An aerial photograph of a dense green forest. In the center, there is a large cutout in the shape of a recycling symbol (three chasing arrows forming a triangle). The cutout reveals a clear blue sky. Wispy white clouds are visible around the edges of the forest canopy.

Call2Recycle Canada, Inc. Provincial Annual Report

Manitoba 2024

Submission Date: June 30th, 2025

Submitted by: Jason Brown, Director, Western Canada
Call2Recycle Canada Inc.
201-2590 Granville Street
Vancouver, BC V6H 3H1

Submitted to: The Environment Policy and Delivery Unit
Environmental Stewardship Division
Manitoba Environment and Climate Change

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1. About Call2Recycle Canada

Call2Recycle Canada, Inc. is Canada's leading organization for the collection and recycling of batteries and battery-powered products. Its collection and recycling services cover household batteries (up to 5 kg) and e-transport batteries used in e-bikes, e-scooters, e-skateboards, hoverboards, and electric vehicles (EVs).

In 1999, Call2Recycle began operating in Manitoba as a voluntary program, and became the provincially approved producer responsibility organization (PRO) for stand-alone replacement batteries weighing up to five kilograms in 2011. Through its *Recycle Your Batteries, Canada!* program, Call2Recycle safely collects, transports and recycles consumer household batteries in the province on behalf of 182 members, including battery manufacturers, retailers, distributors and other obligated producers. Through a vast network of collection partners operating 607 public and private collection sites across Manitoba (as of December 2024), as well as battery sorting and processing partners across Canada, Call2Recycle offers a transparent and cost-effective end-of-life battery management for consumers and manufacturers alike, safely maximizing the diversion of batteries from landfills.

Call2Recycle is committed to excellence in environmental stewardship, safety, transport and operations, holding certifications in globally recognized standards, including R2v3, ISO 14001, ISO 45001, and ISO 9001. Adhering to the highest standards and in full compliance with provincial regulations, Call2Recycle collects all types of household batteries, regardless of the battery chemistry, and sorts and processes the components for reuse. No battery collected through the program that can be recycled goes to a landfill. The reclaimed materials are instead used in the manufacturing of new products, such as new batteries, cookware and appliances, thereby contributing to a strong circular economy. This commitment to excellence has attracted longstanding partnerships with program members and collection partners in Manitoba.

To learn more about Call2Recycle Canada, visit call2recycle.ca.

2. Executive Summary

Manitobans deposited 190,967 kg of used batteries through the *Recycle Your Batteries, Canada!* collection program in 2024. Over the year, Call2Recycle strategically realigned the number of active collection facilities in the province - from 667 to 607 - while ensuring that accessibility to a battery collection facility remained convenient for the vast majority of the province's residents. Nine in ten Manitobans have access to a Call2Recycle drop-off location within 15 kilometres of their home. Call2Recycle continues to look for and support strategic collection points that will increase consumer recycling activity and maximize program efficiency.

In 2024, Call2Recycle rolled out its new consumer brand, *Recycle Your Batteries, Canada!* across Canada to increase awareness of the importance of recycling batteries. This included a new consumer website, recycleyourbatteries.ca, various information materials for battery collection facilities, and a robust national online and television campaign featuring Canadian soccer legend Christine Sinclair.

In Manitoba, Call2Recycle continued to partner with other Producer Responsibility Organizations to facilitate battery recycling in remote First Nations communities while increasing collections and accessibility for all Manitobans. It also continued its youth-focused partnerships with children's conservation group Earth Rangers and Baseball Manitoba's Rally Cap program to establish good battery management habits early in life for young Manitobans.

3. Public Education Materials and Strategies

Call2Recycle continually strives to raise awareness of battery recycling and encourage consumers to divert their used batteries from landfills. To this end, it executes a range of national outdoor, online, and television awareness campaigns centered around events such as National Battery Day (February), Earth Month (April), and Waste Reduction Week (October), in addition to regional activities targeted specifically at Manitobans.

In 2024, Call2Recycle rolled out its new consumer brand *Recycle Your Batteries, Canada!* designed to increase recall among Canadian consumers and immediately act as a call to action. The launch included a robust awareness campaign supported by new branded collection boxes, posters, and easel

cards displayed at collection sites across its network. The new boxes and collateral included QR codes that allowed consumers to learn more about battery recycling and to enter contests.

