

February 21, 2024

---

# Webinar on the expansion of reporting IC&I materials

---



Éco  
Entreprises  
Québec

Presented by:

**Isabelle Laflèche**  
Director, Company Services

**Erwan Picard**  
Senior Advisor, Producer Relations

**Mathieu Sérandour**  
Coordinator, Company Services



## Webinar goals

- Demystify the expansion of reporting to IC&I materials
- Begin producer guidance
- Encourage producers to get ready and be part of the solution

***The Webinar will  
answer the following  
questions:***

- When will the expansion of reporting for IC&I materials come into effect?
- Who is responsible for reporting?
- Which materials are designated?
  - Review of definitions
  - Different case examples with supporting images:
    - CP&PM for the marketing of a product meant for IC&I use
    - CP&PM sold as products meant for IC&I use
    - CP&PM for transportation and palletizing
    - Etc.
- Which materials are excluded?

***The Webinar will NOT  
answer the following  
questions:***

- 
- Will there be rates for 2025?
  - What will be the rates moving forward?
  - Any question related to the business model for IC&I servicing:
    - What will happen to my private recycling contract?
    - What happens to revenues from selling recycled materials via my private contracts?

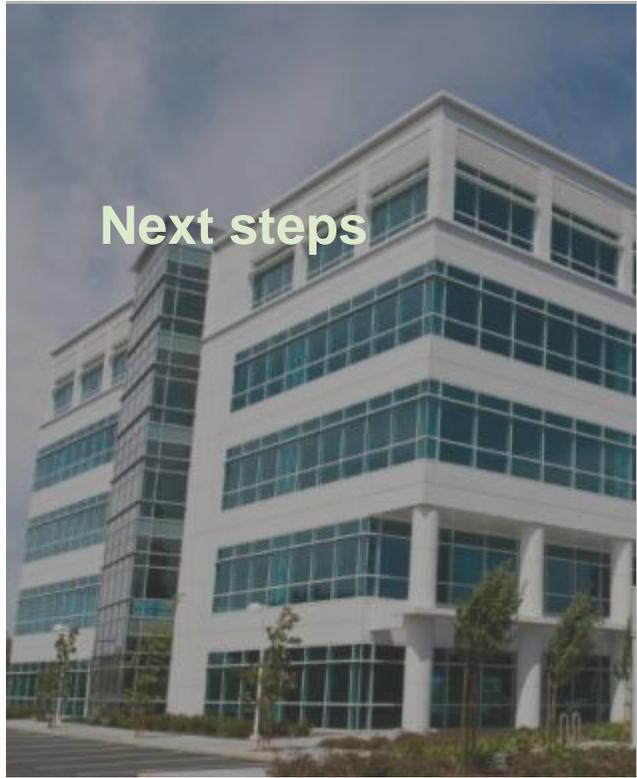
# Game plan



Context for the modernization of curbside recycling



IC&I reporting expansion conditions



Next steps



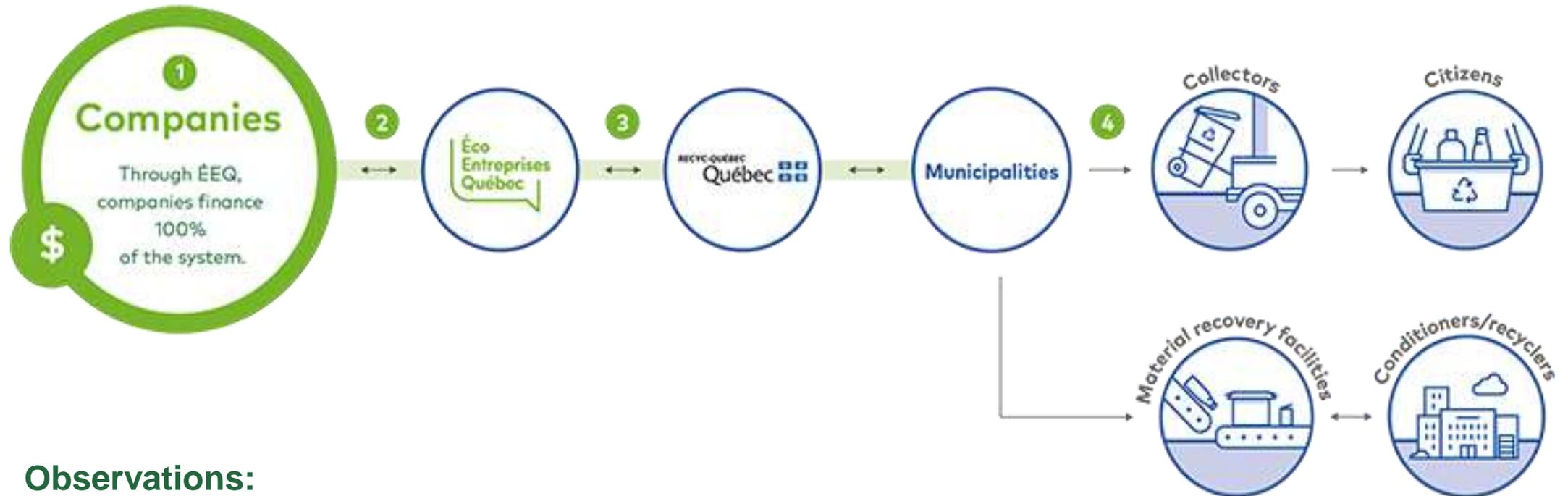
Q&A session



1.0

**Context for the modernization of  
curbside recycling**

## The compensation plan: a linear system



### Observations:

- Need for an increased **level of control** for producers
- Need for **accountability** and information **transparency**

## Towards EPR: a curbside recycling system with producers now at its heart

Nominated as designated management organization (DMO or PRO) in 2022, ÉEQ is the manager of curbside recycling in Quebec with a view to sustainable development.

