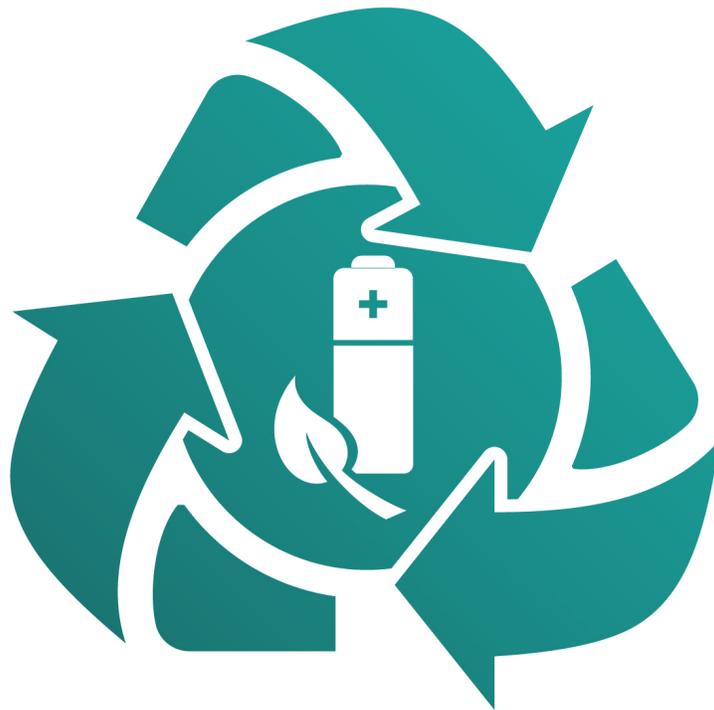


# 2019 | PROVINCIAL ANNUAL REPORT

## MANITOBA



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Manitoba Conservation and Climate

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## 1. About Call2Recycle

For more than 20 years, Call2Recycle Canada, Inc. (Call2Recycle®) has pursued a mission to responsibly recycle end-of-life consumer batteries in order to keep them out of landfills and minimize their environmental impact. Call2Recycle is the country's first and largest consumer battery stewardship organization and operates the provincial collection program for Manitoba, as well as British Columbia, Quebec, and Prince Edward Island. The non-profit organization reports to a Canadian Board of Directors and fulfills the product stewardship obligations of its members, including identified obligated producers of primary and rechargeable batteries in Manitoba (see [Appendix A](#)).

Call2Recycle is committed to the circular economy and offers an extensive battery collection network of public and private collection facilities including retailers, businesses, municipalities, environmental organizations, and other facilities to deliver on its mission. Ninety per cent of Manitoba's residents have a Call2Recycle collection facility located within 15 kilometers of their home. As such, Call2Recycle offers the vast majority of Manitoba's consumers the opportunity to recycle their batteries easily and conveniently. Collection partners who work with Call2Recycle also welcome the convenience of its turnkey seal-and-ship battery management process and tracking capabilities to monitor their performance. Call2Recycle strives to support the province in its environmental sustainability goals by actively promoting awareness and participation in battery recycling through a range of initiatives. As a result, more than 694,000 kilograms (kg) of used batteries in Manitoba have been diverted from landfills through Call2Recycle since the all-battery collection program began in the province in 2011.

As required by Manitoba Conservation and Climate, this document reports on Call2Recycle's performance against its ministry-approved plan regarding the waste management of primary and rechargeable batteries weighing less than five (5) kg collected between January 1, 2019 and December 31, 2019.

## 2. Executive Summary

In 2019, Call2Recycle's collections of used single-use and rechargeable batteries increased by 13 per cent, representing the third consecutive year of collection growth and continuing a general upward trend in recycled batteries since the provincial program began in 2011. A total of 119,626 kg of batteries were collected by Call2Recycle in Manitoba in 2019. Primary battery collections outpaced rechargeable

batteries, with 95,598 kg of primary batteries collected across the province, a 15 per cent increase over 2018. Rechargeable battery collections increased by 7 per cent, with 24,028 kg collected.

Call2Recycle invested in a range of national and provincial campaigns, sponsorships, events, and other promotional and research efforts to raise awareness about battery recycling and encourage Manitobans to responsibly manage their end-of-life batteries. Call2Recycle continued its successful partnerships with organizations such as Earth Rangers and Assiniboine Park Zoo to encourage battery recycling specifically among youth and their families. These partnerships included events and contests that generated nearly 2,000 kg of used batteries collected from participants, diverting them from the waste stream.

In response to a 2018 consumer survey that Call2Recycle commissioned to assess Manitobans' awareness of battery recycling and their behaviours, this year the organization launched the educational *Always On* campaign to inform consumers about why they should recycle and how and where to do it. The 2019 consumer awareness and behaviours survey revealed that awareness of battery recycling remains high and steady, with more than three-quarters of survey respondents (77 per cent) aware that consumer household batteries can be recycled. Nearly half of batteries (44 per cent) are recycled, while 22 per cent of respondents noted that they hold on to their used batteries for recycling at a later date. Among survey respondents, 28 per cent indicated they throw their batteries away, citing such reasons as not knowing where to recycle batteries or that they perceive discarding them to be easier than recycling. Younger Manitobans (ages 18-34) are less aware than their older counterparts that batteries can be recycled or to participate in battery recycling.