Call2Recycle also significantly increased its program's visibility and collections through its new brand ambassador, Canadian soccer legend Christine Sinclair, who was featured in various television ads as well as social and digital campaigns to raise awareness of *Recycle Your Batteries, Canada!* and encourage Canadians to recycle their used batteries.

3.1 Campaigns

In 2024, Call2Recycle successfully rolled out **digital and television campaigns** to promote the *Recycle Your Batteries, Canada!* program with two high-impact commercial spots during the Academy Awards broadcast and rebranded Facebook and Instagram accounts in both official languages. As the national brand ambassador for *Recycle Your Batteries, Canada!* Christine Sinclair lent her voice to several educational initiatives to inspire consumers, youth, and communities to increase their battery recycling practices.

Call2Recycle leveraged Earth Month in April to educate Canadians through **blogs and videos on the environmental benefits of battery recycling** and introduced a recycling contest to convert awareness into action on battery recycling and recycling in general. In October, Christine Sinclair headlined the **Circular Economy Month campaign**, which included a YouTube video, television ad, and online messages encouraging Canadians to recycle their used batteries.

3.2 Website & Digital Information

Overall online traffic originating from Manitoba increased slightly in 2024 as Call2Recycle rolled out its new consumer brand and website, RecycleYourBatteries.ca, while maintaining its corporate website Call2Recycle.ca for industry members and partners. The corporate website drew 1,954 visitors from Manitoba in 2024, while RecycleYourBatteries.ca had 23,151 visitors from the province. Combined, the two exceed Call2Recycle's 2023 website visits (25,105 vs 24,464 in 2023). In addition, nearly 15,000 Manitobans participated in online recycling contests hosted by *Recycle Your Batteries, Canada!* in 2024. Call2Recycle anticipates online visits to RecycleYourBatteries.ca will continue to grow as the new consumer brand gains further visibility with Canadians.

3.3 Sponsorships, Partnerships and Events

For the second consecutive year, Call2Recycle sponsored the Baseball Manitoba Rally Cap Program in 2024 to encourage good battery recycling habits among Manitoban youth and families. Rally Cap uniforms featured our new *Recycle Your Batteries, Canada!* consumer brand and each Rally Cap young player received a branded personal battery collection cube.

Call2Recycle also continued its longstanding **school partnership** with Earth Rangers to educate Manitoban youth about the importance of battery recycling through the Battery Blitz program. In 2024, students from 15 schools across Manitoba collected more than 5,000 kilograms of used batteries as part of the program's annual battery recycling competition.

3.4 Consumer Awareness Assessment

Call2Recycle follows Manitobans' battery recycling awareness and habits through an annual survey administered by Ipsos Canada. From 2023 to 2024, Manitobans' awareness that household batteries can be recycled remained steady at 75%. Older 55+ residents were more likely to believe household batteries can be recycled (86%) than younger Manitobans, aged 18 to 34, at 68%.

The overall recycling rate for household batteries decreased from 57% in 2023 to 51% in 2024. However, more residents indicated they were storing their used batteries, 30% compared to 28% in 2023.

Awareness of Call2Recycle's "Collect, Protect and Drop off" recycling advice rose significantly, up 8 points to 31% of respondents being very or somewhat familiar with the phrase. Additionally, 3 in 10 Manitobans indicated they were familiar with the *Recycle Your Batteries, Canada!* brand after just one year in the market, compared to fewer than 2 in 10 for Call2Recycle, indicating the potential strength of this new consumer brand.

Consumer Awareness and Recycling Incidences Targets ¹	Target	2024 Actual
Percentage of Manitobans who are aware that consumer batteries can be recycled	78%	75%
Percentage of Manitobans who recycled their consumer batteries (%)	55%	51%

4. Collection System and Performance

4.1 Collection Facilities & Accessibility

Call2Recycle's collection facilities are located across the province and strategically selected for convenience and optimal usage by Manitobans. In 2024, the overall number of Call2Recycle collection facilities in the province decreased from 667 in 2023 to 607. This decrease represents Call2Recycle's efforts to optimize collection facilities in areas with the highest likelihood of traffic and recycling activity. This strategic reduction in facilities has had no impact on accessibility to battery recycling in the province, as nine in ten Manitobans (90%) continue to have access to a *Recycle Your Batteries, Canada!* drop-off location within 15 kilometres of their home, matching the target established in the EPR plan.

