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Call2Recycle Canada, Inc.

Environmental Handling Fees (EHFs) – Frequently Asked Questions (FAQs) Updated April 2024

Call2Recycle® is Canada's leading organization for battery collection and recycling, fulfilling product stewardship obligations on behalf of over 400 members, including producers of single-use and rechargeable batteries. Call2Recycle powers Recycle Your Batteries, Canada!, its household and e-bike battery collection and recycling program. The organization operates provincially-approved programs in British Columbia, Saskatchewan, Manitoba, Quebec, Prince Edward Island, and Nova Scotia (effective July 1, 2024). It also functions as a registered Producer Responsibility Organization (PRO) in Ontario, adhering to the Ontario Batteries Regulation. It offers collection and recycling services for household batteries (weighing up to 5 kg), as well as e-transport batteries used to power e-bikes, e-scooters, e-skateboards, hoverboards, and Electric Vehicles (EVs).

Since its inception in 1997, Call2Recycle has diverted over 45 million kilograms of batteries from Canadian landfills. It upholds its commitment to operating the highest quality battery recycling program in Canada and holds certification in the most rigorous and globally respected standards, including R2v3, ISO 14001, ISO 45001, ISO 9001, as well as exclusively contracting with an ISO 27001 certified supplier for all IT infrastructure management. This reputation for excellence has enabled Call2Recycle to maintain trusted, long-term relationships with stakeholders and establish a network of more than 12,000 participating collection locations across Canada, including at leading retailers and municipal facilities.

For more information, please visit the Call2Recycle Canada website.

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General FAQs

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1. What is an Environmental Handling Fee?

An Environmental Handling Fee, or EHF, is a charge on a product to handle the responsible collection and end-of-life management of that product.

2. Why is it important to recycle batteries?

Recycling batteries is essential for a variety of reasons, for example, it:

- · Helps keep potentially harmful contaminants out of our landfills and waste streams
- Helps keep people and property safe. If batteries are improperly disposed of at their end-of-life, they can short-circuit or overheat and cause a fire.
- Helps reduce the waste of resources and mining for new materials by capturing metals and components that can be reused into new products such as new batteries, kitchen appliances, bicycles, or even golf clubs, thus supporting a strong circular economy in Canada.

3. How are the EHFs determined?

EHFs are determined using a calculation that factors in the cost to manage the collection and responsible recycling of each battery, by specific type. EHFs may vary between provinces.

4. What about batteries included in products like my cellphone and laptop?

This varies by province and by regulation. In some jurisdictions, batteries in products may be covered under another approved stewardship program; therefore, the responsibility for the end-of-life management of the battery(ies) resides with the program responsible for the device.

5. What kind of batteries are subject to an Environmental Handling Fee?

All stand-alone batteries (batteries not sold with a product) that are part of the Call2Recycle program are subject to an Environmental Handling Fee. These include (as of April 2024):

- Single-Use Batteries
 - Alkaline
 - Lithium Primary
 - Silver Oxide
 - o Zinc Air
 - Zinc Carbon
 - Zinc Chloride
- Rechargeable Batteries

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- Lithium Ion
- Nickel Cadmium
- Nickel Metal Hydride
- Nickel Zinc
- Portable Power
- Small Sealed Lead Acid (excluding Saskatchewan)

In addition, in Quebec, Saskatchewan, Manitoba, and Prince Edward Island, EHFs may be applied to batteries sold in or with certain products, including the following:

- E-Toys
- Ride-On Toys (excluding Saskatchewan)
- Construction/Renovation Tools
- Garden Tools
- Flashlights/Spotlights
- Smoke and Carbon Monoxide (CO) Alarms
- Electric Bicycles, Electric Scooters, Electric Skateboards, Electric Hoverboards

6. What is a stand-alone battery?

A battery that is sold independent of a device or for replacement purposes.

7. What is Call2Recycle's role?

Call2Recycle® is Canada's leading organization for battery collection and recycling, fulfilling product stewardship obligations on behalf of over 400 members, including producers of single-use and rechargeable batteries. Call2Recycle powers Recycle Your Batteries, Canada!, its household and e-bike battery collection and recycling program. The organization operates provincially-approved programs in British Columbia, Saskatchewan, Manitoba, Quebec, Prince Edward Island, and Nova Scotia (effective July 1, 2024). It also functions as a registered Producer Responsibility Organization (PRO) in Ontario, adhering to the Ontario Batteries Regulation. It offers collection and recycling services for household batteries (weighing up to 5 kg), as well as e-transport batteries used to power e-bikes, e-scooters, e-skateboards, hoverboards, and Electric Vehicles (EVs).

8. Who pays for the Environmental Handling Fees (EHFs)?

The EHFs are remitted by Call2Recycle's members as obligated parties. An obligated party can be a retailer, wholesaler, distributor, or manufacturer. It is left to the discretion of the obligated party to determine whether to pass along the EHF to consumers.

9. Will these EHFs be rolled out in other provinces?

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At this time EHFs are only applied in regulated provinces where Call2Recycle operates under approved stewardship plans (including British Columbia, Saskatchewan, Manitoba, Quebec and Prince Edward Island) and in Ontario where the program operates as an Individual Producer Responsibility Organization (PRO).

Call2Recycle's battery stewardship plan for **Nova Scotia (NS)** was officially approved in February 2024, and the consumer battery collection and recycling program will launch in the province on July 1, 2024, per the Nova Scotia Solid Waste-Resource Management Regulations. Consistent with other regulated provinces, the Nova Scotia program will be supported through Environmental Handling Fees (EHFs) effective July 1, 2024.

