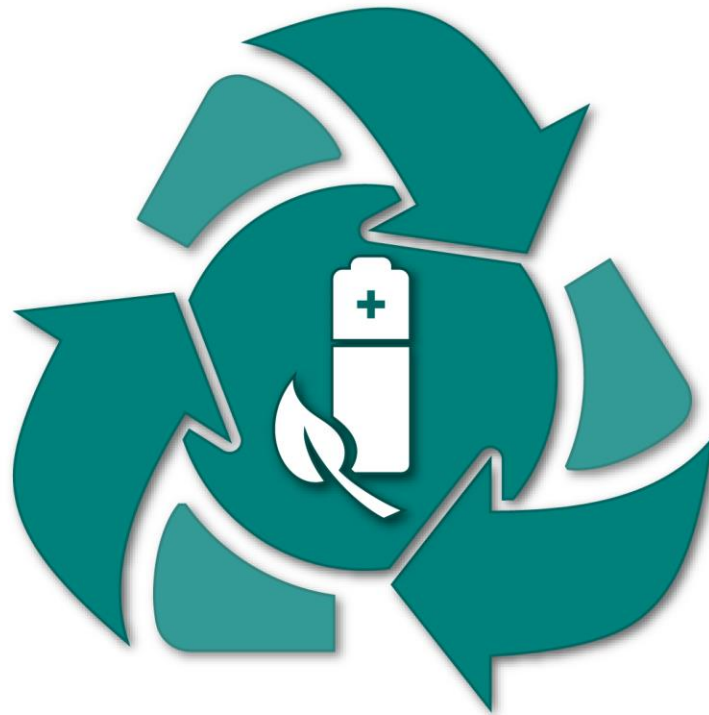


Manitoba



Submitted on:
June 25, 2021

Submitted by:
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201- 2590 Granville Street
Vancouver, BC V6H 3H1

Submitted to:
Manitoba Conservation and Climate

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1. About Call2Recycle

Call2Recycle Canada, Inc. has successfully operated Call2Recycle®, a national, highly efficient consumer battery collection and recycling program, since 1997. Since 2011, Call2Recycle Canada has been Manitoba's provincially approved producer responsibility organization for stand-alone and replacement single-use and rechargeable dry-cell batteries weighing less than five kilograms. The program also collects and recycles batteries used to power some electronic devices. Call2Recycle Canada is pleased to support the province to meet its sustainability and responsible recycling goals.

Call2Recycle is Canada's leading consumer battery collection and recycling program, recognized by its members as cost-effective, transparent, and easy to manage. Program members in Manitoba include more than 150 producer organizations whose battery recycling obligations Call2Recycle fulfills in compliance with Manitoba's Household Hazardous Material and Prescribed Material Stewardship Regulation. A complete list of Call2Recycle's Manitoba members is provided in [Appendix B](#). Call2Recycle's focus on safety is unparalleled, and the program is the first of its kind to receive Responsible Recycling (R2) certification. This reputation for excellence has enabled Call2Recycle Canada to build longstanding partnerships with program members and collection partners across the province, including local governments, depots, and leading retailers.

Thanks to these strong partnerships, as well as the organization's continued focus on raising public awareness about battery recycling and its efforts to meet and exceed the targets set out in the Call2Recycle Battery Stewardship Plan (plan), the Call2Recycle program has diverted close to 800,000 kg of used batteries from Manitoba landfills since the program began in 2011. This report outlines the performance of the Call2Recycle program in Manitoba between January 1, 2020, and December 31, 2020, against its provincially approved plan.

2. Executive Summary

Due to the COVID-19 pandemic, 2020 was an unusual and challenging year for battery recycling in Manitoba. After three consecutive years of collection growth, Manitoba residents recycled a total of 98,260 kg of used batteries in 2020, a 17 per cent decline from the previous year and more in line with 2018 collection numbers. Both single-use and rechargeable batteries had collection declines at 16 and 26 per cent, respectively.

Declining battery recycling activity was due to consumers following stay-at-home advice to reduce the spread of COVID-19 and collection facilities operating with reduced hours or capacity. In Call2Recycle's annual consumer survey in the late Fall, close to one-quarter of Manitobans (23 per cent) advised that they were storing their batteries in 2020, with the majority (63 per cent) keeping them for a future recycling trip.

To support public health directives, Call2Recycle pivoted its consumer awareness and recycling promotions in the early summer with its Protect–Store–Recycle campaign, which advised consumers how to safely store their

batteries at home until they felt safe to recycle them at a Call2Recycle location. This successful campaign was covered by regional print and television media and further amplified through Call2Recycle's online channels.

Call2Recycle's partner network of active collection sites in Manitoba fell in 2020 to 204 public and 224 private facilities, from 252 and 434 respectively. This drop is similarly due to the pandemic as Call2Recycle defines an active collection site as one that either joins the program, orders a new collection box or bulk shipment, or returns a full box of batteries to Call2Recycle during the year. With reduced recycling activity by consumers, several sites correspondingly did not collect the number of batteries needed to qualify as active. We anticipate that 2020 will be an outlier year (and potentially 2021 as well), with battery recycling activity returning to normal levels as more public and business activities resume as the pandemic abates.

