RPRA
Resource Productivity & Recovery Authority

ADMINISTRATIVE PENALTY ORDER

Issued under section 89 of the
Resource Recovery and Circular Economy Act, 2016, c 12, Sched 1

Chloride Canada Limited/Ltee

Attention: Charmaine Carvalho, Director

Served by email to: charmaine@chloridecanada.com

ORDER NO.: RPRA-0166

I, Addison Veres am issuing this Administrative Penalty Order because I am of the opinion that Chloride Canada Limited/Ltee has contravened the *Resource Recovery and Circular Economy Act, 2016* (the "Act") or the regulations.

Excerpts of the Act and the *Administrative Penalties Regulation* made under the *Resource Recovery and Circular Economy Act, 2016*, c 12, Sched 1 (the "Administrative Penalties Regulation") relating to Administrative Penalty Orders are attached.

CONTRAVENTION

I am of the opinion that Chloride Canada Limited/Ltee has contravened the following provision(s):

1. Section 5 (1) of O. Reg. 225/18: Tires
2. Section 18 (2) of O. Reg. 225/18: Tires

DESCRIPTION OF THE CONTRAVENTION

Based on the information provided to RPRA in its registration and initial tire supply report submitted on August 23, 2018, it was determined that the Registrant meets the definition of a Tire producer under O. Reg 225/18: Tires ("Tires Regulation").

The Registrant has submitted its tire supply report in year 2024 (2022 supply data), which, together with tires supplied in 2021 and 2020 resulted in collection requirements for the year 2025. The Registrant also submitted its tire supply report in year 2025 (2023 supply data), which, together with tires supplied in 2022 and 2021 resulted in collection requirements for the year 2026.

For the indicated years, the Registrant was required to and did not comply with the following requirements of the Regulation:

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- **COLLECTION SYSTEM:** The Registrant has failed to establish and operate a collection system for tires for the 2025 and 2026 calendar years as required by section 5(1) of the Tires Regulation.

- **PERFORMANCE REPORT:** As a producer of tires, the Registrant is required under section 18(2) of the Tires Regulation, on or before May 31 in each year, to submit an annual performance report to RPRA. The annual performance report must contain information described in paragraphs 1, 2, and 3 of section 18(2) of the Tires Regulation. RPRA has not received an annual performance report from the Registrant for the year 2026 (2025 performance data).

CONSIDERATION OF REGISTRANT'S ACTIONS

RPRA issued the Registrant a Notice of Intention to Issue an Administrative Penalty Order on October 8, 2026. Within the 21-day period upon receiving the Notice of Intention to issue an Administrative Penalty Order, the Registrant subsequently took one of the actions required to remedy the identified contraventions in the Notice but failed to fully remedy all identified contraventions to date.

The Registrant submitted its tire supply report in year 2026 (2024 supply data), which, together with tires supplied in 2023 and 2022 resulted in collection requirements for the year 2027. No other written information was submitted to the Deputy Registrar for consideration by the deadline.

Section 4(1) of the Administrative Penalties Regulation requires me to consider the following information, as submitted by the Registrant as outlined in the Notice:

1. Any additional information related to the contravention.
2. Any information relevant to the Deputy Registrar's determination of the proposed base penalty amount or the proposed amount for economic benefit.
3. Information about any actions the person has taken to remedy the contravention since it occurred.

Pursuant to s. 5(1) of the Administrative Penalties Regulation, after receiving submitted information to consider, I am required to:

(a) Consider any information contained in a [submitted] request received; and
(b) Decide whether or not to issue an order to the person in respect of the contravention.

Pursuant to s. 6(1)(b)(iii) of the Administrative Penalties Regulation, my considerations and decision are as follows.

As the Registrant has submitted its outstanding 2026 tires supply report (2024 data) it is my decision not to issue an administrative penalty with respect to this contravention as part of this Administrative Penalty Order.

As no other information was submitted pursuant to section 4(1) of the Administrative Penalties Regulation, my assessment of the remaining contraventions does not change.

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AMOUNT OF THE ADMINISTRATIVE PENALTY

I have determined the following administrative penalty amounts are appropriate and reflect the fact that the contraventions have continued following the Notice of Intention to Issue Administrative Penalty Order and continue to date.

