2018 Annual Report

CHARGING FORWARD
INFLUENCING POSITIVE CHANGE

Call2Recycle, Inc.
CALL2RECYCLE, INC.
BOARD MEMBERS & OFFICERS at close of 2018

BOARD MEMBERS
Andrew J. Sirjord (Chairman)
Panasonic Industrial Devices Sales Company of America
Richard Abramowitz
Duracell
Marcus Boolish
Energizer Battery Manufacturing, Inc.
John Bradford
Interface Americas
James Bremner
Varta Microbattery, Inc.
Roger Dower
The Johnson Foundation
Daniel Hutter
Spectrum Brands (Rayovac)
John Matthews
Matthews Strategic Services, LLC
Charlie Monahan
Panasonic Industrial Devices Sales Company of America
Susan Repo
Independent
Doug Smith
Sony Electronics, Inc.
Chip Wildes, Jr.
Saft America, Inc.

OFFICERS
Carl E. Smith
CEO & President
Greg Broe
Vice President, Finance & Administration
Linda Gabor
Vice President, Marketing & Customer Service
Tim Michaels
Managing Director of Operations
LOOKING BACK AND CHARGING AHEAD

Amidst some turbulent trade winds, Call2Recycle enjoyed a positive 2018.

The program collected and recycled 7.2 million pounds of batteries, despite challenges with safe handling of lithium-based batteries. While headlines spotlighted some of these dangers, our program experienced no significant safety incidents thanks to our collection site training efforts, expanded consumer education campaigns and widespread use of our flame-retardant box liners. Finally, to ensure that steward fees wouldn’t have to increase for the third straight year, we successfully offered battery-related services outside of our traditional stewardship program that generated incremental revenue to fund our activities.

Our 2018 collections were lower than 2017 due to several factors, most prominently the fact that rechargeable batteries are increasingly not removable from the products they power and that fewer organizations are willing to collect rechargeable batteries due to inherent risks. While all pressing challenges, these factors haven’t deterred us. We are actively seeking new channels for collections such as our new e-commerce site, which allows organizations to directly order Call2Recycle boxes online. Since the launch of this offering, we’ve captured more than 275,000 pounds of consumer batteries.

Our commitment to safety hasn’t lessened, either. All Call2Recycle collection sites must successfully complete battery safety training to remain active. Consumer education campaigns like Avoid the Spark. Be Battery Safety Smart™ underscore safe battery handling practices, particularly when recycling.

As we enter 2019, we will continue to strive to keep our steward fees frozen at current levels. To ensure this is attainable, we will keep expanding our broader manufacturer take-back service offerings, which will help fund the expansion of our traditional program into more municipalities and retailers.

Our dedication to safely collect and recycle batteries has never been stronger. You’ll continue to see that in 2019 and beyond.

Thanks for your ongoing support of these efforts.

Sincerely,

Carl E. Smith
CEO & President, Call2Recycle, Inc.
2018 TOTAL
U.S. BATTERY COLLECTIONS

7.2 Million lbs
COLLECTED

<table>
<thead>
<tr>
<th>BATTERY CHEMISTRY</th>
<th>Collected Weight (lbs) by millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium Primary</td>
<td>2M</td>
</tr>
<tr>
<td>Alkaline &amp; Carbon Zinc</td>
<td>1M</td>
</tr>
<tr>
<td>Nickel Cadmium (Ni-Cd)</td>
<td>750k</td>
</tr>
<tr>
<td>Lithium Ion (Li-Ion)</td>
<td>500k</td>
</tr>
<tr>
<td>Nickel Metal Hydride (Ni-MH)</td>
<td>250k</td>
</tr>
<tr>
<td>Small Sealed Lead Acid (SSLA/Pb)</td>
<td>750k</td>
</tr>
</tbody>
</table>

*single-use* rechargerable
2018 AT-A-GLANCE

7.2 MILLION POUNDS OF BATTERIES diverted from landfills

IMPROVED PROXIMITY & AVAILABILITY

MORE THAN 16,000 public collection sites across the U.S.

86% OF THE U.S. POPULATION HAS ACCESS to a Call2Recycle drop-off location

NEW CONNECTIONS & INTERACTIONS

NEARLY 378,000 drop-off locator searches

NEARLY 35,000 customer interactions

MORE THAN 173,000 boxes delivered to U.S. collection sites

EXPANDED AWARENESS EFFORTS

MORE THAN 20 tradeshow and conferences attended

6 INTEGRATED CAMPAIGNS promoting battery recycling & battery safety awareness

RECOGNITION FOR INGENUITY

1 ‘TOP RATED PRODUCT OF THE YEAR’ AWARD for our flame-retardant box liner

2018
OUR CONTINUED COMMITMENT TO BATTERY RECYCLING AND SAFETY

Proactive Education Makes the Grade

While the battery recycling landscape continued to shift in 2018 based on market and industry changes, one element remained a constant for Call2Recycle® – our commitment to safety. Proactive consumer outreach and engagement with our flagship Charge Up Safety!™ initiative allowed us to weave safety into every aspect of the program. As a result of these partnerships and activities, we created new local and national touchpoints that helped advance battery safety awareness and education.

