

2022

PROVINCIAL ANNUAL REPORT

Saskatchewan



Submission date:
June 28, 2023

Submitted by:
Call2Recycle Canada, Inc.

Submitted to:
Saskatchewan Ministry
of Environment

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1. About Call2Recycle

Call2Recycle Canada, Inc. is Saskatchewan's provincially approved product stewardship organization for stand-alone and replacement batteries used in household electronic and electrical products weighing up to five kilograms. The program is nationally recognized for its highly efficient consumer battery collection and recycling program, Call2Recycle®, which has been in operation since 1997.

More than 170 producer organizations turn to Call2Recycle Canada to fulfill their battery recycling obligations in full compliance with the Saskatchewan regulation that requires the responsible end-of-life management of batteries. Please see [Appendix A](#) for a complete list of Call2Recycle Members in Saskatchewan. The organization is highly regarded by members for its efficiency, transparency, cost-effectiveness, and unparalleled safety.

Call2Recycle is certified according to Responsible Recycling (R2) under the R2:2013 certification standard, 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 safe, secure battery collection and processing.

Call2Recycle also has ISO 14001:2015 and ISO 45001:2018 certifications, further affirming its commitment to proper downstream management of its battery collections, including not exporting to developing countries or sending materials to local landfills.

2. Executive Summary

Batteries are collected from across the province in the Call2Recycle program through a network of collection partners in the business services, public agencies, manufacturing, and retail sectors. These facilities ship their full boxes of batteries to Call2Recycle for sorting and processing (recycling) with the highest degree of efficiency.

2022 represented the second full year of program operation in Saskatchewan under an approved Product Stewardship Program Plan. There were 358 active collection locations in the province, including 209 public facilities accessible to all residents and 149 private facilities serving select groups, such as employees at an organization. Call2Recycle's collection array provides 72.5% of Saskatchewan residents with convenient access to a battery recycling location within 15 km of their homes.

Saskatchewan residents made frequent use of these locations, dropping off 102,417 kgs¹ of batteries for recycling in 2022, a 6% increase from the previous year and the highest annual collection amount in the provincial program's history.

¹ An additional 6,897 kgs of small sealed lead acid (SSLA) batteries were collected by Call2Recycle in 2022. SSLA batteries are not included in the regulation in Saskatchewan. Despite their exclusion from the regulation, small sealed lead acid batteries make their way into the Call2Recycle collection system since they are small and most residents do not discern between rechargeable battery types. All SSLA batteries dropped off by residents are recycled responsibly by the program.

In 2022, Call2Recycle launched an educational campaign for consumers to collect, protect, and drop off their used batteries every three months. This message could be found on Call2Recycle's campaigns as well as "always on" marketing efforts, keeping optimal and easy-to-remember battery recycling behaviours top of mind for Saskatchewan.

Call2Recycle's 2022 consumer awareness and battery recycling habits survey revealed that Saskatchewanians continue to exhibit increased awareness of the recyclability of rechargeable and single-use batteries. This awareness increased in 2022, up 5 points to 81%.

Call2Recycle proudly contributes to the circular economy and supports the province to meet its sustainability and responsible recycling goals. This report outlines the performance of the Call2Recycle program in Saskatchewan against the Products Stewardship Program Plan between January 1, 2022, and December 31, 2022. The organization continues to divert millions of batteries per year from landfill through productive partnerships, strategic focus on increasing public awareness, and ongoing efforts to meet and exceed all targets set out with the province.

3. Directorial and Advisory Oversight

3.1 Board of Directors

Call2Recycle is a federally incorporated non-profit governed by a board of directors committed to ensuring the program's efficiency and effectiveness. Board members include representatives from battery manufacturers, distributors, retailers, and independent directors. For a complete list of Board of Directors Members, see [Appendix B](#).

3.2 Saskatchewan Advisory Committee

In addition to the board, Call2Recycle has a Saskatchewan Advisory Committee that meets one-to-two times per year (or as needed) and includes members from the Retail Council of Canada, the Saskatchewan Waste Reduction Council, and the Ministry of Environment, among others. For a complete list of Advisory Committee members, see [Appendix C](#).

