

Under the Hazardous and Special Products (HSP) Regulation, producers of categories A and B (“producers”) are required to report and verify their supply data. The supply information reported by category A producers is also used to establish their management requirement for the following year.

This Verification Procedure is applicable to all registered producers of categories A (i.e., oil filters and non-refillable pressurized containers) and B (i.e., oil containers, antifreeze, solvents, paints and coatings, pesticides, and refillable pressurized containers).

This Verification Procedure should be read in conjunction with Ontario Regulation 449/21: Hazardous and Special Products. See [Appendix B](#) for links to documents that contain definitions and criteria that are essential for understanding and completing the Verification Procedure.

For information relating to category A management requirements, read the [Hazardous and Special Products Verification and Audit Procedure](#).

Purpose

The purpose of this Verification Procedure is to provide sufficient guidance to producers and the qualified person who will be verifying their data to ensure consistent reporting.

Definitions

For the purposes of this Verification Procedure:

“**Consumer**” means any end user of a product. It includes an individual who obtains the product for the individual’s own use and a business that obtains the product for the business’s own use.

“**Product**” means material that is a thing, part of a thing, or combination of things intended for use by a consumer, subject to any alternative meaning or meanings that may be provided for in the regulations.

“**Producers**” means HSP producers who supply categories A (i.e., oil filters and non-refillable pressurized containers) and B (i.e., oil containers, antifreeze, solvents, paints and coatings, pesticides, and refillable pressurized containers) into Ontario.

“**Supply**” means:

- (a) to offer the product for sale, expose it for sale or possess it for sale,
- (b) to distribute the product, whether for consideration or not, or
- (c) to lease the product, offer it for lease, expose it for lease or have it in possession for lease.

“**Verifier**” means 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:

- CPA (Chartered Professional Accountant) in Canada
- 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

For compliance purposes:

- (a) The requirement to include a description of the verification processes in the verification statement will be satisfied by a reference to this Verification Procedure if the Verifier completes the verification steps below and provides a conclusion based on carrying out those steps. Where these verification steps are carried out and the Verifier is able to give a conclusion, no other verification steps are required.
- (b) It is recognized that in a particular situation it may not be possible for the Verifier to carry out one or more of these verification steps and, as a result, the Verifier may carry out other verification steps. If so, the verification statement is expected to identify the verification steps that could not be carried out, the reason why, and a description of the verification steps that were carried out instead of or in addition to these verification steps.
- (c) In the event that a Verifier is unable to give a conclusion after carrying out the verification steps outlined in the procedure, a producer has the option of (a) providing a report that reflects that outcome and a description of the exceptions, or (b) retaining the Verifier to carry out additional verification steps as may be recommended by the Verifier and preparing a report that includes a description of those additional verification steps.
- (d) Nothing in this Verification Procedure limits the ability of an RPRA inspector to review the records and data and require records or data.

Reporting Requirements

Beginning in 2022, producers are expected to verify their supply data using this Verification Procedure. The verification report is expected to include the results of applying these specific verification steps and the qualifications of the Verifier. The Verifier is expected to be qualified as set out in the definitions section above.

Producers can choose to provide the actual weight of the HSP supplied or use the Weight Conversion Factors (the “WCF”) in this Verification Procedure to calculate the weight. The weight of the HSP in this Verification Procedure means either the actual weight or the calculated weight based on the WCF.

For supply reporting in 2022, producers who do not know the actual weight supplied are expected to continue to use the WCFs in [Appendix C](#).

To determine the calculated weight of the HSP supplied, producers multiply the units of HSP supplied of an HSP category by the corresponding WCF. To determine the number of units provided into Ontario, producers can choose to use either the actual number of units or the calculated number of units of HSP supplied using the formula set out in [Appendix E](#).

It is recognized that in some cases, it may not be possible to determine the weight supplied using one methodology. As a result, producers may calculate the weight of HSP supplied using the actual weight and the WCFs. If so, producers are expected to provide the details of the method used to calculate the total supply weight at the time of reporting in their Registry portal.

Factory-filled antifreeze is newly obligated under the HSP Regulation. It was not previously reported to an Industry Funded Organization (Stewardship Ontario or “SO”) or Industry Stewardship Organization (Automotive Materials Stewardship or “AMS”) under the *Waste Diversion Transition Act, 2016*. Beginning in 2022, producers are expected to report antifreeze supplied in new vehicles and separately in containers.

Beginning in 2022, car manufacturers who are the obligated producers for factory-filled antifreeze and do not know the actual weight are expected to use the WCFs for factory filled antifreeze created by the Used Oil Management Association of Canada (UOMAs). See [Appendix D](#). Antifreeze brand owners who supply factory-filled antifreeze to car manufacturers and don’t know the actual weight are expected to continue to use the WCFs in [Appendix C](#).

RPRA is planning to consult with HSP producers in 2023 to update the WCFs.

Application and Review of the Verification Procedure

In 2022, **all** registered producers are expected to submit a Verification Report to RPRA.