Total Penalty for all contraventions: $475,000

Penalties for each contravention:

1. **Failure to establish and operate a tires collection system in accordance with section 5(1) of the Tires Regulation for the 2025 calendar year.**

   Total penalty: $200,000

Base penalty: $200,000

The maximum daily base penalty amount for contravening section 5(1) of the Tires Regulation is $6,700 per day. The contravention commenced on January 1, 2025, and continues to date. The applicable daily base penalty is therefore multiplied by 682 days.

The following factors were considered in determining the base penalty amount:

Factor	Considerations	Factor points available	Assessment of Impact	Assessed points
i. The contravention's impact, if any, on RPRA's ability to carry out its objects	Collection system obligations are of central importance to the province-wide system recovery of used tires across Ontario. The obligations under the Tires Regulation have major regulatory importance and are the backbone to the regulatory scheme.	30	Moderate	15
ii. The contravention's impact, if any, on resource recovery and waste reduction of a class of materials designated for the purposes of section 60 of the Act.	The Registrant's failure to establish and operate a collection system for used tires compromises the provincial interest in having a robust system of resource recovery and waste reduction. In particular, it fails to: • minimize the generation of waste; • minimize the need for waste disposal;	30	High	25

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	• minimize the environmental impacts that result from waste disposal; • provide efficient, effective, convenient and reliable services related to resource recovery and waste reduction, including waste management services; • increase the reuse and recycling of waste; and increase opportunities and markets for recovered resources. • fairly allocate responsibility for the tires to the persons who are most responsible for their design Failure to establish and operate a collection system for used tires impacts the public's overall trust in the circular economy regulations and creates an uneven playing field for producers. The Registrant's non-compliance with its obligations represents a large proportion of the tire market in Ontario.			
iii. A. History of compliance of the obligated party.	The Registrant registered as a tire producer on time. The Registrant submitted most of its supply and performance reports on time. The Registrant established and operated a collection system for used tires for the majority of the calendar years in which it had obligations. The Registrant met its collection and management requirement for the majority of the years in which it had obligations. The Registrant has failed to establish and operate a collection system for	20	Low	5

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	used tires for calendar years 2025 and 2026. The Registrant also failed to submit its 2026 tire performance reports.			
iii. B. Any steps taken or not taken to remedy the contravention.	The Registrant has not submitted information regarding steps taken to remedy the contravention.	20	High	20
Factor assessment total		100		65
Total Daily Base Penalty				$4,355
Total Calculated Base Penalty **- Not applicable, Maximum Base Penalty used instead**				682 x $4,355 = $2,970,110
Maximum Base penalty				$200,000

2. **Failure to establish and operate a tires collection system in accordance with section 5(1) of the Tires Regulation for the 2026 calendar year.**

   Total penalty: $200,000

Base penalty: $200,000

The maximum daily base penalty amount for contravening section 5(1) of the Tires Regulation is $6,700 per day. The contravention commenced on January 1, 2026, and continues to date. The applicable daily base penalty is therefore multiplied by 317 days.

The following factors were considered in determining the base penalty amount:

Factor	Considerations	Factor points available	Assessment of Impact	Assessed points
i. The contravention's impact, if any, on RPRA's ability to carry out its objects	Collection system obligations are of central importance to the province-wide system recovery of used tires across Ontario. The obligations under the Tires Regulation have major regulatory importance and are the backbone to the regulatory scheme.	30	Moderate	15
ii. The contravention's impact, if any, on	The Registrant's failure to establish and operate a collection system for used tires compromises the provincial	30	High	25

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resource recovery and waste reduction of a class of materials designated for the purposes of section 60 of the Act.	interest in having a robust system of resource recovery and waste reduction. In particular, it fails to: • minimize the generation of waste; • minimize the need for waste disposal; • minimize the environmental impacts that result from waste disposal; • provide efficient, effective, convenient and reliable services related to resource recovery and waste reduction, including waste management services; • increase the reuse and recycling of waste; and increase opportunities and markets for recovered resources. • fairly allocate responsibility for the tires to the persons who are most responsible for their design Failure to establish and operated a collection system for used tires impacts the public's overall trust in the circular economy regulations and creates an uneven playing field for producers. The Registrant's non-compliance with its obligations represents a large proportion of the tire market in Ontario.			
iii. A. History of compliance of the obligated party.	The Registrant registered as a tire producer on time. The Registrant submitted most of its supply and performance reports on time. The Registrant established and operated a collection system for used tires for the majority of the calendar years in which it had obligations.	20	Low	5