The Saskatchewan Advisory Committee serves as a forum to foster dialogue for stakeholders to provide feedback on the program and to raise issues of local concern. It advises on program goals, reviews results, and provides input on the industry, market, policy, and opportunities for continuous improvement.

Call2Recycle provides committee members with updates on program performance, enhancements, and changes as required. In 2022, the Saskatchewan Advisory Committee convened on May 3rd and November 10th, with Call2Recycle presenting updates.

4. Marketing, Public Education Materials and Partnerships

Call2Recycle recognizes that consumer awareness and education on battery recycling are the first steps to driving recycling activity. The program, therefore, commits significant resources to promoting the importance of responsible end-of-life battery management and encouraging consumers to recycle their used batteries by providing information on how and where to do so.

4.1 Website & Social

Call2Recycle launched recycleyourbatteries.ca, an easy-to-remember, consumer-facing landing page, along with a Collect/Protect/Drop Off page designed to inform and reinforce ideal recycling behaviours. In 2022, 18,878 users visited the Call2Recycle website(s) from Saskatchewan.

Call2Recycle maintained an “always on” social media presence from January to December to keep battery recycling top of mind for consumers. This included display remarketing (ads served to potential recyclers who have already logged a visit to the Call2Recycle site or locator), boosted posts on Facebook and Twitter, and YouTube content.

Call2Recycle also maintained a robust presence on Instagram, Snapchat, and Reddit, which offered opportunities to reach younger audiences (18-34)—a demographic that Call2Recycle’s consumer survey reveals recycles at lower rates than older demographics. These online efforts were designed to expand Call2Recycle’s message reach and drive quality traffic to the organization’s website.

4.2 Campaigns

In February, Call2Recycle ran traditional billboard and transit shelter ads in Regina and Saskatoon with an environmental benefit message to coincide with National Battery Day. Digital billboards were also in those markets and Moose Jaw and Prince Albert. Ads were placed in several newspapers, including the Yorkton Marketplace, Battleford News Optimist, Regina Leader Post, and Saskatoon Star Phoenix. Call2Recycle also strengthened its presence on Google, Facebook, YouTube, and Reddit. Digital ads linked to Call2Recycle’s website and encouraged users to recycle.

Another campaign followed in April; this time aligned with Earth Day. Once again, print ads and digital billboards were employed in the aforementioned markets. For this campaign, Call2Recycle included a commercial which ran on Sportsnet West. There was also a refreshed series of digital ads, and new 15- and 30-second videos were created and shared widely on YouTube.

Building on previous successful marketing efforts, Call2Recycle used Waste Reduction Week in October as an opportunity to reach consumers, focusing on the ease and convenience of battery recycling in Saskatchewan. As before, this campaign employed both outdoor and print advertising.

Waste Reduction Week was also the backdrop for Call2Recycle's annual "Battery Blitz" collection contest in partnership with the Earth Rangers organization. Students in 8 elementary schools from across Saskatchewan participated in this contest to collect and send in the highest volume of used batteries. Over 650 kilograms were collected, with Stewart Nicks School in Grand Coulee responsible for nearly 250 kgs, winning a cash prize from Call2Recycle.

4.3 Sponsorships, Partnerships and Events

Call2Recycle partners with SARCAN, the recycling arm of the Saskatchewan Association of Rehabilitation Centres (SARC), a province-wide association providing services to community-based organizations that serve people experiencing disability.

Saskatchewan residents have been recycling their beverage containers at SARCAN locations since 1988. Through the partnership, residents can also drop off their used batteries at any of SARCAN's locations across the province to be recycled with Call2Recycle.

In 2022, Call2Recycle raised battery recycling awareness through a superhero-themed promotion and contest. Saskatchewanians could take a photo of their batteries before drop-off and post it with the hashtag *#SuperchargedRecycling* for the chance to win a cash prize. The promotion was supported with a dedicated splash page and social media. The contest received dozens of entries, raising the profile of both SARCAN and Call2Recycle on Facebook, Twitter, and Instagram.

Based on the success of initiatives such as these, SARCAN Recycling and Call2Recycle were awarded a 2022 Saskatchewan Waste Minimization Award for outstanding achievement in the Partnerships category for the Battery Collection Program.

