



Review of the Batteries and ITT/AV Supply Data Verification Procedure

Consultation Report

May 4, 2022

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Executive Summary

This report details the Authority's consultation process, the feedback received and how the Authority incorporated the feedback into its decision making on creating the Batteries and ITT/AV Supply Data Verification Procedure. Questions about this report can be emailed to consultations@rpra.ca.

Producers will reference the procedure when submitting their first Supply Data Verification Report to the Authority in 2022.

The consultation was held in two phases. From September 9, 2021, to October 9, 2021, the Authority consulted producers, PROs, and their Verifiers on the principles and methodologies that was used to update the procedure. From January 10, 2022, to February 18, 2022, the Authority consulted on the draft procedure to gather additional feedback from stakeholders.

Comments received during the consultation period are summarized in [Appendix B](#) of this report. All questions received during the consultation webinars and responses provided by the Authority are detailed in [Appendix C](#) of this report.

The final Batteries and ITT/AV Supply Data Verification Procedure was posted on May 4, 2022, and webinar participants, along with all battery and ITT/AV producers, were notified the same day.

Introduction

About the Authority

The Authority is the regulator created by the Ontario government to enforce the requirements of the *Resource Recover and Circular Economy Act* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WTDA).

The RRCEA establishes a resource management regime where producers are individually responsible and accountable for their products and packaging, recovering resources and reducing waste. The WTDA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment, Conservation and Parks.

Principles for public consultation

The Authority's consultations are guided by the following best practice principles developed by the Organization for Economic Cooperation and Development:

Inclusiveness and openness: Engage broadly with a wide variety of stakeholders, provide clear and understandable information, and make the consultation process accessible, comprehensible and responsive.

Timeliness: Engage stakeholders early before decisions are made and provide regular opportunities for engagement on key program and policy matters.

Accessible and cost effective: Consider a variety of tools and methods to gather feedback that promote efficient and cost-effective consultations.

Balance: Provide opportunities for diverse perspectives and opinions to be heard and considered.

Transparent: Record feedback, report back a summary to stakeholders, and synthesize feedback into programs and policies as appropriate.

Evaluation: Demonstrate the impact of public consultations on program delivery and policy development.

Consultation

Process

Phase one of the consultation, where the Authority consulted on the principles and methodologies that was used to update the procedure, began on September 9, 2021 and ran for 30 days to October 9, 2021. The second phase of the consultation, where the Authority consulted on the draft procedure, began on January 10, 2022 and ran for 38 days to February 18, 2022. A [dedicated web page](#) was created on the Authority's website with background information on the consultation, registration links for the webinars and presentation materials.

On August 26, 2021, the Authority emailed registered Batteries and ITT/AV producers and PROs announcing phase one of the consultation period and how to participate. The Authority also included the webinar invite in its September 2021 newsletter, which was sent to its general mailing list (approximately 1500 subscribers). Those directly affected by the procedure were invited to submit feedback on the proposed principles and methodologies via email or by attending the webinar hosted on September 9, 2021.

On January 10, 2022, the Authority emailed all Batteries and ITT/AV producers and PROs announcing phase two of the consultation period and how to participate. Those directly affected by the procedure were invited to submit feedback on the draft procedure via email or by attending the webinar hosted on January 18, 2022.

What we heard

The Authority received feedback through all its consultation channels:

- There were 104 participants in the Authority's webinar on September 9 and 118 participants in the January 18 session. Webinar presentations and recordings can be found [here](#).
- Four written submissions were received via email during phase one and four written submissions were received via email during phase two.

See below for a summary of comments received. For the list of stakeholders that submitted written feedback, please see [Appendix A](#).

- Support:
 - Several stakeholders agreed with the list of proposed Verifiers.
 - A few stakeholders were supportive of having one combined procedure for batteries and ITT/AV.
 - Two stakeholders submitted feedback expressing support for combining product categories with similar requirements as it may result in cost savings when submitting one verification report.
 - One stakeholder agreed with all producers (i.e. small and large) submitting a one-time verification report in 2022 in order for the Authority to establish a baseline.
 - One stakeholder supported the proposed sampling methodology.
- Concerns:
 - One stakeholder proposed that since an officer of the company submits an Attestation when reporting supply data, that the officer should also be considered

