

# CALL2RECYCLE CANADA, INC. 2023 PROVINCIAL ANNUAL REPORT

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## MANITOBA



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

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

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

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## 1. About Call2Recycle

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 operating Call2Recycle®, a highly efficient program that safely collects, transports and recycles batteries of every chemistry on behalf of 178 members (battery manufacturers and obligated producers) in the province. Please see [Appendix B](#) for a complete list of Call2Recycle members in Manitoba.

Thanks to a network of partners operating 667 collection facilities across the province, Call2Recycle offers a convenient, efficient, and transparent end-of-life battery management service for consumers and manufacturers alike. The reclaimed materials are instead used in the manufacture of various products, such as new batteries, cookware and appliances, thereby contributing to Canada's circular economy.

Call2Recycle was the first program of its kind to receive Responsible Recycling (R2) certification. It continues to maintain this recognition, confirming its reputation for excellence that has attracted longstanding partnerships with program members and collection partners in Manitoba.

## 2. Executive Summary

In 2023, Call2Recycle submitted its latest battery stewardship program plan to the Province, establishing performance targets and operational objectives for 2023 through 2028. This Extended Producer Responsibility (EPR) plan was approved by the Minister of Environment and Climate later that year.

Call2Recycle increased its collection facilities footprint in the province to 667 from 649 the previous year, mostly through its public collection site footprint, which grew by 18 locations. Nine in ten Manitobans have access to a Call2Recycle drop-off location within 15 kilometres of their home.

2023 was a strong year in terms of battery collections, with a total of 205,862 kg of batteries deposited through the program that year. This represents a 34% increase over the 2022 collections. The approved EPR plan commits Call2Recycle to reaching a 22% recovery. The strength of collections resulted in an actual recovery rate of 26%, surpassing plan targets.

Call2Recycle continues to promote battery recycling through a range of online, outdoor and television campaigns, as well as creative partnerships with high-profile and high-touch collaborators, such as the Canadian Football League (CFL), children's conservation group Earth Rangers, Baseball Manitoba and Staples Canada. In December 2023, Call2Recycle launched its new consumer brand, *Recycle Your Batteries, Canada!* to aid in consumer understanding and name recall and to boost collection efforts. A corresponding website, [recycleyourbatteries.ca](http://recycleyourbatteries.ca), launched that month, providing educational content for consumers on battery recycling best practices and safety. It also continues to partner with other Producer Responsibility Organizations in Manitoba to promote recycling in remote First Nations

communities and increase collections and accessibility for all Manitobans.

### 3. Public Education Materials and Strategies

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

#### 3.1 Website & Social

The Call2Recycle website ([call2recycle.ca](https://call2recycle.ca)) drew 24,464 visitors from Manitoba in 2023, a 1% increase over 2022's numbers. The [Recycle Your Batteries, Canada!](https://recycleyourbatteries.ca) website that launched in December and provides consumer-focused content attracted an additional 55 Manitoba visitors in the final month of the year.

#### 3.2 Campaigns

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

#### 3.3 Sponsorships, Partnerships and Events

Call2Recycle further raised battery recycling awareness through Manitoba-specific partnerships with two sports franchises—the CFL's Winnipeg Blue Bombers and the Manitoba Moose Hockey Club. As part of the month-long “Defend Your Home Turf” campaign, Blue Bomber Brandon Alexander participated in a humorous social media campaign and fans received a team-branded personal battery collection cube to remind them to protect their community by keeping batteries out of landfills.

In February, Call2Recycle took over the Manitoba Moose website and all of the signage at the Canada Life Centre. It also distributed 4,000 collection cubes to fans.

In the Spring, Call2Recycle sponsored Baseball Manitoba's Rally Cap Program. The sponsorship included placement of the Call2Recycle logo on the jerseys of 3,000 young players across the province and personal battery collection cubes were given to each player to take home.

Continuing a longstanding partnership with Earth Rangers, Call2Recycle held two school “Battery Blitz” battery recycling contests during the spring and fall. Fifteen Manitoba schools participated in the competitions, gathering over 3,367 kilograms of used batteries from student and teacher participants.