Call2Recycle conducted research this year with Manitobans to identify promotional messaging that most resonates with them to inspire more battery recycling activity. In addition, an at-home battery pick-up program piloted in Portage la Prairie and River Heights in Winnipeg provided key insights into other potential activities to increase battery recycling. Call2Recycle will continue to explore effective ways to reach more Manitobans to raise awareness of why, how, and where to responsibly recycle their used batteries and increase battery collection and recycling.

### 3. Public Education Materials and Strategies

Increasing awareness of the importance of end-of-life battery management, encouraging consumers to recycle their used batteries, and providing information on how and where to do so are key elements of Call2Recycle's efforts to divert used batteries from landfill. Call2Recycle employs a multi-pronged

approach to public education and awareness that includes national, regional and local web, social and print campaigns, strategic partnerships, events, and sponsorships.

## Campaigns

### **National Battery Day (February 18)**

Call2Recycle's national, multiplatform promotional campaign in February centres around encouraging consumers to recycle their batteries on National Battery Day, February 18. The campaign recognizes the significant role batteries play in our everyday lives and asks consumers to recycle their used batteries at their nearest drop-off location. This year's campaign included radio ads in Winnipeg and Brandon and strategically placed online promotions through Google Adwords and Facebook. The digital advertising campaign resulted in 144,657 impressions and 69 clicks to the Call2Recycle National Battery Day landing page. In addition, paid social media posts reached 932,232 people nationally and generated 1.5 million impressions.

### **Daylight Saving Time**

Call2Recycle's spring (March 10) and fall (October 27 – November 4) annual daylight saving time campaigns seek to increase consumer awareness of and participation in battery recycling by linking the act of battery recycling to the established ritual of replacing batteries in smoke and CO detectors when we change our clocks. The 2019 campaigns included spring radio ads in Winnipeg, and ads in both Winnipeg and Brandon in the fall. Digital promotions included display ads and ads on the Municipal Information Network, as well as targeted Google Adwords and Facebook promoted posts.

### **Always-On**

Consumer research indicates that many Manitoba residents still do not know how or where to recycle their used batteries. With this campaign, Call2Recycle aimed to provide basic education and awareness throughout the province by explaining why, how, and where to recycle used batteries along with a clear call to action: "Add Batteries to your Recycling List!" The campaign targeted specific consumer groups who are open to recycling their batteries but not consistently doing so through radio ads in markets including Winnipeg and Brandon, as well as digital promotion through Google Adwords, display ads and Facebook promoted posts. The national campaign garnered 14,048 clicks to the Call2Recycle Always-On page, a far greater click-through rate (0.45 per cent) than the industry standard of 0.08 per cent.

## Holiday Season

This end-of-year campaign encouraged people to add “help the planet” to their holiday list and responsibly recycle their used batteries. The campaign included a print ad in the *Winnipeg Sun*, as well as radio ads in the Winnipeg market. Online promotions included Google Adwords, display ads, Facebook promoted posts and very successful strategically placed ads through digital targeting company Cluep. The targeted ads generated outstanding engagement, with a 1.06 per cent click through rate (4,492 clicks).

## At-Home Collection

In these pilot programs conducted in River Heights and Portage la Prairie, Call2Recycle sought to determine whether providing at-home collection of used batteries would increase recycling activity, with the additional intention of increasing awareness about the importance of responsible end-of-life battery management.

**River Heights:** This pilot included 4,949 homes in the River Heights neighbourhood of Winnipeg. Call2Recycle partnered with Urban Mine, one of the City of Winnipeg’s third-party recycling service providers, to do the collections. Each pilot home received an introductory postcard mailed on September 9 advising them of the upcoming pilot, while radio ads promoted the project to the general public. Call2Recycle also reviewed the program with the City of Winnipeg and provided its 311 call centre with a script to answer any incoming questions. A week after the postcard, the houses received a collection kit that included instructions to gather their used batteries, place them in a bag provided in the kit and leave the bag at their front door for pick-up between September 23 and 27. Approximately nine per cent of River Heights houses participated, yielding 536 kg of used batteries. While the pilot received a number of positive reviews, outlined further in this summary, it also revealed that barriers remain to motivate consumers in this neighbourhood to act, even when making recycling extremely convenient for residents.

**Portage la Prairie:** In Portage la Prairie, the pilot covered 7,481 houses. Call2Recycle partnered with Portage and District Recycling, the municipality’s third-party recycling collection provider to collect the batteries. As was done in Winnipeg, Call2Recycle provided a script to the Portage area 311 call centre and it also promoted the pilot through radio ads, local newspapers, promotion on municipal websites and a media interview with Portage Online. Unlike Winnipeg,

houses in this pilot had a full month to leave their batteries out for pick-up on regular recycling days in October. After the final pick-up, residents received a postcard encouraging them to continue recycling their batteries at a list of local facilities. This pilot also yielded 500 kg of batteries despite a snowstorm that shut down the city during the pilot and may have had an impact on collections.