Campaigning for Safety Awareness

A commonality across these touchpoints included education on the proper handling, management, transport and disposal of batteries. This approach also provided the foundation for a California Bay Area public education campaign launched in partnership with five industry groups devoted to electronics, batteries and power tools. Titled Avoid the Spark. Be Battery Safety Smart.™, the pilot effort centered on educating consumers on the proper handling and recycling of batteries to help reduce safety incidents. Supporting materials included a dedicated webpage with resources, which garnered nearly 1,500 downloads of materials and 8,500 visitors to the webpage. In-market advertising and media coverage also supported awareness and outreach efforts. Campaign outcomes included a major decline in the percentage of unprotected batteries returned through Call2Recycle in the Bay Area, improving by more than 15 percent from July-Oct 2018 compared to July-Oct 2017. Media also helped to spread the message, with coverage secured in local, regional, national and international outlets. Coupled with other awareness campaigns, including National Battery Day, Spring Battery Hoarder and Back-to-School, we deepened the reach and impact of the program. This type of market traction and outreach was made possible by the program’s ongoing investment and focus on safety.
Constantly Improving

Our patent-pending flame-retardant box liner continued to provide an extra layer of protection for everyone involved in the battery recycling journey. It even received recognition as a ‘Top 2018 Product of the Year’ by Environmental Leader Magazine. We spent considerable time in 2018 developing the next generation of the flame-retardant box liner to enhance the product’s impact, with an eye on roll-out in 2019. Paired with our Charge Up Safety™ resource repository – including mandatory safety site training – we’re driving safety practices in a way that educates, engages and protects program participants, all while supporting our mission to keep batteries out of landfills. 2018 included several strides for safety, which we will continue to review, revise and enhance for years to come.

Vermont Update

Vermont – the first state in the U.S. requiring producers to finance a collection and recycling program for primary batteries – also contributed to collections and spreading consumer awareness. In 2018, Vermont consumers collected 146,450 pounds of batteries through Call2Recycle, which is the approved stewardship organization for the state. 2018 battery collections grew by 9 percent over last year. There are 34 producers participating in Call2Recycle’s approved Vermont stewardship plan covering nearly 100 battery brands.

Vermont’s success with battery recycling is a shining example of what can be achieved through manufacturer and government partnerships. With a 98 percent accessibility rate and more than 200 public collection sites, Vermont achieved a 14 percent recycling rate of primary batteries in 2018. Since Vermont’s program launch in 2016, more than 396,000 pounds of batteries have been recycled via convenient drop-off sites across the state.
BionX International
Bissell Homecare, Inc.
Bose Corporation
Brother International
Bushnell, Inc.
BYD Company Limited
Canadian Tire Corporation, Limited
Canon Canada Inc.
Canon USA Inc.
Car Mate USA Inc.
Casio America, Inc.
Catapult1, LLC
Century Optronic Inc.
Changzhou Globe Tools Co. Ltd.
Chervon HK Limited
Chervon HK Limited/The Home Depot
Chervon HK Ltd/The Home Depot Canada
Cisco Systems Inc.
Cleva North America/LawnMaster
Cognex Inc.
Computer Technology Link Corp (DBA CTL)
Conair Corporation
CTE Energy Co., Limited
Cybertron International
Deere & Company (John Deere)
Dell Canada Inc.
Dell Inc.
Deltran USA LLC
Digi-Key Corporation
DLG (Shanghai) Electronic
Dongguan Sunly Battery Tech Co., Limited
Duracell Canada Inc.
Duracell US Operations
Eaton Corporation
Echo Incorporated
Enerco Group Inc.
Energizer Holdings, Inc.
Energizer Holdings, LLC
EnerSys Delaware Inc.
Epson America, Inc.
Esselte Corporation
Evergreen (C.P.) USA Inc.
EZsmart Gutter Cleaner, LLC
FDK AMERICA
Fedco Electronics, Inc.
Ferno - Washington, Inc.
Finish Thompson, Inc.
Flying Dragon Development Limited
FujiFilm Holdings America Corp.
Fujitsu America
Garmin International, Inc.
GE Healthcare Canada, Inc.
Getac Inc.
Gibson Innovations USA, Inc.
GiiNii Tech Corporation
Global Technology Systems, Inc.
Gold Peak Industries (NA), Inc.
Google, Inc.
GRACO, Inc.
Gradus Group
GreenSmoke, Inc.
GS Battery (USA) Inc.
Guangzhou Great Power Energy Tech Co Limited
Harris Corporation
Hewlett Packard Enterprise
Hitachi Canada Corporation
Hilti, Inc.
Hitachi Koki Canada Co.
Hobbico, Inc.
HoMedics
Honeywell International Inc.
HP Inc.
HTC Corporation
Huawei Device USA. Inc.
Husqvarna AB
IDX System Technology Inc.
Industrial Battery Service Inc.
Ingersoll Rand
Inspired Energy, LLC
Intec Industries Co. Limited
Intermetro Industries Corp.
Invacare Corporation
Invox Hardware Limited
iRobot Corp.
Jasco Products Company
JC Technology dba Ace Computers
Jiawei Technologies (USA) Limited
JIN CO Limited
JKH Health Co., Limited
JLG Industries Inc.
JVCKENWOOD USA Corp.
CALL2RECYCLE, INC.
Condensed 2018 and 2017 Financial Statements