Producers that enter the Ontario Market after 2022 are also expected to submit a Verification Report to RPRA verifying their first-year supply data. Producers will need to work with a Verifier to verify the supply data being submitted to RPRA.

Producers that supply a combination of tires, batteries, ITT/AV, and HSP are expected to submit one CPA audited supply report for tires and a second verification report for batteries, ITT/AV, and/or HSP verified by a Verifier, in accordance with the applicable Verification Procedure, to meet the minimum reporting requirements.

If preferred, these producers can exceed the minimum reporting requirements by providing one CPA-audited report covering all materials supplied. If producers choose to do so, producers are reminded that the supply data reporting deadlines are different under each regulation. Producers are expected to provide one CPA-audited report meeting the earliest reporting deadline of the materials they supplied.

RPRA will use the submitted 2022 Verification Reports to assign producers to a large or small producer category based on weight. Each category will have different reporting requirements beginning in 2023. RPRA will consult on how to divide producers into large and small categories at a future date.

Starting in 2023, only large HSP producers will be expected to submit a Verification Report, although all HSP producers remain subject to inspections by RPRA regardless of their size.

In 2023, the Registrar will also carry out a review of this Verification Procedure to determine whether there is need to consider changes, including the frequency of the verification process.

Verification Steps

HSP producers can meet their supply data reporting requirement by providing a report prepared by a Verifier. The Verifier is expected to complete the following verification steps:

1. Document responses for the following questions:
 - What is the producer's marketing process, including how products are supplied in Ontario (e.g., ecommerce, retail sales, etc.)?
 - How are products supplied in Ontario tracked separately from products supplied in other provinces?
 - How is a SKU (Stock Keeping Unit) set up in the producer's ERP/database/system, and what product specifications are included (e.g., product weight, product description, brand name, etc.)?
 - What are the producer's obligations based on the definition of a producer (refer to the HSP Regulation)?
 - What are the brand names of products for which the producer has collection and management obligations for?
 - What is the producer's methodology for determining how the products were supplied in Ontario (refer to the definition of "supply" in the definition section)?
 - What is the producer's step-by-step process for preparing the product supply report, including what systems or applications are used to track product supply and what reports are used (ensure that all details required to understand how the product supply report is prepared, are documented)?
 - What is the producer's methodology for determining the weight of the products supplied in Ontario?
 - How does the producer determine which products are included in the product supply report and which ones, if any, are excluded, based on the definitions in the HSP Regulation?

HSP producers that supply antifreeze, paints and coatings, pesticides, or solvents in Ontario must include the product's primary packaging, except for primary packaging that has a capacity of greater than 30 litres or 30 kgs, and in that case, the weight of the product is also exempt.

- Does the HSP producer supply antifreeze, paints and coatings, pesticides, or solvents?
- What is the material used for primary packaging (primary packaging material does not include corrugated/boxboard boxes, plastic film, shrink wrap, or printed materials, as they are obligated as Blue Box materials)?
- What is the capacity of the container for the HSP supplied in Ontario?
- What is the producer's methodology for determining the weight of the primary packaging of the HSP supplied in Ontario?

2. Select a sample of obligated SKUs in accordance with [Appendix A](#) and perform the following for each:
 - If actual weight is used, agree it to the manufacturer's specifications. HSP producers that supply antifreeze, paints and coatings, pesticides, or solvents in Ontario, also agree the total actual weight including the primary packaging weight to the manufacturer's specifications.
 - If calculated weight is used, compare the calculation to the respective WCFs to determine if the products were reported in the correct categories and if the WCFs were applied correctly. For example:
 - Use a correct WCF for antifreeze containers and antifreeze
 - Use a correct WCF for antifreeze supplied in new cars and in bottles
3. Validate the accuracy of the product units reported:
 - If actual number of units is used, agree it to the producer's sales records to validate the total units reported.
 - If calculated number of units is used:
 - Agree the Ontario population to the most recent Statistics Canada official census (reference [Appendix B](#)),
 - Agree the population of each province and territory in Canada in which the producer sells HSP to the most recent Statistics Canada official census, and
 - Recalculate the number of Ontario units supplied based on [Appendix E](#).
4. Select a sample of non-obligated SKUs in accordance with [Appendix A](#). For each sample selected, verify that they do not meet the definition of "HSP".
5. Confirm the accuracy and completeness of the reported obligated products and related primary packaging supplied to the Ontario market, by sampling one month's data and:
 - Compare the raw sales report with the obligated product supply report. Select samples in accordance with [Appendix A](#) and scrutinize the variances and validate if they are reasonable,
 - Recalculate the HSP supply weight reported for the selected sample, validate the accuracy of the calculations, and confirm if the weight of the primary packaging (if any) has been included or excluded in accordance with the HSP Regulation, and
 - Recalculate the HSP supply weight reported for the selected sample, validate the accuracy of the calculations, and confirm if the weight of the antifreeze and oil filters supplied with new cars (if any) has been included in accordance with the HSP Regulation.
6. Select a sample in accordance with [Appendix A](#) of manual adjustments made to the product supply report and assess if they are reasonable. For example:
 - Products supplied in the Ontario market and subsequently shipped out of Ontario will result in an adjustment to the supply report.