3. Public Education Materials and Strategies

To engage consumers in battery recycling activities, Call2Recycle conducts a wide range of public awareness and education activities locally, across the province, and nationally. The COVID-19 pandemic disrupted these efforts in 2020. However, we swiftly pivoted our promotions to adapt to consumers spending more time at home and to prioritizing community safety while keeping responsible battery management on consumers' radar until it was safe to participate in recycling activities.

3.1 Campaigns

To educate consumers about the importance of battery recycling, Call2Recycle Canada held its annual National Battery Day awareness campaign from February 1 to 18, 2020. Through print, television, radio and digital advertising across the province, the campaign highlighted that everyday product, such as bicycles, pens and stainless-steel water bottles can be made using materials reclaimed from recycled batteries. Call2Recycle staff were interviewed on *Global Morning Winnipeg*, and National Battery Day was promoted in the *Winnipeg Sun*. In Manitoba, the campaign generated close to two million impressions.

From August through to the end of September, Call2Recycle ran a highly successful campaign with the theme "Protect-Store-Recycle", educating consumers on safely storing their batteries at home and then recycling them through Call2Recycle when they felt safe to do so. In addition to broad-based sponsored content in the *Winnipeg Sun*, the campaign included another interview with Call2Recycle staff on *Global Morning Winnipeg*, reaching 289,000 viewers. The campaign generated close to three million impressions across the province.

Waste Reduction Week (October 18 - 24) was another opportunity for Call2Recycle to engage communities in battery recycling activities. Call2Recycle developed a video that was distributed on social media and further shared by various municipalities, including the City of Dauphin. Call2Recycle also partnered with a local social

influencer from Winnipeg to help inform young families about the importance of battery recycling and how to do so with Call2Recycle. Her post generated more than 10,000 impressions and 500 engagements.

3.2 Sponsorships, Partnerships and Events

Recognizing the value of building responsible recycling habits early in life, Call2Recycle has long placed considerable focus on education and action initiatives that engage and inform children and youth. Through a longstanding partnership with the children's conservation organization Earth Rangers, Call2Recycle held a national safe storage and Battery Blitz collection contest from August to November. The contest invited Earth Rangers to collect used batteries to win a grand prize bike package (bike, helmet, water bottle, and battery-operated light) and other prizes. The contest was a success, with 1,066 entrants, including 107 from Manitoba. Nationally, the participants collected 246,992 batteries, and the winner was Lily Reimer, a Manitoban who collected 54 batteries for the contest. Such contests have proven to engage youth and their families to become great program ambassadors and advocate for responsible end-of-life battery management.

Call2Recycle also hosted two Winnipeg battery collection contests through *Virgin Radio*, *Bob FM*, and *TSN*. Radio hosts challenged listeners to drop their used batteries in the Call2Recycle collection box at the radio station for a chance to win a \$500 gift card. These contests generated collections of 7,452 kg, or approximately 18,000 batteries, from listeners in Winnipeg.

Call2Recycle continues to partner with other Producer Responsibility Organizations in Manitoba to provide recycling services to remote northern communities during the winter season. During the 2020 winter season, Call2Recycle distributed battery collection boxes to five First Nation communities: Bunibonibee Cree Nation, God's Lake First Nation, Garden Hill First Nation, St. Theresa Point First Nation and Wasagamack First Nation. These communities did not return their first full collection boxes in 2020; however, Call2Recycle anticipates receiving batteries from them in years to come.

3.3 Website and Social

Manitoba residents used Call2Recycle's online collection site locator 15,643 times to find a public drop-off location near them. This is a 30 per cent increase over 2019's search numbers, continuing a growth trend in collection location interest and likely reflecting the effectiveness of the Protect-Store-Recycle program.

4. Collection System and Facilities

4.1 Collection Facilities

Call2Recycle collects batteries from consumers through a network of partners in the business services, government, manufacturing, retail, and environmental sectors. Participating collectors may have Call2Recycle

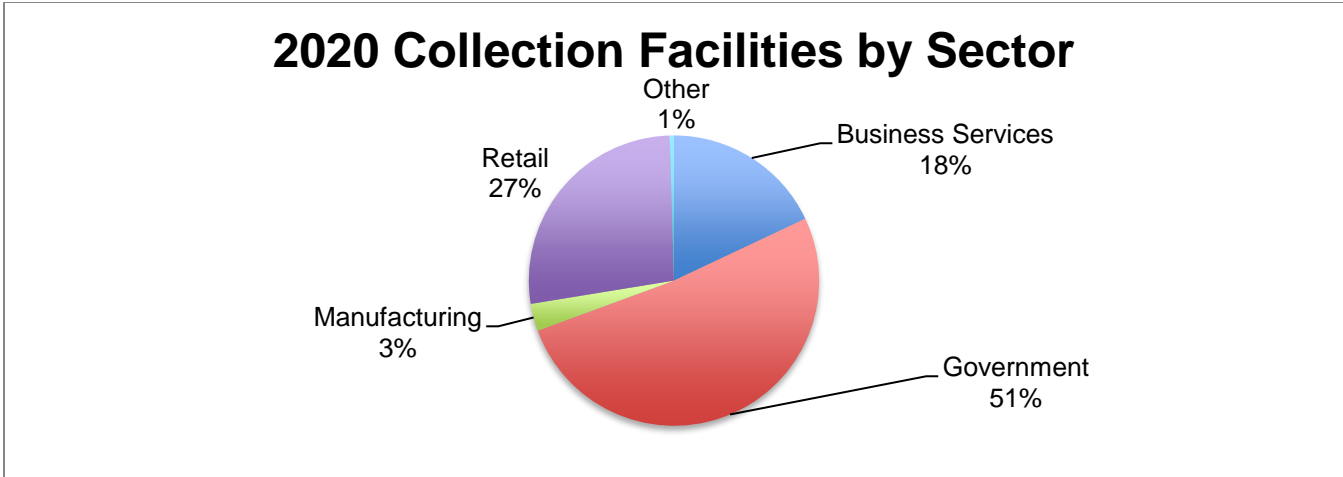
boxes available to the public or operate as private collection sites. A private collection site does not collect from the general public but generates battery collections through their business activities and employees. For sites available to the public, Call2Recycle strategically locates its boxes to maximize accessibility to Manitoba residents for the greatest participation in the program. Its goal is to have 95 per cent of Manitobans living within 15 km of a collection location by 2021. In 2020, 88 per cent of residents lived within this accessibility zone, falling short of Call2Recycle's plan target of 92 per cent for the year.