2024 Active Collection Facilities by Access in Manitoba

Public	282
Private	325
Total	607

¹ Based on a sample of 700 Manitoba residents surveyed online via the Ipsos I-Say panel from February 4 to 28, 2025. Online poll precision is measured using a credibility interval. Results are considered accurate to within +/- 4.5 percentage points, 19 times out of 20, of what the results would have been had all Manitoban adults been surveyed.

The following table illustrates the sectoral distribution of collection facilities in Manitoba and changes from 2023 to 2024.

Active Collection Facilities by Sector

Sector	2024	2023	Change (#)	Change (%)
Business Services	113	105	8	8%
Public Agency	298	332	-34	-10%
Manufacturing	16	19	-3	-16%
Retail	179	210	-31	-15%
Other	1	1	0	0%
Total	607	667	60	-9%

4.2 First Nations Winter Roads Collection Activities

Call2Recycle strives to ensure that smaller and remote communities also have access to its battery recycling program. For several years, Call2Recycle has partnered with other Producer Responsibility Organizations in Manitoba to promote recycling in remote First Nations communities, many of which are primarily accessible by seasonal ice roads during the winter. Through these joint programs, Call2Recycle supplies collection boxes and battery recycling education materials for collection events and community use. These efforts are ongoing and central to Call2Recycle's objectives to increase collections and accessibility for all Manitobans.

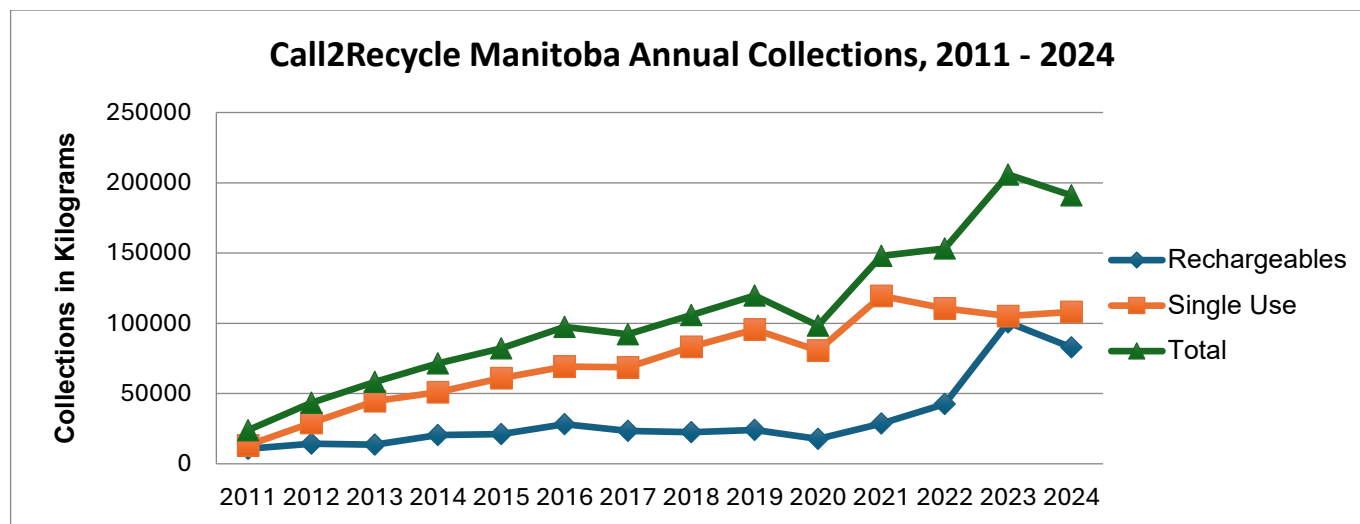
4.3 Performance Results

Call2Recycle tracks its annual battery collection performance against targets set out in its provincially approved EPR plan. Seven percent fewer volumes of used batteries were collected in Manitoba in 2024, due to a decrease in rechargeable battery deposits. Consumers deposited more single-use batteries in 2024 than in the previous year, and these batteries made up 57% of the batteries collected

in the province. This stabilization of rechargeable battery deposits may reflect a “right-sizing” of collections after strong growth during the pandemic as people used more battery-powered devices at home.