Follow-up surveys conducted on the two pilots revealed highly positive sentiments. Residents appreciated the ease and accessibility of the process and indicated they would like to see regular (e.g., quarterly or bi-annual) at-home battery collection. Some respondents noted that having this option would shift their behaviour from throwing batteries in the garbage to recycling them. Additional analysis of the pilot results is being conducted to identify ways to optimize the delivery of at-home battery collection services as well as consumer participation.

## Sponsorships, Partnerships, Events & Community Activities

### **Earth Rangers**

Call2Recycle continued its longstanding partnership with Earth Rangers to engage children and youth in battery recycling. Once again, 20 Manitoba schools participated in the Earth Rangers Call2Recycle Battery Blitz School Mission from September 11 to November 12. The challenge offered an Earth Rangers school assembly for any school that collected 300 kg or more of used batteries. A \$100 Amazon gift card was offered for a school collecting 150 kg or more. Over the two months, a total of 1,279 kg of batteries were collected through the mission, with John de Graff School in Winnipeg claiming the assembly prize by collecting 410 kg of batteries. Sun Valley School received the gift certificate.

### **Assiniboine Park & Zoo**

For the second consecutive year, Call2Recycle partnered with the Assiniboine Park Zoo (APZ) to collect batteries through the zoo's visitors and members. In addition to promoting battery recycling as part of APZ's Earth Week activities, Call2Recycle built on last year's partnership with a battery drive as part of the zoo's nine-week summer camp. The campaign promoted battery recycling to kids through a collection contest and encouraged the camp goers to be battery ambassadors to their families. At the end of the summer camp, 690 kg in used batteries had been collected.

## Industry Events

In the summer, Call2Recycle also sponsored the Manitoba Association for Resource Recovery Corporation's ambassador program, which allowed for interaction with consumers and the distribution of Call2Recycle promotional materials to increase battery recycling awareness. In the fall, Call2Recycle had a high-profile presence at the Manitoba Association for Regional Recyclers (MARR) forum. As a sponsor of the two-day event (October 29-30), Call2Recycle staff gave a presentation about battery recycling to forum attendees and also engaged them with handouts and giveaways at a booth.

## Northern Remote Communities

Call2Recycle continues to partner with other Producer Responsibility Organizations in Manitoba to provide recycling services to northern remote communities during the winter road season.

## Collection Events

In partnership with municipalities, Call2Recycle offered battery collection at household hazardous waste collection events in several communities in 2019 including East St. Paul and the Rural Municipality of Brokenhead.

## Website

Manitoba residents used Call2Recycle's online locator 12,044 times in 2019 to find a public drop-off location near them. This represents another significant increase of 49 per cent over 2018's locator activity (8,090 searches). That year saw locator searches grow by 30 per cent over the previous year.

# 4. Collection System and Facilities

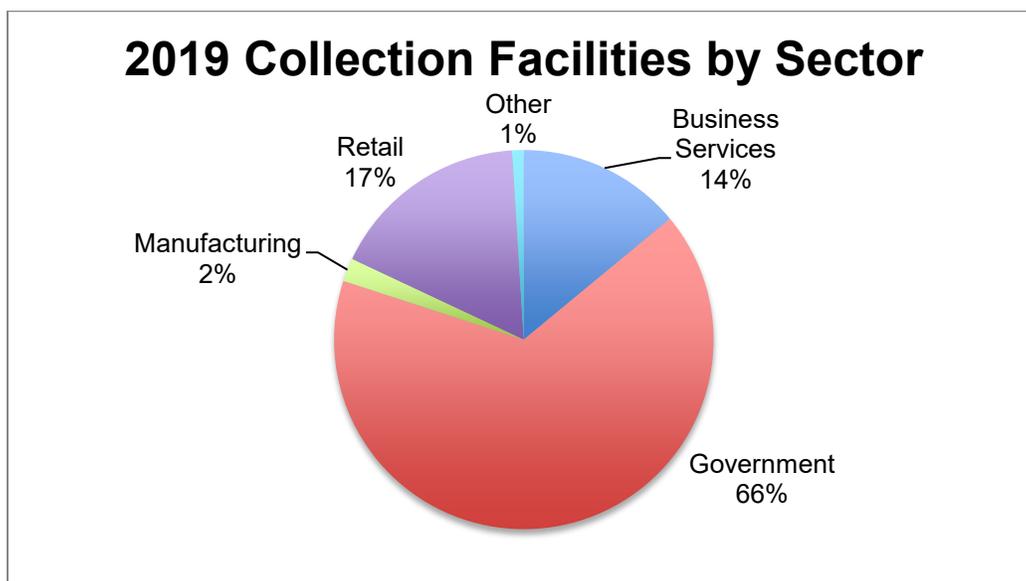
## 4.1 Collection Facilities & Accessibility

Call2Recycle collects batteries from consumers through a network of partners in the business services, government, manufacturing, retail, and environmental sectors. Participating collectors may have Call2Recycle boxes that are available to the public or may have private boxes that have limited access (e.g. employees only). Call2Recycle strategically locates its boxes to maximize accessibility to Manitoba residents for greater participation in the program. Call2Recycle's goal is to have 95 per cent of Manitobans living within 15 km of a collection location by 2021. In 2019, 90 per cent of residents lived within this accessibility zone, slightly less than Call2Recycle's plan target of 91 per cent for the year.