In 2020, there were 428 active Call2Recycle collection facilities in Manitoba, a 38 per cent decrease from the previous year. An active location has joined the Call2Recycle program in the past 12 months or returned a full box or bulk shipment of batteries or ordered a replacement collection box in that same period. The decrease in active collection facilities and accessibility is likely due to consumers reducing their non-essential out-of-home activities due to the pandemic. Collection facilities correspondingly did not accumulate as many batteries.

The following charts outline Call2Recycle's public and private collection facilities and their division by sector.

2020 Active Collection Facilities by Access	
Public	204
Private	224
Total	428

Active Collection Facilities by Sector				
Sector	2020	2019	Change (#)	Change (%)
Business Services	77	99	- 22	- 22%
Government	220	453	-233	- 51%
Manufacturing	13	13	0	0%
Retail	116	120	- 4	- 3%
Other	2	1	1	100%
Total	428	686	-258	-38%



4.2 Performance Results

Call2Recycle monitors its battery collections in Manitoba against targets set out in its provincially approved plan. Of course, the pandemic depressed battery recycling activities as individuals stayed home for safety, and some collection facilities were less available than they would typically be. In 2020, both primary and rechargeable battery collections decreased, with an overall decline of 17 per cent. The following chart provides collections by weight and a year-to-year comparison.

Call2Recycle Collections by Weight (kg)*			
Type	2020	2019	% Change
Single Use (Primary)	80,483	95,598	-16%
Rechargeable	17,777	24,028	-26%
Total	98,260	119,626	-17.8%

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

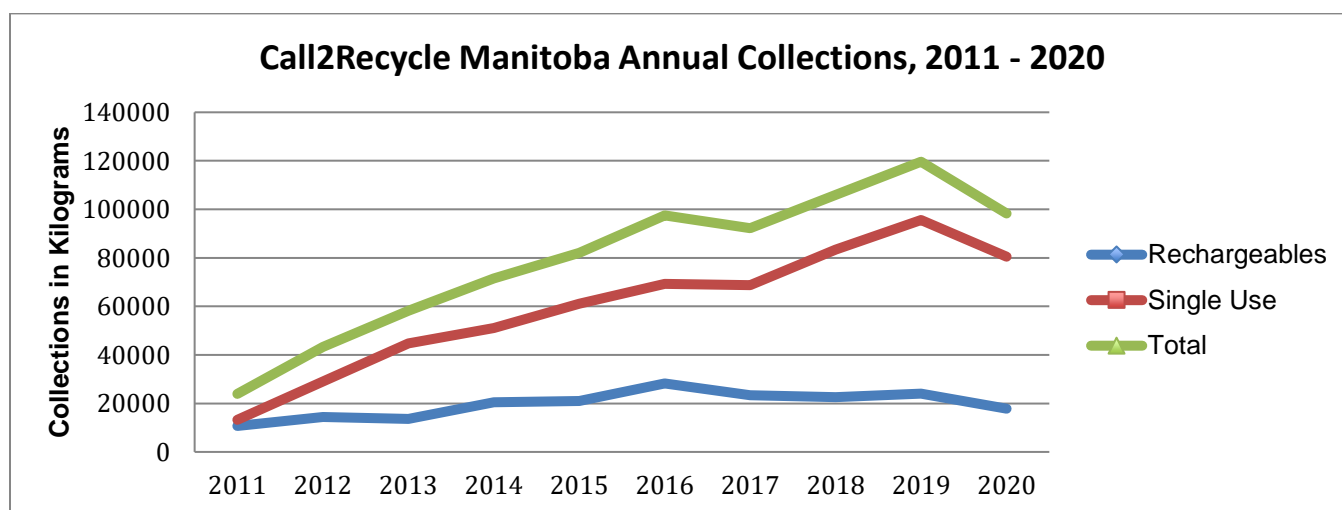
Call2Recycle also tracks collections by battery chemistry. Collections for all rechargeable and single-use battery categories declined in 2020. Nickel-Cadmium batteries made up the largest proportion of rechargeable batteries and experienced the smallest decline, at 12 per cent. Among primary batteries, Alkaline and Zinc Carbon batteries, which make up the majority of batteries collected, declined by 16 per cent.