### 3.4 Consumer Awareness and Recycling Habits Assessment

Call2Recycle commissioned a survey of 700 Manitoba residents to assess their battery recycling awareness and habits.

The percentage of residents who recycled at least some of their batteries in 2023 jumped to 57% from 52% in 2022. Three-quarters (75%) of Manitobans surveyed indicated that they know that batteries can be recycled—a slight increase from 73% in 2022.

Consumer Awareness and Recycling Incidences Targets*	2023 Target	2023 Actual
Manitobans who are aware that consumer batteries can be recycled in 2023 (%)	77%	75%
Manitobans who recycled their consumer batteries in 2022 (%)	54%	57%

\*Based on a sample of 700 residents of Manitoba surveyed online via the Ipsos I-Say. The precision of the online poll is measured using a credibility interval. In this case, the results are considered accurate to within +/- 4.2 percentage points, 19 times out of 20, of what the results would have been had all Manitoban adults been surveyed.

## 4. Collection System and Facilities

### 4.1 Collection Facilities & Accessibility

Call2Recycle aims to locate collection facilities where Manitobans can easily and repeatedly deposit their used batteries. In 2023, the overall number of Call2Recycle collection facilities in the province increased by 18 locations, from 649 in 2022 to 667 in 2023. Nine in ten Manitobans (90%) have access to a public Call2Recycle drop-off location within 15 kilometres of their home, matching the 90% target established in the EPR plan.

#### 2023 Active Collection Facilities in Manitoba

Public	300
Private	367
<b>Total</b>	<b>667</b>

The following chart compares the sectoral distribution of collection facilities in Manitoba from 2022 to 2023.

#### Active Collection Facilities by Sector

Sector	2023	2022
Business Services	105	96
Public Agency	332	354
Manufacturing	19	12
Retail	210	182
Other	1	5
<b>Total</b>	<b>667</b>	<b>649</b>

#### 4.2 First Nations Winter Roads Collection Program

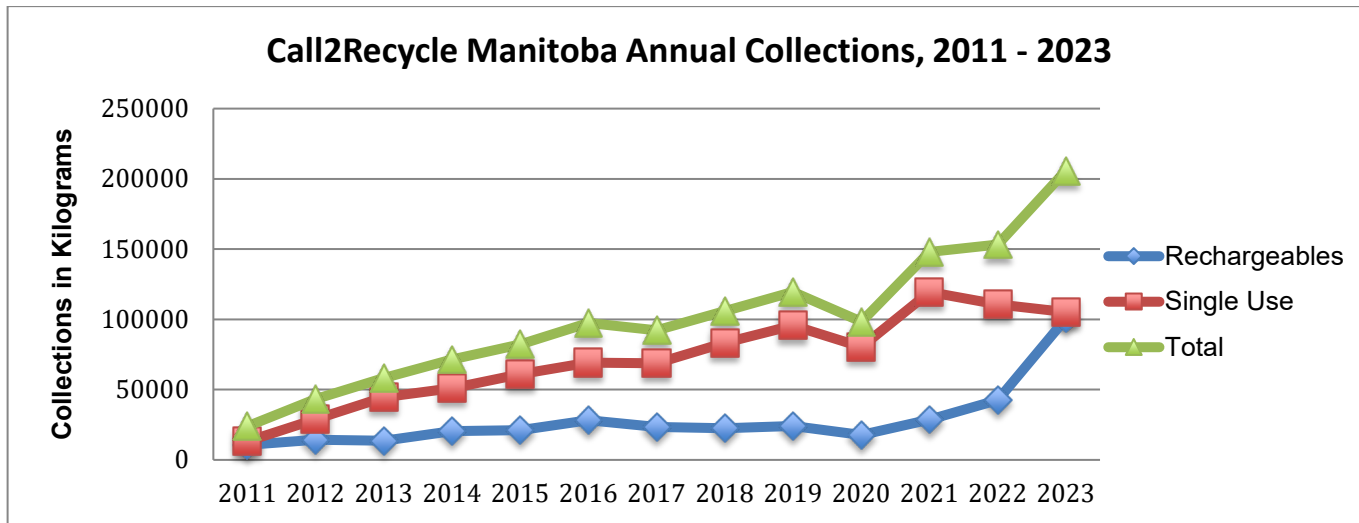
Call2Recycle strives to ensure that smaller communities have access to its battery recycling program. For several years, Call2Recycle has partnered with other Producer Responsibility Organizations in Manitoba to promote recycling in remote First Nations communities, many of which are primarily accessible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

