

# 2022

PROVINCIAL ANNUAL REPORT

## Manitoba



**Submission date:**

June 16, 2023

**Submitted by:**

Call2Recycle Canada, Inc.  
201- 2590 Granville Street  
Vancouver, BC V6H 3H1

**Submitted to:**

The Environmental Policy and Delivery  
Unit  
Environmental Stewardship Division  
Manitoba Environment and Climate

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## 1. About Call2Recycle

Call2Recycle Canada, Inc. has been Manitoba's provincially-approved producer responsibility organization (PRO) for stand-alone replacement batteries weighing up to five kilograms since 2011. It is nationally recognized for its highly efficient consumer battery collection and recycling program, Call2Recycle®, which has been in operation since 1997.

More than 170 organizations turn to Call2Recycle Canada to fulfill their battery recycling obligations in full compliance with the regulation requiring recycling of batteries. Please see [Appendix B](#) for a complete list of Call2Recycle Members in Manitoba. The organization is highly regarded by member operators for its efficiency, transparency, cost-effectiveness, and unparalleled safety.

Call2Recycle is the first program of its kind to receive Responsible Recycling (R2) certification. This reputation for excellence has attracted longstanding partnerships with program members and collection partners across the province.

## 2. Executive Summary

The Call2Recycle program operates through a vast network of collection partners, including local governments, depots, and leading retailers. In 2022, 649 active collection facilities comprised this network, including 281 public facilities that are accessible to all residents and 368 private facilities serving select groups, such as employees at an organization. Call2Recycle's array of collectors provide 88% of Manitoba residents with convenient access to a battery recycling location within 15 km of their homes.

In 2022, Manitoba celebrated a collection milestone, surpassing 1 million kgs of batteries collected in the province since the program's inception in 2011. 153,147 kgs were collected over the course of the year, a 3% increase from the previous year and the highest annual collection amount in the provincial program's history. Within this total, primary (single-use) battery collections decreased 7% year over year, while rechargeable collections increased substantially by 49%.

In 2022, Call2Recycle began educating consumers to collect, protect, and drop off their used batteries every 3 months. This message could be found on Call2Recycle's campaigns as well as the "always on" marketing efforts, keeping ideal battery recycling behaviours top of mind for Manitobans.

Call2Recycle's 2022 consumer awareness and battery recycling habits survey revealed that Manitobans continue to be positive about battery recycling. Nine out of ten surveyed recognized the environmental benefits of battery recycling and deemed it personally important.

As was the case in 2021, 52% of respondents from Manitoba said they recycled some or all of their used batteries. Those surveyed reported that they recycled 37% of their used batteries, stored 29%,

and threw away 26%. This represents a slight increase in stored batteries (up from 28%) and a decrease in recycled batteries (from 40%) from the previous year. This suggests that after an unusually active period of returning batteries when pandemic restrictions lifted, Manitobans have resumed collecting at home. Manitobans over the age of 55 indicated that they recycled a higher proportion of household batteries. This group was also less likely to throw them away.

In 2022, recycling depots were reported as the most popular locations for recycling batteries. Even so, there was a significant increase in the percentage of Manitobans who believed they could recycle batteries at work, which could be attributable to more people heading back to their workplaces.

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

The organization continues to divert millions of batteries from landfill through productive partnerships, a strategic focus on increasing public awareness, and ongoing efforts to meet and exceed all targets set out with the province.

### **3. Public Education Materials and Strategies**

Call2Recycle conducted various activities throughout 2022 to raise public awareness of battery recycling. In Manitoba, we employed a mix of outdoor marketing—including digital billboards, bus kings and transit shelters—and digital marketing via Facebook, YouTube, Instagram, Reddit, and others. Print media also featured in Call2Recycle’s activity in Manitoba, with ads appearing in the Winnipeg Free Press, Brandon Sun, Steinbach Carillon, Thompson Citizen, Nickel Belt News, and others.