Rechargeable Battery Collection by Chemistry (kg)*			
Material Type	2020	2019	% Change
Ni-Cd	7,553	8,573	-12%
Ni-MH	2,291	3,375	-32%
Li-Ion	4,886	7,757	-37%
SSLA	3,047	4,323	-30%
Total	17,777	24,028	-26%

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

Primary (Single Use) Battery Collection by Chemistry (kg)*			
Material Type	2020	2019	% Change
Alkaline and Zinc Carbon	78,354	93,349	-16%
Lithium	2,020	2,249	-10%
Mercury	109	0	-
Total	80,483	95,598	-15%

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



Recovery Rate

In its approved provincial plan, Call2Recycle committed to reaching a 24 per cent recovery rate in 2020. Recovery rates are calculated by dividing the total battery weight collected in the province in the reporting year by the total

weight sold in the province in the same year, expressed as a percentage. Battery units sold into the province, as reported by members through remittance of Environmental Handling Fees (EHFs), are converted into weights based on industry standards.

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

Call2Recycle's 2020 collections fell 17 per cent from the previous year, no doubt, in part, due to the impact of COVID-19 on collection facilities' operations and consumers' ability and willingness to leave their homes to access them.

At the same time, with consumers spending more time at home using battery-powered devices, sales of single-use and rechargeable batteries increased significantly, outpacing 2020 projections. The unforeseen increase in batteries sold into the market in 2020 has created a larger than projected denominator in the calculation, and, paired with the depressed recycling activity, the recovery rate was negatively skewed. We anticipate that 2020 (and potentially 2021) will be an outlier year due to the pandemic's unforeseen impact on consumer behaviours.

1			
2020 Batteries Collected in Manitoba	2020 Manitoba Battery Sales	Recovery Rate Actual	Recovery Rate Target
98,260 kg	758,071 kg	13%	24%

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

5. Recovered Product Management and Materials Processing

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard. The R2:2013 Standard is the latest version of R2, the electronics recycling industry's leading certification. Each provision of the R2 Standard helps ensure the quality, transparency, and environmental and social responsibility of the certified electronics recycling facility. The distinction reinforces Call2Recycle's commitment to following stringent requirements regarding safe, secure battery collection and processing. Call2Recycle has also received ISO 14001:2015 and OHSAS 18001:2007 certifications, which affirm its commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills.

When it comes to managing used batteries, the pollution prevention hierarchy - reduce, reuse, and recycle - cannot be as easily applied to batteries as other products. Call2Recycle cannot promote a reduction in the use of batteries, and reconditioning batteries for reuse can pose an unacceptable safety risk to consumers if not done

properly. Call2Recycle, therefore, at this time, advocates the efficient and cost-effective option of battery recycling.

Recycling is the most viable way of keeping batteries from entering landfills. The Call2Recycle program efficiently and cost-effectively recycles consumer batteries of all types, and no battery collected through the program that can be recycled goes to landfill. The reclaimed materials from the batteries collected can be used in various products, such as new batteries, cookware, and appliances. Whenever possible, Call2Recycle uses local service providers to minimize its environmental footprint, and all of Call2Recycle's sorters and processors use the latest and most effective techniques for reclaiming materials. Call2Recycle's sorting and processing partners continue to meet the highest environmental, health and safety, transportation, and financial operations standards.

Call2Recycle reports on Recycling Efficiency Rates (RER) by chemistry to demonstrate the amount of material reclaimed from each battery chemistry that can be used in secondary products.

Product End Fate for Data Year Ending December 31, 2020					
Component Chemistry	Reuse*	Recycle	Energy Recovery	Landfill	Other
Nickel Cadmium (Ni-Cd)	N/A	Yes	No	No	No
Nickel Metal Hydride (Ni-MH)	N/A	Yes	No	No	No
Lithium Ion (Li-Ion)	N/A	Yes	No	No	No
Small Sealed Lead Acid (SSLA)	N/A	Yes	No	No	No
Alkaline	N/A	Yes	No	No	No
Lead Carbonate	N/A	Yes	No	No	No
Lithium	N/A	Yes	No	No	No
Mercury	N/A	Yes	No	No	No
Nickel Iron	N/A	Yes	No	No	No
Silver Oxide	N/A	Yes	No	No	No
Zinc Carbon (mercury)	N/A	Yes	No	No	No
Zinc Carbon (no mercury)	N/A	Yes	No	No	No
Cardboard Boxes	No	Yes	No	No	No
Box Liner	Yes	Yes	No	No	No
Bags	No	Yes	No	No	No
Drums**	Yes	Yes	No	No	No
Non-Conforming***	No	Yes	No	Yes	No

*Reuse: Please see above for Call2Recycle's position on battery reuse.

**Sorters reuse drums to send materials to the appropriate processor. If not suitable for reuse, the metal is recycled.

***Non-conforming materials: Non-conforming products found in drums or boxes at the time of shipment that are stewarded materials are forwarded to the appropriate stewardship program for responsible disposal. Any materials that are not stewarded materials (i.e., no recycling option available) are managed according to waste requirements. Some may be HW-managed and may be discarded – this represents a small quantity of materials.

The detailed 2020 RER for all battery chemistries collected by Call2Recycle under its approved plan are outlined in the following chart.