Call2Recycle Collections by Weight (kg)*

Type	2024	2023	% Change
Single Use (Primary)	108,123	105,251	3%
Rechargeable	82,844	100,611	-18%
Total	190,967	205,862	-7%



4.4 Recovery Rate

Each year, batteries used by consumers come to the end of their life and are eligible to be recycled through Call2Recycle. In its EPR plan, Call2Recycle established targets for recovering these eligible batteries based on the total batteries in the market. The battery recovery rate reflects the volume of batteries collected in a year (by weight), expressed as a percentage of the average weight sold into the market in the preceding three years (2021 through 2023). The weight sold is based on sales information reported to Call2Recycle by its members through remittance of environmental handling fees (EHFs). These are converted into weights based on industry standards.

The current approved EPR plan commits Call2Recycle to reaching a 24% recovery rate in 2024. Actual collections for the year represent a recovery rate of 24%, meeting plan target.

2024 Recovery Rate

2024 Used Batteries Collected in Manitoba	2020-22 Manitoba Battery Sales Average	Recovery Rate Actual	Recovery Rate Target
190,967	787,768	24%	24%

5. Product Management and Materials Processing

Call2Recycle is steadfastly committed to operating Canada's safest, most efficient, transparent and socially responsible battery recycling program. It was the first program of its kind to achieve Responsible Recycling (R2) certification and is the country's only battery recycling organization certified to four standards for battery collection, transportation and recycling safety: R2v3, ISO 14001, ISO 45001 and ISO 9001. These distinctions confirm Call2Recycle's ongoing adherence to strict requirements regarding safe, secure battery collection and processing, and proper downstream management of its battery collections, which includes not exporting to developing countries or sending materials to local landfills, and its commitment to the environment and occupational health and safety.

Recycling is the most effective and practical way to divert used batteries from landfills and contribute to the circular economy. Whenever possible, Call2Recycle uses local service providers to minimize its environmental footprint. Call2Recycle's approved sorters and processors use state-of-the-art techniques to reclaim materials following the highest environmental, transportation, health and safety, and financial operations standards.

Call2Recycle records RER by chemistry to illustrate the quantity of material reclaimed for use in secondary products from each battery chemistry relative to Call2Recycle's provincial EPR plan targets.

Call2Recycle met or exceeded 2024 RER targets for all battery chemistries under the approved EPR plan, as outlined below.

Recycling Efficiency Rates for 2024

Without Processors Identified

Battery Type	Rechargeable Battery Chemistry						Primary Chemistry					
	Ni-Cd		Li-ON	Ni-MH		SSLA	Alkaline				Lithium	
Metals	73%	72%	72%	77%	92%	68%	22%	30%	18%	10%	54%	0%
Plastics	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	2%	0%
Electrolytes/Secondary Recovery	0%	0%	0%	0%	0%	0%	0%	0%	0%	22%	4%	0%
Black Mass	0%	0%	0%	0%	0%	0%	73%	52%	62%	56%	45%	0%
Total Material Recovery (%)	73%	72%	72%	77%	92%	72%	95%	82%	80%	88%	95%	0%
Unrecovered Material (%) / non-recovered for use in Secondary Market during Recycling Process: Water, Oxygen, Plastics, Organics (Carbon, Electrolytes)	27%	28%	28%	23%	8%	28%	5%	18%	20%	12%	5%	100%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Call2Recycle performs regular due diligence to ensure that the program and its contracted service providers operate in accordance with the highest environmental standards. Call2Recycle's contracted lithium primary battery processor was not meeting these standards which has impacted the recycling efficiency rate for this battery chemistry. Call2Recycle developed a corrective action, including identifying alternate processors who can meet the program's environmental standards.