Statements of Financial Position

Years Ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2018 ($'000)</th>
<th>2017 ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 311</td>
<td>$ 603</td>
</tr>
<tr>
<td>Receivables, no allowance deemed necessary</td>
<td>5,919</td>
<td>4,557</td>
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<tr>
<td>Prepaid expense and other assets</td>
<td>237</td>
<td>174</td>
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<tr>
<td>Long-term investments</td>
<td>19,966</td>
<td>19,842</td>
</tr>
<tr>
<td>Net property and equipment</td>
<td>18</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$ 26,451</td>
<td>$ 25,258</td>
</tr>
</tbody>
</table>

| **LIABILITIES and NET ASSETS:** |              |              |
| Accounts payable and accrued expenses | $ 2,062      | $ 1,287      |
| Unearned revenue | 5,836        | 5,714        |
| **Total liabilities** | 7,898        | 7,001        |
| Net assets without donor restrictions | 18,553       | 18,257       |
| **Total liabilities and net assets** | $ 26,451     | $ 25,258     |

INDEPENDENT AUDITORS’ REPORT

Board of Directors
Call2Recycle, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial position of Call2Recycle, Inc. (a non-profit organization) as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, and cash flows for the years then ended (not presented herein); and in our report dated May 15, 2019, we expressed an unqualified opinion on those financial statements.

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

May 15, 2019

Smith & Howard
Certified Public Accountants and Advisors
CALL2RECYCLE, INC.
Condensed 2018 and 2017 Financial Statements
Condensed Statements of Activities and Changes in Net Assets

Years Ended December 31,

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($'000)</td>
<td>($'000)</td>
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<tr>
<td><strong>OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
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<tr>
<td>Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td>$12,988</td>
<td>$10,655</td>
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<tr>
<td>Recovered metals proceeds, net</td>
<td>1,070</td>
<td>1,009</td>
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<tr>
<td>Shared service fees</td>
<td>1,775</td>
<td>864</td>
</tr>
<tr>
<td>Cellphone revenue</td>
<td>241</td>
<td>251</td>
</tr>
<tr>
<td>Other</td>
<td>143</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$16,217</td>
<td>$12,779</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collection and recycling operations</td>
<td>10,910</td>
<td>9,004</td>
</tr>
<tr>
<td>Public education and awareness</td>
<td>1,718</td>
<td>1,669</td>
</tr>
<tr>
<td>Seal administration</td>
<td>262</td>
<td>273</td>
</tr>
<tr>
<td><strong>Total Program Expenses</strong></td>
<td>12,890</td>
<td>10,946</td>
</tr>
<tr>
<td>Management and General Expenses</td>
<td>2,401</td>
<td>2,246</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$15,291</td>
<td>$13,192</td>
</tr>
<tr>
<td>Increase/(Decrease) in net assets without donor restrictions before non-operations activities</td>
<td>926</td>
<td>(413)</td>
</tr>
<tr>
<td><strong>NON-OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income/(loss)</td>
<td>(630)</td>
<td>1,868</td>
</tr>
<tr>
<td>Increase in net assets without donor restrictions</td>
<td>296</td>
<td>1,455</td>
</tr>
<tr>
<td>Net assets without donor restrictions, beginning of year</td>
<td>18,257</td>
<td>19,347</td>
</tr>
<tr>
<td>Capital Contribution</td>
<td>–</td>
<td>(2,545)</td>
</tr>
<tr>
<td><strong>Net assets without donor restrictions, end of year</strong></td>
<td>$18,553</td>
<td>$18,257</td>
</tr>
</tbody>
</table>