- a Verifier. An officer of the company could be considered a Verifier if they hold an acceptable Verifier designation, as listed in the procedure.
- One stakeholder did not support combining the procedures and preferred separate procedures for each material.
 - One stakeholder disagreed with all producers submitting a one-time verification report in 2022. The stakeholder believed by having small producers exempt, it would help avoid confusion of not needing to submit a verification report in future years.
 - Two stakeholders expressed the need for requirements to be fair, consistent and equally applied to all companies regardless of their size (i.e. large or small producers).
 - One of the stakeholders agreed with the Authority's approach of consulting on categories of producers at a later date and the requirement for small producers to be subject to inspections.
 - One stakeholder commented on how a Verifier sampling supply data may increase the complexity of the reporting process.
 - One stakeholder was concerned with the annual frequency of submitting a verification report, as outlined in the Batteries and Electronic and Electrical Equipment Regulations.

Evaluation

To help RPRA improve future consultations and communications, participants were invited to complete a short survey following the consultation webinars.

Of the 104 phase one webinar attendees, 44, or 42%, completed the survey.

In response to the question, "Overall, how would you rate the consultation?", 98% of respondents ranked the session "Excellent", "Good" or "Average" (based on a scale of Excellent, Good, Average, Fair, Poor).

57% of respondents said the information provided by the presenter was "Extremely or Very helpful", and 39% said it was "Somewhat helpful". The remaining 4% said it was "Not so helpful".

Majority of respondents (93%) ranked the presentation slides and question and answer portion of the webinars as "Excellent", "Good" or "Average".

Of the 118 phase two webinar attendees, 44, or 37%, completed the survey.

In response to the question, "Overall, how would you rate the consultation?", 98% of respondents ranked the session "Excellent", "Good" or "Average" (based on a scale of Excellent, Good, Average, Fair, Poor).

64% of respondents said the information provided by the presenter was "Extremely or Very helpful", and 34% said it was "Somewhat helpful". The remaining 2% said it was "Not so helpful".

Majority of respondents (98%) ranked the presentation slides and question and answer portion of the webinars as "Excellent", "Good" or "Average".

Conclusion

The Authority considered each submission as it finalized the procedure and appreciates the thoughtful feedback provided through the consultation process.

Based on feedback received and information gathered through the consultation period, the Authority made the following decisions:

- Develop one combined procedure for batteries and ITT/AV to increase reporting efficiency by following one procedure instead of two.
- Create two producer categories (i.e. large and small producers) to be cost-effective and efficient.
- All producers are required to submit a one-time supply data verification report in 2022.
- Starting in 2023, only large producers are required to submit a verification report and small producers will be subject to inspections.

The Authority posted the final Batteries and ITT/AV Supply Data Verification Procedure to its website on May 4, 2022, and webinar participants, along with all battery and ITT/AV producers, were notified the same day.

Appendix A: Stakeholders that submitted feedback

The eight written submissions were submitted by the following stakeholders:

- Canadian Tire Corporation
- Dynabook
- Dynamic Lifecycle Innovations, Inc
- Electronics Product Stewardship Canada
- Lenovo
- Reverse Logistics Group Americas, Inc
- Sharp
- Stewardwise

Appendix B: Questions and answers

Below are the questions received during both phase one and phase two of the consultation and RPRA's responses. Questions have been divided into five subjects:

- [General](#)
- [Reporting](#)
- [Verifier/Qualified Persons](#)
- [Sampling Methodology](#)

General

Question	Response
If you are an exempt producer of ITT/AV or batteries, do you need to submit a verification report?	No. If you are an exempt producer under the Batteries Regulation or Electrical and Electronic Equipment Regulation then you do not have an obligation to submit a verification report.
Can a PRO submit a verification report on behalf of a producer?	No. It is the producer's responsibility to submit their annual supply report themselves, along with the verification report, and pay their fees.
Is the first verification due at the same time as the supply data on June 30, 2022?	Yes. The verification report will be submitted at the same time you submit your annual supply data report. The deadline to submit this year's report is June 30, 2022.
Will Tires, Blue Box and HSP also have a combined approach, like RPRA is proposing for Batteries and ITT/AV?	RPRA will be consulting on the Blue Box, HSP and Tires supply data verification procedure(s) later this year. We will consult on whether to have a combined or separate procedure(s).
Does verification reporting replace supply data reporting?	No. Producers of ITT/AV and/or single-use and rechargeable batteries are required to submit their supply data to RPRA in order to determine their management requirements for the following year. The verification report is verifying the supply data that is submitted to RPRA.