Call2Recycle is a member of Recycle Saskatchewan, a group of organizations that work with government and stakeholders to support and enhance effective product stewardship in Saskatchewan. Call2Recycle is also an associate member of the Association of Regional Waste Management Authorities of Saskatchewan (ARWMAS). As part of this membership, Call2Recycle routinely provides program updates to the regional waste management associations during ARWMAS all-member meetings.

4.4 Publications

Call2Recycle also published articles in 2022 editions of *The Summer Voice*, the newsletter of the Saskatchewan Urban Municipalities Association, and *The Rural Sheaf*, the newsletter of the Saskatchewan Association of Rural Municipalities. Both articles catered to municipal audiences, highlighting the benefits of partnering with Call2Recycle for battery collection and recycling.

4.5 Consumer Awareness and Recycling Habits Assessment

Call2Recycle commissioned a survey of Saskatchewanians to assess their battery recycling awareness and habits. This provincial survey takes place annually. In 2022, the survey of 700 residents took place between December 2, 2022, and January 4, 2023.

Awareness of battery recycling among Saskatchewanians increased significantly, with 81% of residents acknowledging that consumer household batteries can be recycled, up from 75% in 2021. This was particularly prevalent for single-use batteries; awareness of their recyclability jumped 5 points to 63%.

When looking specifically at single-use batteries, those aged 18-34 were less likely (63%) than those aged 35+ (76%+) to think they can be recycled and more likely to be unsure about their recyclability (26% vs. 16%).

On average, residents of Saskatchewan are recycling more batteries compared to 2021 (39%, up 4 points) and storing fewer (down 3 points to 26%); this is in line with other regional findings. Disposal habits remain stable and in line with previous years. Overall, those aged 55+ are more actively recycling their household batteries (49%) and storing fewer in total (9%) than those in younger age groups. This is attributable to the lower likelihood of believing batteries can be recycled.

Consumer Awareness and Recycling Incidences*	2021 Results	2022 Results
Saskatchewanians who were aware that consumer batteries can be recycled in 2022 (%)	76%	81%
Saskatchewanians who recycled their consumer batteries in 2022 (%)	50%	53%

*Based on a sample of 700 residents of Saskatchewan who were surveyed online via the Ipsos I-Say panel from December 2nd, 2022, to January 4th, 2023. 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 Saskatchewan adults have been surveyed.

5. Collection System and Facilities

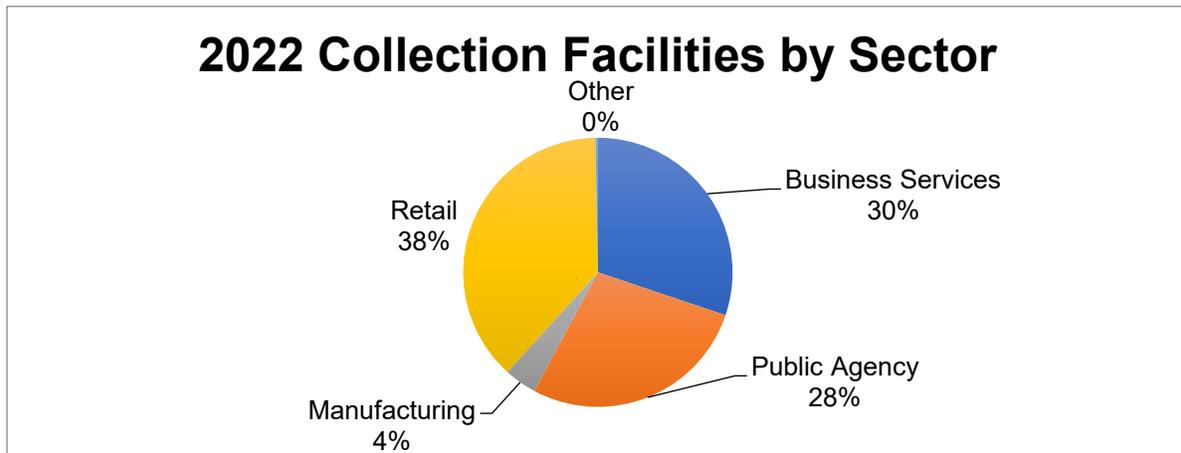
Call2Recycle collects batteries from consumers through a network of partners in business services, public agencies, manufacturing, and retail. Participating collectors may offer battery drop-off to the public or may collect batteries generated from their business activities or to their employees only. Call2Recycle strategically locates its collection sites to maximize accessibility to Saskatchewan residents for greater participation in the program.