### Through the PRO, producers will collectively:

- Be responsible for developing, implementing and financing the curbside recycling system
  - particularly by overseeing the collection and transportation of materials from residential areas, **institutions, commerces and industries (IC&I)** – Section 12 of the Regulation
- Be the owners of collected and sorted materials
- Be responsible and held accountable for the system's performance



## Transition period: The compensation plan and EPR in coexistence

### Compensation plan (CP)

- ÉEQ is a accredited organization
- Voluntary membership
- No contractual agreement
- Schedule of Contributions published in the *Gazette officielle du Québec*, giving it legal recognition
- Application rules
- Contribution table
- Particular consultations as provided for in the Regulation
- ÉEQ has no operational responsibility



### Extended Producer Responsibility (EPR)

- ÉEQ is designated management organization (DMO or PRO)
- Mandatory membership
- Contractual structure, including:
  - Membership contract & general conditions
  - 6 contract-related policies
- Consultation provided for in the general conditions
- ÉEQ has additional responsibilities:
  - Operational in terms of curbside recycling management
  - Expansion of service, targeted materials and territories

## Progressive approach for IC&I expansion



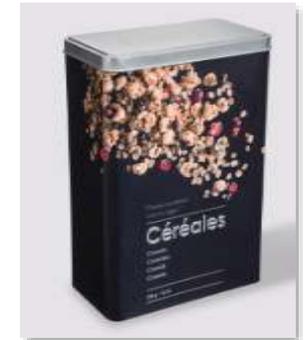
- In 2030, **all** CP&PM marketed in Quebec will be targeted by EPR, regardless of use or destination.
- **Step by step** expansion in **collaborative** mode

\**Similar*: comparable, in nature and quantity, to those meant for the residential sector

# What is the expansion of IC&I reporting?

## To date:

- Producers are required to only report containers, packaging and printed matter (CP&PM) that are marketed and ultimately intended for consumers