As the year progressed, Call2Recycle moved from a message of environmental benefit to a more structured consumer education approach designed to activate the desired recycling behaviours; collect, protect, and drop off batteries every 3 months. This message was featured on digital content, while outdoor ads also focused on the ease and convenience of battery recycling in Manitoba.

#### **3.1 Website & Social**

Call2Recycle deployed recycleyourbatteries.ca, an easy-to-remember consumer-facing landing page, along with a Collect/Protect/Drop Off page designed to inform and reinforce ideal recycling behaviours. Throughout 2022, Call2Recycle maintained an "always on" online presence and continued to maintain an active digital and social presence in order to highlight the ease and convenience of battery recycling in Manitoba. In 2022, the Call2Recycle website(s) received 24,228 visitors from Manitoba, up 18% from 20,465 in 2021.

### 3.2 Campaigns

In February, Call2Recycle ran ads on bus kings, transit shelters, and digital billboards in Winnipeg, with an environmental benefit message to coincide with National Battery Day. Billboards were also added in Brandon, Portage La Prairie, and Steinbach during this time. Call2Recycle also established a presence on Google, Facebook, YouTube, Twitch, and Reddit, the latter two providing opportunities to reach a younger (18-24) demographic. Digital ads linked to Call2Recycle's website and encouraged users to recycle for National Battery Day.

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

Building on previous successful marketing efforts, Call2Recycle used Waste Reduction Week as an opportunity to reach consumers, this time focusing on the ease and convenience of battery recycling in Manitoba. In addition to posters, billboards, and transit shelters in Winnipeg, there were ads in several community newspapers, including the Brandon Sun, Steinbach Carillon, and others.

Waste Reduction Week was also the backdrop for Call2Recycle's annual "Battery Blitz" collection contest, held in partnership with the Earth Rangers organization. Students in 17 elementary schools from across Manitoba participated in this contest to collect and send in the highest volume of used batteries. Over 2,500 kg were collected, with a noteworthy effort by Bonnycastle School in Winnipeg, who were responsible for half of that total and emerged victorious, winning a \$3,000 prize from Call2Recycle.

### 3.3 Sponsorships, Partnerships and Events

At the end of 2022, we executed a mixed online/in-person promotion with Winnipeg radio station Energy106, to generate excitement, increase awareness, and drive battery collection volume. Consumers could be entered to win \$500 cash by answering a battery quiz online, or by dropping off their batteries at the radio station between November 21<sup>st</sup> and 25<sup>th</sup>. This promotion yielded 868 entries and 2,220 page views.

### 3.4 Consumer Awareness and Recycling Habits Assessment

Call2Recycle commissions an annual survey of Manitoba residents to assess their battery recycling awareness and habits. The 2022 survey of 1,000 residents took place between December 2<sup>nd</sup> and December 22<sup>nd</sup>.

Overall awareness of battery recycling among Manitobans remained high and stable in 2022 at 73%. As reported in the 2021 survey, more Manitobans are aware that single-use batteries can be recycled (67%) than are aware of the recyclability of rechargeable batteries (58%). Older Manitobans were also

significantly more likely than younger Manitobans to believe there is an environmental benefit to recycling batteries and that doing so protects the future environment (93% in both cases). Younger Manitobans, by contrast, were more likely (28%) than other age groups to not know if batteries can be recycled.

In 2022, 52% of respondents from Manitoba said they recycled some or all of their used batteries, demonstrating no change from 2021. 29% of respondents indicated that they are still storing some or all of their batteries, while 26% indicated that some or all batteries were thrown away. In both cases, this represents a marginal increase (1% and 3% respectively) from the previous year.

Demographically, the survey revealed that Manitobans over the age of 55 recycle a higher proportion of household batteries and are significantly more likely than younger Manitobans to recycle all or some of those batteries. This highlights the importance of reaching younger Manitobans with Call2Recycle’s message.

Among survey respondents who said they threw out their used batteries, the most common reason (46%) was the belief that it is easier than recycling. This is up 6 points from last year and remains indicative of general Manitoban attitudes towards convenience. Respondents who said they are storing their batteries (61%) are also waiting for a convenient time to recycle them. 32% of respondents cited not knowing where to recycle batteries as their reason for throwing them away. This is down 2 points from 2021, yet still presents an opportunity for education to increase battery recycling activity.

