

Prepared for today.
Positioned for tomorrow.



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Carl Smith
Call2Recycle, Inc.

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Greg Broe
Vice President, Finance &
Administration

Linda Gabor
Vice President, Marketing &
Customer Service

Call2Recycle Prepared for today. Positioned for tomorrow.



Carl Smith
CEO & President

The year 2014 marks an important milestone for Call2Recycle. On March 21, 2014, we celebrated our 20th anniversary as the longest continuously running product stewardship program in North America. We entered the year with 31 employees across 50 states and 10 provinces and net assets of \$19 million, compared to 5 employees and a \$5 million budget when we started back in 1994.

The past two decades have been a time of growth and change. As the world evolves, so have we. In 1994, we accepted only Ni-Cd batteries; we now collect multiple battery types. Our operations have expanded to include 5 sorters/processors. Our North American collection network now has more than 34,000 locations, with 89% of Americans living within 10 miles (15 kilometers for Canadians) of a collection location.

I believe our 20 years of success is derived from our roots: to be an “operational vehicle that drove rechargeable battery recycling with licensees, retailers, businesses, public agencies and consumers.” (Our Story: The History of Call2Recycle, 2011.) We have focused on balancing the priorities of all our stakeholders by building industry partnerships, educating consumers and businesses and identifying new ways to keep the waste out of the landfills.

Change is part of doing business. We are always exploring opportunities to improve operations, education and collections. This year we decentralized our processing and sorting operations by adding new partners and expanding current capabilities throughout the U.S. and Canada. We added to our list of industry stewards, companies that help fund the end-of-life disposal of their battery products.

We prepared for emerging trends, such as curbside recycling, and evaluated new technologies such as optical sorting, an automated process for sorting batteries using cameras and lasers. We looked at new ways to educate the public about battery recycling, from recycling events in Seattle and Los Angeles to student recycling contests in Canada. On the legislative side, we continued to support U.S. state laws that would address the gap whereby a few companies voluntarily fund the no-cost battery take-back programs on behalf of the entire worldwide industry. Although no legislation passed in 2013, we are inching closer to success.

As we enter our third decade, Call2Recycle is at the top of its game as the first and oldest battery recycling program in North America. We have had 17 consecutive years of growth. In 2013, we collected 11.6 million pounds (5.3 million kilograms) of batteries – enough to fill 145 18-wheeler trucks – bringing our cumulative battery collections to more than 85 million pounds (39 million kilograms) since program inception. We continue our commitment to the practice of product stewardship, which asks that businesses take financial responsibility for the environmental impact of their products, from design through disposal.

We look forward to an exciting 2014. We are investigating new opportunities in new industries. What I wrote in 2008 still holds true today, “(Our mission) is to become increasingly relevant in a world where recycling, replenishment and responsibility should never be taken for granted.” We look forward to a new decade of growth with the help of our partners and the public.





Since 1996, we have collected more than **85 million pounds of batteries.**

Two Decades of Growth and Change

As Call2Recycle enters its 20 year anniversary, it celebrated its 17th consecutive year of year-over-year increases (since collections began in 1996) in the volume of batteries collected and recycled across North America. In 2013, our collections increased by 12.6 percent over 2012, diverting 11.6 million pounds (5.3 million kilograms) of batteries from landfills. Since 1996, we have collected more than 85 million pounds (39 million kilograms) of batteries, a remarkable milestone. We remain North America's first and largest battery stewardship program.