In 2022, 73 percent of Saskatchewan residents lived within this accessibility zone. Call2Recycle commits to continuing to increase the proportion of residents who reside within 15 kilometres of a battery drop-off site or collection event with the goal of reaching 80% accessibility over the course of the provincial battery stewardship plan period.

This represents a 1% drop in the accessibility rate year-over-year. However, the reference year for the population data in Saskatchewan was changed to 2022; this contributed to the decline in accessibility compared to 2021. Call2Recycle felt it imperative to use updated population statistics to accurately reflect current accessibility. We will continue to use this updated information to improve accessibility throughout the province.

In 2022, there were 358 active Call2Recycle collection facilities in Saskatchewan. An active facility is one that has joined the Call2Recycle program within the 2022 calendar year, returned a full box or bulk shipment of batteries or ordered a replacement collection box in that same period. The following charts outline Call2Recycle’s public and private collection facilities and their division by sector. As the program progresses, Call2Recycle will provide year-over-year comparisons of collection performance in this annual report.

2022 Active Collection Facilities by Access	
Public	209
Private	149
Total	358



6. Collection Results

Call2Recycle monitors its battery collections across the province. In the second full year of this regulated collection program, Saskatchewan residents dropped off 102,417 kgs of used batteries. 84,415 kgs were primary (single-use) batteries, and 18,002 kgs were rechargeable batteries.

This total represents a 6% year-over-year increase in collected volume across all battery chemistries, or a 3% and 11% increase in single-use/rechargeable chemistries respectively.

Active Collection Facilities by Sector				
Sector	2022	2021	Change (#)	Change (%)
Business Services	108	77	31	40%
Public Agency	99	81	18	22%
Manufacturing	14	17	-3	-18%
Retail	136	95	41	43%
Other	1	1	0	0%
Total	358	271	87	32%

Call2Recycle Collections by Weight (kg)*			
Type	2022	2021	% Change
Single Use (Primary)	84,415	82,000	3%
Rechargeable	18,002	16,195	11%

Total	102,417	98,195	4%
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Call2Recycle also tracks collections by battery chemistry. Among rechargeable chemistries, lithium-ion batteries, often found in portable electronic devices, were the most commonly deposited batteries for recycling. Alkaline and zinc carbon batteries, such as AA and AAA batteries and larger D cell batteries, comprise the majority of single-use battery collections. Below are charts outlining collections by battery chemistry.

Lead acid batteries are not included in The Household Hazardous Waste Product Stewardship Regulations. Despite their exclusion, small sealed lead acid batteries make their way into the Call2Recycle collection system since they are relatively small, and most residents do not discern between rechargeable battery types. In 2022, 6,897 kgs of small sealed lead acid batteries were dropped off for recycling via Call2Recycle’s program. This represents a 38% increase over the previous year.

7. Recovered Product Management and Materials Processing

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.

The Call2Recycle program efficiently and cost-effectively recycles consumer batteries, 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 products such as new batteries, cookware, and appliances.

Call2Recycle uses local service providers to minimize its environmental footprint whenever possible 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 records Recycling Efficiency Rates (RER) by chemistry to assess the quantity of materials reclaimed from each battery chemistry that can be used in secondary products.

Collected Battery Management		
Batteries Recycled	Batteries Reconditioned	Batteries Disposed
100%	0%	0%

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

* Recovery rates provided by processors.

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

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

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

8. Financial Information

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

Call2Recycle collected EHFs from members who reported sales of these batteries in Saskatchewan between January 1 and December 31, 2022. Please see [Appendix C](#) for Call2Recycle's audited financial statements, which detail the total of EHFs collected in Saskatchewan to fund the program, the amount spent to operate and administer the program, and the amount spent on public education, awareness, and communication. The program does not provide recycling incentives; therefore, none are disclosed in the financial statements.

