MAKING A POSITIVE IMPACT TODAY FOR THE GOOD OF TOMORROW
Call2Recycle Board Members and Officers  
(at close of 2016)

CALL2RECYCLE, INC., BOARD MEMBERS

Andrew J. Sirjord (Chairperson) 
Panasonic Industrial Devices Sales Company of America

Roger Dower 
The Johnson Foundation

Doug Smith 
Sony Electronics, Inc.

Marcus Boolish 
Energizer Battery Manufacturing, Inc.

Daniel Hutter 
Spectrum Brands (Rayovac)

Chip Wildes, Jr. 
Saft America, Inc.

John Bradford 
Interface Americas

John Matthews 
Matthews Strategic Services, LLC

James Bremner 
Varta Microbattery, Inc

Charlie Monahan 
Panasonic Energy Corporation

CALL2RECYCLE CANADA, INC., BOARD MEMBERS

Norman Clubb (Chairperson) 
Independent Director

Jeff Haltrecht 
Spectrum Brands

Carl Smith 
Call2Recycle, Inc.

Gordon Gow 
Gordon W. Gow & Associates

David Wilkes 
Retail Council of Canada

CALL2RECYCLE PROGRAM OFFICERS

Carl Smith 
CEO & President, Call2Recycle, Inc.

Greg Broe 
Vice President, Finance & Administration

Tim Michaels 
Managing Director, Operations

Joe Zenobio 
President, Call2Recycle Canada, Inc.

Linda Gabor 
Vice President, Marketing & Customer Service
LEADING THE CHARGE BY EXAMPLE

In 2016, Call2Recycle attained its 21st consecutive year of record-setting collections—a notable achievement for any recycling organization. We collected 14 million lbs. (6.3 million kgs) of batteries, a 12 percent jump from 2015, and the most batteries and cellphones we’ve collected in any single year. We also set another record of 129 million lbs. (58 million kgs) in collections since 1996. That amount exceeds the weight of two fully loaded freighter ships.

In addition, Call2Recycle Canada contributed to the growth with double-digit increases in at least two of its provinces. We attribute our success to the tireless hard work of North American municipalities, retailers and stewards that are committed to raising consumer awareness and improving accessibility.

An exciting development in 2016 was the growing popularity of the GreenVantage program in the U.S. which offers select audiences the opportunity to collect both single-use and rechargeable batteries through Call2Recycle. As a result, we experienced a 150 percent jump in municipal collections and 158 percent increase in single-use battery collections in the U.S. between 2015 and 2016.

All-battery recycling at the local level has become a necessity, compelled by a society where sales of handheld electronics are exploding and the demand for convenient recycling is climbing. During 2016, we began altering our U.S. business model to accommodate an all-battery revenue stream that combines voluntary funding from industry stewards for rechargeable battery recycling and collection site fees for single-use batteries. One-stop recycling eliminates consumer confusion about which battery types can be recycled and should result in an overall increase in collections.

The popularity of single-stream recycling was evident in Vermont, the first U.S. state to adopt a producer-funded take-back program for single-use batteries. In the program’s first year, Call2Recycle’s collection rate exceeded 10 percent, well above the projected rate.

Our Canadian business operations are also evolving to reflect recycling industry best practices. In 2017, Call2Recycle Canada will be introducing Environmental Handling Fees (EHFs) in two provinces. Collected at the time of purchase, these fees make the cost of battery recycling more visible throughout the entire supply chain.

The year 2017 promises many challenges as we seize the opportunity to impact consumer recycling behavior at the local level. We believe we can continue to successfully expand our program by remaining agile in the face of a constantly changing recycling landscape.

Carl E. Smith, LEED® AP
CEO / President, Call2Recycle, Inc.
Record-Breaking Collections: 20 Years of Continuous Growth

For the past 20 years, Call2Recycle has increased its battery and cellphone collections, reaching a new high of 14 million lbs. (6.3 million kgs) in 2016.

This is a 12 percent jump from the 12.6 million lbs. (5.7 million kgs) collected in 2015. Call2Recycle has diverted 129 million lbs. (58 million kgs) of batteries and cellphones from the landfill, attaining its twentieth consecutive year of increased collections.