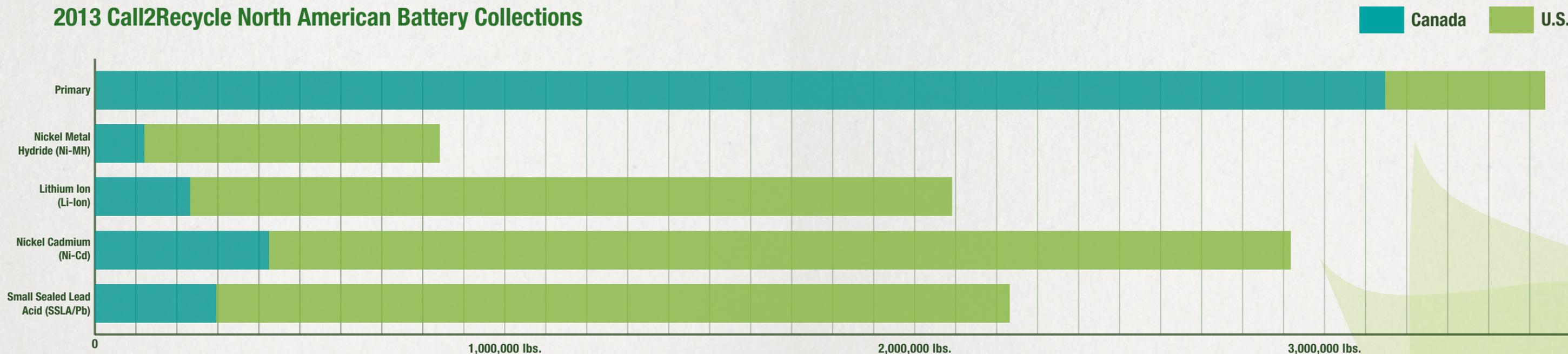
Increased Accessibility Drives Growth

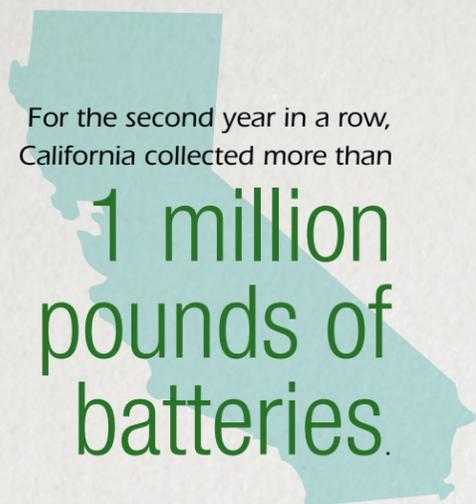
Strong growth in retail and municipal collections helped drive the results across North America. Approximately 4.7 million pounds (2.1 million kilograms) of batteries were collected through retail channels in the U.S. and Canada, with 3.6 million pounds (1.6 million kilograms) collected in the U.S. and 1.1 million pounds (499,000 kilograms) in Canada. Call2Recycle collects and recycles multiple types of rechargeable batteries in the U.S. It also collects and recycles single-use batteries in Canada.

One of the driving forces behind the steady increase in collection volumes is increased accessibility. Today, 89 percent of people in the U.S. and Canada reside within a 10-mile (15-kilometer) radius of a Call2Recycle drop-off site, whether it's a municipal program or retail partnership. Our collection volume is directly linked to how easy it is for consumers to find a recycling location. The results also signal that the attitudes and actions of consumers toward battery recycling continue to evolve positively.

89% of people in North America reside within a **10-mile radius** of a Call2Recycle drop-off site.