Appendix A – Sampling Methodology

Variable sampling is a statistical sampling method that estimates the amount of misstatement in an account balance or class of transactions and compares it to an allowable level of tolerable misstatement. The samples should be randomly selected (unbiased) from the entire population.

The following table sets out the sample sizes required:

Population	Sample size required
500+	60
250	50
100	40
50	30
10	10

Note: these sample sizes are based on a 95% confidence level and a 5% tolerable deviation rate.

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Appendix B – Links

HSP Regulation (O. Reg. 449/21):

<https://www.ontario.ca/laws/regulation/r21449>

Resource Recovery and Circular Economy Act, 2016:

<https://www.ontario.ca/laws/statute/16r12>

Statistics Canada official census:

<https://www12.statcan.gc.ca/census-recensement/index-eng.cfm>

RPPRA Registry Procedures:

- [HSP Verification and Audit Procedure](#)

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Appendix C – HSP Weight Conversion Factors:

Paint Container Conversion Rates

Material	Weight (kg/unit)
Paint - 100 ml to 250 ml	0.33
Paint - 251 ml to 1 Litre	1.14
Paint - 1.01 Litres to 5 Litres	4.53
Paint - 5.01 to 30 Litres	21.29
Aerosols – Any size	0.42

Material	Conversion Factor (EA)
Oil Filters greater than 8"	1.04
Oil Filters less than or equal to 8"	0.26

Material	Conversion Factor (kg/L)
Antifreeze Concentrate	1.15
Antifreeze Containers	0.05
Antifreeze Pre-Mix	1.08

Material	Conversion Factor (kg/L)
Oil Containers	0.07

Material	Weight (kg/unit)
Refillable Pressurized Containers	8.75
Non-refillable Pressurized Containers	1.08

Material	Weight (kg/L)
Solvents	0.85
Solvents - 1 L	0.85
Solvents - 18.9 L	0.85
Solvents - 20 L	0.85
Solvents - 250 ml	0.85
Solvents - 3.78 L	0.85
Solvents - 4 L	0.85
Solvents - 473 ml	0.85
Solvents - 500 ml	0.85
Solvents - 946 ml	0.85

Material	Weight (kg/L)
Pesticides	1

Appendix D – Factory fill antifreeze Weight Conversion Factors from *Used Oil Management Association of Canada (UOMAs)*:

Factory fill antifreeze	Category/Size	Weight (L)	Add info
Automotive			
Cars		8	
Light Trucks		10	
Medium Trucks		17	Weight: 8,501-19,500 lb
Heavy Duty Trucks		55	Weight: 19,500 lb or more
Riding Movers & Utility Vehicles		4	
Agriculture Equipment			
Combine	FE23	69	All sizes
Forage Haversters	FE27	74	All sizes
Sprayers	FESP	32	All sizes
Tractor	FE01-1	5	PTO HP less than 40 HP
Tractor	FE01-2	16	PTO HP between 40-100 HP
Tractor	FE01-3	31	PTO HP greater than 100 HP
Tractor	FE22	52	4 Wheel drive
Tractor	Tracks	48	All sizes
Wind Rowers	FEW3	29	All sizes
Construction Equipment			
Dozer	Compact	8	Less than 4500 kg
Dozer	Full size	30	Greater than 4500 kg
Dumper	Compact	92	Less than 4500 kg
Dumper	Full size	369	Greater than 4500 kg
Excavator	Compact	6	Less than 6000 kg
Excavator	Full size	36	Greater than 6000 kg
Grader	Compact	14	Less than 4500 kg
Grader	Full size	56	Greater than 4500 kg
Horizontal Direction Drills	All	63	
Loader	Compact	9	Less than 4500 kg
Loder	Full size	36	Greater than 4500 kg
Pipe Layers	All	65	Including rotating
Rollers	Full size	21	Greater than 6000 kg
Rollers	Compact	19	Less than 6000 kg
Scrapers	All	528	
Trenchers	Full size	16	Greater than 3000 kg
Trenchers	Compact	0	Less than 3000 kg
Trenchers	Portable	10	All walk behind & stand+ride behind
Forestry Equipment			
Attchments -Planting, Site Prepration	All	15	
Feller, Feller Bunchers	All	35	
Harversters	All	267	
Log Loaders, Processors, Slashers	All	26	
Skidders	All	29	

Appendix E – Units Supplied into Ontario Calculation

The estimated number of units of HSP supplied into Ontario can be determined by using the following formula:

$$(P1/P2) \times \text{Canada National Sales}$$

“P1” is the population of Ontario, as reported by Statistics Canada in the most recent official census.

“P2” is the total population of provinces and territories in Canada in which the producer sells HSP, as reported by Statistics Canada in the most recent official census.

“Canada National Sales” is the total units of HSP the producer sold in Canada in the calendar year.

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