#### 4.3 Performance Results

Call2Recycle establishes battery collection targets in its provincially approved EPR plan against which it tracks its annual performance. Used battery collections through the program continue to increase in Manitoba, rising by 34% in 2023 to a total of 205,862 kg for the year. The following chart and graph illustrate the year-over-year changes in battery collections in the province.

#### Call2Recycle Collections by Weight (kg)

Type	2023	2022
Single Use (Primary)	105,251	110,580
Rechargeable	100,611	42,567
<b>Total</b>	<b>205,862</b>	<b>153,147</b>



#### 4.4 Recovery Rate

Each year, batteries being used by consumers come to their end of life and are eligible to be recycled through Call2Recycle. In its EPR plan, Call2Recycle established targets for recovering these eligible batteries based on the total batteries in the market. This recovery rate is a percentage calculated based on the weight of the batteries collected during the year (2023) divided by the average weight sold into the market in the preceding three years (2020 through 2022). The quantity sold (by weight) is based on information reported to Call2Recycle by its members through remittance of Environmental Handling Fees (EHFs). This method of calculating the recovery rate more accurately reflects the lifespan of batteries than the method used in previous EPR plans.

The current approved EPR plan commits Call2Recycle to reaching a 22% recovery rate in 2023. Actual collections represent a recovery rate of 26%, surpassing plan targets.

#### 2023 Recovery Rate

2023 Used Batteries Collected in Manitoba	2020 - 22 Manitoba Battery Sales Average	Recovery Rate Target	Recovery Rate Actual
205,862	787,768.51	22%	26%

## 5. Recovered Product Management and Materials Processing

Call2Recycle is steadfastly committed to operating the safest, most efficient, transparent, and socially responsible battery collection, transportation, and recycling program in Canada. After becoming the first program of its kind to achieve Responsible Recycling (R2) certification in 2014, Call2Recycle again attained the latest R2 Standard—R2v3 Certification—in 2023. This is the electronics recycling industry's

leading certification, and it confirms Call2Recycle's strict adherence to stringent requirements regarding safe, secure battery collection and processing, and proper downstream management of its battery collections, which includes not exporting to developing countries. Call2Recycle also achieved ISO 9001:2015 and ISO 14001:2015 certifications in 2023, further affirming its commitment to the environment and occupational health and safety.

Call2Recycle reports on Recycling Efficiency Rates (RER) by chemistry to demonstrate how much material is reclaimed from each type of battery for use in secondary products. All of Call2Recycle's sorters and processors use the latest and most effective techniques for reclaiming materials and, whenever possible, Call2Recycle uses local service providers to minimize its environmental footprint.

The 2023 RER for all battery chemistries collected by Call2Recycle under the approved EPR plan is outlined in the following chart. Call2Recycle has updated its RER calculation chart to be more consistent with industry standards and best practices.

**Recycling Efficiency Rates for 2023  
Without Processors Identified**

Battery Type	Rechargeable Battery Chemistry									Primary Chemistry				
	Ni Cd		Li ION		Ni MH		SSLA			Alkaline				Lithium
Metals	73%	72%	78%	63%	77%	92%	79%	79%	65%	21%	21%	27%	18%	0%
Plastics	0%	0%	0%	0%	0%	0%	9%	9%	8%	5%	2%	0%	0%	0%
Electrolytes / Secondary Recovery	0%	0%	0%	0%	0%	0%	4%	4%	0%	57%	72%	0%	0%	0%
Black Mass	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	54%	62%	0%
<b>Total Material Recovery (%)</b>	<b>73%</b>	<b>72%</b>	<b>78%</b>	<b>63%</b>	<b>77%</b>	<b>92%</b>	<b>92%</b>	<b>92%</b>	<b>73%</b>	<b>83%</b>	<b>95%</b>	<b>81%</b>	<b>80%</b>	<b>0%</b>
Unrecovered material (%) / Not-Recovered for use in Secondary Market During Recycling Process: Water, Oxygen, Plastic, Organics.	27%	28%	22%	7%	23%	8%	8%	8%	27%	17%	5%	19%	20%	100%
<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>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Call2Recycle's performs regular due diligence to ensure that the program and its contracted service providers operate in accordance with the highest environmental standards. Call2Recycle recently discovered that its contracted lithium primary battery processor was not meeting these standards which has impacted the recycling efficiency rate for this battery chemistry. Call2Recycle is developing a corrective action plan, including identifying alternate processors who can meet the program's environmental standards. Multiple solutions are actively being investigated and the program will keep the ministry apprised of developments.