2013 Call2Recycle North American Battery Collections





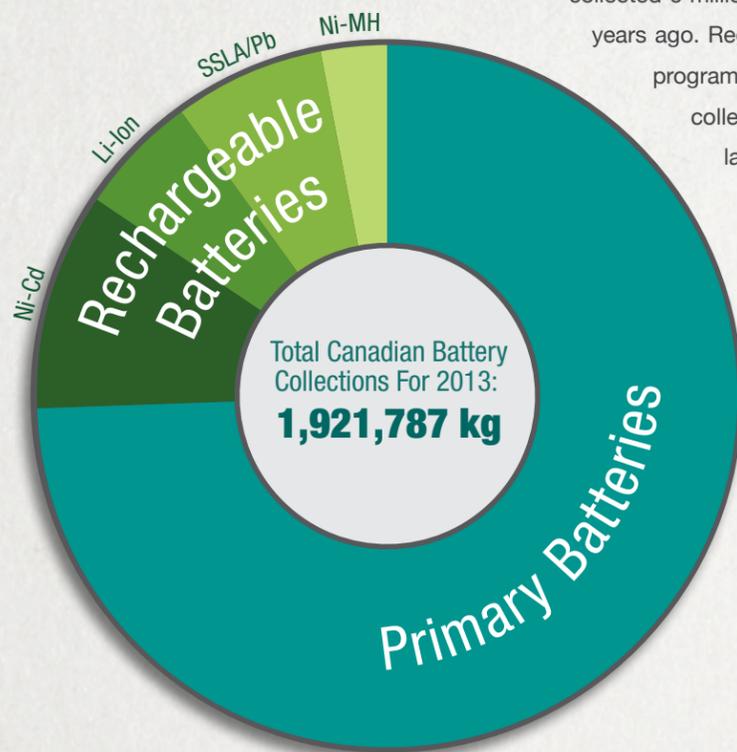
California Leads U.S. in Collections

U.S. efforts continued to soar, with three states achieving major milestones in 2013. For the second year in a row, the state of California collected more than 1 million pounds (453,592 kilograms) of batteries. More than 9 million pounds (4 million kilograms) has been collected since the program began. Texas and Florida collections hit cumulative totals of 8 million pounds (3.6 million kilograms) and 4 million pounds (1.8 million kilograms) respectively since program inception. We expect this trend to continue as more retailers and municipalities expand their collection programs.

Double Digit Growth in Canada

In Canada, collections skyrocketed in 2013. Call2Recycle Canada collected 1.9 million kilograms (4.2 million pounds), a 43% increase over the entire year of 2012 and the largest amount collected in one year since 1997. The company has collected 6 million kilograms (13.2 million pounds) since the program started 16 years ago. Regulated provinces where Call2Recycle is the office stewardship program within the province—British Columbia, Manitoba and Quebec—collected almost 1.4 million kilograms (3.1 million pounds) of batteries last year—an increase of 50% collectively over the previous year. The remaining provinces, including Ontario, capitalized on the broad continued participation of retailers and municipalities and increased collections 73% over 2012.

We expect this trend to continue. In late 2013, Call2Recycle was selected as the preferred provider for all-battery recycling for Canada’s federal government. Starting in 2014, Call2Recycle will collect both single-use and rechargeable batteries from various government agencies, departments and military installations.



During the year Call2Recycle also proposed an Industry Stewardship Program (ISP) for the collection and recycling of single-use, household batteries in the province of Ontario. The ISP aims to increase public awareness of battery recycling, expand accessibility for residents and improve efficiency by consolidating the collection of both single-use and rechargeable batteries into the same locations.

Call2Recycle currently has a network of more than 1,000 drop-off locations in Ontario and has been collecting and recycling batteries in Canada since 1997. Serving as the official battery stewardship organization for the provinces of Quebec, Manitoba and British Columbia, Call2Recycle is uniquely positioned to bring its 20 years of battery recycling expertise to the residents of Ontario.

Many stakeholders, including retailers and municipalities, have shown strong support during the review process. At the time of publication, a final decision by Waste Diversion Ontario (WDO) was still pending.

We are proud of our achievements as we enter our 20th year of operations. Our secret to success is the unwavering support of consumers, retailers, government agencies, municipalities and industry stewards—battery and product manufacturers across the globe committed to funding the environmentally responsible recycling of batteries and cellphones.

Batteries collected in British Columbia, Manitoba, and Quebec increased by



Total Call2Recycle Battery Collections



Call2Recycle was awarded a U.S. patent for the design of its unique collection box.



Leading the Industry

During 2013, Call2Recycle was recognized for its efforts in product stewardship and battery recycling by the following organizations. These honors validate our commitment to being the best in the industry.

2013 Golden Arrow Award

Call2Recycle was one of four California companies honored for Overall Excellence in Product Stewardship from the prestigious California Product Stewardship Council. Call2Recycle was honored with a 2013 Golden Arrow Award for its industry leadership as a successful producer-sponsored, end-of-life product stewardship program.

Collection Box Patent

Call2Recycle was awarded a U.S. patent for the design of its unique collection box, which serves as both a visual display and shipping container for rechargeable battery and cellphone recycling. Its U.S. Department of Transportation (DOT) special permit consolidates seven safety and transportation requirements for mixed battery shipments giving collection sites peace of mind that their batteries are being safely and responsibly collected and recycled. The box is also manufactured from materials procured from forests or sources certified by the Sustainable Forestry Initiative.