This year, Call2Recycle also enhanced safety standards and practices for handling Damaged, Defective and Recalled (DDR) batteries in Manitoba and across Canada, increasing the availability of DDR kits for our collection partners.

6. Program Funding

Primary and rechargeable stand-alone or replacement batteries sold in Manitoba are subject to an environmental handling fee (EHF), a fee per unit sold. [EHFs](#) are calculated based on the cost of managing the collection and responsible recycling of each battery by specific type. Call2Recycle collected EHF's from producer-members who reported sales between January 1 and December 31, 2024. Thanks to effective cost mitigation strategies, Call2Recycle will retain the existing EHF fee levels in Manitoba in 2025. As always, it will continue to monitor revenues to ensure the fee structure accurately reflects program costs. Please see [Appendix C](#) for Call2Recycle's audited financial statements.

7. Organizational Reports

At the time of writing, Call2Recycle's 2024 Corporate Annual Report is in development. It will be available in July 2025 on the [Call2Recycle website](#).

8. Program Performance

Annual Targets and Goals

Measures	2024 Target	2024 Result	Target Achievement and Remediation Strategy
Accessibility - % of population within 15 km of a collection site	91%	90%	<ul style="list-style-type: none"> Target not achieved. Call2Recycle will continue strategically adding or removing public collection facilities to ensure accessibility and optimal collection productivity. This will include identifying high-traffic, repeat-visit locations for new facilities, such as retailers, and in-home and near-home facilities around multi-unit dwellings.

Recovery Rate - batteries collected expressed as a percentage of what is sold in the Manitoba market in the previous three years	24%	24%	<ul style="list-style-type: none"> Target achieved. Manitoba collections increased 34% over the previous year to amass the largest one-year collection total in the province's program history. Call2Recycle will continue to invest in promotion and education activities to encourage Manitoba residents to recycle used batteries, particularly those stored in their homes for more than three months.
Battery Recycling Awareness (Percentage of Manitobans in 2024 who were aware that consumer batteries can be recycled)	78%	75%	<ul style="list-style-type: none"> Target not achieved. Call2Recycle will continue to focus on promoting its new consumer branding, <i>Recycle Your Batteries, Canada!</i> which inherently calls consumers to action on battery recycling and will help promote consumer recall. Leverage the data and feedback gleaned from its consumer surveys to successfully target promotional and operational efforts at specific underperforming demographics. Build on Call2Recycle's "Collect, Protect and Drop Off" campaign to reinforce the message of the ease and importance of safe battery recycling practices.
Battery Recycling Incidence (Percentage of Manitobans who recycled their consumer batteries in 2024)	55%	51%	<ul style="list-style-type: none"> As noted previously, Call2Recycle will continue its consumer education campaigns in 2025. It will also continue to monitor consumer awareness through in-depth surveys on battery recycling attitudes and behaviours across Manitoba.

Appendix A – Call2Recycle Inc. Board of Directors

(As of December 31, 2024)

David Collie, Chair, Independent

Joe Borsellino, Chateau Manis Electronics Inc.

Annalise Czerny, Independent

Peter Daley, Dollarama Inc.

Tammy Giroux, General Motors of Canada

Marc Guitor, Panasonic Canada Inc.

Raman Johal, London Drugs Ltd.

Kevin Rejent, Energizer Holdings, Inc.

Paul Neilsen, Live to Play Sports

James McPhedran, Independent

Alan Moyer, Independent

Alma Obeid, Canadian Tire Corporation

Tim Reuss, Canadian Automobile Dealers Association

Harriet Velazquez, Velazquez Consulting Inc. (Independent)

Brian Temins, Cassels Brock & Blackwell (Secretary of the Board)

Appendix B – Call2Recycle Manitoba Members

(as of December 31, 2024)