<b>Consumer Awareness and Recycling Incidences Targets*</b>	<b>2022 Target</b>	<b>2022 Actual</b>
Manitobans who are aware that consumer batteries can be recycled in 2022 (%)	84%	73%
Manitobans who recycled their consumer batteries in 2022 (%)	58%	52%

\*Based on a sample of 700 residents of Manitoba who were surveyed online via the Ipsos I-Say panel from December 2<sup>nd</sup> to December 22<sup>nd</sup>, 2022. The precision of online polls is measured using a credibility interval. In this case, the results are considered accurate to within +/- 4.2 percentage points, 19 times out of 20, of what the results would have been had all Manitoba adults been surveyed.

## **4. Collection System and Facilities**

### **4.1 Collection Facilities & Accessibility**

Call2Recycle collects batteries from consumers through a network of partners in the business services, government, manufacturing, and retail sectors. Participating collectors may offer battery collection to the public or provide limited access to the battery collection program (e.g., employees only).

Call2Recycle strategically locates its collection location to maximize accessibility to Manitoba residents and to ensure greater participation in the program. In 2022, 89 percent of residents lived within 15 kilometers of a public collection location, up one point from 2021’s accessibility rate.

In 2022, there were 649 active Call2Recycle collection facilities in Manitoba, a 14 percent increase over the previous year’s total of 569, reflecting the commitment to make battery recycling convenient by

optimizing the distribution of drop-off locations. An active location is one that has joined the Call2Recycle program during the 2022 calendar year, returned a full box or bulk shipment of batteries or ordered a replacement collection box in that same period. The following charts outline Call2Recycle’s public and private collection facilities and their division by sector.

<b>2022 Active Collection Facilities by Access in Manitoba</b>	
Public	281
Private	386
<b>Total</b>	<b>649</b>

<b>Active Collection Facilities by Sector</b>				
<b>Sector</b>	<b>2022</b>	<b>2021</b>	<b>Change (#)</b>	<b>Change (%)</b>
Business Services	96	105	-9	-9%
Public Agency	354	291	63	22%
Manufacturing	12	15	-3	-20%
Retail	182	157	25	16%
Other	5	1	4	400%
<b>Total</b>	<b>649</b>	<b>569</b>	<b>80</b>	<b>14%</b>

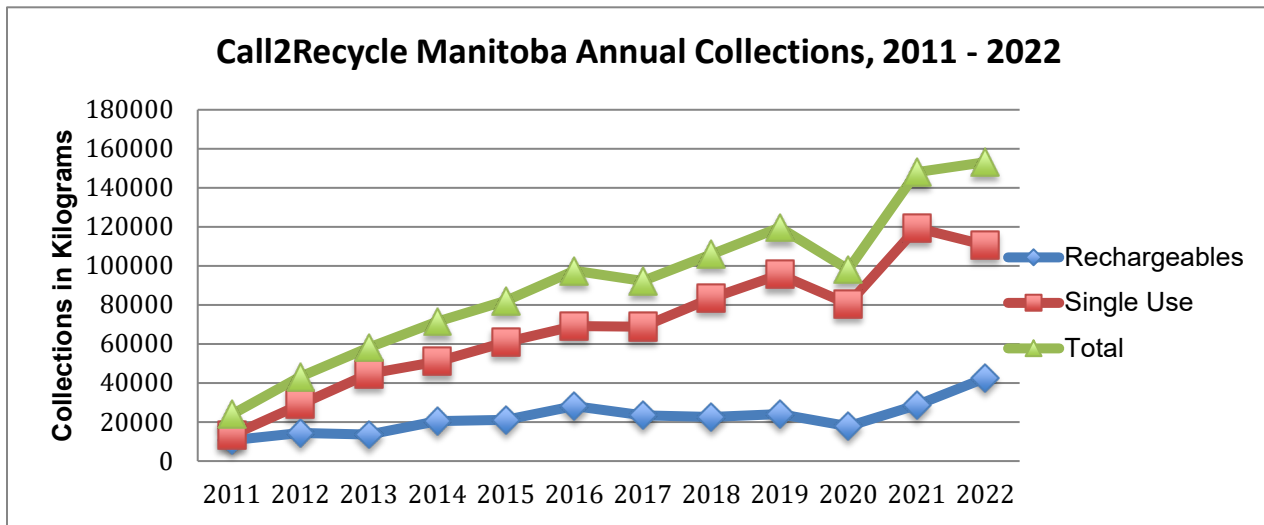
#### 4.2 First Nations Winter Roads Collection Program