In 2019, there were 686 active Call2Recycle collection facilities in Manitoba, a 17 per cent increase over the previous year. An active location is one that has joined the Call2Recycle program in the past 12 months, 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.

2019 Active Collection Facilities by Access	
Public	252
Private	434
<b>Total</b>	<b>686</b>

Active Collection Facilities by Sector				
Sector	2019	2018	Change (#)	Change (%)
Business Services	99	97	2	2%
Government	453	359	94	26%
Manufacturing	13	12	1	8%
Retail	120	119	1	1%
Other	1	1	0	n/c
<b>Total</b>	<b>686</b>	<b>588</b>	<b>98</b>	<b>17%</b>



## 4.2 Performance Results

Call2Recycle monitors its battery collections in Manitoba against targets set out in its provincially approved Battery Stewardship Plan. In 2019, both primary and rechargeable battery collections increased, with primary batteries leading the way with an increase of 15 per cent over the previous year and rechargeable battery collections coming in at seven per cent higher than 2018 totals. Overall battery collection growth was 13 per cent for the year. The following chart provides collections by weight and a year-to-year comparison.

Call2Recycle Collections by Weight (kg)*			
Type	2019	2018	% Change
Single Use (Primary)	95,598	83,407	15%
Rechargeable	24,028	22,525	7%
<b>Total</b>	<b>119,626</b>	<b>105,932</b>	<b>13%</b>

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

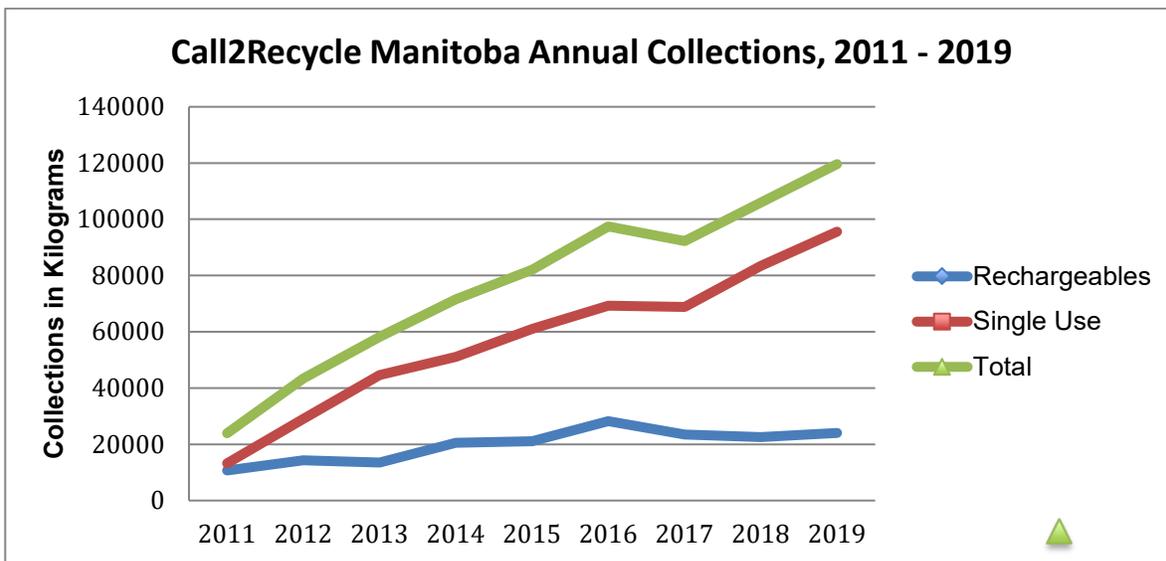
Call2Recycle also tracks collections by battery chemistry. Collections for all rechargeable battery categories experienced an increase in 2019, except for Lithium-ion batteries, which had a negligible one per cent decrease. Among primary batteries, Alkaline and zinc carbon batteries continue to outpace lithium batteries in both quantity collected and year-over-year growth. The quantity of lithium batteries collected in 2019 was roughly 60 per cent of the previous year's totals. Still, rechargeable battery collections grew a healthy 7 per cent this year, continuing a three-year trend.

Rechargeable Battery Collection by Chemistry (kg)*			
	2019	2018	% Change
Ni-Cd	8,573	7,459	15%
Ni-MH	3,375	3,083	9%
Li-Ion	7,757	7,866	-1%
SSLA	4,323	4,117	5%
<b>Total</b>	<b>24,028</b>	<b>22,525</b>	<b>7%</b>

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

Primary (Single Use) Battery Collection by Chemistry (kg)*			
Material Name	2019	2018	% Change
Alkaline and Zinc Carbon	93,349	79,572	17%
Lithium	2,249	3,835	-41%
Mercury	0	0	n/c
<b>Total</b>	<b>95,598</b>	<b>83,407</b>	<b>15%</b>