Moving the Policy Needle

The mobile electronics market is rapidly becoming a part of most North American households. Mobile products range from cellphones, laptops, tablets and remote control toys to power tools, uninterrupted power supplies, personal care products and computer accessories. These products are sold into North America by foreign companies that do not contribute to the cost of recycling the rechargeable batteries that power them. As a result, Call2Recycle stewards carry the recycling responsibility of the entire industry.

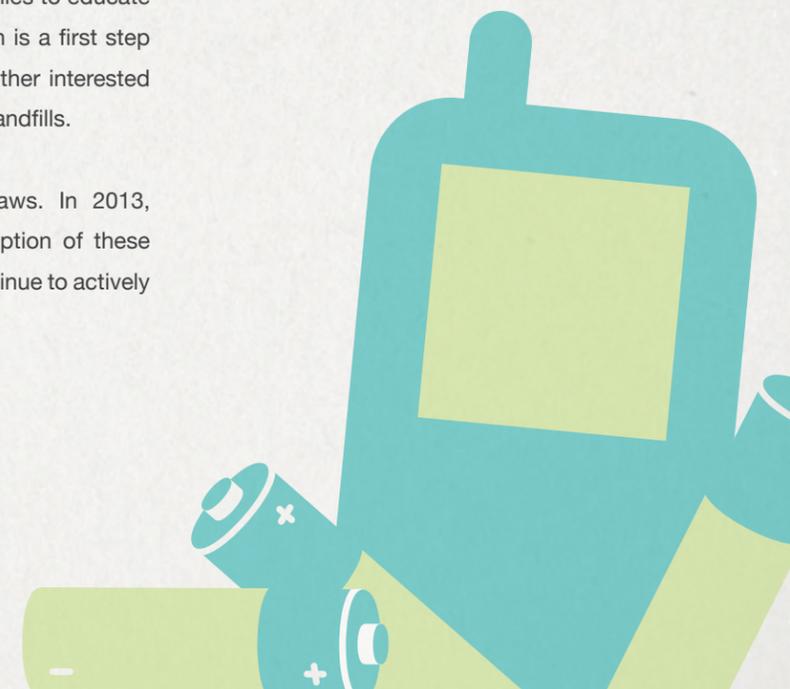
Call2Recycle's belief is that all businesses that put rechargeable batteries into the marketplace be held accountable for funding their disposal. These businesses should be held responsible for disposing of and potentially recycling their products, including batteries, and educating the public on their recycling options. If they do not decide to do this voluntarily, then Call2Recycle looks to states to mandate participation.

Battery product stewardship legislation is being considered in a number of states, including California, Minnesota, Oregon, Vermont and Washington. This legislation would require battery and product manufacturers to create and finance a program, either individually or collectively, that would ensure that rechargeable batteries are safely and responsibly recycled. It would also require companies to educate the public on the importance of recycling. This type of legislation is a first step in creating a level playing field for retailers, manufacturers and other interested parties to share the cost of diverting rechargeable batteries from landfills.

Various hurdles have stood in the way of enacting these laws. In 2013, Call2Recycle testified at various state hearings to support adoption of these programs. Although no legislation was passed in 2013, we will continue to actively support this initiative in 2014.

Battery product stewardship legislation

is being considered in California, Minnesota, Oregon, Vermont and Washington.



Leaders in Sustainability



Our Leader in Sustainability Awards honors organizations that demonstrate a strong commitment to sustainability through Call2Recycle's recycling program. Through the efforts of our Leaders in Sustainability—and all of Call2Recycle's partners—more than 11 million pounds (5 million kilograms) of batteries were diverted from landfills in 2013. These leaders—which include municipalities, home improvement and electronics retailers, military/defense contractors and manufacturers of power tools, electronics and medical equipment—set a strong example for environmental consciousness. Many of the recipients are repeat honorees who have demonstrated a continued commitment to their battery recycling programs. We recognize the efforts of these companies in reducing waste and encouraging recycling.