Reporting

Question	Response
How does RPRA define small and large producers?	RPRA will be consulting on the definition of small and large producers prior to the 2023 reporting period.
What does an inspection consist of?	An inspection consists of one or more of the following: <ul style="list-style-type: none"> - inquiry about the process - sampling and reviewing supporting documentation - analyzing data - recalculating the total number submitted
What is the definition of population?	A population is the total transactions or SKUs from which the sample is drawn based on the supply procedure.
Is post-consumer verification for a product or an organization?	Post-consumer recycled content means content that was recovered from products or packaging that was used by consumers. For more information, reference the Verification Steps for Management Reduction section in the Batteries and ITT/AV Supply Data Verification Procedure.

Question	Response
Are producers to verify what they did not report (i.e. deductions) or the net supply data reported?	Yes. Producers are required to report their annual supply <i>before</i> management reduction and <i>for</i> management reduction. For more information, reference the Verification Steps in the Batteries and ITT/AV Supply Data Verification Procedure.
If a producer operates an internal return and recycling program for obligated product, could this weight qualify to be applied as a reduction?	No. However, the weight of processed materials from an internal program can be counted toward the performance requirement.
Will an attestation report be required?	The executive attestation is required when producers submit their supply data for the first time. The purpose of the executive attestation is to ensure that executives are aware of these requirements. The supply data verification report is not an attestation. The verifier is expected to follow the supply procedure and prepare a report to let RPRA know the result.

Verifier/Qualified Persons

Question	Response
Does the Verifier need to be external to the organization, or can it be an employee?	<p>A Verifier can be an individual, either an employee of the business or a hired third-party, who has one of the following designations and is not the same person who prepared the supply report.</p> <ul style="list-style-type: none"> • CPA (Chartered Professional Accountant) in Canada or CPA (Certified Public Accountant) in the US • ACCA (Association of Chartered Certified Accounts) Qualification • CIA (Certified Internal Auditor) • CPB (Certified Professional Bookkeeper) in Canada • RPA (Registered Professional Accountant) in Canada
Can PROs conduct the audits?	Yes. As long as the Verifier meets the requirement set out in the procedure.
Can a Verifier that is listed under the definition that is employed or contracted by a PRO provide verification services?	Yes. As long as the Verifier is not the same person who prepared the supply report.
Why would we need a Verifier when other provinces have not implemented this?	There are different extended producer responsibility models. In Ontario, the government adopted the individual producer responsibility model, and it is a requirement under the Batteries Regulation and Electrical and Electronic Equipment Regulation for producers to verify their supply data in Ontario.
Which transactions are verified (i.e. worldwide, Canada, Ontario)?	The Batteries Regulation and Electrical and Electronic Equipment Regulation require producers to submit data on products supplied in Ontario only.
Is 3rd party validation required for legacy products annually for weight management reductions, or does this only apply to new products introduced year over year?	The supply data verification is required for new products and not for used or refurbished products. For more information on management reduction, reference the Verification Steps for Management Reduction section in the Batteries and ITT/AV Supply Data Verification Procedure.
Is the Verifier expected to complete a formal report on the verification? If yes, is there any guidance on the	RPRA does not have a template for the report. The Verifier must follow the verification steps in the Batteries and ITT/AV Supply Data Verification Procedure to prepare the report.

Question	Response
type, content, and format of the report?	
Has RPRA contemplated that there will likely be instances where the cost of 3rd party validators will exceed the value of weight management reductions?	As indicated in the procedure, a producer can hire an internal Verifier to complete this verification. A 3rd party validation is not a requirement.

Sampling Methodology

Question	Response
Is the sampling by number of transactions or by number of units?	The sampling is based on number of transactions and not units.
Are producers required to show invoices for sampling?	No. Producers are not required to show RPRA invoices for sampling but are required to show them upon request or inspection.
Would RPRA start with the sampling methodology and if the verification/auditing came back to have high non-conformity, would then be a 100% verification to all producer to be carried out?	RPRA takes a risk-based compliance approach. The risk-based compliance approach focuses on the risks that arise from non-compliance and uses an assessment of those risks to guide the selection of compliance tools to be used and the deployment of resources to minimize risk and maximize compliance in a cost-effective manner. RPRA will apply this approach when it comes to inspection.