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



**Recovery Rate**

Call2Recycle committed to reaching a 22 per cent recovery rate in 2019 in the approved program plan. 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, in order 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. With the introduction of EHF's on primary batteries in 2017 and EHF's on some products sold with batteries in 2018, sales into the market for those categories have been calculated based on members reported sales. In 2017 and 2018, in the absence of EHF's on rechargeable batteries in Manitoba, rechargeable battery sales were calculated using a population-based extrapolation from Quebec battery sales, where EHF's on rechargeable batteries have been in place for many years. The extrapolation excluded sales of small sealed lead acid (SSLA), as those batteries are not currently covered by the regulations in Quebec and therefore not subject to EHF's. Therefore, recovery rate calculations for 2017 and 2018 excluded both sales and collection of SSLA batteries. With the introduction of EHF's on rechargeable standalone batteries in 2019, Call2Recycle now reports on all sales of primary and rechargeable batteries, including SSLA batteries, sold into Manitoba as reported by members.

EHF's on rechargeable stand-alone/replacement batteries in Manitoba were introduced on January 1, 2019. Sales surpassed forecasted expectations, which impacted the calculation of the recovery rate. Additionally, while reviewing weights of batteries sold into the market, a discrepancy was discovered in the calculation of primary and rechargeable D cell battery weight. D cell batteries were miscalculated at a lower weight, impacting the forecast of required collection volume to meet targets. Actual sales of rechargeable batteries in 2019 and the D cell weight discrepancy impacted the final 2019 collections target, resulting in a lower recovery rate than anticipated at the beginning of 2019. The weight error has been corrected and additional internal review measures have been implemented to provide additional assurances. The forecasting for 2020 now reflects correct D cell battery weights and reflects rechargeable battery sales volumes based on 2019 trends. Despite significant growth in battery collections this year, the recovery rate of 19 per cent fell short of the 22 per cent target. Having experienced a full year of both primary and rechargeable sales into the market now, Call2Recycle can more accurately forecast sales into the market, which is used to calculate recovery rate, and therefore set collection targets with greater accuracy.

2019 Recovery Rate*			
2019 Batteries Collected in Manitoba	2019 Manitoba Battery Sales	Recovery Rate Actual	Recovery Rate Target
119,626 kg	634,185 kg	19%	22%

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

## 5. Recovered Product Management and Materials Processing

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard. The R2:2013 Standard is the latest version of R2, the electronics recycling industry's leading certification. Each provision of the R2 Standard 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 has also received ISO 14001:2015 and OHSAS 18001:2007 certifications, which affirm its commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills. When it comes to 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 is not able to promote a reduction in the use of batteries, and reconditioning batteries for reuse can pose an unacceptable safety risk to consumers if not done properly. Call2Recycle therefore, at this time, advocates the efficient and cost-effective option of battery recycling.

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

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

Recycling Efficiency Rates by Chemistry*											
BATTERY TYPE % Material recovered – Recycled to	Rechargeable Battery Chemistry						Primary Battery Chemistry				
	NI- CD	LI-ION	NI- MH	SSLA		ALKALINE			LITHIUM		
Metal(s)	N/A	18.3	27	57	98	66	21	18.34	18.72	93.97	35.30
Co-product aggregate	N/A	0	0	14	0	22	1	72.23	68.24	4.00	0
Cadmium	N/A	0	0	0	0	0	0	0	0	0	0
Secondary Recovery**	N/A	60.1	0	5	0	0	57	0	0	0	21.10
Plastic Recovery or Reductant	N/A	0	44	10	0	5	5	4.04	0	0	0
Total Material Recovery (%)	N/A	78.4	71	86	98	93	84	94.61	86.96	97.97	56.4
Not Recovered for use in Secondary Market During Recycling Process***	N/A	21.6	29	14	2	7	16	5.39	13.04	3.03	43.60
<b>Total:</b>	N/A ^	<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).

^Note on Nickel Cadmium (Ni-Cd) Processing: As part of Call2recycle's regular due diligence to ensure the program and the program's contracted service providers are operating in accordance with the highest environmental standards, Call2Recycle became aware that its contracted Ni-Cd battery processor was not operating in compliance with those standards. As a result, Call2Recycle immediately ceased working with this processor and informed Call2Recycle's Board of Directors and Manitoba Conservation and Climate. Two alternative processors (one North American-based and one France-based) have been identified that meet Call2Recycle's strict environmental and operation standards. Ni-Cd batteries collected in Manitoba in 2019 will be processed in 2020 and the recycling efficiency rate will be reported in the next annual report.

## 6. Consumer Awareness, Research and Development

### Consumer Awareness

Call2Recycle commissions annual research in Manitoba from Ipsos to assess consumer awareness of battery recycling and their battery recycling behaviour. In the 2019 research, a sample of 700 residents were surveyed online from November 7 to 27. The survey revealed that Manitobans continue to have positive attitudes towards recycling consumer household batteries, with nine in ten agreeing that it has environmental benefits and is important to them.

Battery recycling awareness has remained high and consistent with last year’s survey, with 77 per cent of Manitobans knowing that consumer household batteries can be recycled. Men and those aged 55 and over are more likely to be aware of the recyclability of batteries than their counterparts. Overall, recycling habits remained steady in 2019, with 44 per cent of respondents saying they recycle some or all of their batteries. An additional 22 per cent say they are still storing their batteries until they are ready to recycle them. Residents under the age of 35 are less likely to be aware of battery recycling and, consequently, are doing so at significantly lower rates than their counterparts. Younger Manitobans are also storing more batteries because they do not know what to do with them.