Recycling Efficiency Rates by Chemistry*												
BATTERY TYPE % Material recovered – Recycled to	Rechargeable Battery Chemistry							Primary Chemistry				
	NI- CD**	LI-ION		NI-MH	SSLA			ALKALINE			LITHIUM	
Metal(s)	84	18	77	57	98	66	97	21	18	19	94	35
Co-product aggregate	0	0	0	14	0	22	0	1	73	65	4	0
Cadmium	0	0	0	0	0	0	0	0	0	0	0	0
Secondary Recovery***	0	60	0	5	0	0	0	57	0	0	0	21
Plastic Recovery or Reductant	0	0	0	10	0	1	0	5	4	0	0	0
Total Material Recovery (per cent)	84	78	77	86	98	89	97	84	95	84	98	56
Not Recovered for use in Secondary Market During Recycling Process****	16	22	23	14	2	11	3	16	5	16	2	44
Total:	100	100	100	100	100	100	100	100	100	100	100	100

* Recovery rates are provided by the processor and by chemistry type.

**In Call2Recycle's 2019 annual report, the program shared that it had ceased its relationship with its nickel cadmium contracted processor due to non-compliance with Call2Recycle's environmental standards. As a result, there was a delay in processing nickel cadmium batteries collected in 2019 and 2020. As of February 2021, all nickel cadmium batteries collected have been processed in accordance with Call2Recycle's environmental standards at its newly contracted processing facilities.

***This includes metals recovered at secondary processors.

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

6. Consumer Awareness, Research and Development

Call2Recycle annually conducts research within Manitoba to assess consumer awareness of battery recycling and their battery recycling behaviours. Ipsos conducted the 2020 survey from a sample of 1,000 Manitobans between November 13 and December 14. It revealed that awareness has remained high and stable within the last year with nearly eight in ten Manitobans (77 per cent) aware that consumer household batteries can be recycled and 47 per cent of respondents saying they recycled all or some of their batteries in 2020, up three per cent from 2019. Manitobans continue to show positive attitudes towards recycling household batteries. However, there are still some areas for improvement. While 78 per cent of respondents stated recycling batteries is important to them, only half (51 per cent) believed battery recycling is convenient. These numbers align with previous years and show an opportunity for Call2Recycle to highlight convenience in future promotional activities.

Just under half (47 per cent) of all batteries are dropped off for recycling in Manitoba, while slightly less than a quarter (23 per cent) are stored. Although these measures do not show statistically significant changes, there is an inching up of battery recycling activity and a gradual decrease in batteries wasted—a sign of shifting habits.

Almost one-quarter (24 per cent) of used batteries are thrown away. Of the respondents who threw away their batteries, four in ten (42 per cent) said it was because it was easier, while 37 per cent thought there was no convenient recycling option in their community. This is a shift from 2019 when consumers' primary reason for throwing out batteries was not knowing what to do with the used batteries. While neither of these metrics shows statistically significant increases from 2019, the shifting rationale of Manitobans from knowledge to ease may result from the COVID-19 pandemic forcing more respondents to stay close to home, restricting their access to easy and convenient recycling locations.

Among Manitobans who recycled batteries in the past year, recycling depots were by far the most popular locations for them to do so, on-trend with preferred locations in 2019. Smaller proportions say they recycled consumer household batteries at a retailer, their work, or using curbside recycling pickup.

Consumer Awareness and Recycling Incidences Targets ¹	2020 Target	2020 Actual
Manitobans who are aware that Consumer Batteries can be Recycled in 2020 (%)	81%	77%
Manitobans who Recycle their Consumer Batteries in a Calendar 2020 (%)	52%	47%

Program Efficiencies

In 2020, to augment Call2Recycle's Canadian supply chain, provide greater flexibility, and further minimize the program's environmental footprint, Call2Recycle secured an additional Canadian-based supplier for its fire-retardant battery collection boxes. The new supply commenced in the fourth quarter of the year.

7. Program Funding

Call2Recycle collects Environmental Handling Fees (EHFs) on each unit of replacement or stand-alone primary batteries, rechargeable batteries and batteries sold with or in garden tools, construction and renovation tools, portable flashlights and spotlights, e-toys, and smoke and carbon monoxide detectors in Manitoba. EHFs are

¹ Based on a sample of 1,000 residents of Manitoba surveyed online via the Ipsos I-Say panel from November 13th to December 14th, 2020. The precision of online polls is measured using a credibility interval. In this case, the results are considered accurate within +/- 3.5 percentage points, 19 times out of 20, of what the results would have been had all Manitoban adults been surveyed.

determined using a calculation that factors the cost to manage the collection and responsible recycling of each battery by specific type. The EHF schedule is available [by visiting: www.call2recycle.ca/fee-schedule/](http://www.call2recycle.ca/fee-schedule/)

Call2Recycle collected EHF's from members who reported sales of these batteries in Manitoba between January 1 and December 31, 2020. Please see [Appendix C](#) for Call2Recycle's audited financial statements.

Related to the pandemic, battery sales in 2020 outpaced projections. With consumers spending more time at home and using more battery-powered devices more often, sales of single-use and rechargeable batteries increased significantly. With increased battery purchasing and related EHF remittance, Call2Recycle's program reserves have increased. In 2020, its Manitoba program reserves exceeded one year of program revenue.

To address the increase in reserves, Call2Recycle reduced EHF on most categories, effective January 1, 2021. EHF reductions were introduced both with the intention of drawing down the reserves in future years and reflecting increased program efficiencies. Call2Recycle will continue to monitor revenues and make the best efforts to address anticipated increases.

8. Organizational Reports

To view Call2Recycle's 2020 Corporate Annual Report visit: <http://www.call2recycle.ca/annual-report/>.

