

Call2Recycle Rechargeable Webinar Q&A: September 24, 2020

1. Q: What does "resident" mean? (In relation to the Ontario Batteries Regulation obligation hierarchy) Does this mean headquartered in Canada or having a facility or distribution centre in Canada?

A: The Authority defines "Resident in Ontario or Canada" as having a permanent establishment as defined in the Income Tax Regulations. Therefore, if you are the brand holder and operate a facility, office and / or distribution centre in Canada, you are considered an obligated party. Additional information about the regulation hierarchy is available here.

Due to the complexity of the regulation, Call2Recycle encourages all battery producers to review the <u>Ontario Batteries Regulation</u> to determine their obligation in Ontario and to contact the <u>Compliance and Registry Team</u> at the Resource Productivity & Recovery Authority (RPRA) for guidance: <u>registry@rpra.ca</u>, (647) 496-0530 or toll free at (833) 600-0530.

2. Q: Regarding the de minimis clause: If an organization's employee count is greater than five, would that organization still have an obligation regardless of volume?

A: If a producer meets the weight requirement for an exemption and has five or more full-time employees, the producer must register and meet the reporting requirements but is exempt from the requirement to collect and manage used batteries.

If a producer meets the weight requirement for an exemption and has fewer than five full-time employees, the producer is exempt from the registration and reporting requirements as well as the requirement to collect and manage used batteries.

Due to the complexity of the regulation, Call2Recycle encourages all battery producers to review the Ontario Batteries Regulation to determine their obligation in Ontario and to contact the Compliance and Registry Team at the Resource Productivity & Recovery Authority (RPRA) for guidance: registry@rpra.ca, (647) 496-0530 or toll free at (833) 600-0530.

3. Q: Explain how it works under the Ontario Batteries Regulation if your single use quantities are at or exceed de minimis but your rechargeables are below de minimis.

A: If you are a producer of single use batteries and your single use batteries exceed the de minimis, you will be obligated for those single use batteries. However, if you also supply rechargeable batteries and your supply is below the de minimis, then you will not be obligated for the rechargeable. The reverse is also true, meaning you can be

obligated for one category and not the other. When you register with RPRA, you must register for the categories for which you are obligated.

4. Q: As a program licensee, are rechargeable batteries reported for Ontario going to be excluded from the rechargeable battery reporting for Canada?

A: For the remainder of 2020, rechargeable battery producers will continue to be financially-obligated for rechargeable batteries sold into Ontario under the current licensee agreement with Call2Recycle; and therefore, should continue to report sales via GreenTrax through 2020. You will be asked to specifically report on Ontario sales in addition to your usual reporting. However, your fees will not change for 2020. By reporting sales data for Ontario, you are designating Call2Recycle Canada as your Producer Responsibility Organization (PRO) for the balance of 2020. Call2Recycle will automatically serve as your operating entity through the end of the year, although you must register with RPRA in November 2020.

As of January 1, 2021, rechargeable batteries in Ontario will no longer be covered under current Licensee agreements with Call2Recycle. Therefore, licensee fee payments will stop after Q4 2020 remittance in January 2021. Due to Ontario and Saskatchewan moving to regulations, rechargeable licensee fees (for remaining non-regulated provinces) will drop from 60% of Canadian supply to 19% starting January 1, 20201.

If you have additional questions about your obligations under the Ontario Batteries Regulation, please contact Erich Repper at erepper@call2recycle.ca. or at 438-448-4274 or 1-888-224-9764.

5. Q: What does the term "consumer" mean? How are agencies such as fire departments, state agencies and county agencies classified?

A: A consumer is anyone who purchases and pays for a battery in Ontario. This includes batteries sold to public agencies and IC&I buyers.

Questions Including the New Electrical and Electronic Equipment (EEE) Regulation 522/20

6. Q: Please elaborate on what Call2Recycle expects for toys/dolls that are not covered by either EEE or the Ontario Batteries Regulation? What does Ontario plan for those batteries?

A: Call2Recycle has asked this question of the Authority (RPRA) and will share their feedback once we receive a response.

7. Q: Are there exclusions for ITE equipment including industrial equipment not sold to consumers?

A: Under the <u>Ontario Batteries Regulation</u>, all purchases of single-use and rechargeable stand-alone or replacement batteries, weighing less than five kilograms, are covered by the regulation regardless of who the purchaser is. This includes batteries purchased for ITE equipment and industrial equipment not sold to residential consumers.

The only batteries excluded from the Ontario Batteries Regulation would be batteries sold in or with products. For example, a cordless drill may be packaged and sold with one or two (or more) rechargeable batteries. As these batteries are sold in or with a product, they are not covered by the regulation.

The new Ontario EEE Regulation specifically covers information technology, telecommunications and audio visual equipment (ITT/AV) including computers, printers and cartridges, video games, telephones, cell phones, display devices, radios, stereos including after-market vehicle stereos, headphones, speakers, cameras including security cameras, video recorders, drones with a/v, peripherals and cables, parts, handheld point-of-sale terminals, musical instruments and Lighting including light bulbs, tubes and lamps, including incandescent, fluorescent, halogen, LED, and HID. Two exceptions specifically identified include power tools and children's toys.

<u>Please note</u>: Due to the complexity of the new Ontario EEE Regulation, Call2Recycle encourages all battery producers to review the EEE Regulation to determine their obligation in Ontario and to contact the Compliance and Registry Team at the Resource Productivity & Recovery Authority (RPRA) for guidance: registry@rpra.ca, (647) 496-0530 or toll free at (833) 600-0530.

8. Q: Is computer equipment sold with industrial equipment excluded from the new electronics regulation?

A: If there is more than one product sold together with two separate brand holders, the brand holder responsible for the primary product becomes the obligated producer. If the industrial equipment is the primary product then the computer equipment would be exempt.

From Regulation 522/20: "this Regulation does not apply to a product if the primary purpose of the product does not fall into one of the categories of EEE described in subsection (1), regardless of whether any of the components, parts or peripherals of the product referred to in subsection (3) are EEE.

Please note that Call2Recycle is not a PRO for producers of EEE. For more information about this regulation, please contact the <u>Compliance and Registry Team</u> at the Resource Productivity & Recovery Authority (RPRA) for guidance: <u>registry@rpra.ca</u>, (647) 496-0530 or toll free at (833) 600-0530.