Consumer Awareness and Recycling Incidences Targets*	2019 Target	2019 Actual
Manitobans who were aware that consumer batteries can be recycled in a 2019 (%)	79%	77%
Manitobans who recycled their consumer batteries in 2019 (%)	48%	44%**

\*Based on a sample of 700 residents of Manitoba surveyed online via the Ipsos I-Say panel from November 7th to November 27th, 2019. 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.

\*\*The survey found that 44 per cent of Manitobans reported recycling some or all of their primary and rechargeable batteries, consistent with 2018 levels.

**Research and Development**

In 2019, Call2Recycle conducted an in-depth reevaluation of the effectiveness of its consumer awareness campaigns. To gain more clarity and certainty regarding the impact of its consumer key messages, Call2Recycle subsequently initiated a messaging and creative testing project in August of this year to identify the message theme(s) that might best motivate individuals to recycle their batteries. Call2Recycle first surveyed Manitobans via Google Survey and then held focus groups to determine public preference for supporting messages or headlines that relate back to the leading

message. Participants were also asked to identify the supporting creative that they preferred and that they felt provided the most impact when it came to illustrating and delivering the battery recycling message. Feedback was consistent and clear and will inform Call2Recycle public awareness and education campaigns for 2020 with the intent of increasing awareness.

## 7. Program Funding

Since February 2017, Call2Recycle has collected Environmental Handling Fees (EHFs) on each unit of primary batteries sold in Manitoba. EHFs applied to batteries sold with or in portable flashlights and spotlights, e-toys, and smoke and carbon monoxide detectors were introduced on January 1, 2018. On January 1, 2019, EHFs were introduced on rechargeable batteries in Manitoba. EHFs are determined using a calculation that factors in 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 between January 1 and December 31, 2019 for primary and rechargeable stand-alone batteries, and batteries sold in or with some products. Please see [Appendix B](#) for Call2Recycle's audited financial statements.

In 2019, Call2Recycle's Manitoba program reserves exceeded one year of program revenue. This is attributed in part to the under forecasting of rechargeable batteries sold in the province which increased revenues beyond what was budgeted, and lower operating costs than budgeted. Call2Recycle intends to draw down reserves in future years. Given the uncertainty of business impact related to COVID-19 in 2020, reserves may continue to exceed one-year of revenue; however, best efforts will be made in 2020 and 2021 to draw down the reserve level to meet the government's requirement that program reserves not exceed one-year of program revenue.

## 8. Organizational Reports

To view Call2Recycle's 2019 Corporate Annual Report visit: <http://www.call2recycle.ca/annual-report/>.

Call2Recycle Canada's Audited Financial Statement is included as [Appendix B](#) to this document and can also be found in the 2019 Annual Report.

## 9. Program Performance

Annual Targets and Goals			
Measures	2019 Target	2019 Result	Target Achieve and Remediation Plan
<b>Accessibility - % of population within 15 km of a collection site</b>	91%	90%	<ul style="list-style-type: none"> <li>Call2Recycle will continue to seek new public-facing locations or offer collection events in underserved areas of the province with the goal of increasing access to battery recycling opportunities.</li> </ul>
<b>Collections Targets - batteries to be collected expressed as a percentage of what is sold into the Manitoba market</b>	22%	19%	<ul style="list-style-type: none"> <li>Manitoba collection increased 13% over the previous year – the highest year-over-year volume increase since the program was first approved in 2011.</li> <li>2019 was the first year that environmental handling fees were charged on rechargeable stand-alone/replacement batteries. Sales surpassed expectations, which impacted the calculation of the recovery rate.</li> <li>Calculation error for D cell batteries weight has been rectified and forecasting for 2020 includes the adjusted D cell battery weight.</li> </ul>
<b>Battery Recycling Awareness (Percentage of Manitobans who were aware that Consumer Batteries can be Recycled in a 2019)</b>	79%	77%	<ul style="list-style-type: none"> <li>In 2019, Call2Recycle conducted extensive research on the effectiveness of consumer awareness campaigns. Results have been used to inform campaigns in 2020.</li> </ul>
<b>Battery Recycling Incidence (Percentage of Manitobans who Recycled their Consumer Batteries in 2019)</b>	48%	44%	<ul style="list-style-type: none"> <li>Through Call2Recycle's revised approach to consumer awareness, the program anticipates continued increased participation.</li> </ul>

## Appendix A – Call2Recycle Members

### Call2Recycle Manitoba Members As of December 31, 2019

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

Mastermind LP  
MB Battery Distributors Inc.  
McKesson Canada  
McMunn and Yates  
Michaels Stores Inc.  
Microsoft Corporation  
Mountain Equipment Co-op  
MSA Safety Sales, LLC  
Nedco West Division  
Nest Labs, Inc.  
NII Northern International Inc.  
NIS Northern Industrial Sales  
Northern Building Supply  
Northern Specialities Ltd.  
Novexco Inc.  
Onlybatteries.com  
Orgill Inc.  
Orka Division Rexel Canada Electrical Inc.  
Peavey Industries Limited  
Photo Central Inc.  
Prairie Battery Ltd.  
Prime Deals International Ltd.  
Princess Auto Ltd.  
Proflash Technologies Inc.  
RONA Inc.  
S.P.Richards Co. Canada, Inc.  
Save on Food Limited Partnership  
Scosche Industries, Inc.  
Scotts Canada Ltd.  
SharkNinja Operating LLC  
Shopper+Inc.