Call2Recycle continues to partner with other Producer Responsibility Organizations in Manitoba to promote recycling in remote First Nations communities. These communities are primarily accessible by seasonal ice roads during the winter. Call2Recycle supports this program by supplying communities with collection boxes as well as educational materials about why it’s important to recycle batteries. Call2Recycle will continue to promote battery recycling education and awareness in remote communities.

#### 4.3 Performance Results

Call2Recycle monitors its battery collections in Manitoba against targets set out in its provincially approved battery stewardship plan. In 2022, Manitoba saw an overall 3% increase in battery collection compared to 2021. Manitobans dropped off 153,147 kg of used batteries at Call2Recycle collection facilities in 2022, which is also the largest single-year collection total for the province since the all-battery recycling program began in 2011.

<b>Call2Recycle Collections by Weight (kg)*</b>			
<b>Type</b>	<b>2022</b>	<b>2021</b>	<b>% Change</b>
<b>Single Use (Primary)</b>	110,580	119,444	-7%
<b>Rechargeable</b>	42,567	28,616	49%
<b>Total</b>	<b>153,147</b>	<b>148,060</b>	<b>3%</b>



**4.4 Recovery Rate**

Recycling recovery rates are calculated by dividing total battery weight collected in the province in the reporting year by the total weight sold in the province in the same year, and then 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 trends in battery purchasing for the next year. This calculation is used to determine the total battery weight required to collect in the province to meet recovery rate target commitments.

In its approved program plan, Call2Recycle committed to reaching a 28% recovery rate in 2022. Despite surpassing the prior year’s total and once again achieving the largest collection total in the program’s history, the recovery rate for 2022 (20%), fell short of the plan’s projected target.

As noted earlier, in 2022 Call2Recycle achieved the milestone of one million kgs of batteries collected in Manitoba since program inception in 2011. Continued success in collections suggests the sustained



increase in batteries sold into market following the pandemic continues to create larger denominators for the recovery rate calculation, translating into abnormally high target values.

2022 Recovery Rate			
2022 Batteries Collected in Manitoba	2022 Manitoba Battery Sales	Recovery Rate Actual	Recovery Rate Target
153,147 kgs	764,746	20%	28%

## 5. Recovered Product Management and Materials Processing

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard. R2 is the electronics recycling industry's leading certification. Each provision of the R2 Standard is designed to help ensure the quality, transparency, and environmental and social responsibility of the certified electronics recycling facility. The distinction reinforces Call2Recycle's commitment to following stringent requirements regarding the safe, secure battery collection and processing. Call2Recycle also received ISO 14001:2015 and ISO 45001:2018 certifications, which affirms 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 the management of used batteries, the pollution prevention hierarchy—reduce, reuse, and recycle—cannot be as easily applied to batteries as it is to other products. Call2Recycle encourages the efficient and cost-effective option of battery recycling, which is the most viable way of preventing batteries from entering landfills. No battery collected through the Call2Recycle program that can be recycled is landfilled. The reclaimed materials from the batteries collected can be used in various products, such as new batteries, cookware, and various 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 quantity of materials reclaimed from each battery chemistry that can be used in secondary products.

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

\* Recovery rates provided by processor.