3M Canada Company	Cycles Devinci Inc.
Acer America Corporation	Cycles Lambert Inc./HLC
Acklands-Grainger Canada Inc.	D'Amour Bicycle & Sports Inc.
ADI Global	Dell Canada Inc.
AMAZON.COM.CA ULC	Dollar Tree Stores Canada Inc.
Amplifon - Miracle Ear	Dollarama L.P.
Apple Canada Inc	Dynabook Canada Inc
Battery Canada	Dyson Canada Limited
BDI, a division of Bell Mobility	East Penn Canada
BelIMTS, a division of Bell Canada	ECHO Power Equipment (Canada)
BeLuce Canada Inc.	Edma Marketing Ltd
Best Buy Canada Ltd. 1000	EECOL Electric ULC
Bike Co LLC	Energizer Canada Inc
BISSELL Canada Corporation	Enns Brothers Ltd.
Bose Limited	Epic Cycles Inc.
Cabela's	EUCAN Distribution Inc.
Canada Computers Inc	Fastenal Canada, Ltd. ON100
Canadian Energy and Power Corporation	Federated Co-Operatives Limited
Canadian Tire Corporation, Ltd	FERMETCO INC.
Canadian Tire Petroleum	FGL
Canon Canada Inc	FuturPlus Division of Cathelle Inc.
Cardinal Health Canada Inc.	Gazelle USA, LLC
Cell Mechanics Inc.	GE Healthcare Canada, Inc.
Century Optron Inc.	Gescan (Division of Sonepar)
Cervelo Cycles Inc.	Giant Bicycle Canada Inc.
Chateau Manis Electronics	Giant Tiger Stores Limited
Chevron North America	Google Canada Corporation
Core-Mark International Inc	Grand & Toy Ltd.
Costco Wholesale Canada Ltd	Green Light Cycle Ltd.

Grin Technologies Ltd.	London Drugs Limited
Groupe BBH Inc.	Louis Garneau Sports Inc.
Guillevin International Cie	Mac's Convenience Stores Inc.
HAWTHORNE CANADA LIMITED	Magnacharge Battery Corp.- West Hub
HearingLife Canada Ltd	Makita Canada, Inc.
Henry's Enterprises Inc.	Marin Bikes Canada
Hilti Canada Corporation	Mark's / L'Equipeur
Hitfar Concepts Ltd.	MasterMind LP
Home Hardware Stores Limited	MB Battery Distributors Inc
HRS Global	McKesson Canada
Hudsons Bay Company	McMunn & Yates
Husqvarna AB	Mica Sport Canada Inc.
IKEA Canada Limited Partnership	Michaels Stores Inc.
IKEA Supply AG	Microsoft Corporation
ILINK Industries Ltd	Motorola Solutions Canada
Imperial Dade Canada Inc.	Mountain Equipment Company Ltd
Indigo Books and Music Inc	MSA Safety Sales LLC
Interstate Batteries Recycling	National Hearing (Connect Hearing)
Isaac Instruments Inc.	Nedco West Division
Ivan Hupalo - 2448131 Manitoba Ltd	Newell Brands Canada
John Deere Canada ULC	NICA Power Battery Corp
KMS Tools and Equipment Ltd	Nikon Canada Inc
Kona Bicycle Company Inc.	Northern Building Supply
Kranked Bikes	Northern Specialities Ltd
L3Harris Technologies Inc.	Novexco Inc./ Hamster (Bureau plus)
Lee Valley Tools Ltd	On the edge Canada Inc
Lego Brand Retail	Onlybatteries.com - Technologies Duslan Inc
Lem-Rich Foods Ltd.	Oracle Canada ULC
Lenovo (Canada) Inc.	Orgill Inc
Live to Play Sports Group Inc.	Outdoor Gear Canada
Loblaws Inc.	Panasonic Canada Inc