## New as of 2025:

- Producers will also need to report CP&PM marketed and ultimately intended for **institutions, commerces and industries (IC&I)**



## Three levels of packaging

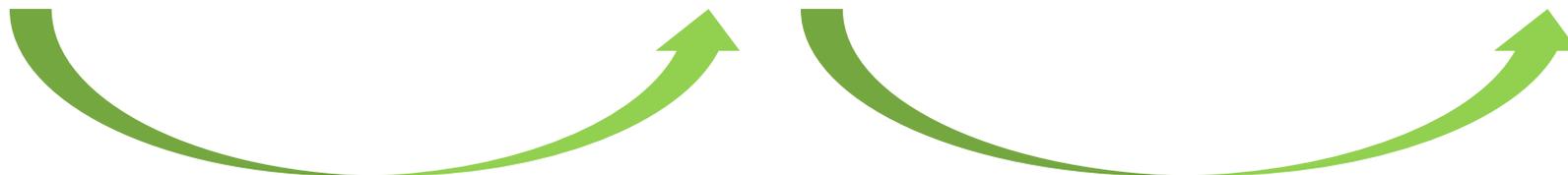
**Primary**



**Secondary**



**Tertiary**



## *Why expand the scope of IC&I reporting?*

- To achieve DMO/PRO and producer obligations in financially supporting a curbside recycling system for the residual materials generated by these establishments, for **their recycling and recovery**
- To support the **service expansion** for the IC&I sector under the Regulation
- To collect **data**
- Almost no available data for IC&I at the moment
  - Unique framework in Quebec, comparative analysis in North America is not possible
- To establish the **appropriate rates**
  - ÉEQ is working on its **financial framework** to determine whether rates will start applying in 2025
- To **avoid underestimating** quantities, which would result in higher rates



2.0

—  
IC&I reporting expansion conditions

## *When will the expansion of the reporting process take effect?*

- Initially expected for the 2024 report, but following consultations, has been **postponed to the 2025 report** to allow producers to:
  - Adjust their system
  - Prepare their teams
  - Update their methodology
- The reference period will take place from **January to December 2024**
- Potential reporting period: **spring-summer 2025**

# Who is subject to the expansion?

## Criteria

- Have a place of business in Quebec or be the operator of a transactional website on which consumers of Quebec can make purchases
- Be the owner of a name or trademark or be the first supplier in Quebec
- Generate CP&PM which are ultimately intended for:
  - consumers of Quebec **and/or**
  - **institutions, commerces and industries (IC&I)**

## Responsible for reporting

1. **Brand owner:** when having a place of business in Quebec
2. **First supplier:** when the brand owner does not have a business place in Quebec, the responsibility to report lies with the first supplier, i.e. the first to take possession of title or property in the province
3. **Transactional website operator:** for any product introduced in Quebec, regardless of having a business place in the province or not

## *Identifying new producers subject to the expansion*

- ÉEQ is currently working on developing an action plan that identifies and maps new producers who primarily or exclusively generate IC&I materials
- ÉEQ will launch a communication plan to reach these producers as the range of responsibilities continues to grow to inform them of their new legal obligations and encourage compliance
- The goal is to increase the pool of producers to ensure that they do their part, and to establish appropriate and representative rates

## Which materials are designated?

### Review of definitions

**Containers and packaging:** used to hold, protect, wrap, support or present products

- During any step that brings them from the producer to the final user or consumer
- Meant for single-use or less than 5 years of use and made to either hold, protect, or wrap products

**Printed matter:** any product made of paper or other cellulose fibres, whether or not they are used as a medium for text or images

### Designated materials

- Containers, packaging and printed matter ultimately meant for IC&I
- The list of materials will remain the same
- To be reported in a separate section; data collection will have to identify and compile this data separately
- The types of designated CP&PM are the following:
  - CP&PM for the marketing of a product meant for IC&I use
  - CP&PM sold as products meant for IC&I use
  - Containers and packaging added at retail outlets
  - CP&PM for transportation and palletizing