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

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

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

## 6. Program Funding

Call2Recycle collects Environmental Handling Fees (EHFs) on each unit of primary batteries, rechargeable batteries and batteries sold with or in portable flashlights and spotlights, e-toys, and smoke and carbon monoxide detectors in Manitoba. [EHFs](#) are calculated based on the cost to manage the collection and responsible recycling of each battery, by specific type. The EHF schedule can be found [here](#).

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

## 7. Organizational Reports

At the time of writing, Call2Recycle's 2022 Corporate Annual Report is in development and will be available in July 2023 via the [Call2Recycle website](#).

## 8. Program Performance

Annual Targets and Goals			
Measures	2022 Target	2022 Result	Target Achievement and Remediation Strategy
Accessibility - % of population within 15 km of a collection site	94%	89%	<ul style="list-style-type: none"> <li>• Call2Recycle will continue to enlist new public collection locations, increasing access to battery recycling opportunities.</li> <li>• Call2Recycle seeks to connect with communities at a grassroots level (e.g., through sponsorships, local sports leagues).</li> </ul>
Collections Targets - batteries to be collected expressed as a percentage of what is sold into the Manitoba market	28%	20%	<ul style="list-style-type: none"> <li>• Manitoba collections increased 3% over the previous year – the largest provincial collection amount in program history.</li> <li>• Call2Recycle will increase investment in promotion and education to encourage Manitoba residents to recycle used batteries.</li> </ul>
Battery Recycling Awareness (Percentage of Manitobans who were aware that consumer batteries can be recycled in 2022)	84%	73%	<ul style="list-style-type: none"> <li>• Call2Recycle will continue its “always on” promotional approach to keep battery recycling top of mind among Manitobans. Sustained digital promotions will be geared to younger demographics on social platforms to increase awareness among this group whose recycling habits show the most room for improvement.</li> <li>• Consistent reinforcement of consumer message to “collect, protect, and drop off”, will have a positive effect on battery recycling awareness as it does on battery recycling activity.</li> </ul>
Battery Recycling Incidence  (Percentage of Manitobans who Recycled their Consumer Batteries in 2022)	58%	52%	<ul style="list-style-type: none"> <li>• Using insights from the latest consumer survey, Call2Recycle will continue to conduct focused recycling promotions targeting non- and low recyclers and highlighting the convenience of battery recycling.</li> <li>• Call2Recycle will leverage more events (e.g., activations at sporting events) to increase awareness and battery recycling activity.</li> </ul>

## Appendix A – Board of Directors

### As of December 31, 2022

Call2Recycle Canada, Inc.'s board of directors is comprised of:

**Norman Clubb, Chair**, Independent

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

**Annalise Czerny**, Independent

**Peter Daley**, Dollarama Inc.

**Julie Dickson Olmstead**, Save On Foods

**David Houston**, Panasonic Canada Inc.

**Raman Johal**, London Drugs Ltd.

**James McPhedran**, Independent

**Alan Moyer**, Independent

**Tim Reuss**, Canadian Automobile Dealers Association

**Martin Tammik**, Live To Play Sports

**Harriet Velazquez**, Velazquez Consulting Inc. (Independent)

**David Ward**, Metro Ontario Inc.

## Appendix B – Call2Recycle Members

### Call2Recycle Manitoba Members (as of December 31, 2022)

3M Canada	Epic Cycles Inc.
Acklands Grainger Canada Inc.	EUCAN Distribution Inc.
ACS Distributing	Fastenal Canada, Ltd.
Amazon Canada / Amazon.com.ca, Inc.	Federated Co-Operatives Limited
Amplifon	Fermetco Inc.
Apple Canada Inc.	FGL Sports Ltd.
Acer America Corporation	FuturPlus (Division of Cathelle Inc.)
ADI Global	Giant Bicycle Canada Inc
Battery Canada	Giant Tiger Stores Limited
BDI, a division of Bell Mobility Inc.	Gescan (Sonepar Canada)
Bed Bath and Beyond Canada L.P.	Google Canada Corporation
BellMTS, a division of Bell Canada	Grand & Toy Ltd.
Best Buy Canada Ltd.	Grin Technologies
Bike Co LLC	Groupe BBH Inc.
BISSELL Canada Corporation	Groupe BMR Inc.
Bose Corporation	Guillevin International Cie
Cabela's	Hawthorne Canada Limited
Canada Computers Inc. / Ordinateurs Canada	HearingLife Canada Ltd.
Canadian Tire Corporation, Ltd.	Hilti Canada Corporation
Canadian Tire Petroleum	Hitfar Concepts Ltd.
Canon Canada Inc.	Home Hardware Stores Limited
Cardinal Health Canada Inc.	HRS Global
Cervelo Cycles Inc.	Hudson's Bay Company
Château Manis Electronics Inc.	Husqvarna AB
Canadian Energy and Power Corporation	IKEA Supply AG
Cell Mechanics Inc.	Henry's Enterprises Inc.
Connect Hearing Canada	ILINK Industries Ltd
Core-Mark International Inc.	Ivan Hupalo -2448131 Manitoba Ltd.
Costco Wholesale Canada Ltd	Indigo Books and Music Inc.
Cycles Devinci	Interstate Batteries Inc.
Cycles Lambert	John Deere Canada ULC
D'Amour Bicycle & Sports Inc.	KMS Tools and Equipment Ltd.
Dell Canada Inc.	Kranked Bikes
Dollar Tree Stores Canada Inc.	Landco Import International Inc.
Dollarama L.P.	Lee Valley Tools Ltd
Dynabook Canada Inc	Lego Brand Retail, Inc.
East Penn Canada (Power Battery Sales Ltd.)	Lem-Rich Foods Ltd.
ECHO Power Equipment (Canada)	Lenovo Canada Inc.
Edma Marketing Ltd.	Les pieces d'auto Transit Inc.
EECOL Electric ULC	Les Variétés P. Prud'homme Inc.
Enns Brothers Ltd.	Loblaws Inc.

London Drugs Limited  
Louis Garneau Sports Inc.  
Lowe's Canada ULC  
LTP Sports Group Inc.  
Mac's Convenience Stores Inc.  
Magnacharge Battery Corporation  
Makita Canada Inc.  
Mark's / L'Équipeur  
Mastermind LP  
MB Battery Distributors Inc.  
McKesson Canada  
McMunn and Yates  
Mica Sport Canada Inc.  
Michaels Stores Inc.  
Microsoft Corporation  
Motorola Solutions Canada  
Mountain Equipment Company Ltd.  
MSA Safety Sales, LLC  
Nedco West Division  
Newell Brands Canada (Sunbeam before 10/1/20)  
NIS Northern Industrial Sales  
NII Northern International Inc.  
Northern Building Supply  
Northern Specialities Ltd.  
Novexco Inc.  
Onlybatteries.com  
On the Edge Canada Inc.  
Orgill Inc.  
Outdoor Gear Canada  
Part Source  
Peavey Industries Limited  
Pedego Canada (Voltage Bikes Ltd.)  
Photo Central Inc.  
Prairie Battery Ltd.  
Praxis Works  
Prime Deals International Ltd.  
Princess Auto Ltd.  
Proflash Technologies Inc.  
Rad Power Bikes LLC  
Rexel Canada Electrical Inc.  
Riese & Muller  
Robert Bosch Inc. (Canada)  
Rocky Mountain, Div. of Industries RAD Inc.  
RONA Inc.  
Save on Food Limited Partnership  
Scotts Canada Ltd.  
SharkNinja Operating LLC  
Shimano Canada LTD  
Shopper+Inc.  
Shoppers Drug Mart Inc.  
Snap-On Tools of Canada Ltd  
Sobeys Capital Inc.  
Sonos Inc.  
S.P.Richards Co. Canada, Inc.  
Specialized Bicycle Components Canada  
Staples Canada Inc.  
Staples Professional, Inc.  
Steelcase Canada Ltd  
Stihl Limited  
Super Thrifty Drug Stores  
Supreme Basics  
T-Zone Health  
Telus Communications Company  
Tenaquip Limited  
The \$1. Store Plus  
The Battery Man  
The Bicycle Group (TBG) Kona Canada  
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.  
Velec Inc.  
Vulpine Networks  
Wallace and Carey Inc.  
Walmart Canada  
Wurth Canada Ltd.  
Wesco Distribution Canada  
Westburne Midwest Division  
Wisdom Electronics Inc.