Shoppers Drug Mart Inc.  
Simply Computer Inc.  
Snap-On Tools of Canada Ltd  
Sobeys Capital Inc.  
Staples Canada Inc.  
Stihl Limited  
Sunbeam Corporation Canada Ltd.  
Super Thrifty Drug Stores  
Supreme Basics  
Telus Communications Company  
Tenaquip Limited  
The \$1. Store Plus  
The Battery Man  
The Home Depot of Canada, Inc.  
The Medical Battery Corporation  
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.  
UAP Inc.  
Uline Canada Corporation  
Veritas Technologies LLC  
Veritiv Canada Inc.  
Wallace and Carey Inc.  
Walmart Canada  
Wesco Distribution Canada  
Westburne Midwest Division  
Wisdome Electronics Inc.  
Wurth Canada Ltd.

## Appendix B – 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, 2019

Call2Recycle Canada, Inc.  
Financial Statements  
For the Year Ended December 31, 2019

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BDO Canada LLP  
148 - 10<sup>th</sup> Street  
Brandon MB R7A 4E6 Canada

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## Independent Auditor's Report

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To the Board of Directors of  
Call2Recycle Canada, Inc.

### Opinion

We have audited the financial statements of Call2Recycle Canada, Inc. (the Organization), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net asset and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

### Other Information

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

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

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



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

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

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

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

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

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

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

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



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

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

*BDO Canada LLP*

Chartered Professional Accountants

Brandon, Manitoba

May 20, 2020

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Call2Recycle Canada, Inc.  
Statement of Financial Position

December 31	2019	2018
<b>Assets</b>		
Cash (Notes 2, 3)	\$ 2,294,167	\$ 1,106,298
Accounts receivable	5,988,826	6,013,381
Marketable securities (Note 4)	19,683,857	17,757,082
Other assets	<u>534,585</u>	<u>160,214</u>
	<u>\$ 28,501,435</u>	<u>\$ 25,036,975</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses (Notes 5, 8)	<u>\$ 2,103,975</u>	<u>\$ 2,689,351</u>
<b>Unrestricted Net Assets</b>		
Undesignated	8,692,573	7,006,452
Board Designated (Note 7)	<u>17,704,887</u>	<u>15,341,172</u>
	<u>26,397,460</u>	<u>22,347,624</u>
	<u>\$ 28,501,435</u>	<u>\$ 25,036,975</u>

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

Call2Recycle Canada, Inc.  
Statement of Changes in Net Assets

For the year ended December 31	Undesignated	Board Designated	2019 Total	2018 Total
Balance, beginning of the year	\$ 7,006,452	\$15,341,172	\$22,347,624	\$ 13,722,231
Excess of revenues over expenses	1,686,121	2,363,715	4,049,836	8,625,393
Balance, end of the year	\$ 8,692,573	\$17,704,887	\$26,397,460	\$ 22,347,624

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	2019	2018
Revenues		
Steward fees	\$ 18,507,312	\$ 22,772,659
Investment income (loss)	1,107,363	(307,651)
Other	170,381	363,127
	<u>19,785,056</u>	<u>22,828,135</u>
Expenses		
Material management and processing	11,096,684	9,416,787
Public education and awareness	1,758,872	2,070,815
Other (salary, professional, administrative)	2,879,664	2,715,140
	<u>15,735,220</u>	<u>14,202,742</u>
Excess of revenues over expenses	<u>\$ 4,049,836</u>	<u>\$ 8,625,393</u>

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

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Call2Recycle Canada, Inc.  
Statement of Cash Flows

For the year ended December 31	2019	2018
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 4,049,836	\$ 8,625,393
Items not affecting cash:		
Net realized and unrealized loss (gain) on investments	<u>(824,371)</u>	<u>379,524</u>
	3,225,465	9,004,917
Changes in non-cash working capital:		
Accounts receivable	24,555	(491,805)
Accounts payable and accrued liabilities	(585,376)	486,151
Other assets	<u>(374,371)</u>	<u>(62,633)</u>
	2,290,273	8,936,630
Cash flows from investing activities:		
Marketable securities	<u>(1,102,404)</u>	<u>(9,561,211)</u>
Net increase (decrease) in cash	1,187,869	(624,581)
Cash, beginning of the year	<u>1,106,298</u>	<u>1,730,879</u>
Cash, end of the year	<u>\$ 2,294,167</u>	<u>\$ 1,106,298</u>

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, 2019

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## 1. Significant Accounting Policies