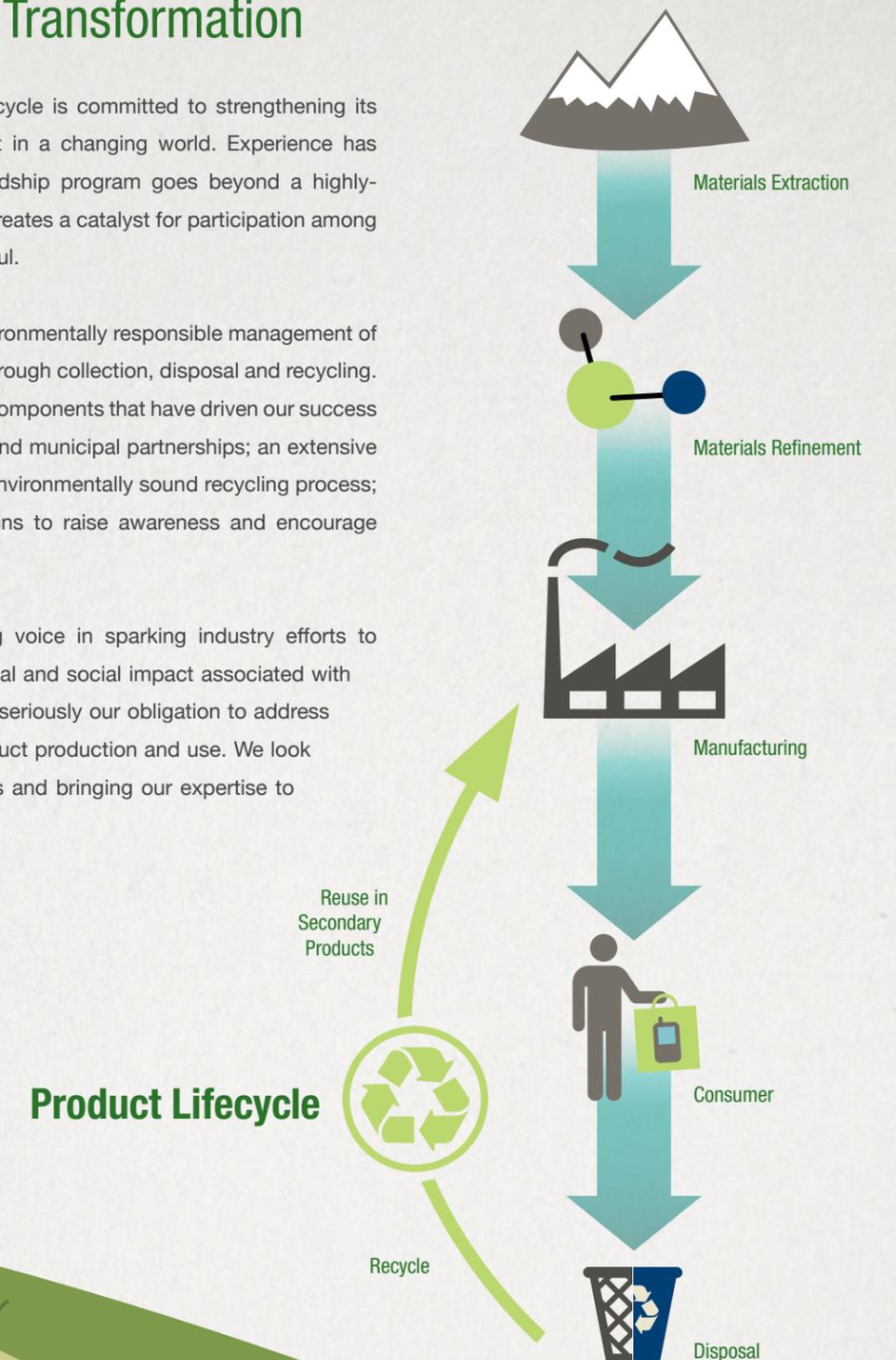


Laying the Path for Transformation

As we enter our third decade, Call2Recycle is committed to strengthening its program to make it ever more relevant in a changing world. Experience has shown us that a good product stewardship program goes beyond a highly-developed recycling infrastructure and creates a catalyst for participation among all its stakeholder groups to be successful.

We will continue to advocate for the environmentally responsible management of the full product lifecycle—from design through collection, disposal and recycling. We will focus on strengthening the core components that have driven our success for two decades: strong industry, retail and municipal partnerships; an extensive North American collection network; an environmentally sound recycling process; and focused public education campaigns to raise awareness and encourage participation from the public.