## You could be wearing many hats

### Retailers and restaurant owners

- Brand owner: Your private brand
- First supplier: Your supplier has no place of business located in Quebec
- Retail outlet additions – Used or disposed of on site: You are the one responsible for adding these materials

### Manufacturers

- Brand owner: All brands owned by you
- First supplier: Your supplier for raw materials (in the broad sense of the word) has no place of business located in Quebec
- Disposed of on site: CP&PM from products used for operations whose brand owner has no place of business located in Quebec

### Business enterprises

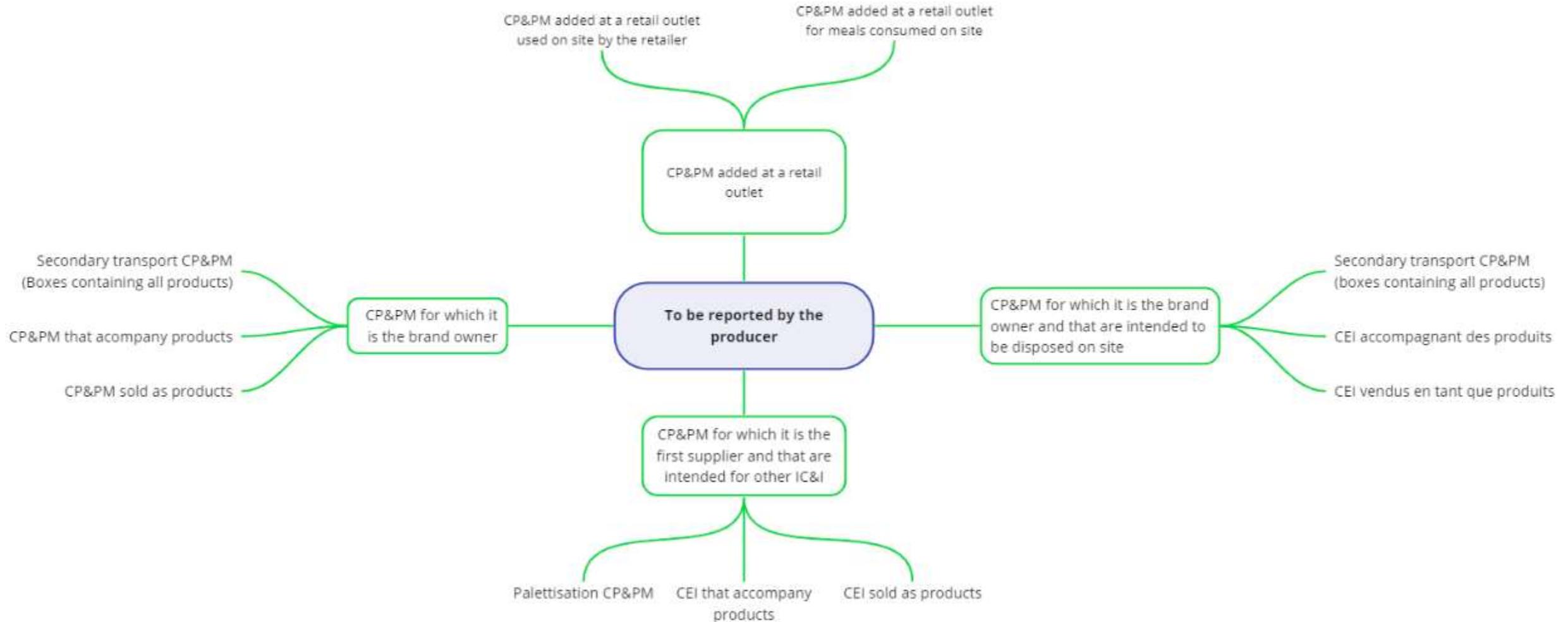
- Brand owner: All brands owned by you
- First supplier: Your supplier for stationery or products used on-site has no place of business located in Quebec
- Disposed of on site : CP&PM from products used for operations whose brand owner has no place of business located in Quebec