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	The Registrant met its collection and management requirement for the majority of the years in which it had obligations. The Registrant has failed to establish and operate a collection system for used tires for calendar years 2025 and 2026. The Registrant also failed to submit its 2026 tire performance reports.			
iii. B. Any steps taken or not taken to remedy the contravention.	The Registrant has not submitted information regarding steps taken to remedy the contravention	20	High	20
Factor assessment total		100		65
Total Daily Base Penalty				$4,355
Total Calculated Base Penalty **- Not applicable, Maximum Base Penalty used instead**				317 x $4,355 = $1,380,535
Maximum Base Penalty				$200,000

3. **Failure to submit 2026 tire performance report (2025 performance data) by the May 31, 2026, deadline, in accordance with section 18 (2) of the Tires Regulation**

   Total penalty: $75,000

Base penalty: $75,000

The maximum daily base penalty amount for contravening section 18(2) is $2,500 per day. The contravention commenced on June 1, 2026, and has not been remedied. The applicable base penalty is therefore multiplied by 166 days.

The following factors were considered in determining the base penalty amount:

Factor	Considerations	Factor points available	Assessment of Impact	Assessed points
i. The contravention's impact, if any, on RPRA's ability to	Reporting accurate and complete performance data is critical for the operation of the resource recovery scheme. Incomplete performance data impacts the functioning of the	30	High	20

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carry out its objects	system and affects RPRA's effective operations.			
ii. The contravention's impact, if any, on resource recovery and waste reduction of a class of materials designated for the purposes of section 60 of the Act.	The Registrant's failure submit performance reports compromises the provincial interest in having a robust system of resource recovery and waste reduction. In particular, it fails to: • fairly allocate responsibility for the tires to the persons who are most responsible for their design • foster the continued growth and development of the circular economy • promote cooperation and coordination among various persons and entities involved in resource recovery activities and waste reduction activities The Registrant's non-compliance with its obligations represents a large proportion of the tire market in Ontario.	30	Moderate	15
iii. A. History of compliance of the obligated party.	The Registrant registered as a tire producer on time. The Registrant submitted most of its supply and performance reports on time. The Registrant established and operated a collection system for used tires for the majority of the calendar years in which it had obligations. The Registrant met its collection and management requirement for the majority of the years in which it had obligations. The Registrant has failed to establish and operate a collection system for used tires for calendar years 2025 and 2026.	20	Low	5

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iii. B. Any steps taken or not taken to remedy the contravention.	The Registrant has not remedied the contravention after multiple reminders. All deadlines to remedy the contravention have passed.	20	High	20
Factor assessment total		100		60
Total Daily Base Penalty				$1,500
Total Calculated Base Penalty – **Not applicable, Maximum Base Penalty used instead**				166 x $1,500 = $249,000
Maximum Base Penalty				$75,000

REQUIRED ACTION

Within 30 days from the date of this order, Chloride Canada Limited/Ltee is required to take the following action:

1. Remit payment of the Administrative Penalty to RPRA via EDI/EFT, Online Bill Payment, or Cheque. Email payment details, including the Order Number listed above and amount paid, to registry@rpra.ca.

   EDI/EFT:
   Information to be provided separately as requested.

   Online Bill Payment:
   From within your online bank account, go to the bill payment section, and choose to add a payee. Search for and select “RPRA” as the payee. Once “RPRA” is selected, enter the Order Number listed above and proceed to remit the payment.

   Cheque:
   Remit to: Resource Productivity & Recovery Authority

APPEAL OF ADMINISTRATIVE PENALTY ORDER

You have the right to appeal this Order to the Ontario Land Tribunal. To appeal, you must serve written notice of your intention to appeal on the Deputy Registrar who made the Order, and on the Tribunal, within **15 days** of being served with this Order, as follows:

Addison Veres, Deputy Registrar
RPRA
registry@rpra.ca

and

RPRA
Resource Productivity
& Recovery Authority

Ontario Land Tribunal
655 Bay Street, Suite 1500
Toronto, ON M5G 1E5
Phone: 416-212-6349 | 1-866-448-2248
Website: www.olt.gov.on.ca

The notice of appeal must state the portions of the order in respect of which the hearing is required and the grounds on which the applicant intends to rely at the hearing.