## 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. EHF’s are calculated based on the cost of managing the collection and responsible recycling of each battery by specific type. The EHF schedule can be found [here](#).

Call2Recycle collected EHF’s from members who reported sales of these batteries in Manitoba between January 1 and December 31, 2023. Please see [Appendix C](#) for Call2Recycle’s audited financial statements.

## 7. Organizational Reports

At the time of writing, Call2Recycle’s 2023 Corporate Annual Report is in development and will be available in July 2024 via the [Call2Recycle website](#).

## 8. Program Performance – Manitoba

**Annual Targets and Goals in Manitoba**

Measures	2023 Target	2023 Result	Target Achievement and Remediation Strategy
Accessibility - % of population within 15 km of a collection site	90%	90%	<ul style="list-style-type: none"> <li>• Target achieved.</li> <li>• Call2Recycle will continue to engage communities through geo-specific sponsorships, local sports leagues, etc.</li> <li>• Call2Recycle will continue to identify and enroll new collection facilities—particularly public locations and those in more remote communities to increase access to battery recycling opportunities.</li> </ul>
Collections Targets - batteries to be collected expressed as a percentage of what is sold into the Manitoba market in the previous three years	22%	26%	<ul style="list-style-type: none"> <li>• Target achieved.</li> <li>• Manitoba collections increased 34% over the previous year to amass the largest one-year collection total in the province’s program history.</li> <li>• Call2Recycle will continue to invest in promotion and education activities to encourage Manitobans to recycle used batteries every three months.</li> </ul>

## Annual Targets and Goals in Manitoba

Measures	2023 Target	2023 Result	Target Achievement and Remediation Strategy
Battery Recycling Awareness (Percentage of Manitobans in 2023 who were aware that consumer batteries can be recycled)	77%	75%	<ul style="list-style-type: none"> <li>• Call2Recycle will consistently reinforce its consumer message to “collect, protect, and drop off” used batteries every three months using online, TV, and outdoor promotional tools.</li> <li>• With the launch of its new, memorable consumer brand, <b>Recycle Your Batteries, Canada!</b> Call2Recycle will use various online tools to drive Manitobans to its new consumer-friendly website for education on the importance of battery recycling and the availability of the Call2Recycle program near them.</li> </ul>
Battery Recycling Incidence  (Percentage of Manitobans who recycled all of their consumer batteries in 2023)	54%	57%	<ul style="list-style-type: none"> <li>• Call2Recycle will leverage its awareness campaigns and its new consumer-friendly website to emphasize the ease and convenience of battery recycling.</li> <li>• Through more collection events, including contests, Call2Recycle will harness the engagement dynamic that drives residents to proactively and regularly recycle batteries to support sustainability in their communities.</li> </ul>

