Net assets, beginning of year	<u>627,504</u>	<u>396,621</u>
Net assets, end of year	<u>\$ 789,190</u>	<u>\$ 627,504</u>