Part Source	Steelcase Canada Ltd
Pattison Food Group Ltd.	Stihl Limited
Peavey Industries Limited	Super Thrifty Drug Stores
Photo Central Inc	Techtronic Industries Canada, Inc.
Prairie Battery Ltd	TELUS Mobility
Praxis Works	Tenaquip Limited
Premier Tech Ltd.	The \$1. Store Plus Canadian Franchising Corporation
Prime Deals International Ltd	The Battery Man
Princess Auto Ltd	The Home Depot of Canada, Inc.
Proflash Technologies Inc.	The North West Company
Rad Power Bikes LLC	The Stevens Medical Company
Rexel Canada Electrical Inc	Tip Top Electronic Supply Ltd
Riese & Müller GmbH	ToolTown Inc
Robert Bosch Tool Corporation	Toys R Us Canada, LTD
Rocky Mountain, Div. of Industries RAD Inc. (Procycle)	Trek Bicycle Canada ULC
RONA Inc.	UAP Inc
S.P. Richards Co. Canada, Inc.	Uline Canada Corporation
Santa Cruz Bicycles, LLC	Uni-Select Canada Inc.
Schneider Electric IT US	Velec Inc.
Scotts Canada Ltd.	Veritas Technologies LLC
SharkNinja Operating LLC	Voltage Bikes Ltd. (Pedego Can)
Shimano Canada LTD	Wallace & Carey Inc
Shopper+Inc	Walmart Canada
Shoppers Drug Mart Inc	Wesco Distribution Canada LP
Snap-On Tools of Canada Ltd	Westburne Midwest Division
Sobeys Capital Inc	Wisdom Electronics Inc
Sonos Inc.	Wurth Canada Limited
Specialized Bicycle Components Canada	Yamaha Motor Canada
Standard Products Inc.	Yeti Cycling LLC
Staples Canada ULC	Total Manitoba Members: 182
Staples Professional, Inc.	

Appendix C – Audited Financial Statement

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2024



Tel: 416 865 0200
Fax: 416 865 0887
www.bdo.ca

BDO Canada LLP
222 Bay Street
Suite 2200, PO Box 131
Toronto, ON M5K 1H1 Canada

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, 2024, and the statements of changes in net assets, operations 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, 2024, and its results of 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 18, 2025

Call2Recycle Canada, Inc. Statement of Financial Position

December 31	2024	2023
Assets		
Cash (Note 2)	\$ 3,292,795	\$ 2,141,682
Accounts receivable	8,460,093	5,709,862
Marketable securities (Note 3)	24,215,362	29,250,959
Other assets	715,975	540,795
	<u>\$ 36,684,225</u>	<u>\$ 37,643,298</u>
Liabilities and Net Assets		
Accounts payable and accrued liabilities (Notes 4 & 8)	<u>\$ 8,551,679</u>	<u>\$ 5,711,095</u>
Unrestricted Net Assets		
Undesignated	10,430,905	8,969,026
Board Designated (Note 5)	17,701,641	22,963,177
	<u>28,132,546</u>	<u>31,932,203</u>
	<u>\$ 36,684,225</u>	<u>\$ 37,643,298</u>

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

Call2Recycle Canada, Inc.
Statement of Changes in Net Assets

For the year ended December 31	Undesignated	Board Designated	2024 Total	2023 Total
Balance, beginning of the year	\$ 8,969,026	\$ 22,963,177	\$ 31,932,203	\$ 36,890,818
Excess (deficiency) of revenues over expenses	1,461,879	(5,261,536)	(3,799,657)	(4,958,615)
Balance, end of the year	\$ 10,430,905	\$ 17,701,641	\$ 28,132,546	\$ 31,932,203

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	2024	2023
Revenues		
Steward fees	\$ 34,727,143	\$ 27,508,479
Investment income	1,844,053	1,850,542
Other	894,417	240,177
	<u>37,465,613</u>	<u>29,599,198</u>
Expenses		
Material management and processing (Note 6)	27,228,644	22,742,710
Public education and awareness	6,491,928	5,017,534
Other (salary, professional, administrative)	7,544,698	6,797,569
	<u>41,265,270</u>	<u>34,557,813</u>
Deficiency of revenues over expenses	<u>\$ (3,799,657)</u>	<u>\$ (4,958,615)</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	2024	2023
Cash flows from operating activities:		
Deficiency of revenues over expenses	\$ (3,799,657)	\$ (4,958,615)
Items not affecting cash:		
Net realized and unrealized (gain) loss on investments	(944,557)	(1,028,928)
	(4,744,214)	(5,987,543)
Changes in non-cash working capital:		
Accounts receivable	(2,750,231)	1,292,531
Accounts payable and accrued liabilities	2,840,584	108,582
Other assets	(175,180)	(117,554)
	(4,829,041)	(4,703,984)
Cash flows from investing activities:		
Marketable securities	5,980,154	2,535,654
Net increase (decrease) in cash	1,151,113	(2,168,330)
Cash, beginning of the year	2,141,682	4,310,012
Cash, end of the year	\$ 3,292,795	\$ 2,141,682

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2024

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, and related products.