## Appendix A – Board of Directors

**As of December 31, 2023**

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

**Norman Clubb, Chair**, Independent

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

**Annalise Czerny**, Independent

**Peter Daley**, Dollarama Inc.

**Tammy Giroux**, General Motors of Canada

**Raman Johal**, London Drugs Ltd.

**James McPhedran**, Independent

**Alan Moyer**, Independent

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

**Tim Reuss**, Canadian Automobile Dealers Association

**Martin Tammik**, Live To Play Sports

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

**David Ward**, Metro Ontario Inc.

## Appendix B – Call2Recycle Members

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

3M Canada Company	Edma Marketing Ltd
Acer America Corporation	EECOL Electric ULC
Acklands-Grainger Canada Inc.	Enns Brothers Ltd.
ACS Distributing	Epic Cycles Inc.
ADI Global	EUCAN Distribution Inc.
Amazon.com.ca, Inc.	Fastenal Canada, Ltd. ON100
Amplifon - Miracle Ear	Federated Co-Operatives Limited
Apple Canada Inc	FERMETCO INC.
Battery Canada	FGL
BDI, a division of Bell Mobility In	FuturPlus Division of Cathelle Inc.
BellMTS, a division of Bell Canada	Gazelle USA, LLC
Best Buy Canada Ltd. 1000	GE Healthcare Canada, Inc.
Bike Co LLC	Gescan (Division of Sonepar)
BISSELL Canada Corporation	Giant Bicycle Canada Inc.
Bose Limited	Giant Tiger Stores Limited
Cabela's	Google Canada Corporation
Canada Computers Inc	Grand & Toy Ltd.
Canadian Energy and Power Corporation	Green Light Cycle Ltd.
Canadian Tire Corporation, Ltd	Grin Technologies Ltd.
Canadian Tire Petroleum	Groupe BBH Inc.
Canon Canada Inc	Guillevin International Cie
Cardinal Health Canada Inc.	HAWTHORNE CANADA LIMITED
Cell Mechanics Inc.	HearingLife Canada Ltd
Century Optronic Inc.	Henry's Enterprises Inc.
Cervelo Cycles Inc.	Hilti Canada Corporation
Chateau Manis Electronics	Hitfar Concepts Ltd.
Connect Hearing Canada	Home Hardware Stores Limited
Core-Mark International Inc	HRS Global
Costco Wholesale Canada Ltd	Hudsons Bay Company
Cycles Devinci Inc.	Husqvarna AB
Cycles Lambert Inc./HLC	IKEA Supply AG
D'Amour Bicycle & Sports Inc.	ILINK Industries Ltd
Dell Canada Inc.	Imperial Dade Canada Inc.
Dollar Tree Stores Canada Inc.	Indigo Books and Music Inc
Dollarama L.P.	Interstate Batteries Recycling
Dynabook Canada Inc.	Isaac Instruments Inc.
Dyson Canada Limited	Ivan Hupalo - 2448131 Manitoba Ltd.
East Penn Canada	John Deere Canada ULC
ECHO Power Equipment (Canada)	KMS Tools and Equipment Ltd

Kona Canada, The Bicycle Group (TBG)  
Kranked Bikes  
L3Harris Technologies Inc.  
Lee Valley Tools Ltd  
Lego Brand Retail  
Lem-Rich Foods Ltd.  
Lenovo (Canada) Inc.  
Live to Play Sports Group Inc.  
Loblaws Inc.  
London Drugs Limited  
Louis Garneau Sports Inc.  
Mac's Convenience Stores Inc.  
Magnacharge Battery Corp.- West Hub  
Makita Canada, Inc.  
Marin Bikes Canada  
Mark's / L'Equipeur  
MasterMind LP  
MB Battery Distributors Inc  
McKesson Canada  
McMunn & 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  
Nikon Canada Inc  
Northern Building Supply  
Northern Specialities Ltd  
Novexco Inc./ Hamster (Bureau plus)  
On the Edge Canada Inc.  
Onlybatteries.com - Technologies Duslan Inc.  
Oracle Canada ULC  
Orgill Inc  
Outdoor Gear Canada  
Part Source  
Pattison Food Group Ltd.  
Peavey Industries Limited  
Photo Central Inc  
Prairie Battery Ltd  
Praxis Works  
Premier Tech Ltd.  
Prime Deals International Ltd  
Princess Auto Ltd  
Proflash Technologies Inc.  
Rad Power Bikes LLC  
Rexel Canada Electrical Inc.  
Riese & Müller GmbH  
Robert Bosch Tool Corporation  
Rocky Mountain, Div. of Industries RAD Inc.  
(Procycle)  
RONA Inc.  
S.P. Richards Co. Canada, Inc.  
Santa Cruz Bicycles, LLC  
Scotts Canada Ltd.  
SharkNinja Operating LLC  
Shimano Canada LTD  
Shopper+Inc  
Shoppers Drug Mart Inc  
Snap-On Tools of Canada Ltd  
Sobeys Capital Inc  
Sonos Inc.  
Specialized Bicycle Components Canada  
Standard Products Inc.  
Staples Canada ULC  
Staples Professional, Inc.  
Steelcase Canada Ltd  
Stihl Limited  
Super Thrifty Drug Stores  
Supreme Basics  
TELUS Mobility  
Tenaquip Limited  
The \$1. Store Plus Canadian Franchising  
Corporation  
The Battery Man  
The Home Depot of Canada, Inc.  
The North West Company  
The Source (Bell) Electronics Inc.  
The Stevens Medical Company  
Tip Top Electronic Supply Ltd  
ToolTown Inc  
Toyota Canada Inc.  
Toys R Us Canada, LTD  
Trek Bicycle Canada ULC