Strong relationships between Call2Recycle and its network of North American industry stewards and collection partners have sustained this steady growth. Those groups contributed to the nearly 8 million pounds (3.6 million kgs) collected in the U.S., an 11 percent increase over 2015. Public, consumer-facing organizations, such as municipalities and retailers, were major contributors, collecting more than 4.7 million lbs. (2.1 million kgs), 28 percent more than last year. Municipality collections alone increased 150 percent year to year.

Call2Recycle Canada continued to be a strong contributor, achieving 6.1 million lbs. (2.8 million kgs) in collections, a 12 percent increase over 2015. Leading the provinces in percent growth were British Columbia, Manitoba, Ontario and Quebec. Manitoba experienced double digit growth of 19 percent, with collections of nearly 214,000 lbs. (97,000 kgs) in 2016. Quebec collections jumped nearly 20 percent to 2.4 million lbs. (1.1 million kgs) year over year, while British Columbia and Ontario collections increased 8 percent, respectively. Both public and private sectors had nearly the same growth and all sectors increased with the exception of libraries.

Another significant factor driving growth was single-use (primary) battery collections, which jumped 158 percent in the U.S. from 2015. We expect this trend to continue as the number of battery-operated electronics, toys and power tools skyrockets. A portion of this growth is attributable to Vermont, the first U.S. state to require battery producers to finance a single-use battery recycling program.

Call2Recycle manages the Vermont program for 31 battery producers, or more than 90 percent of companies selling batteries in the state. Under the program, we collect both rechargeable and single-use batteries. In 2016, we collected more than 115,000 lbs. (52,000 kgs) of batteries, an astounding 187 percent increase over the previous year. The collection rate\(^1\) was more than 10 percent, well above the first-year goal of 8 percent projected in the five-year plan. Other year-end results drastically exceeded performance goals, including consumer awareness. We are confident that these results will continue.

\(^1\) Annual Collection Rate is the estimated weight of primary batteries sold in the state (three-year average) divided by the annual weight of primary batteries collected.
2016 North American Battery Collections
Over 14 Million Pounds of Batteries Collected

Collected Weight in Pounds (lbs)

- PRIMARY/ALKALINE
- LITHIUM ION (Li-Ion)
- NICKEL CADMIUM (Ni-Cd)
- NICKEL METAL HYDRIDE (Ni-MH)
- SMALL SEALED LEAD ACID (SSLA/Pb)

Battery Chemistry
Important Developments During 2016

During 2016, the battery recycling industry underwent a rapid rate of change driven by the proliferation of handheld electronics that use single-use and rechargeable batteries.

This presents several issues. First, very few jurisdictions support single-stream collection for all household battery types. In addition, more recycling facilities are needed to sort and process the higher volumes. Call2Recycle has been transforming its business model to address these market trends.

Recycling Infrastructure Expansion

Last year, we began systematically expanding our recycling infrastructure to keep up with collection increases and address the unstable nature of the recycling industry, as illustrated by the dwindling number of Lithium Ion (Li-Ion) recycling facilities in North America. Following a stringent RFP and interview process for recyclers, we expanded our recycling infrastructure to a global network of 11 sorters and processors in the U.S. and 12 in Canada. For the first time, our infrastructure extends beyond North America to South Korea for Li-Ion battery recycling. Managing operations of this size and scope is a complex challenge, but critical to being responsive to the demands of the battery recycling market.

Canadian Plan Renewals

During 2016, Call2Recycle submitted renewal plans in the three Canadian provinces with approved take-back plans—British Columbia, Manitoba and Quebec. The Quebec plan was renewed after an intensive review process. The British Columbia and Manitoba plans are pending approval with formal approval expected in early 2017; however, no significant changes are anticipated. These renewals are important to Call2Recycle for a couple of reasons. They not only confirm that we meet or exceed expectations in those provinces but that all three provinces are confident in our ability to continuously improve as volumes rise. In addition, these programs, among North America’s most ambitious take-back schemes, act as a bellwether of the future. What we learn in managing these programs is invaluable to the success of our entire program.
Stakeholder Communications

We also embraced technology this year in a big way to improve communications with our many stakeholder groups and make it easier for stewards to work with us. All three websites—Call2Recycle.org, Call2Recycle.ca and AppelaRecycler.ca—were updated to make it easier for consumers, stewards and other interested parties to learn about battery recycling, search for drop-off sites, order supplies and sign-up to become a collection location for Call2Recycle. GreenTrax, our private portal for industry stewards, was updated and now offers the ability to report sales, generate and pay invoices and run reports. We will continue to leverage technology to make it easier and faster for our stakeholders to participate in the program.