## **Appendix C – Audited Financial Statement**

**See next page**

***Note: Manitoba Schedule of Operations can be found on the final page of the audited financial statement***

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



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

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## Independent Auditor's Report

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To the Members of  
Call2Recycle Canada, Inc.

### Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the "Entity"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.



### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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

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

*BDO Canada LLP*

Chartered Professional Accountants

Brandon, Manitoba  
June 14, 2023

**Call2Recycle Canada, Inc.**  
**Statement of Financial Position**

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

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

**Call2Recycle Canada, Inc.**  
**Statement of Changes in Net Assets**

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

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

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**Call2Recycle Canada, Inc.**  
**Statement of Operations**

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

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

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



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# Call2Recycle Canada, Inc.

## Notes to Financial Statements

December 31, 2022

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Operations</b>	<p>Call2Recycle Canada, Inc. (the "Entity") is a not-for-profit organization formed on January 1, 2017. The Entity's head office is registered in Toronto Ontario, and conducts its operations throughout all of Canada.</p> <p>The Entity's purpose is to promote social welfare by addressing environmental concerns related to the recycling or proper disposal of consumer batteries. The Entity operates battery collection and recycling programs and educates the public with respect to the proper disposal and recycling of batteries.</p> <p>The Entity seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries. The Entity is committed to a cleaner, healthier environment through public education on battery recycling. All aspects of the Entity's business are conducted in an environmentally sensitive manner, as the Entity is convinced that sound environmental product stewardship and sound business practices go hand in hand.</p> <p>The Entity is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<p>The Entity follows the deferral method of accounting for revenues.</p> <p>Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred.</p> <p>Steward fees are received from legally obligated stewards in 6 regulated provinces (QC, ONT, BC, MB, PEI, and SK), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Entity recognizes these fees as revenue in the year that battery units are sold by the stewards to consumers and businesses.</p> <p>The costs of the corresponding collection and recycling for some of these batteries may occur in future years, and those associated costs are reported as expenses of the Entity in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.</p>

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# Call2Recycle Canada, Inc.

## Notes to Financial Statements

December 31, 2022

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### 1. Significant Accounting Policies (continued)

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

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

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

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**Use of Estimates**                      The preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Items subject to such estimates and assumptions include:

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

**Accounts Receivable**                      Uncollectable amounts receivable are written off at the time the accounts are determined to be uncollectable. There is no allowance for doubtful accounts at December 31, 2022 as management of the Entity considers any possible bad debts to be negligible.

**Expenses**                      Material management and processing costs are recorded when the collection and processing services (freight, handling, recycling of materials) has been provided. Other expenditures are recognized as incurred.

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## Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

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### 2. Cash

The Entity maintains the majority of its cash balance in a Canadian financial institution. The Canada Deposit Insurance Corporation (CDIC) insures this account up to \$100,000 for this financial institution. From time to time the aggregate funds held in this institution may exceed the CDIC insured limits and may not be covered by CDIC insurance. Management does not anticipate any material effect on the financial position of the Entity as a result of this concentration.

### 3. Line of Credit

The Entity has a line of credit agreement with a bank which provides borrowings up to \$1,500,000. Borrowings under the agreement bear interest at Canadian Dollar Offer Rate plus 2%. At December 31, 2022, there were no borrowings against the line of credit. Borrowings under the line of credit are secured by substantially all of the investments held by the Entity.