T-Zone Health Inc.  
UAP Inc  
Uline Canada Corporation  
Ultralife Corporation  
Uni-Select Canada Inc.  
Velec Inc.  
Veritas Technologies LLC  
Voltage Bikes Ltd. (Pedego Can)  
Wallace & Carey Inc

Walmart Canada  
Wesco Distribution Canada LP  
Westburne Midwest Division  
Wisdom Electronics Inc  
Würth Canada Limited  
Yamaha Motor Canada  
Yeti Cycling LLC

# Appendix C – Audited Financial Statement

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



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

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Tel: 416-865-0200  
Fax: 416-865-0887  
Toll-free: 1-866-348-6660  
[www.bdo.ca](http://www.bdo.ca)

BDO Canada LLP  
222 Bay Street  
Suite 2200  
Toronto, Ontario  
M5K 1H1

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## Independent Auditor's Report

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To the Members of  
Call2Recycle Canada, Inc.

### Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the "Entity"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

### Other Information

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

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

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



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

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

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

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

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

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

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

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



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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

June 14, 2024

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Call2Recycle Canada, Inc.  
Statement of Financial Position

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

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

Call2Recycle Canada, Inc.  
Statement of Changes in Net Assets

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

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

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Call2Recycle Canada, Inc.  
Statement of Operations

For the year ended December 31	2023	2022
Revenues		
Steward fees	\$27,508,479	\$ 30,800,753
Investment income (loss)	1,850,542	(1,919,471)
Other	240,177	10,820
	<u>29,599,198</u>	<u>28,892,102</u>
Expenses		
Material management and processing	22,742,710	15,484,337
Public education and awareness	5,017,534	2,393,491
Other (salary, professional, administrative)	6,797,569	5,825,752
	<u>34,557,813</u>	<u>23,703,580</u>
Excess (deficiency) of revenues over expenses	<u>\$ (4,958,615)</u>	<u>\$ 5,188,522</u>

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

Call2Recycle Canada, Inc.  
Statement of Cash Flows

For the year ended December 31	2023	2022
Cash flows from operating activities:		
Excess (deficiency) of revenues over expenses	\$ (4,958,615)	\$ 5,188,522
Items not affecting cash:		
Net realized and unrealized (gain) loss on investments	(1,028,928)	2,273,338
	(5,987,543)	7,461,860
Changes in non-cash working capital:		
Accounts receivable	1,292,531	(285,405)
Accounts payable and accrued liabilities	108,582	1,853,719
Other assets	(117,554)	(3,393)
	(4,703,984)	9,026,781
Cash flows from investing activities:		
Marketable securities	2,535,654	(5,817,277)
Net (decrease) increase in cash	(2,168,330)	3,209,504
Cash, beginning of the year	4,310,012	1,100,508
Cash, end of the year	\$ 2,141,682	\$ 4,310,012

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



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# Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2023

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## 1. Significant Accounting Policies

### Nature and Purpose of Operations

Call2Recycle Canada, Inc. (the "Entity") is a not-for-profit organization formed on January 1, 2017. The Entity's head office is registered in Toronto Ontario, and conducts its operations throughout all of Canada.