9. Organizational Reports & Operations

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

Appendix A – Call2Recycle Members

Call2Recycle Saskatchewan Members - As of December 31, 2022

3M Canada	Google Canada Corporation
Acklands Grainger Canada Inc.	Grand & Toy Ltd.
Amazon Canada / Amazon.com.ca, Inc.	Grin Technologies
Amplifon	Groupe BMR Inc.
Apple Canada Inc.	Hawthorne Canada Limited
BDI, a division of Bell Mobility Inc.	HearingLife Canada Ltd.
Bed Bath and Beyond Canada L.P.	Hilti Canada Corporation
Best Buy Canada Ltd.	Hitfar Concepts Ltd.
Bike Co LLC	Home Hardware Stores Limited
BikTrix Enterprises	HRS Global
BISSELL Canada Corporation	Hudson's Bay Company
Bolt Mobile	Husqvarna AB
Bose Corporation	IKEA Supply AG
Buy-Low Foods LP	Interstate Batteries Saskatoon
Cabela's	John Deere Canada ULC
Canada Computers Inc. / Ordinateurs Canada	KMS Tools and Equipment Ltd.
Canadian Tire Corporation, Ltd.	Kranked Bikes
Canadian Tire Petroleum	Lee Valley Tools Ltd
Canon Canada Inc.	Lenovo Canada Inc.
Cardinal Health Canada Inc.	Les pieces d'auto Transit Inc.
Cervelo Cycles Inc.	Loblaws Inc.
Château Manis Electronics Inc.	London Drugs Limited
Costco Wholesale Canada Ltd	Louis Garneau Sports Inc.
Cycles Devinci	Lowe's Canada ULC
Cycles Lambert	LTP Sports Group Inc.
D'Amour Bicycle & Sports Inc.	Mac's Convenience Stores Inc.
Dell Canada Inc.	Magnacharge Battery Corporation
Dollar Tree Stores Canada Inc.	Makita Canada Inc.
Dollarama L.P.	Mark's / L'Équipeur
E.B. Horsman & Son Ltd	Mastermind LP
East Penn Canada (Power Battery Sales Ltd.)	McKesson Canada
ECHO Power Equipment (Canada)	McMunn and Yates
Epic Cycles Inc.	Mica Sport Canada Inc.
EUCAN Distribution Inc.	Michaels Stores Inc.
Fastenal Canada, Ltd.	Microsoft Corporation
Federated Co-Operatives Limited	Motorola Solutions Canada
Fermetco Inc.	Mountain Equipment Company Ltd.
FGL Sports Ltd.	MSA Safety Sales, LLC
FuturPlus (Division of Cathelle Inc.)	Murlin Electronics
Giant Bicycle Canada Inc	Nedco West Division
Giant Tiger Stores Limited	Newell Brands Canada (Sunbeam before 10/1/20)

NIS Northern Industrial Sales
On the Edge Canada Inc.
Onlybatteries.com
Orgill Inc.
Outdoor Gear Canada
Part Source
Peavey Industries Limited
Pedego Canada (Voltage Bikes Ltd.)
Prairie Battery Ltd.
Princess Auto Ltd.
Rad Power Bikes LLC
Riese & Muller
Robert Bosch Inc. (Canada)
Rocky Mountain, Div. of Industries RAD Inc.
RONA Inc.
Saskbattery Dist. Inc.
Save on Food Limited Partnership
Scotts Canada Ltd.
SharkNinja Operating LLC
Shimano Canada LTD
Shopper+Inc.
Shoppers Drug Mart Inc.
Sobeys Capital Inc.
Sonos Inc.
Specialized Bicycle Components Canada

Staples Canada Inc.
Staples Professional, Inc.
Steelcase Canada Ltd
Stihl Limited
Super Thrifty Drug Stores
Supreme Basics
Telus Communications Company
Tenaquip Limited
The Bicycle Group (TBG) Kona Canada
The Home Depot of Canada, Inc.
The Source (Bell) Electronics Inc.
The Stevens Medical Company Limited
Toys R Us Canada, Ltd.
Trek Bicycle Canada ULC
T-Zone Health
UAP Inc.
Uline Canada Corporation
Velec Inc.
Veritas Technologies LLC
Veritiv Canada Inc.
Wallace and Carey Inc.
Walmart Canada
Westburne Electric
Wurth Canada Ltd.