Call2Recycle is proud to be a leading voice in sparking industry efforts to minimize the health, safety, environmental and social impact associated with product creation and disposal. We take seriously our obligation to address the environmental impact of global product production and use. We look forward to building on our past success and bringing our expertise to other products and industries.



Product Lifecycle

Encouraging Community Action



Seattle Residents 'Weigh In' on Battery Recycling

Seattle's second annual Battery Recycling Day on June 28 generated more than twice the batteries and cellphones collections as last year. In just five days, more than 1,000 pounds of batteries were collected through The Seattle Public Library, and an additional 1,600 pounds were dropped off at a collection event in Seattle's Westlake Park. In a 'Tip the Scales' contest at Westlake, collected batteries were placed on a giant scale. The weight was enough to lift local media personality John Curley off the ground. West Seattle won the crown as "Greenest Seattle Neighborhood" by collecting more batteries than five other neighborhoods. Social media, such as Twitter and Facebook, played a key role in attracting residential involvement.

Winnipeg Public Library Branches Battle for Batteries

The staff of the St. Vital Library Branch of the Winnipeg Public Library celebrated after being named Winnipeg's "Waste Ace." As part of Canada's annual Waste Reduction Week (Oct. 21-27), 19 library branches rallied residents to drop off their used batteries and cellphones in Call2Recycle collection boxes. More than 3,000 kilograms (6,614 pounds) of batteries and cellphones—or the weight of two Honda Accords—were collected during the week-long event. St. Vital was awarded a bike rack for its efforts.



In **5 days**
the Seattle Public Library
collected more than
1,000 pounds
of batteries.

America Recycles Day Inspires LA

On Nov. 15, Los Angeles came alive to celebrate the fourth annual America Recycles Day, sponsored by Call2Recycle, L.A. LIVE and Waste Management. More than 445 pounds (202 kilograms) of batteries were collected in the one-day drive in L.A., Bakersfield and Sacramento. America Recycles Day is a national day dedicated to promoting recycling in the U.S.



Vancouver Residents Tip the Scales at Science World

Could Vancouver (British Columbia) residents tip the scales in favor of recycling? Students, parents and the general public brought their used household batteries and cellphones to Science World, the city's science museum, on April 24 for the TipZone Challenge. More than 100 kilograms (220 pounds) of batteries were collected and placed on a giant scale. The weight was enough to tip the scales and lift BC Lion's (Canadian Football League) quarterback Travis Lulay off the ground. Call2Recycle also partnered with Science World to sponsor the BC Green Games, an annual environmental school competition, for three years. The Science World collection site is one of 6,000 sites in Canada, including 1,200 in British Columbia.



EcoKids Program Educates Kids on Battery Recycling

Call2Recycle has long recognized that a recycling mindset begins at home. In 2012, it teamed up with Earth Day Canada® to develop an EcoKids lesson plan that teachers can use to educate students about batteries and responsible battery management. This year, quizzes were added to test the students on their knowledge. New activities will be added in the future.





Readers spent
1,279 hours
reading Call2Recycle +
Earth911 media posts

What's Your Eco-Intellect?

Do you know the percentage of consumers that discard or hoard rechargeable batteries instead of recycling them*? Call2Recycle teamed up with Earth911 again this year to quiz website visitors on their rechargeable battery recycling knowledge. Call2Recycle also contributed articles, FAQs, event alerts and ads to a rechargeable battery recycling section aimed at educating this environmentally aware audience. The marketing campaign generated more than 1 million page views and 3,600 engagements, or visitors that clicked to learn more.

(*Answer: 61%)



Delaware Opens Interactive Recycling Education Center

The Delaware Solid Waste Authority opened an Environmental Education Building, a new, interactive solid waste and recycling education center in New Castle, where visitors can learn more about the state's solid waste management and recycling programs. Call2Recycle contributed one of the first exhibits: a video kiosk that shows how rechargeable batteries are recycled. The education center is geared toward students and community groups.



Giving Back to the Community

Actively contributing to the community is an integral part of Call2Recycle's mission. During the year, our team shared its time and talent to help build houses for Habitat for Humanity and collect and wrap holiday gifts for local families in need.

Habitat for Humanity

Under the hot August sun, Call2Recycle employees pounded nails and put up walls to help build the Kwame House for Habitat for Humanity in Northwest Atlanta. This first build day included constructing the exterior walls from the ground up—what a sight to see!