The Entity's purpose is to promote social welfare by addressing environmental concerns related to the recycling or proper disposal of consumer batteries. The Entity operates battery collection and recycling programs and educates the public with respect to the proper disposal and recycling of batteries.

The Entity seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries. The Entity is committed to a cleaner, healthier environment through public education on battery recycling. All aspects of the Entity's business are conducted in an environmentally sensitive manner, as the Entity is convinced that sound environmental product stewardship and sound business practices go hand in hand.

The Entity is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).

### Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

### Revenue Recognition

The Entity follows the deferral method of accounting for revenues.

Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred.

Steward fees are received from legally obligated stewards in 6 regulated provinces (QC, ONT, BC, MB, PEI, and SK), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Entity recognizes these fees as revenue in the year that battery units are sold by the stewards to consumers and businesses.

The costs of the corresponding collection and recycling for some of these batteries may occur in future years, and those associated costs are reported as expenses of the Entity in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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1. Significant Accounting Policies (continued)

Revenue Recognition - Continued	<p>Unrestricted net investment income is recognized as revenue when earned.</p> <p>Unrestricted revenues from the sales of recycled materials are recognized in income when the recovered materials are sold and the amount to be recovered can be estimated and collection is reasonable assured.</p>
Financial Instruments	<p>Financial instruments are recorded at fair value at initial recognition.</p> <p>In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value.</p> <p>Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.</p>
Use of Estimates	<p>The preparation of the financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Items subject to such estimates and assumptions include:</p> <ul style="list-style-type: none"><li>- accrued expenses</li><li>- allocation of expenses</li><li>- allowance for doubtful accounts</li></ul>
Accounts Receivable	<p>Uncollectable amounts receivable are written off at the time the accounts are determined to be uncollectable. There is no allowance for doubtful accounts at December 31, 2023 as management of the Entity considers any possible bad debts to be negligible.</p>
Expenses	<p>Material management and processing costs are recorded when the collection and processing services (freight, handling, recycling of materials) has been provided. Other expenditures are recognized as incurred.</p>

## Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2023

### 2. Cash

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

### 3. Marketable Securities

The carrying amounts of investments are comprised of the following:

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

### 4. Government Remittances

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

### 5. Board Designated Net Assets

The Entity's governing board has designated \$22,963,177 (2022 - \$28,281,156) as of December 31, 2023 for future use in the regulated provinces of Quebec, Ontario, British Columbia, Manitoba, Prince Edward Island, and Saskatchewan. The designated balances by regulated province are as follows:

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

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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6. Allocation of Expenses

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

7. Significant Contractual Arrangements

The Entity is governed by a Board of Directors that is separate and independent of its former parent entity, but continues to contract accounting and managerial services from Call2Recycle, Inc. US. Fees paid for contracted services to Call2Recycle, Inc. US for 2023 were CDN \$1,075,586 (2022 - \$1,719,056). This fee is assessed to the Entity net of a US \$272,187 (2022 - \$143,440) fee recovery collected by Call2Recycle, Inc. US for battery sale license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued liabilities is CDN \$199,742 (2022 - \$145,246) in respect of these contracted services.

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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8. Financial Instruments

Credit risk

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

Market Risk

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

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

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

Currency Risk

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

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2023

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9. Commitments

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

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

10. Contingencies

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

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

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

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

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

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

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Call2Recycle Canada, Inc.  
Schedule of Operations - Manitoba

For the year ended December 31	2023	2022
<b>Revenue</b>		
Steward fees	\$ 1,250,056	\$ 1,225,840
Investment income (loss)	129,603	(147,035)
	<u>1,379,659</u>	<u>1,078,805</u>
<b>Expenses</b>		
Material management and processing	746,821	775,536
Public education and awareness	425,611	289,764
Other (salary, professional, administrative)	268,822	222,253
	<u>1,441,254</u>	<u>1,287,553</u>
Deficiency of revenue over expenses	(61,595)	(208,748)
Net assets, beginning of year	<u>2,450,110</u>	<u>2,658,858</u>
Net assets, end of year	<u>\$ 2,388,515</u>	<u>\$ 2,450,110</u>