FAILURE TO PAY AN ADMINISTRATIVE PENALTY

If you fail to pay this Administrative Penalty Order, RPRA may file the Order with a local registrar of the Superior Court of Justice and the order may be enforced as if it were an order of the court.

PUBLICATION OF ORDER

This Order will be posted on the Resource Productivity and Recovery Registry on RPRA's website in accordance with section 51 of the Act.

ORDER ISSUED ON NOVEMBER 13, 2026

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Addison Veres
Deputy Registrar, RPRA

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Resource Productivity & Recovery Authority

EXCERPT OF THE *RESOURCE RECOVERY AND CIRCULAR ECONOMY ACT, 2016*

ADMINISTRATIVE PENALTIES

Administrative penalties

89 (1) An administrative penalty may be imposed under this section for one or more of the following purposes:

1. To ensure compliance with this Act and the regulations.
2. To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening a provision of this Act or of the regulations.

Order by Registrar or Deputy Registrar

(2) The Registrar or a Deputy Registrar may, subject to the regulations, issue an order requiring a person described in subsection (3) to pay an administrative penalty to the Authority if the Registrar or Deputy Registrar is of the opinion that the person has contravened,

(a) subsection 41 (5);

(b) a requirement under subsection 50 (4) to file information, reports, records or documents that are complete and accurate;

(c) subsection 68 (3);

(d) subsection 75 (1);

(e) section 79; or

(f) a provision of this Act or of the regulations that is prescribed for the purposes of this section.

Same

(3) An order may be issued under subsection (2),

(a) to a person required to pay a fee under subsection 41 (5);

(b) to a person required under Part IV to carry out a responsibility under that Part;

(c) to a person who fails to respond to an inquiry made under section 79;

(d) to a person prohibited from marketing a product under subsection 75 (1); or

(e) to a prescribed person.

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Limitation

(4) An order under subsection (2) shall be served not later than one year after the day on which evidence of the contravention first came to an inspector's attention.

Orders not to be issued to directors, officers, employees or agents

(5) If a person who is required to comply with a provision of this Act or of the regulations is a corporation, an order under subsection (2) shall be issued to the corporation and not to a director, officer, employee or agent of the corporation.

Amount of penalty

(6) The amount of the administrative penalty for each day or part of a day on which a contravention occurred or continues to occur shall be determined by the Registrar or a Deputy Registrar in accordance with the regulations.

Contents

(7) An order under subsection (2) shall be served on the person who is required to pay the administrative penalty and shall,

(a) contain a description of the contravention to which the order relates, including, if appropriate, the date of the contravention;

(b) specify the amount of the penalty;

(c) give particulars respecting the time for paying the penalty and the manner of payment; and

(d) provide details of the person's right to require a hearing under section 91.

Absolute liability

(8) A requirement that a person pay an administrative penalty applies even if,

(a) the person took all reasonable steps to prevent the contravention; or

(b) at the time of the contravention, the person had an honest and reasonable belief in a mistaken set of facts that, if true, would have rendered the contravention innocent.

Same

(9) For greater certainty, nothing in subsection (8) affects the prosecution of an offence.

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Payment prevents conviction

(10) A person who pays an administrative penalty in respect of a contravention and has remedied the contravention shall not be convicted of an offence under this Act in respect of the same contravention.

Failure to pay administrative penalty when required

90 (1) If a person who is required to pay an administrative penalty fails to comply with the requirement, the Authority may file the order that requires payment with a local registrar of the Superior Court of Justice and the order may be enforced as if it were an order of the court.

Same

(2) Section 129 of the *Courts of Justice Act* applies in respect of an order filed under subsection (1) and, for that purpose, the date on which the order is filed is deemed to be the date of the order that is referred to in that section.

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EXCERPT OF THE ADMINISTRATIVE PENALTIES REGULATION MADE UNDER THE RESOURCE RECOVERY AND CIRCULAR ECONOMY ACT, 2016

Issuing of order

6. (1) Without limiting the contents required under subsection 89 (7) of the Act, an order shall,

(a) specify the provision that the person has contravened and describe the contravention, including the day, days or parts of days on which the contravention occurred;

(b) set out the final amount of the administrative penalty, and as part of specifying the final amount of the administrative penalty, specify the final base penalty amount and the final amount for economic benefit, including,

i. a description of the manner in which the final base penalty amount was determined,

ii. a description of the calculations, variables and assumptions that led to the determination of the final amount for the economic benefit, and

iii. any consideration given by the Registrar or Deputy Registrar to any request made under section 4;

(c) give particulars respecting the time for paying the penalty and the manner of payment; and

(d) provide details of the person's right to require a hearing under section 91 of the Act.