2016 Canadian Collections

**REGULATED PROVINCES**
(British Columbia | Manitoba | Quebec)  
**SINGLE-USE** 75%
- BC: 495,000 kgs
- MB: 69,000 kgs
- QC: 532,000 kgs

**RECHARGEABLE** 25%
- BC: 180,000 kgs
- MB: 28,000 kgs
- QC: 261,000 kgs

**2016 CANADIAN COLLECTIONS**

**TOTAL** 1,865,000 kgs collected

**VS**

**NON-REGULATED PROVINCES**
(all other provinces combined)

**SINGLE-USE** 71%

**RECHARGEABLE** 29%
- BC: 180,000 kgs
- MB: 28,000 kgs
- QC: 261,000 kgs

**TOTAL** 919,000 kgs collected
Consumer Motivation and Behavior

During 2016, Call2Recycle hired Nielsen to conduct a survey to assess North American consumers’ motivations, awareness and behaviors around battery recycling. The results help us measure our progress and determine future awareness campaigns and accessibility policies. The data confirmed that overall awareness is increasing, with Canadians consistently scoring higher than Americans.

Two-thirds of U.S. consumers are aware of battery recycling in their communities, while only 41 percent actually participate. More than eight in 10 Canadian consumers are aware of battery recycling in their communities, and nearly six in 10 participate.

The survey also uncovered some surprises, particularly in why people choose to recycle. Younger people viewed recycling batteries as the responsible thing to do for the environment while older respondents were motivated to reduce toxic materials in the landfill, a reflection of the battery recycling practices taught in the 1970s and 1980s. We found the same motivation split across suburban (environmental concerns) and rural respondents (toxic waste).

National Battery Day Draws Attention to Battery Recycling Across North America

As the number of handheld electronics and cordless power tools in North America multiplies, so is the sheer volume of batteries being used and discarded. To educate consumers on the rewards of battery recycling, Call2Recycle leads the celebration of National Battery Day every year on Feb. 18. In 2016, more than 100 partners, including retailers, municipalities and collection sites, participated in the campaign across the U.S. and Canada.

An awareness campaign that included digital banners and social media (#NationalBatteryDay on Twitter and Facebook) generated nearly 50 million impressions, targeting more than 30 million consumers. The Call2Recycle website experienced a 91% increase in unique visitors and a 368% increase in visits to the locator page over 2015. National Battery Day is a prime example of how short-term events can have a major impact on raising awareness—and ultimately collections.
Other survey highlights included:

- Battery recycling participation is higher among males, increases with income, and is highest along the west coast of Canada and the U.S. Pacific region;

- The majority of U.S. consumers recycle batteries along with other items while the majority of Canadians prefer holding onto used batteries until they have collected enough to recycle;

- Awareness of and participation in battery recycling is highest in urban areas in the U.S. and suburban areas in Canada;

- In both countries, urban residents recycle due to concerns about climate change while rural residents are motivated by keeping toxic materials out of landfills; and

- Canadians are more likely to remove the battery from their devices before throwing them away, with the exception of cordless power tools and cellphones.

Preparing for Change: 2017

Recycling continues to be an industry characterized by change.

The continued rise of single-use battery recycling is rewriting the U.S. battery recycling landscape; we can no longer avoid its impact on our battery collections. For the past 20 years, U.S. battery producers have voluntarily funded rechargeable battery recycling under hazardous waste regulations but not single-use battery recycling because those batteries are not universally considered hazardous waste.

Call2Recycle is adapting and exploring new ways to balance rising administrative and operational costs with its commitment to responsibly recycle batteries using the highest environmental standards. By evolving our business model, we will ensure the long-term viability of the voluntary battery stewardship program while continuing to keep household batteries out of landfills.

