

# START-UP KIT

Your company's legal  
obligations under the  
Compensation plan

"Do you know the extent of your company's legal obligations towards Éco Entreprises Québec (ÉEQ) with respect to the compensation of the net costs of municipal curbside recycling services?"

ÉEQ created this start-up kit to provide you with information on your company's legal obligations under the Compensation plan and support you as you register and file your first report."



# The kit is divided into four sections:

- 1 Description of ÉEQ's role;
- 2 Summary of your company's legal responsibilities and the obligation criteria;
- 3 Overview of the reporting process and tips to reduce the amount of your company's contribution;
- 4 Services and tools created for companies.

# What is Éco Entreprises Québec?

Since 2005, Éco Entreprises Québec (ÉEQ), a private non-profit organization, has represented producers of containers, packaging and printed paper regarding their financial responsibilities for curbside recycling. Designated as Producer Responsibility Organization (PRO) in 2022, ÉEQ manages the curbside recycling system in Quebec from a sustainable development perspective.

As a leader in extended producer responsibility (EPR), ÉEQ develops, manages and provides circular economy solutions to its member producers so they can reduce their environmental footprint. ÉEQ places eco-design, recyclability and traceability at the core of all actions with its partners.

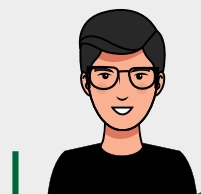
ÉEQ will continue its role as the organization managing producers' financial responsibilities in the compensation plan throughout the transition period to EPR.

# What is the Compensation plan?

Under the *Environment Quality Act* (EQA) and the *Regulation respecting compensation for municipal services provided to recover and reclaim residual materials*, companies that place on the market containers, packaging and printed matter (CP&PM) ultimately intended for Québec consumers must compensate the net costs of municipal curbside recycling services.

These obligations make up the Compensation plan.

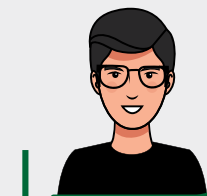
# Your company's legal responsibilities and the obligation criteria



"How do I know if my company is targeted by the Compensation plan?"

"Your company must meet these three (3) criteria:

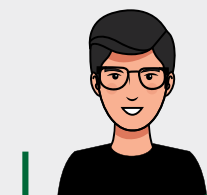
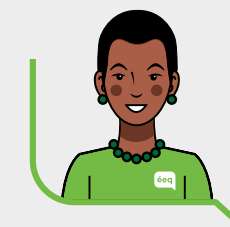
- 1 Have a place of business in Québec;  
or  
since the 2022 Schedule of Contributions (SoC), operate a transactional website whose products are purchased by Québec consumers through e-commerce, with or without a place of business in Québec;
- 2 Own a name, a brand or a distinguishing guise;  
or  
be its first supplier in Québec;
- 3 Market CP&PM ultimately intended for Québec consumers."



"OK, I think my company is targeted by the Compensation plan. What are its legal obligations? What do I need to do?"

"All companies subject to the Compensation plan must:

- register by going to the reporting portal at [declaration.eeq.ca](https://declaration.eeq.ca);
- report the weights of marketed CP&PM subject to a fee under the SoC in effect prior to the reporting deadline;
- pay the resulting contribution within the applicable deadlines, unless the company is exempted from payment."

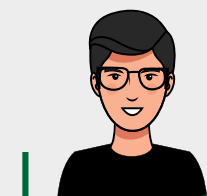
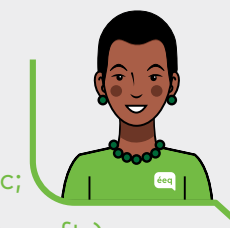


"Exempted? How do I determine if my company is eligible for a payment exemption?"

"Your company must meet one of these criteria:

- Generate  $\leq$  \$1 million (M) in gross revenue in Québec;
- Generate  $\leq$  1 metric tonne (MT) of designated materials in Québec;
- Be a retailer with a single retail outlet of less than 929 m<sup>2</sup> (10,000 sq. ft.) that is not operated as a franchise, banner or group."