### Distributors and wholesalers

- First supplier: Your supplier has no place of business located in Quebec
- Brand owner: All brands owned by you, where applicable
- Disposed of on site: CP&PM from products used for operations whose brand owner has no place of business located in Quebec



# Summary of CP&PM that must be reported



## CP&PM for the marketing of a product meant for IC&I use

### If you are the brand owner, regardless of your sector of activity

Example: A food manufacturer acts as a supplier for multiple restaurants. As a **brand owner**, they must report **all CP&PM** that accompany the products sold to restaurant owners, including commercial-grade canned tomato juice, canned fruits and vegetables.



### If you are the first supplier, regardless of your sector of activity

- Any restaurant owner who conducts business with the manufacturer from the previous example **does not need to report** CP&PM of products they buy from them.
- However, if they conduct business with a supplier **that has no place of business in Quebec**, they become the first supplier for CP&PM which accompany the products they buy, and therefore need to report them.



## CP&PM sold as products meant for IC&I use

### If you are the brand owner, regardless of your sector of activity

Example: A manufacturer for office supplies acts as a supplier for many offices and will provide them with products such as stationery, notepads and calendars. As a brand owner, they need to report **all of these CP&PM**.

### If you are the first supplier, regardless of your sector of activity

Example: A service company conducts business with a distributor outside Quebec for its office supplies. It **then becomes the first supplier** for these products and needs to **include** them in its report.

\* *Certain particularities may apply*



## CP&PM added to retail outlets and consumed on-site \*

### If you are a retailer

A restaurant owner **adds CP&PM** for products which will be **consumed on-site**. They must report all CP&PM used, excluding trays if their useful is longer than 5 years.



\* Certain particularities may apply

## CP&PM for transportation and palletizing

### If you are the brand owner, regardless of your sector of activity

Example : A manufacturer of pasta products sells to various retailers. They need to report **all CP&PM** used in addition to the primary packaging, for example:

- **Transport box** (secondary packaging) containing multiple primary packaging
- **Protective** paper/cardboard between or inside boxes (bubble wrap or styrofoam/cardboard packing peanuts) (tertiary packaging)
- Edge and corner protection (including straps) made of plastic/metal/wood, shrink wrap **plastic film**, tags, etc. (tertiary packaging)

### If you are the first supplier, regardless of your sector of activity

Example : A retailer conducts business with a manufacturer outside Quebec for its pasta. They then become the first supplier for this product and need to include the **primary, secondary and tertiary** packaging in their report.



## Inclusions: additions in the secondary packaging



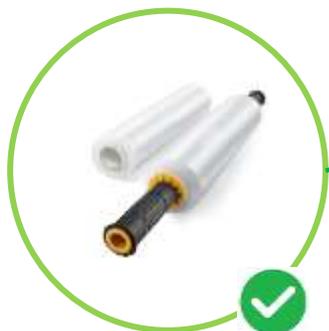
Protective envelopes of all types: plastics, paper, tissue paper, cardboard, etc.



Packing padding of all types: balls, foam, paper, plastic cardboard, etc.