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

9. Program Performance

Annual Targets and Goals			
Measures	2020 Target	2020 Result	Target Achieve and Remediation Plan
Accessibility - % of population within 15 km of a collection site	92%	88%	<ul style="list-style-type: none"> Call2Recycle's focus remains on optimizing efficiency in terms of the number of collection facilities and their distribution across the province to achieve accessibility targets for residents and continually improve battery recycling activity. We will continue to seek and identify locations that serve remote and northern communities and potentially high-traffic areas that align with battery recycling (e.g., electronics or office supply retailers) to offer convenient access to more Manitobans.

Annual Targets and Goals			
Measures	2020 Target	2020 Result	Target Achieve and Remediation Plan
Collections Targets - batteries to be collected expressed as a percentage of what is sold into the Manitoba market	24%	13%	<ul style="list-style-type: none"> Call2Recycle will increase investment in promotion and education to encourage Manitoba residents to recycle used batteries. It will conduct a collection methodology review to investigate alternative methods for collecting batteries to increase diversion.
Battery Recycling Awareness - Percentage of Manitobans who were aware that consumer batteries can be recycled in 2020	81%	77%	<ul style="list-style-type: none"> Call2Recycle will leverage the insights gained through its 2020 Ipsos survey to target specific audiences with lower awareness. Call2Recycle will also test the use of community and ethnocultural publications to increase awareness and battery recycling activity - a successful approach tested in other regions.
Battery Recycling Incidence - Percentage of Manitobans who recycled their consumer batteries in 2020	52%	47%	<ul style="list-style-type: none"> Using insights from its 2020 consumer survey, Call2Recycle will continue to conduct focused recycling promotions targeting non- and low recyclers (e.g., condo dwellers under the age of 35) and highlighting the convenience of battery recycling. Call2Recycle will also test the use of community and ethnocultural publications to increase awareness and battery recycling activity - a successful approach tested in other regions.

Appendix A – Board of Directors as of December 31, 2020

Call2Recycle Canada, Inc. is governed by a volunteer board of directors. In 2020, we welcomed six new people to the Call2Recycle board: Marcus Boolish, Annalise Czerny, Julie Dickson Olmstead, Jordane Ferron, Raman Johal and Tim Reuss. The new board members replace 2020 outgoing members Carl Smith (Call2Recycle Inc.), Jules Foisy Lapointe (Lowe's Companies Canada ULC), Maury McCausland (London Drugs Ltd.), and Katherine Larocque (Costco). Their addition to our board increases representation from Western Canada and broader industry areas, including transportation and grocery retail. Call2Recycle's Board of Directors is:

Marcus Boolish - Energizer Battery Manufacturing Inc.

Joe Borsellino - Chateau Manis Electronics Inc.

Norman Clubb (Chairperson) - Independent

Annalise Czerny - Metrolinx (Independent)

Peter Daley - Dollarama Inc.

Julie Dickson Olmstead - Save on Foods

Jordane Ferron - Lowe's Companies Canada ULC

Bernard Gervais - Familiprix Inc.

David Houston- Panasonic Canada Inc.

Raman Johal - London Drugs Ltd.

Douglas Jure - Douglas Jure & Associates (Independent)

Alan Moyer - Independent

Tim Reuss – Canadian Automobile Dealers Association

Harriet Velazquez - Velazquez Consulting Inc. (Independent)

Appendix B – Call2Recycle Manitoba

Members

As of December 31, 2020

3M Canada Company	FuturPlus (Division of Cathelle Inc.)
Acer America Corporation	G & S Distributors
Acklands Grainger Canada Inc.	Gescan (Sonepar Canada)
Amazon Canada / Amazon.com.ca, Inc.	Giant Bicycle Canada Inc.
Amplifon	Giant Tiger Stores Limited
Apple Canada Inc.	Glaswegian Enterprises Inc.
Battery Canada	Google Canada Corporation
Bay6 Computer Services	Grand & Toy Ltd.
BDI, a division of Bell Mobility Inc.	Great Canadian Dollar Store
Bed Bath and Beyond Canada L.P.	Grin Technologies
Bell MTS, a division of Bell Canada	Groupe BBH Inc.
Best Buy Canada Ltd.	Groupe BMR Inc.
BISSELL Canada Corporation	Guillevin International Cie
Bose Corporation	HearingLife Canada Ltd.
Cabela's L.L.C.	Henry's Enterprises Inc.
Canada Computers Inc. / Ordinateurs Canada	Hilti Canada Corporation
Canadian Energy and Power Corporation	Hitfar Concepts Ltd.
Canadian Tire Corporation, Ltd.	Home Hardware Stores Limited
Canadian Tire Petroleum	HRS Global
Canon Canada Inc.	Hudson's Bay Company
Cardinal Health Canada Inc.	Husqvarna AB
Cell Mechanics Inc.	IKEA Supply AG
Château Manis Electronics Inc.	ILINK Industries Ltd
Connect Hearing Canada	Indigo Books and Music Inc.
Core-Mark International Inc.	Interstate Batteries Inc.
Corporate Express Canada Inc. (Staples Advantages)	Ivan Hupalo -2448131 Manitoba Ltd.
Costco Wholesale Canada Ltd	John Deere Canada ULC
Dell Canada Inc.	KMS Tools and Equipment Ltd.
Dollar Tree Stores Canada Inc.	Kranked Bikes
Dollarama L.P.	Landco Import International Inc.
Dynabook Canada Inc.	Ledvance Ltd.
East Penn Canada (Power Battery Sales Ltd.)	Lee Valley Tools Ltd
ECHO Power Equipment (Canada)	Lego Brand Retail, Inc.
Edma Marketing Ltd.	Lem-Rich Foods Ltd.
EECOL Electric ULC	Lenovo (Canada) Inc.
Enns Brothers Ltd.	Les pieces d'auto Transit Inc.
Extreme Electronics - 4620390 Manitoba Ltd.	Les Variétés P. Prud'homme Inc.
Fastenal Canada, Ltd.	Loblaws Inc.
Federated Co-Operatives Limited	London Drugs Limited
FGL Sports Ltd.	Lowe's Canada ULC
Furniture de Bureau Denis Inc.	LTP Sports Group Inc.
	Magnacharge Battery Corporation