With voluntary support from battery and battery-powered product manufacturers, the Call2Recycle program is also administered in all other provinces making battery recycling accessible to residents in Newfoundland, Labrador, New Brunswick and Alberta.

10. Where can I find the EHF schedule?

The current fee schedule, effective April 1, 2024 for British Columbia, Saskatchewan, Manitoba, Quebec, Ontario and Prince Edward Island can be found here. The fee schedule for Nova Scotia, effective July 1, 2024, can be found here. For any additional questions, please contact customerservice@call2recycle.ca.

11. How did Call2Recycle determine which product sold with batteries should be included in the program?

The products have been selected based on the significant volume sold on the market and the likelihood that their easily removable batteries end up in Call2Recycle's recycling stream.

To ensure these batteries can be properly managed at their end-of-life, and minimize any cross-subsidization from other products, Call2Recycle has included categories such as e-toys, ride-on toys, garden tools, construction/renovation tools, smoke/CO alarms, flashlights/spotlights, eMobility batteries (including those used in electric bicycles, electric scooters, electric skateboards, electric hoverboards), and E-Toys in its program. Any fee placed on these categories is intended to manage the batteries only and not for the device itself.

EHFs are not applied to products containing batteries in British Columbia and Ontario.

12. Is there a tool available to help identify which products are subject to the new EHF?

Yes. Please refer to the updated EHF Product Guide, which is available here. If you have questions about the guide, please contact Call2Recycle at: customerservice@call2recycle.ca.

13. What are the key changes in Call2Recycle's EHFs on February 1, 2024?

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Single-Use Batteries

• Increase in EHFs for AA and AAA single-use batteries in BC, SK, PEI.

Rechargeable Batteries

• Increase in EHFs for AA and AAA rechargeable batteries in BC, SK, PEI

Batteries sold with or in products

- EHFs introduced for ride-on toys in MB, QC, PEI.
- Revised EHF applicable on SSLA batteries in QC.

14. What are the key changes in Call2Recycle's EHFs on April 1, 2024?

Single-use batteries

Increase in EHFs for single-use AA, AAA, and button batteries in ON and QC.

Rechargeable batteries

Increase in EHFs for rechargeable AA and AAA batteries in ON.

15. What are the key changes in Call2Recycle's EHFs on July 1, 2024?

Introduction of EHFs for all categories of batteries in Nova Scotia as a newly regulated province.

16. Will Call2Recycle add additional product categories in the future?

In order to ensure both compliance with provincial regulation and the long-term financial stability of the Call2Recycle program, additional product categories may be introduced in the future in applicable provinces and in the context of regulatory changes. Should new products be added, Call2Recycle will follow its guiding principles of fairness, transparency, ease of implementation, as well as clear and timely communication.

17. Why do EHFs differ in different provinces?

EHFs are calculated based on the cost to collect and manage batteries generated within each province. Given the regional differences (such as geography, population, location of collection sites, sorters, and processors), program costs vary between provinces.

18. Why are the rate reductions or increases varied by province?

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Call2Recycle's intent is to ensure EHFs reflect the specific program costs for each province. Call2Recycle calculates EHFs based on revenue of sales for each province and ensures that the EHFs collected adequately covers the cost of the end-of-life management of each battery. As such, EHFs may be adjusted up or down.

19. Why is an EHF applied to SSLA batteries in BC, MB, QC, PEI, and NS, but not SK?

Small sealed lead acid rechargeable batteries (SSLA/Pb) are currently not regulated as a designated product in Saskatchewan.

20. Will rates change again?

Rates are subject to change and can be adjusted up or down. Rates are reviewed and approved every year by the Call2Recycle Board of Directors.

Obligation

21. I'm already a member in one province, how do I declare my obligation for other provinces?

As an existing member, please log into Call2Recycle's reporting portal <u>GreenTrax</u> to declare your obligation for other provinces.

22. How can I find out if I am obligated?

To help determine whether your entity is the obligated party, please review the provincial regulations:

- British Columbia Recycling Regulation
- Saskatchewan Household Hazardous Waste Product Stewardship Regulations
- Manitoba Household Hazardous Material Regulation
- Ontario Batteries Regulation under the Resource Recovery and Circular Economy Act, 2016
- Quebec Regulation Respecting the Recovery and Reclamation of Products by Enterprises.
- Prince Edward Island Environmental Protection Act Materials Stewardship and Recycling Regulation
- Nova Scotia Solid Waste-Resource Management Regulations

If you need further assistance, we encourage you to use the prepared decision tree found in our <u>Member Registration page</u> or contact Call2Recycle at <u>customerservice@call2recycle.ca</u>.

Registration & Reporting

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23. When should I register?

As soon as possible, as EHFs are already in effect in British Columbia, Saskatchewan, Manitoba, Ontario, Prince Edward Island, and Quebec. You can register for Nova Scotia beginning in April 2024.

24. How do I report?

Upon registration as a Call2Recycle Canada Member, you will gain access to Call2Recycle's reporting portal, <u>GreenTrax</u>.

25. How often do I need to report?

Reporting occurs monthly.

26. How should I register?

If this is your first time registering with Call2Recycle Canada, Inc. please visit our <u>Member Registration</u> <u>page</u>. If you are an existing member and wish to register for other jurisdictions, please also visit our <u>Member Registration page</u>.

27. What if I want to report and remit sales on behalf of the obligated steward?

Some provinces allow proxy agreements. You may choose to enter into a Contributor by Proxy Agreement. This proxy agreement, which is a voluntary agreement between two parties, will provide satisfactory evidence for Call2Recycle in the case that one party agrees to report data and remit sales on behalf of an obligated party.