## Inclusions and exclusions palletization

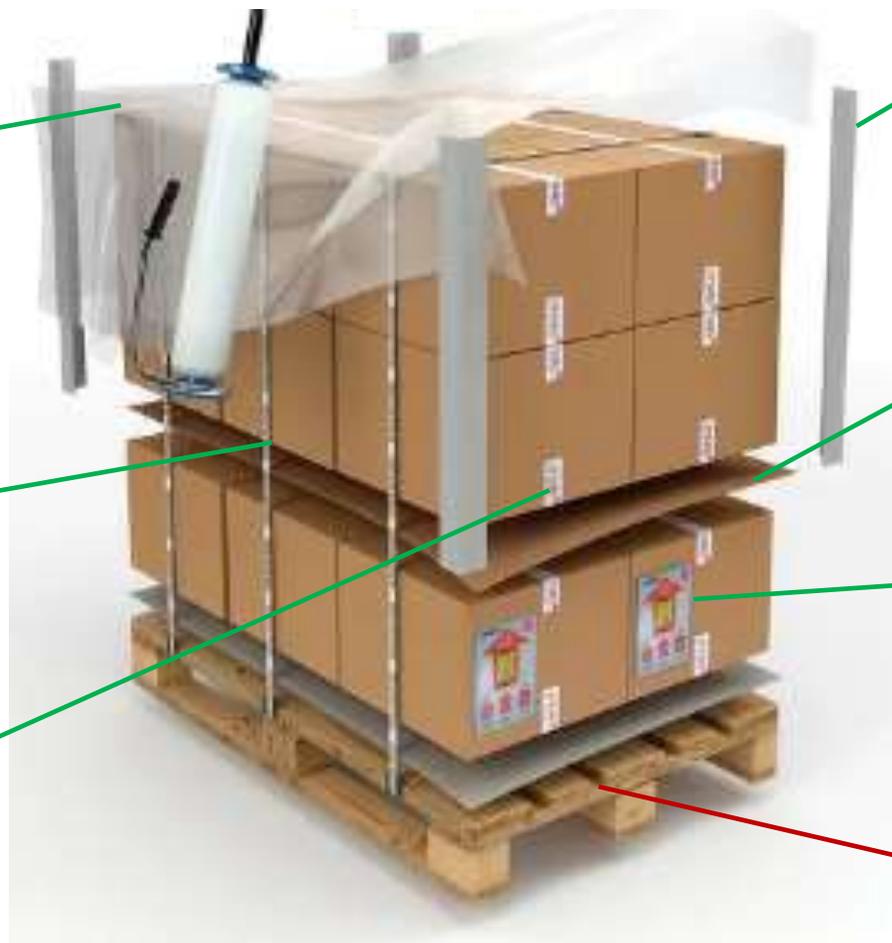
All types of shrinkwrap



Any type of strap (plastic, metal, etc.) except fabrics



Any type of adhesive tape, to be declared with the box



Side and corner protectors (wood, plastic, metallic, etc.)



Divider & protector at the bottom, inside and top (cardboard, plastic, etc.)



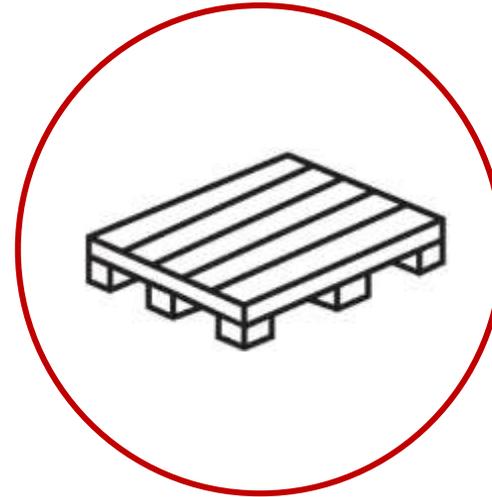
Identification or transport label, to be declared with the box



All types of pallets in wood, plastic, metal

## Excluded materials

- Containers and packaging sold as products with a useful life greater than 5 years
- Transportation pallets made of wood or plastic
- Bags used to administer solution or medicine
- Syringes
- Pressurized containers for hazardous products
- Containers deposited or targeted by another EPR program
- CP&PM intended to contain or package waste or any other residual material covered by another regulatory provision
- Fabric