We will be introducing significant changes to both our U.S. and Canadian programs during 2017, as follows:
U.S. All-Battery Collections

The most significant program change during 2017 is expanding our battery services in the U.S. Select rechargeable-only collection sites will be transitioned to an all-battery, fee-based program by spring 2017. This new service will offer one-stop recycling of all household batteries. An all-battery program enables us to handle the deluge of single-use batteries in the market as well as meet consumer demand for single-stream recycling of all household batteries.

To build consumer awareness of the all-battery program, Call2Recycle has adopted a new tagline, “Leading the charge for recycling” that reinforces our commitment to recycling both rechargeable and single-use batteries across North America. With this new strategy, we expect household battery collections to increase overall.

Spinoff of Call2Recycle Canada, Inc.

Over the years, the regulatory landscape in the U.S. and Canada has diverged, with each country’s environmental policies taking very different paths. Different business models have emerged to support these policies. In 2016, the Call2Recycle board made the decision to separate Call2Recycle’s U.S. and Canadian operations, effective Jan. 1, 2017. Each company will operate as a separate legal entity but share administrative and marketing services.

The launch of Call2Recycle Canada couldn’t come at a more opportune time as it celebrates its 20th anniversary in 2017. Launched in 1997 as a Call2Recycle subsidiary, Call2Recycle Canada has expanded its operations significantly over time, collecting more than 30 million lbs. (13.5+ million kgs) of batteries over two decades.

Environmental Handling Fees Adopted in Canada

The changing regulatory landscape is also prompting change in the Canadian battery recycling market. As of February 2017, Call2Recycle Canada will be introducing Environmental Handling Fees (EHFs) in two Canadian provinces—British Columbia and Manitoba. Quebec’s current fee schedule for batteries will be updated. Commonly used by other recycling programs, these fees are levied directly on products to fund responsible collections at end of life and to make the cost of recycling more visible throughout the value chain.
Renewed Commitment to Safety

With more than 14,000 public drop-off sites in North America and a recycling facility network that has doubled in size, Call2Recycle is managing its most complex operation ever. With increased complexity comes more risk in properly handling and transporting batteries. Our goal is to prevent dangerous incidents before they can cause any harm or damage.

At no point during the recycling process do we want to compromise safety. Throughout 2017, we will be updating our safety program and working with our collection sites, sorters and processors to adopt best practices at every step of the collection and recycling journey—starting at the collection box and ending at the processing plant.

We have already introduced a more robust collection box and more rigorous safety requirements for collection sites as they prepare boxes for shipment. New educational materials will help collection sites train personnel in implementing the new policies. Dashboards will help us quickly spot, track and address potential safety issues and trends before they occur.

Sustainable Business Model

Consumer battery recycling has made significant progress during the past two decades. The challenge we face is how to balance current needs against future demands for more efficient and sustainable recycling. The coming year presents a unique opportunity for Call2Recycle to examine the broader implications of a changing recycling industry without impeding our long-term viability as a product stewardship organization. We will continue to look for new ways to optimize our collection process, minimize its effects on the environment and give our stakeholders confidence that the end-of-life management of batteries is safe in our hands.
2016 Call2Recycle Industry Stewards