The Entity seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries and related products. 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 regulated provinces (QC, ONT, BC, MB, PEI, SK and NS), 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, 2024

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. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.</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, 2024 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, 2024

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:

	2024	2023
At fair value:		
Cash held for long-term investment	\$ 1,288,669	\$ 889,018
Bonds	15,215,224	17,451,919
Equity investments	5,188,026	8,528,393
Real estate funds	1,179,394	1,335,543
Hedge fund investments	1,233,290	920,999
Precious metals and commodity funds	110,759	125,087
	<u>\$ 24,215,362</u>	<u>\$ 29,250,959</u>

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2024

4. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$297,817 (2023 - \$147,899).

5. Board Designated Net Assets

The Entity's governing board has designated \$17,701,641 (2023 - \$22,963,177) as of December 31, 2024 for future use in the regulated provinces of Quebec, Ontario, British Columbia, Manitoba, Prince Edward Island, Saskatchewan and Nova Scotia. The designated balances by regulated province are as follows:

	2024	2023
Quebec	\$ 10,452,773	\$ 12,035,871
Ontario	(4,649,997)	(244,067)
British Columbia	8,148,982	8,175,136
Manitoba	2,388,077	2,388,515
Prince Edward Island	(170,352)	(181,468)
Saskatchewan	1,239,176	789,190
Nova Scotia	292,982	-
Total	<u>\$ 17,701,641</u>	<u>\$ 22,963,177</u>

6. Material Management and Processing

Material management and processing is comprised of the following:

	2024	2023
Material management and processing	\$ 28,587,793	\$ 23,735,105
Recycled materials income	(1,359,149)	(992,395)
	<u>\$ 27,228,644</u>	<u>\$ 22,742,710</u>

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2024

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 IT services (2023 included accounting and managerial services) from Call2Recycle, Inc. US. Fees paid for contracted services to Call2Recycle, Inc. US for 2024 were CDN \$1,004,074 (2023 - \$1,075,586). This fee is assessed to the Entity net of a US \$Nil (2023 - \$272,187) 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 \$Nil (2023 - \$199,742) in respect of these contracted services.

Call2Recycle Canada, Inc.

Notes to Financial Statements

December 31, 2024

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 IT services (2023 - including accounting and managerial services) with a US organization and its stock portfolio holdings denominated in US currency.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2024

10. Commitments

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

	2025	2026	2027	2028	2029
Quebec	\$ 37,933	\$ 3,178	\$ -	\$ -	\$ -
British Columbia	20,526	-	-	-	-
Ontario	37,215	113,104	116,038	116,772	118,975
	<u>\$ 95,674</u>	<u>\$ 116,282</u>	<u>\$ 116,038</u>	<u>\$ 116,772</u>	<u>\$ 118,975</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. Subsequent to year end, a legal claim was filed against the Entity for \$15.0 million in damages. 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.

Subsequent to year end, three of the Entity's members in Ontario are subject to Administrative Penalty Orders from the Regulator amounting to \$2.8 million. These orders are currently being appealed, and the final amount and timing are still uncertain. The Entity could be impacted by the outcome of the appeals. No provisions have been made in the financial statements. Any losses will be recorded at the time they become known.

Call2Recycle Canada, Inc.
Schedule of Operations - Manitoba

For the year ended December 31	2024	2023
Revenue		
Steward fees	\$ 1,223,628	\$ 1,250,056
Investment income	136,120	129,603
	<u>1,359,748</u>	<u>1,379,659</u>
Expenses		
Material management and processing	671,511	746,821
Public education and awareness	463,747	425,611
Other (salary, professional, administrative)	224,928	268,822
	<u>1,360,186</u>	<u>1,441,254</u>
Deficiency of revenue over expenses	(438)	(61,595)
Net assets, beginning of year	<u>2,388,515</u>	<u>2,450,110</u>
Net assets, end of year	<u>\$ 2,388,077</u>	<u>\$ 2,388,515</u>