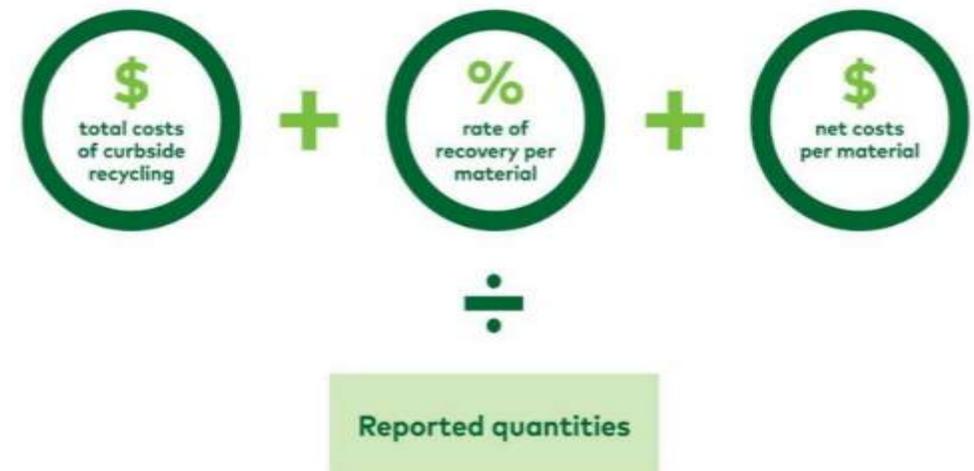
# Application rules for rates

## Will the rates for IC&I materials be different?

Yes, we expect to have separate rates for IC&I materials.

## How will the rates for IC&I materials be calculated?

At first, rates are expected to be calculated under the 3-factor fee structure formula before they eventually change as ÉEQ receives more data from producers.



# *What data will producers need to gather?*

## Information needed

- Identify CP&PM ultimately meant for IC&I
- Identify the material category and weights
- Keep a separate record of these materials

## Strategies to collect this data

- Communicate with your suppliers, who oftentimes have this information
- Calculate the unit weight for CP&PM
- ÉEQ is currently studying the possibility of establishing simplified calculation methods for the first years

A close-up photograph of a person's hand using a calculator on a desk. The desk is cluttered with various documents, including one with a colorful pie chart. A pen is also visible on the desk. The background is blurred, showing another person's hands. A bright green diagonal graphic element is in the top right corner.

3.0

---

**Next steps**

## ***Solution-focused producers***

### **Producers are part of the solution and need to take action now, by:**

- **Adjusting their system(s)** to obtain data related to IC&I materials
- Developing a **methodology** to support IC&I reporting
- Preparing their **teams**
- **Contacting their suppliers** to begin gathering information
- Actively **participating** in the different events organized by ÉEQ
- Consulting the **tools** at their disposal (once available)
- **Sharing** their ideas
- Completing the upcoming **survey**

# Éco Entreprises Québec in proactive mode

## To support producers, ÉEQ is committed to:

- Setting up a **technical committee** made of producers to jump-start reflections on the best practices for IC&I reporting (2024)
- Studying the **possibility** of establishing **simplified methodologies** for the first years (2025-2026)
- Establishing the outcome for current **private recycling contracts** (ongoing legal analysis)
- Creating an IC&I reporting **guide** (2025)
- Undertaking a canvassing process with **new producers** (as of 2025)
- Consulting its **European partners** who have done the same exercise (before 2027)
- Keeping producers informed through **newsletters and Webinars** (on a regular basis)
- Forecasting 2025-2026 **financial impacts** for producers (2024 AGM)
- Adjusting the **action plan** following survey results if necessary (2024)

## *In short, what should we remember?*

- **Service expansion begins in 2025** under the EPR regulation
- IC&I materials will need to be **reported as of 2025** in order to **obtain the data** needed to expand the service for IC&I materials and to implement the appropriate rates
- ÉEQ is working to see **whether rates will apply** for IC&I materials in 2025
- IC&I materials will need to be reported in a **separate section**
- In collaboration with producers, ÉEQ is actively working to implement the tools needed to support you, and will share the **recommendations and reflections from its technical committee**
- Producers play an **important role** in a **successful** and ultimately **optimized** modernization of curbside recycling