Makita Canada Inc.
Mark's / L'Équipeur
Mastermind LP
MB Battery Distributors Inc.
McKesson Canada Corporation
McMunn and Yates
Mica Sport Canada Inc.
Michaels Stores Inc.
Microsoft Corporation
Mountain Equipment Co-op
MSA Safety Sales, LLC
Nedco West Division
Nest Labs, Inc.
NII Northern International Inc.
NIS Northern Industrial Sales
Northern Building Supply
Northern Specialities Ltd.
Novexco Inc.
Onlybatteries.com
Orgill Inc.
Orka Division Rexel Canada Electrical Inc.
Part Source
Peavey Industries Limited
Photo Central Inc.
Prairie Battery Ltd.
Prime Deals International Ltd.
Princess Auto Ltd.
Proflash Technologies Inc.
Riese & Muller
RONA Inc.
S.P.Richards Co. Canada, Inc.
Save on Food Limited Partnership
Scotts Canada Ltd.
SharkNinja Operating LLC
Shimano
Shopper+Inc.
Shoppers Drug Mart Inc.
Snap-On Tools of Canada Ltd
Sobeys Capital Inc.
Sonos Inc.
Specialized Bicycle Components Canada
Staples Canada Inc.
Stihl Limited
Newell Brands Canada (Prev. Sunbeam before
October 1, 2020)
Super Thrifty Drug Stores
Supreme Basics
Telus Communications Company
Tenaquip Limited
The \$1. Store Plus
The Battery Man
The Home Depot of Canada, Inc.
The North West Company
The Source (Bell) Electronics Inc.
The Stevens Medical Company Limited
Tip Top Electronics Supply Ltd.
ToolTown Inc.
Toys R Us Canada, Ltd.
Trek Bicycle Canada ULC
UAP Inc.
Uline Canada Corporation
Veritas Technologies LLC
Veritiv Canada Inc.
Voltage Bikes Ltd. (Trading as Pedego Canada
Wallace and Carey Inc.
Walmart Canada
Wesco Distribution Canada
Westburne Midwest Division
Wisdom Electronics Inc.
Würth Canada Ltd.

Appendix C – Audited Financial Statement

Begins on Next Page

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2020

Call2Recycle Canada, Inc.
Financial Statements
For the Year Ended December 31, 2020

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BDO Canada LLP
148 - 10th Street
Brandon MB R7A 4E6 Canada

Independent Auditor's Report

To the Board of Directors of
Call2Recycle Canada, Inc.

Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the Organization), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net asset 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 Organization as at December 31, 2020, and its financial performance 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba

June 10, 2021

Call2Recycle Canada, Inc.
Statement of Financial Position

December 31	2020	2019
Assets		
Cash (Notes 2,3)	\$ 3,008,708	\$ 2,294,167
Accounts receivable	7,233,348	5,690,842
Marketable securities (Note 4)	24,792,412	19,683,857
Other assets	414,563	534,585
	\$ 35,449,031	\$ 28,203,451
Liabilities and Net Assets		
Accounts payable and accrued expenses (Notes 5,8)	\$ 5,264,492	\$ 1,805,991
Unrestricted Net Assets		
Undesignated	9,912,053	8,692,573
Board Designated (Note 6)	20,272,486	17,704,887
	30,184,539	26,397,460
	\$ 35,449,031	\$ 28,203,451

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	2020 Total	2019 Total
Balance, beginning of the year	\$ 8,692,573	\$17,704,887	\$26,397,460	\$ 22,347,624
Excess of revenues over expenses	1,219,480	2,567,599	3,787,079	4,049,836
Balance, end of the year	\$ 9,912,053	\$20,272,486	\$30,184,539	\$ 26,397,460

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	2020	2019
Revenues		
Steward fees	\$ 24,925,062	\$ 18,507,312
Investment income	1,348,526	1,107,363
Other	51,202	170,381
	<u>26,324,790</u>	<u>19,785,056</u>
Expenses		
Material management and processing	16,085,321	11,096,684
Public education and awareness	2,089,929	1,758,872
Other (salary, professional, administrative)	4,362,461	2,879,664
	<u>22,537,711</u>	<u>15,735,220</u>
Excess of revenues over expenses	<u>\$ 3,787,079</u>	<u>\$ 4,049,836</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	2020	2019
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 3,787,079	\$ 4,049,836
Items not affecting cash:		
Net realized and unrealized gain on investments	<u>(1,010,936)</u>	<u>(824,371)</u>
	2,776,143	3,225,465
Changes in non-cash working capital:		
Accounts receivable	(1,542,506)	24,555
Accounts payable and accrued liabilities	3,458,501	(585,376)
Other assets	<u>120,022</u>	<u>(374,371)</u>
	4,812,160	2,290,273
Cash flows from investing activities:		
Marketable securities	<u>(4,097,619)</u>	<u>(1,102,404)</u>
Net increase in cash	714,541	1,187,869
Cash, beginning of the year	<u>2,294,167</u>	<u>1,106,298</u>
Cash, end of the year	<u>\$ 3,008,708</u>	<u>\$ 2,294,167</u>