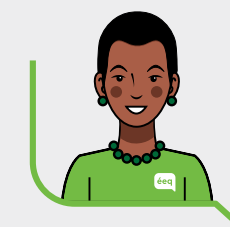
"However, to ensure your company's compliance, you are legally required to confirm your exemption for every SoC. Doing so also gives you access to ecodesign training and support services."



"I don't think my company is exempted from payment, but it doesn't generate a lot of materials. We're a small business with limited resources. Is there any way to simplify the process?"

"Your company may be eligible to file a simplified report and pay a flat fee if it meets one of these criteria:

- Generate between \$1M and \$2M in gross revenues in Québec; or
- Generates between 1 MT and 15 MT of designated materials in Québec."



In sum, a company that generates more than 15 metric tonnes of containers, packaging and printed matter in Québec and whose gross revenues exceed \$2M must file a detailed report detailing each material.



# How is the contribution calculated?

[declaration.eeq.ca](http://declaration.eeq.ca)



For every CP&PM placed on the market in Québec

$$\text{Total contribution} = \text{Qty CP\&PM generated} \times \text{Unit weight} \times \text{Material rate}$$

For every CP&PM placed on the market in Québec, the contribution is calculated by multiplying the quantity of material in kilograms by the rate specified in the contribution table of the applicable SoC.

Note: the reference year of the SoC is the calendar year prior to the obligation year. For example, the 2022 SoC covers CP&PM placed on the market between January 1 and December 31, 2021.

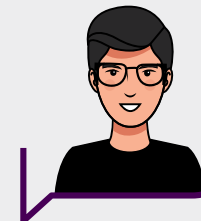
## CP&PM to include in your company's report

- CP&PM accompanying the sale of a product;
- Short-life CP&PM sold as a product (e.g., notepad or disposable picnic plates);
- Containers and packaging added at the point of sale (e.g., shopping bag, butcher paper);
- Advertising, informational or transactional printed matter;
- CP&PM used to ship online purchases;
- CP&PM used for deliveries of online orders.

## CP&PM to exclude from your company's report

- CP&PM ultimately intended for consumers outside Québec;
- CP&PM for which the final consumer is a company or institution;
- CP&PM used in transportation and not intended for consumers (disposed of on site);
- Containers and packaging subject to a deposit within a recognized system (excluding secondary CP&PM);
- Books and identification documents.

More information is available in our [Materials Guide](#).



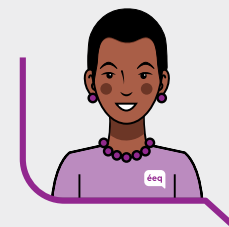
"How can I reduce the amount of my company's contribution?"

"Here are a few tips that could help you reduce your company's contribution:

- **Reduce at the source the CP&PM your company place on the market**, for example by choosing lightweight options or eliminating unnecessary packaging components;



- **Adopt packaging practices that will make your company eligible for credits and bonuses**, for example by adding postconsumer recycled content or rethinking your packaging through ecodesign."



More information on the credits and bonuses, including the eligibility criteria, materials subject to a fee and thresholds, is available on the [ÉEIQ website](#).

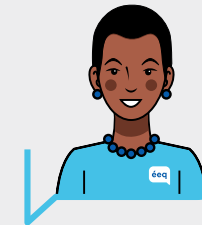
# Our tools and services for companies

## Services available to companies

- Personalized support to help you understand the terms and scope of your company's legal obligations;
- Assistance in registering and using the reporting portal;
- Support to compile the data required to submit your report on the quantities of materials subject to a fee;
- Reporting tools;
- Newsletter to keep you up to date on the process to adopt the SoC and important dates.

## Reporting tools

- Materials Guide;
- Template for gathering your data;
- Steps and tutorial to use the portal;
- Sector-specific methodology sheets.



"And there's more. Registration and compliance<sup>1</sup> with ÉEQ provide access to a range of benefits, including services, resources and tools."