3M Automotive Aftermarket Division
3M Commercial Solutions Division (CSD)
3M Construction & Home Improvement
3M Personal Safety Division
Accell North America
Ace Hardware Corporation
Acer America Corporation
Advanced Battery Systems
Aero Design, Inc.
Agilent Technologies
Allied Intl/Allied Tools
Alltrade Tools LLC
Alpha Source, Inc.
Amazon.com, Inc.
American Lawn Mower Co.
American Toppower
Anton/Bauer
APC - Schneider Electric
Arris Group, Inc.
Asus Computer International
Audio Enhancement, Inc.
Audio Video D.G. (Gestion Quemar)
Axiom Mobile Group
Baccus Global
barnesandnoble.com, LLC
Batteries Dixon Inc.
Batteries Du Quebec
Batteries Illimitées
Batteries St-Eustache
Battery Specialties
Bayco Products
Bayer Healthcare
Belkin International, Inc.
Best Buy Canada Ltd.
Best Buy Co., Inc.
BionX International
Bissell Homecare, Inc.
BlackBerry Limited
BMW Group Canada
Bose Corporation
Brother International
Buropro Citation Inc.
Bushnell, Inc.
BYD Company Limited
Canac-Marquis Grenier Ltée
Canadian Tire Corporation, Ltd.
Canon Canada Inc.
Canon USA Inc.
Casio America, Inc.
Cell-Con Inc.
Century Optronic Inc.
Changzhou Globe Tools Co. Ltd.
Chervon HK Limited
Chervon HK Limited/The Home Depot
Chervon HK Ltd/The Home Depot Canada
Chrysler Canada Inc.
Cisco Systems Inc.
CLD/Équipements Confortek
Cleva North America/LawnMaster
Cognex Inc.
Coleman Company
Conair Corporation
Costco Wholesale Canada
Couche-Tard Inc.
CTE Energy Co., Ltd.
Cybertron International
DANTONA INDUSTRIES/ULTRALAST
Deere & Company (John Deere)
Delhaize America (Hannaford Supermarkets)
Dell Canada Inc.
Dell Inc.
Deltran USA LLC
Digi-Key Corporation
Distributions Johnson Inc
DLG (Shanghai) Electronic
Do it Best Corp.
Dollar General Corporation
Dollarama L.P.
Dorcy International
Duracell Canada Inc.
Duracell US Operations
Eaton Corporation
Echo Incorporated
Electro-5 Inc.
Enerco Group Inc.
Energizer Canada Inc.
Energizer Holdings, LLC
Energizer Power Systems
Energy Sales
EnerSys Delaware Inc.
Epson America, Inc.
Esselte Corporation
Evergreen (C.P.) USA Inc.
EZSmart Gutter Cleaner, LLC
Familiprix Inc.
Family Dollar Stores of NY, Inc.
FDK AMERICA
Fedco Electronics, Inc.
Ferno - Washington, Inc.
Finish Thompson, Inc.
Flying Dragon Development Ltd.
Ford of Canada
Fourniture de Bureau Denis
Fujifilm Holdings America Corp.
Fujitsu America
GammaTech Computer Corporation
Garmin International, Inc.
GE Healthcare Canada, Inc.
General Motors of Canada Limited
General Wireless Operations
Getac Inc.
Giant Tiger Stores Limited
Gibson Innovations USA, Inc.
GiiNii Tech Corporation
Global Technology Systems, Inc.
Gold Peak Industries (NA), Inc.
GP Batteries
GRACO, Inc.
Gradus Group
Grand & Toy
Greatbatch Inc.
GreenSmoke, Inc.
Groupe Blais Inc.
Groupe BMR Inc.
GS Battery (USA) Inc.
Harris Corporation
HD Supply Holdings, Inc.
Hewlett Packard Enterprise
Hitachi Canada Corporation
Hitachi, Inc.
Hitachi Koki Canada Co.
Hitachi Koki USA Ltd.
Hobico, Inc.
Home Hardware Stores Limited
HoMedics
Honda Canada
Honeywell International Inc.
House of Batteries
HP Inc.
HTC Corporation
Huawei Device USA, Inc.
Husqvarna AB
Hyundai Auto Canada Corp.
IDX System Technology Inc.
Illinois Tool Works
Indigo Books and Music Inc.
Industrial Battery Service Inc.
Ingersoll Rand
Inspired Energy, LLC
Intec Industries Co. Ltd.
Intermetro Industries Corp.
Interstate Batteries Inc.
Invacare Corporation
Invox Hardware Limited
iRobot Corp.
iTech
Jasco Products Company
Jiawei Technologies (USA) Ltd.
JKH Health Co., Ltd.
JLG Industries Inc.
JVCKENWOOD USA Corp.
KAN Battery Co., Ltd.
Karcher North America
Keysight Technologies