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2020

1. Significant Accounting Policies

Nature and Purpose of Organization	<p>Call2Recycle Canada, Inc. (the Organization) is a not-for-profit organization formed on January 1, 2017. The Organization's head office is registered in Toronto Ontario, and conducts its operations throughout all of Canada.</p> <p>The Organization's purpose is to promote social welfare by addressing environmental concerns related to the recycling or proper disposal of consumer batteries. The Organization operates battery collection and recycling programs and educates the public with respect to the proper disposal and recycling of batteries.</p> <p>The Organization seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries. The Organization is committed to a cleaner, healthier environment through public education on battery recycling. All aspects of the Organization's business are conducted in an environmentally sensitive manner, as the Organization is convinced that sound environmental product stewardship and sound business practices go hand in hand.</p> <p>The Organization is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Organization follows the deferral method of accounting for revenues.</p> <p>Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred.</p> <p>Steward fees are received from legally obligated stewards in 5 regulated provinces (QC, ONT, BC, MB, and PEI), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Organization recognizes these fees as revenue in the year that battery units are sold by the stewards to consumers and businesses.</p> <p>The costs of the corresponding collection and recycling for some of these batteries may occur in future years, and those associated costs are reported as expenses of the Organization in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.</p>

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2020

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. Significant 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, 2020 as management of the Organization 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, 2020

2. Cash

The Organization 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 Organization as a result of this concentration.

3. Line of Credit

The Organization has a line of credit agreement with a bank which provides borrowings up to \$1,500,000. Borrowings under the agreement bear interest at Canadian Dollar Offer Rate plus 2%. At December 31, 2020, there were no borrowings against the line of credit. Borrowings under the line of credit are secured by substantially all of the investments held by the Organization.

4. Marketable Securities

The carrying amounts of investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
At fair value:		
Cash held for long-term investment	\$ 4,081,830	\$ 3,164,470
Equity investments	6,530,139	4,518,109
Bonds	12,172,475	10,208,273
Real estate	1,100,569	937,260
Hedge fund investments	724,086	855,745
Precious metals and commodities	183,313	-
	<u>\$24,792,412</u>	<u>\$ 19,683,857</u>

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2020

5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$809,531 (2019 - \$505,813).

6. Board Designated Net Assets

The Organization's governing board has designated \$20,272,486 (2019 - \$17,704,887) as of December 31, 2020 for future use in the regulated provinces of Quebec, Ontario, British Columbia, Manitoba and Prince Edward Island. The designated balances by regulated province are as follows:

Quebec	\$12,809,421
Ontario	(934,465)
British Columbia	6,027,804
Manitoba	2,419,716
Prince Edward Island	<u>(49,990)</u>
Total	<u>\$20,272,486</u>

7. Allocation of Expenses

Expenses are charged directly to their respective jurisdiction based on actual costs as incurred. When expenses are not identified to a specific jurisdiction, but benefit all jurisdictions, they are allocated among the jurisdictions based on the Organization'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 percentage of all battery collections for each jurisdiction.

8. Significant Contractual Arrangements

The Organization 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 2020 were CDN \$1,593,781 (2019 - \$1,661,011). This fee is assessed to the Organization net of a US \$370,000 (2019 - \$420,000) fee recovery collected by Call2Recycle, Inc. US for battery seal license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued expenses is an amount of \$755,949 (2019 - \$297,984) in respect of these contracted services.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2020

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

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

10. Financial Uncertainty due to COVID-19

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

Call2Recycle Canada, Inc.
Notes to Financial Statements

December 31, 2020

11. Commitments

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

	2021	2022	2023	2024	2025
Quebec	\$ 36,772	\$ -	\$ -	\$ -	-
British Columbia	25,368	18,120	-	-	-
Ontario	76,120	78,310	80,501	82,691	20,810
	<u>\$ 138,260</u>	<u>\$ 96,430</u>	<u>\$ 80,501</u>	<u>\$ 82,691</u>	<u>\$ 20,810</u>

12. Comparative Figures

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

Call2Recycle Canada, Inc.
Schedule of Operations - Manitoba

For the year ended December 31	2020	2019
Revenue		
Steward fees	\$ 1,443,226	\$ 1,259,922
Investment income (loss)	83,780	68,617
Other	-	5,447
	<u>1,527,006</u>	<u>1,333,986</u>
Expenses		
Material management and processing	489,662	561,909
Public education and awareness	154,628	177,444
Other (salary, professional, administrative)	167,325	143,940
	<u>811,615</u>	<u>883,293</u>
Excess of revenues over expenses	715,391	450,693
Net assets, beginning of year	<u>1,704,325</u>	<u>1,253,632</u>
Net assets, end of year	<u>\$ 2,419,716</u>	<u>\$ 1,704,325</u>