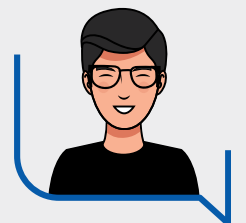
## CP&PM ecodesign and recyclability consulting services<sup>2</sup>

- Training;
- Ecodesign and recyclability assessment;
- Environmental communication;
- Multicriteria analysis;
- Tests and analyses;
- Policies, action plans and roadmaps.

## Additional tools and resources to undertake an ecodesign approach

- Useful reference guide to communicate packaging ecodesign;
- Best practices in ecodesign checklist;
- Summary sheets on best practice by food category.

# "WOW!"



1. A company that is in compliance with the Regulation is a targeted company that has reported its materials and paid its contribution (if required) by the payment deadline.
2. Basic ecodesign consulting services are offered free of charge to companies subject to the Compensation plan, provided they are in compliance with their legal obligations. ÉEQ offers additional services to companies, including start-ups (pricing upon request).

# More information



Visit our website at [www.eeq.ca/en](http://www.eeq.ca/en).

If you have any questions or would like additional information regarding your company's legal obligations, get in touch with the Company Services team.

Call **1-877-987-1491**

or send an email to [service@eeq.ca](mailto:service@eeq.ca).

For more information on the services offered by the Ecodesign and Circular Economy team, write to us at [ecoconception@eeq.ca](mailto:ecoconception@eeq.ca).

# The curbside recycling system is being modernized

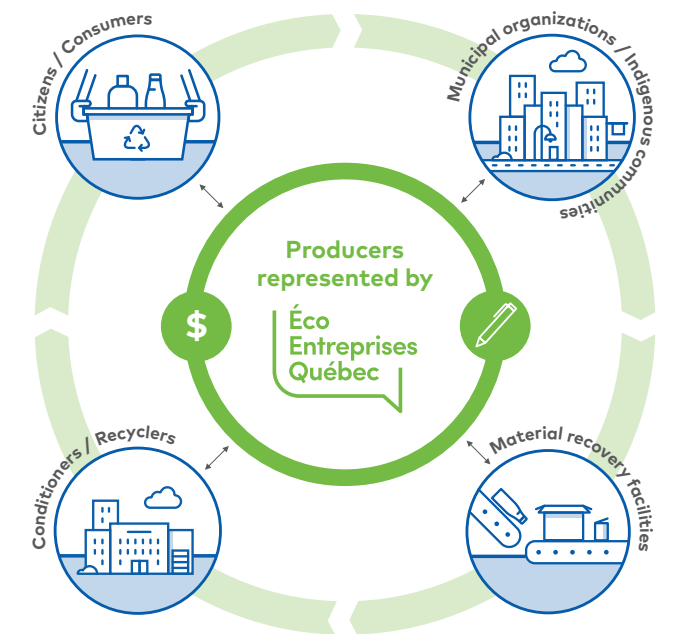
In 2020, the Québec government announced its intent to modernize the curbside recycling system within an extended producer responsibility approach. The modernization will come into effect in January 2025.

In the current system, companies, through ÉEQ, finance 100% of the net efficient costs of municipal curbside recycling programs but have no formal link with municipalities or any of the value chain stakeholders.

In a modernized system, companies that place containers, packaging and printed matter (CP&PM) on the market will become responsible for overseeing and supporting the management of their materials across Québec.

They will be given performance objectives for the recovery and recycling of their materials with realistic recycling targets related to market development for a more circular approach.

In October 2022, ÉEQ became the designated management organization (DMO) that will establish, implement and manage the curbside recycling system on behalf of producers like you. In its new role, ÉEQ will act as the main contract giver for all aspects of CP&PM sorting and recycling, ensure collection and transportation through agreements with municipal organizations and oversee accountability and citizen communication.



For more information on the modernization of the curbside recycling system, go to [www.eeq.ca/en/modernisation](http://www.eeq.ca/en/modernisation).