Kia Canada Inc.
Konica Minolta
Kwonnie Electrical Products, Ltd.
Laliberté Électronique
Le Groupe Jean Coutu
Lego Group
Leica Camera Inc.
Lenmar Enterprises, Inc.
Lenovo (Canada)
Lenovo (United States)
Les Magasins Korvette
Les Variétés P. Prud’homme Inc.
LEXEL BATTERY CO LTD.
LG Electronics Canada, Inc.
LG Electronics MobileComm USA
L’Image Home Products Inc.
Loblaws Inc.
Logic Technology Development
LOGITECH INC.
Mag Instrument, Inc.
Magnacharge Battery Corp.
Maha Energy
Makita Canada, Inc.
Makita USA
Mattel, Inc.
Maxell Corporation of America
McKesson Canada
McMahon Distributeur Pharmaceutique Inc.
Meritool LLC
Metabo Corporation
Metro Richelieu Inc.
Michaels Stores Inc.
Microsoft
Midland Radio Corporation
Miller Manufacturing Co.
Milwaukee Electric Tool Corporation
Mitsubishi Motor Sales of Canada, Inc.
Moshi
Motorola Mobility, LLC
Motorola Solutions, Inc.
MTD Products Inc.
myCharge
National Battery
National Power Corp.
NEC Corporation of America
Neptune Technology Group Inc.
Netgear, Inc.
Nikon Canada Inc.
Nippon Primex Inc.
Nissan Canada Inc.
Noble Gift Packaging Inc.
Normark Innovations Inc.
Novatel Wireless Inc.
Novexco
NU MARK LLC
Nylube Products Company LLC
O2COOL, LLC
Oculus VR LLC
Olympus Corp of the Americas
Ooma Inc.
Oracle America, Inc.
Original Power
Palladium Energy
Panasonic Canada Inc.
Panasonic Corporation
Pantech Co Ltd.
Pelican Products, Inc.
Philips Consumer Electron
Philips Electronics Ltd.
Philips Lighting
Plantronics, Inc.
PLR IP Holdings, LLC
Polycom, Inc.
Positec Tool Corporation
POWER PRODUCTS
Powermax USA
ProTeam, Inc.
Quality One Wireless
Rapport, Inc.
Reckitt Benckiser
Resistacap
Richpower Industries, Inc.
Ridge Tool Company (RIDGID)
Rite Aid
RKI Instrument, Inc.
Robert Bosch Inc. (Canada)
Robert Bosch Tool Corporation
RONA Inc.
Royal Consumer Information Products, Inc.
Rozon Batteries Inc.
RRC POWER SOLUTIONS
SAIL Plein-Air Inc.
Samsung Electronics Co.
Scosche Industries
Scotts Canada Ltd.
SDI Technologies Inc.
Sears Canada Inc.
Senco Products, Inc.
Sensidyne LP
Sharp Electronics Corporation
Sharp Electronics of Canada
SHIMANO
Shoppers Drug Mart Inc.
Sigma Corporation
Sinopower Technology (HK) Ltd.
Snap-on Inc.
Sobeys Quebec Inc.
Sony Electronics, Inc.
Sophos Ltd.
Southern Telecom, Inc.
SOUTHWICK TECHNOLOGIES INC.
Southwire Company
Spectrum Brands
SRAM, LLC
Stanley Black & Decker Canada
Stanley Black & Decker, Inc.
Staples Canada, Inc.
Stihl Incorporated
Stihl Limited
StorTronics
Strand Europe Ltd.
Streamlight, Inc.
Summer Infant, Inc.
Surefire, LLC
Suzuki Canada Inc.
SY KESSLER SALES, INC.
Tacony Corporation
Technical Power Systems Inc.
Techtronic Industries GmbH
Techtronic Trading Ltd.
Test Rite Products Corp.
Texas Instruments Inc.
The Gillette Co/Braun Division
The Gillette Co/Oral-B Division
The Home Depot of Canada, Inc.
The Source (Bell) Electronics Inc.
The Toro Company
TNR Technical
TomTom Inc.
TOSHIBA AMERICA
Toshiba of Canada Limited
Toyota Canada Inc.
Toys R Us Canada, LTD.
Toys R Us, Inc.
Tractor Supply Company
Transcosmos America Inc.
Traxxas L.P.
Trek Bicycle Corporation
True Value Company
TTEK ASSEMBLIES INC.
TTI (Macao Commercial Offshore) Limited
UAP Inc.
ULTRALIFE CORPORATION
Uniden America Corporation
Uniprix Inc.
Variétés B. Desmarais 1992 Inc.
VARTA Microbattery Inc.
Venom Power
Vera Bradley
Vernier Software & Technology
Vibratex, Inc.
Vizio Inc.
VTech Telecommunications Ltd.
WACOM TECHNOLOGY CORP.
Walmart Canada
WATER PIK, INC.
WOHLER USA
Xplore Technologies Corp.
Zebra Technologies Enterprise Corp.
Zippo Manufacturing Company
INDEPENDENT AUDITORS’ REPORT