Adopt-a-Family for the Holidays

For the fifth consecutive year, Call2Recycle's staff collected \$1,000 of clothing, household items and toys for a local family in need as part of Atlanta's Families First Adopt-a-Family holiday program.



“What are batteries, Alex?”

Call2Recycle was mentioned on Teen Jeopardy in early 2013.

CALL2RECYCLE, INC AND AFFILIATE (Formerly known as Rechargeable Battery Recycling Corporation and Affiliate)

Condensed 2013 and 2012 Combined Financial Statements

Condensed Combined Statements of Financial Position

Reported in U.S. Dollars

	2013			2012
	(\$'000)			(\$'000)
Years Ended December 31,	USA	Canada	Combined	Combined
ASSETS:				
Cash and cash equivalents	\$ 149	\$ 13	\$ 162	\$ 360
Receivables, no allowance deemed necessary	2,676	1,109	3,785	3,972
Due from (to) affiliate	308	(308)	-	-
Prepaid expense and other assets	401	125	526	424
Long-term investments	25,480	-	25,480	22,576
Net property and equipment	213	11	224	292
Total Assets	29,227	950	30,177	27,624
LIABILITIES and NET ASSETS				
Accounts payable and accrued expenses	1,032	717	1,749	1,544
Unearned revenue	7,056	-	7,056	7,079
Total liabilities	8,088	717	8,805	8,623
Net assets				
Undesignated	21,139	174	21,313	19,083
Board designated	-	233	233	-
Cumulative translation adjustment	-	(174)	(174)	(82)
Total net assets	21,139	233	21,372	19,001
Total liabilities and net assets	\$ 29,227	\$ 950	\$ 30,177	\$ 27,624

INDEPENDENT AUDITORS' REPORT

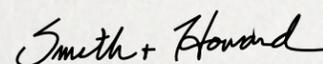
Board of Directors

Call2Recycle, Inc. (formerly the Rechargeable Battery Recycling Corporation and Rechargeable Battery Recycling Corporation of Canada)

We have audited, in accordance with auditing standards generally accepted in the United States of America, the combined statement of financial position of Call2Recycle, Inc. and Call2Recycle of Canada (non-profit organizations) as of December 31, 2013 and 2012, and the related statements of activities, changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated April 14, 2014, we expressed an unqualified opinion on those combined statements.

In our opinion, the information set forth in the accompanying condensed combined financial statements is fairly stated, in all material respects, in relation to the combined financial statements from which it has been derived.

April 14, 2014


**CALL2RECYCLE, INC AND AFFILIATE (Formerly known as Rechargeable Battery Recycling Corporation and Affiliate)**

Condensed 2013 and 2012 Combined Financial Statements

Condensed Combined Statements of Activities and Changes in Net Assets

Reported in U.S. Dollars

	2013			2012
	(\$'000)			(\$'000)
Years Ended December 31,	USA	Canada	Combined	Combined
OPERATING ACTIVITIES:				
Revenue				
License fees	\$ 9,251	\$ -	\$ 9,251	\$ 9,106
Primary battery collection program fees	-	5,567	5,567	3,728
Recovered metals proceeds, net	1,569	285	1,854	2,332
Other	340	-	340	281
Total Revenues	11,160	5,852	17,012	15,447
EXPENSES:				
Program expenses				
Collection and recycling	6,904	4,546	11,450	10,309
Public education	1,392	386	1,778	2,360
Seal administration	201	21	222	253
Total program expenses	8,497	4,953	13,450	12,922
Management and general expenses	2,130	1,382	3,512	3,139
Total Expenses	10,627	6,335	16,962	16,061
Increase (decrease) in unrestricted net assets before non-operating activities	533	(483)	50	(614)
Non-operating activities:				
Intercompany fees	(703)	703	-	-
Investment Income	2,412	-	2,412	2,028
Increase in unrestricted net assets	2,242	220	2,462	1,414
Unrestricted net assets, beginning of year	18,897	104	19,001	17,601
Translation adjustment	0	(91)	(91)	(14)
Unrestricted net assets, end of year	\$ 21,139	\$ 233	\$ 21,372	\$ 19,001



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Recharging the planet. Recycling your batteries.™