Appendix B – Board of Directors

As of December 31, 2022

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

Norman Clubb, Chair, Independent

Joe Borsellino, Chateau Manis Electronics Inc.

Annalise Czerny, Independent

Peter Daley, Dollarama Inc.

Julie Dickson Olmstead, Save On Foods

David Houston, Panasonic Canada Inc.

Raman Johal, London Drugs Ltd.

James McPhedran, Independent

Alan Moyer, Independent

Tim Reuss, Canadian Automobile Dealers Association

Martin Tammik, Live To Play Sports

Harriet Velazquez, Velazquez Consulting Inc. (Independent)

David Ward, Metro Ontario Inc.

Appendix C – Saskatchewan Advisory Committee Members

Saskatchewan Recycling Council

Retail Council of Canada

Home Hardware

Association of Regional Waste Management Authorities of Saskatchewan

Saskatchewan Association of Rural Municipalities

Saskatchewan Urban Municipalities Association

Ministry of Environment

Appendix D – Audited Financial Statement

See next page

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

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



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www.bdo.ca

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

Independent Auditor's Report

To the Members of
Call2Recycle Canada, Inc.

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

BDO Canada LLP

Chartered Professional Accountants

Brandon, Manitoba
June 14, 2023

Call2Recycle Canada, Inc.
Statement of Financial Position

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

Call2Recycle Canada, Inc.
Statement of Changes in Net Assets

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

Call2Recycle Canada, Inc.
Statement of Operations

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

Call2Recycle Canada, Inc. Statement of Cash Flows

For the year ended December 31	2022	2021
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 5,188,522	\$ 1,517,757
Items not affecting cash:		
Net realized and unrealized (gain) loss on investments	<u>2,273,338</u>	<u>(395,918)</u>
	7,461,860	1,121,839
Changes in non-cash working capital:		
Accounts receivable	(285,405)	516,360
Accounts payable and accrued liabilities	1,853,719	(1,515,698)
Other assets	<u>(3,393)</u>	<u>(5,285)</u>
	9,026,781	117,216
Cash flows from investing activities:		
Marketable securities	<u>(5,817,277)</u>	<u>(2,025,416)</u>
Net increase (decrease) in cash	3,209,504	(1,908,200)
Cash, beginning of the year	<u>1,100,508</u>	<u>3,008,708</u>
Cash, end of the year	<u>\$ 4,310,012</u>	<u>\$ 1,100,508</u>

Call2Recycle Canada, Inc.

Notes to Financial Statements

December 31, 2022

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.

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

1. Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

2. Cash

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

3. Line of Credit

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

4. Marketable Securities

The carrying amounts of investments are comprised of the following:

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

5. Government Remittances

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

6. Board Designated Net Assets

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

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

7. Allocation of Expenses

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

8. Significant Contractual Arrangements

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

9. Financial Instruments

Credit risk

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

Market Risk

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

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

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

Currency Risk

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

Call2Recycle Canada, Inc. Notes to Financial Statements

December 31, 2022

10. Commitments

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

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

11. Contingencies

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

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

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

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

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

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

Call2Recycle Canada, Inc.
Schedule of Operations - Saskatchewan

For the year ended December 31	2022	2021
Revenues		
Steward fees	\$ 1,097,735	\$ 1,233,364
Investment income	(29,501)	5,747
	<u>1,068,234</u>	<u>1,239,111</u>
Expenses		
Material management and processing	408,469	341,968
Public education and awareness	155,671	190,007
Other (salary, professional, administrative)	273,211	310,515
	<u>837,351</u>	<u>842,490</u>
Excess of revenues over expenses	230,883	396,621
Net assets, beginning of year	<u>396,621</u>	-
Net assets, end of year	\$ 627,504	\$ 396,621

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