Board of Directors
Call2Recycle, Inc., Subsidiary and Affiliate

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated and combined statement of financial position of the Call2Recycle, Inc., Subsidiary and Affiliate (non-profit organizations) as of December 31, 2016 and 2015, and the related consolidated and combined statements of activities, changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated May 11, 2017, we expressed an unqualified opinion on those consolidated and combined statements.

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

May 11, 2017
## CALL2RECYCLE, INC., SUBSIDIARY AND AFFILIATE

Condensed 2016 and 2015 Consolidated and Combined Financial Statements

Condensed Consolidated and Combined Statements of Activities and Changes in Net Assets
Reported in U.S. Dollars

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>($’000)</td>
<td>($’000)</td>
</tr>
<tr>
<td><strong>Years ended December 31,</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Revenue</td>
<td>Call2Recycle, Inc. &amp; Subsidiary</td>
<td>Call2Recycle Canada, Inc.</td>
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<tr>
<td>Steward fees</td>
<td>$8,189</td>
<td>7,942</td>
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<td>Service fees</td>
<td>597</td>
<td>-</td>
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<tr>
<td>Recovered metals proceeds, net</td>
<td>579</td>
<td>197</td>
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<tr>
<td>Cell phone revenue</td>
<td>2,092</td>
<td>-</td>
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<tr>
<td><strong>Total revenues</strong></td>
<td>$11,457</td>
<td>8,139</td>
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<tr>
<td>Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program expenses</td>
<td></td>
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</tr>
<tr>
<td>Collection and recycling operations</td>
<td>8,940</td>
<td>5,362</td>
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<td>Public education</td>
<td>2,098</td>
<td>504</td>
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<tr>
<td>Seal administration</td>
<td>361</td>
<td>-</td>
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<tr>
<td><strong>Total program expenses</strong></td>
<td>11,399</td>
<td>5,866</td>
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<tr>
<td>Management and general expenses</td>
<td>2,498</td>
<td>1,699</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>$13,897</td>
<td>7,565</td>
</tr>
<tr>
<td>Increase (decrease) in unrestricted net assets before non-operating activities</td>
<td>(2,440)</td>
<td>574</td>
</tr>
<tr>
<td><strong>Non-operating activities:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Intercompany fees</td>
<td>29</td>
<td>(29)</td>
</tr>
<tr>
<td>Investment income/(loss)</td>
<td>1,059</td>
<td>-</td>
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<tr>
<td><strong>Increase (decrease) in unrestricted net assets</strong></td>
<td>(1,352)</td>
<td>545</td>
</tr>
<tr>
<td>Unrestricted net assets, beginning of year</td>
<td>20,942</td>
<td>203</td>
</tr>
<tr>
<td>Translation adjustment</td>
<td>-</td>
<td>72</td>
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<tr>
<td><strong>Unrestricted net assets, end of year</strong></td>
<td>$19,590</td>
<td>820</td>
</tr>
</tbody>
</table>
2016 ANNUAL REPORT

U.S.
Call2Recycle, Inc.
Headquarters
1000 Parkwood Circle
Suite 200
Atlanta, GA 30339
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1-877-2-RECYCLE
www.call2recycle.org

Canada
Call2Recycle Canada, Inc.
Headquarters
5140 Yonge Street
Suite 1570
Toronto, ON M2N 6L7
1-888-224-9764
www.call2recycle.ca
www.appelarecycler.ca

Québec Regional Office
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Suite 410
Brossard, Québec
J4Y 0E3

Western Canada Regional Office
2590 Granville Street
Suite 201
Vancouver, BC V6H 3H1