(2) A single order may require a person to pay an administrative penalty in respect of one or more contraventions.

Administrative penalty amount, general

7. (1) Subject to subsections (2), (3) and (4), the administrative penalty amount under subsection 89 (2) of the Act in respect of a contravention shall consist of the following, determined in accordance with this Regulation:

1. A base penalty amount.

2. An amount for economic benefit.

(2) The administrative penalty amount in respect of a person's contravention of a provision set out in Schedule 1 shall not exceed $1 million.

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(3) The administrative penalty amount in respect of a contravention of a provision set out in Schedule 2 shall not exceed $1 million minus the total amount of any administrative penalties in respect of the contravention of the same provision by the same person in the previous 365 days.

(4) If, after determining the administrative penalty amount in respect of a contravention in accordance with subsections (1), (2) and (3), the Registrar or Deputy Registrar determines that, due to its magnitude, the imposition of the administrative penalty is punitive in nature having regard to all the circumstances, including any other administrative penalty amounts in respect of contraventions under the same order, the Registrar or Deputy Registrar shall reduce the amount such that the imposition of the administrative penalty is consistent with the purposes set out in subsection 89 (1) of the Act.

Base penalty amount, determination

8. (1) For the purposes of setting out the proposed base penalty amount in a notice under subsection 3 (1) and the final base penalty amount set out in an order under subsection 6 (1), the Registrar or Deputy Registrar shall determine the base penalty amount in accordance with the following rules:

1. The Registrar or Deputy Registrar shall consider the following factors:

i. The contravention's impact, if any, on the Authority's ability to carry out its objects.

ii. The contravention's impact, if any, on resource recovery and waste reduction of a class of materials designated for the purposes of section 60 of the Act.

iii. With respect to the person who carried out the contravention,

A. the person's history, if any, of complying or not complying with the Waste Diversion Transition Act, 2016 or its regulations or with the Resource Recovery and Circular Economy Act, 2016 or its regulations, and

B. any information available to the Registrar regarding whether the person has remedied the contravention or is in the process of remedying the contravention, and how quickly the contravention was or is being remedied.

2. For a contravention of a provision set out in Schedule 1, the base penalty amount shall not exceed the applicable maximum base penalty amount, as set out in the applicable Table to Schedule 1.

3. For a contravention of a provision set out in Schedule 2, the following rules apply:

i. The daily base penalty amount shall not exceed the applicable maximum daily base amount, as set out in the applicable Table to Schedule 2 and shall be multiplied by the number of full or partial days during which the contravention continued before it was remedied.

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ii. The base penalty amount in respect of a contravention shall not exceed the applicable maximum total base penalty amount, as set out in the applicable Table to Schedule 2, minus the total of any base penalty amounts included in administrative penalties that were imposed in respect of a contravention of the same provision by the same person in the previous 365 days.

(2) For the purposes of paragraph 3 of subsection (1), a contravention of a provision set out in Schedule 2 that requires a person to do something within a particular time period shall be considered to have been remedied when the person has done it, even if the person has done it after it was required to be done.

Amount for economic benefit, determination

9. The Registrar or Deputy Registrar shall consider the following factors when determining, with respect to a contravention of a provision set out in Schedule 1 or 2, the proposed amount for economic benefit to be set out in a notice under subsection 3 (1) and the final amount for economic benefit to be set out in an order under subsection 6 (1):

1. Costs that the person avoided incurring by failing to comply with the provision.

2. Costs that the person delayed incurring by delaying compliance with the provision.

3. Gains that the person has accrued by failing to comply with the provision.

Determination of final administrative penalty amount

10. (1) The Registrar or Deputy Registrar shall, when determining the final administrative penalty amount to be set out in an order, reapply sections 8 and 9 and redetermine the base penalty amount and amount for economic benefit if the Registrar or Deputy Registrar considers it to be appropriate based on any additional information now available to the Registrar or Deputy Registrar that was not available at the time of giving the notice under subsection 3 (1), which may include information regarding the continuation of the contravention following the giving of the notice.

(2) In making the determinations under subsection (1), the Registrar or Deputy Registrar shall consider any information contained in a request received under section 4.

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