### 4. Marketable Securities

The carrying amounts of investments are comprised of the following:

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

## Call2Recycle Canada, Inc. Notes to Financial Statements

**December 31, 2022**

### 5. Government Remittances

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

### 6. Board Designated Net Assets

The Entity's governing board has designated \$28,281,156 (2021 - \$21,232,864) as of December 31, 2022 for future use in the regulated provinces of Quebec, Ontario, British Columbia, Manitoba, Prince Edward Island, and Saskatchewan. The designated balances by regulated province are as follows:

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

### 7. Allocation of Expenses

Expenses are charged directly to their respective jurisdiction based on actual costs as incurred. When expenses are not identified to a specific jurisdiction, but benefit all jurisdictions, they are allocated among the jurisdictions based on the Entity's allocation methodology. Collections and processing costs are allocated based on battery collections for each jurisdiction. Salary and benefits are allocated based on employee time allocation by jurisdiction. Other expenses, including professional fees, general marketing, communication and promotion, shared service costs, office supplies, and occupancy, which cannot be identified with a specific jurisdiction are allocated based on the total population at the end of the year in the jurisdiction.

### 8. Significant Contractual Arrangements

The Entity is governed by a Board of Directors that is separate and independent of its former parent entity, but continues to contract accounting and managerial services from Call2Recycle, Inc. US. Fees paid for contracted services to Call2Recycle, Inc. US for 2022 were CDN \$1,719,056 (2021 - \$1,700,281). This fee is assessed to the Entity net of a US \$143,440 (2021 - \$150,000) fee recovery collected by Call2Recycle, Inc. US for battery seal license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued liabilities is an amount of \$145,246 (2021 - included in accounts receivable is an amount of \$138,674) in respect of these contracted services.

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## Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

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### 9. Financial Instruments

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Entity is exposed to credit risk resulting from the possibility that the registrants of the Entity defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Entity's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Entity's registrants are numerous and diverse, which reduces the concentration of risk. Management closely evaluates the collectibility to mitigate this risk.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Entity is exposed to financial risk that arises from fluctuations in the sale of recyclable batteries and consumer electronic products. This risk is minimized by an expected corresponding decrease in program delivery and recycling process expenses and by the regulations established by the respective Department of the Environment in each jurisdiction in which the Entity operates.

The Entity is exposed to market risk through its investment in marketable securities, the value of which changes through fluctuations in market values. The investment policies of the Entity are designed to mitigate this risk through diversification of the portfolio.

#### Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Entity is exposed to currency risk as a result of its significant contractual arrangement for accounting and managerial services with a US organization.

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## Call2Recycle Canada, Inc. Notes to Financial Statements

**December 31, 2022**

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### 10. Commitments

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

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

### 11. Contingencies

During fiscal 2021, the Entity conducted reviews of various service providers in the Province of Ontario who collected recyclable materials on behalf of the Entity. As a result of the reviews, certain service providers had their contracts terminated for non-compliance with program requirements.

At the time of the terminations one service provider had previously submitted invoices to the Entity for materials collected in the amount of \$1.4 million which are included in accounts payable. Subsequent to the date of termination of the agreement, no further materials have been accepted from the service provider and no further payments have been made against the outstanding accounts payable balance.

Upon termination of the agreement the Entity has demanded a refund of prior amounts paid to the service provider based upon the observations made in its compliance reviews.

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

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

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

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**Call2Recycle Canada, Inc.**  
**Schedule of Operations - Manitoba**

<b>For the year ended December 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Steward fees	\$ 1,225,840	\$ 1,439,828
Investment income	(147,035)	73,582
	<u>1,078,805</u>	<u>1,513,410</u>
<b>Expenses</b>		
Material management and processing	775,536	784,780
Public education and awareness	289,764	282,978
Other (salary, professional, administrative)	222,253	206,510
	<u>1,287,553</u>	<u>1,274,268</u>
<b>Excess (deficiency) of revenues over expenses</b>	<b>(208,748)</b>	<b>239,142</b>
Net assets, beginning of year	<u>2,658,858</u>	<u>2,419,716</u>
Net assets, end of year	<u>\$ 2,450,110</u>	<u>\$ 2,658,858</u>