Nature and Purpose of Organization	<p>Call2Recycle Canada, Inc. (the Organization) is a not-for-profit organization formed on January 1, 2017. The Organization's head office is registered in Toronto, Ontario, and conducts its operations throughout all of Canada.</p> <p>The Organization's purpose is to promote social welfare by addressing environmental concerns related to the recycling or proper disposal of consumer batteries. The Organization operates battery collection and recycling programs and educates the public with respect to the proper disposal and recycling of batteries.</p> <p>The Organization seeks to be the leader in the environmentally sound collection, transportation and recycling of batteries. The Organization is committed to a cleaner, healthier environment through public education on battery recycling. All aspects of the Organization's business are conducted in an environmentally sensitive manner, as the Organization is convinced that sound environmental product stewardship and sound business practices go hand in hand.</p> <p>The Organization is exempt from income tax under Section 149(1) of the Income Tax Act (Canada).</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Revenue Recognition	<p>The Organization follows the deferral method of accounting for revenues.</p> <p>Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred.</p> <p>Steward fees are received from legally obligated stewards in 4 regulated provinces (BC, MB, PEI and QC), and from non-legally obligated battery manufacturers in all other jurisdictions based on sales into those jurisdictions. The Organization recognizes these fees as revenue in the year that battery units are sold by the stewards to consumers and businesses.</p> <p>The costs of the corresponding collection and recycling for some of these batteries may occur in future years, and those associated costs are reported as expenses of the Organization in the year that they are incurred. Call2Recycle Canada, Inc. is committed to the collection and recycling of these batteries.</p>

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2019

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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. Significant 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 uncollectible. There is no allowance for doubtful accounts at December 31, 2019 as management of the Organization considers any possible bad debts to be negligible.</p>
Expenses	<p>Material management and processing costs are recorded when the collection and processing services (freight, handling, recycling of materials) has been provided. Other expenditures are recognized as incurred.</p>

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2019

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2. Cash

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

3. Line of Credit

The Organization has a line of credit agreement with a bank which provides borrowings up to \$1,500,000. Borrowings under the agreement bear interest at Canadian Dollar Offer Rate plus 2%. At December 31, 2019, there were no borrowings against the line of credit. Borrowings under the line of credit are secured by substantially all of the investments held by the Organization.

4. Marketable Securities

The carrying amounts of investments are comprised of the following:

	<u>2019</u>	<u>2018</u>
At fair value:		
Cash held for long-term investment	\$ 3,164,470	6,388,721
Equity investments	4,518,109	3,736,218
Bonds	10,208,273	6,025,198
Real estate	937,260	760,963
Hedge fund investments	855,745	845,982
	<u>\$19,683,857</u>	<u>\$ 17,757,082</u>

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2019

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5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$505,813 (2018 - \$729,097).

6. Board Designated Net Assets

The Organization's governing board has designated \$17,704,887 (2018 - \$15,341,172) as of December 31, 2019 for future use in the regulated provinces of Quebec, Prince Edward Island, British Columbia and Manitoba. The designated balances by regulated province are as follows:

Quebec	\$11,250,048
British Columbia	4,870,911
Manitoba	1,704,325
Prince Edward Island	<u>(120,397)</u>
Total	<u>\$17,704,887</u>

7. Allocation of Expenses

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

8. Significant Contractual Arrangements

The Organization is governed by a Board of Directors that is separate and independent of its former parent entity, but continues to contract accounting and managerial services from Call2Recycle, Inc. US. Fees paid for contracted services to Call2Recycle, Inc. US for 2019 were CDN \$1,661,011 (2018 - \$1,392,570). This fee is assessed to the Organization net of a US \$420,000 (2018 - \$480,000) fee recovery collected by Call2Recycle, Inc. US for battery seal license fees collected from US battery companies who are selling into certain Canadian markets. Included in accounts payable and accrued expenses is an amount of \$297,984 receivable (2018 - \$614,500 payable) in respect of these contracted services.

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## Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2019

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

#### Market Risk

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

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

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

#### Currency Risk

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

### 10. Subsequent Event

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

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Call2Recycle Canada, Inc.  
Notes to Financial Statements

December 31, 2019

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11. Commitments

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

	2020	2021	2022	2023	2024
Quebec	7,354	36,772	-	-	-
British Columbia	22,650	25,368	18,120	-	-
Ontario	69,030	76,120	51,310	80,501	82,691
	<u>99,034</u>	<u>138,260</u>	<u>69,430</u>	<u>80,501</u>	<u>82,691</u>

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Call2Recycle Canada, Inc.  
Schedule of Operations - Manitoba

For the year ended December 31	2019	2018
Revenue		
Steward fees	\$ 1,259,922	\$ 1,353,781
Investment income (loss)	68,617	(17,439)
Other	5,447	13,508
	<u>1,333,986</u>	<u>1,349,850</u>
Expenses		
Material management and processing	561,909	389,844
Public education and awareness	177,444	186,867
Other (salary, professional, administrative)	143,940	117,494
	<u>883,293</u>	<u>694,205</u>
Excess of revenues over expenses	450,693	655,645
Net assets, beginning of year	<u>1,253,632</u>	<u>597,987</u>
Net assets, end of year	<u>\$ 1,704,325</u>	<u>\$ 1,253,632</u>