

UNOFFICIAL TRANSLATION

Regulation respecting the recovery and reclamation of products by enterprises (Q-2, r. 40.1)

**Direction des matières résiduelles et des lieux contaminés
Service des matières résiduelles**

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INTRODUCTION

PRESENTATION OF THE GUIDE

1. Purpose of the guide

The *Regulation respecting the recovery and reclamation of products by enterprises* (EPR Regulation) (c. Q-2, r. 40.1) came into effect on July 14, 2011. This regulation replaces the *Regulation respecting the recovery and reclamation of discarded paint containers and paints* (Q-2, r.41 or formerly Q-2, r. 20.01) as well as the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters* (Q-2, r.42 or formerly Q-2, r. 18.1.2). However, the provisions of these regulations continue to apply until January 1, 2013 after which pre-implemented programs will have to comply with the new regulation.

The EPR Regulation adopts a framework approach which means that a significant portion of the Regulation, i.e., Chapters I to V inclusive, apply to all sectors concerned or to all categories of covered products and, therefore, constitutes the “core curriculum”. As for Chapter VI, it contains the different divisions that specifically apply to each of the categories of covered products. This chapter of the framework approach will be amended over time to cover new products or new categories of products. To this effect, the “Politique québécoise de gestion des matières résiduelles” (Quebec Residual Materials Management Policy) and the Plan d’action 2011-2015 (2011-2015 Action Plan) provide for the addition of at least two new products every two years.

The Guide to the Application of the *Regulation respecting the recovery and reclamation of products by enterprises* (hereinafter the “guide”) applies first and foremost to staff of the Ministry of Sustainable Development, Environment and Parks (MDDEP) and of RECYC-QUÉBEC, to specialists involved as well as to enterprises concerned. It was drafted to facilitate the understanding of the sections of the regulation and the implementation of the required programs and to standardize as much as possible the actions of and interventions by the Ministry and RECYC-QUÉBEC in the regulatory compliance and the monitoring of files.

2. Content of the guide

The guide contains explanatory notes on the points of each section of the regulation which may be subject to interpretation. It also contains details on the scope of the texts that facilitate the understanding and the application of the regulatory provisions. Each section is dealt with separately so as to facilitate its contingent update on an individual basis. Where a section is comprised of several paragraphs or subparagraphs, they may be dealt with separately so as to facilitate reading.

At the end of the guide are six schedules:

> **Schedule A:** Decision-tree to determine if an enterprise is subject to the Regulation

- > **Schedule B:** Timetable and annual recovery rates to be reached for the different categories of products covered by the Regulation
- > **Schedule C:** Values to calculate payments to the Green Fund in the event prescribed recovery rates are not reached
- > **Schedule D:** Calculation examples to determine if a payment to the Green Fund is required (transfer mechanism)
- > **Schedule E:** Minimum number of drop-off points to be set up per RCM or equivalent territory
- > **Schedule F:** Directives from the Minister to RECYC-QUÉBEC regarding contracting with applicant organizations in application of Section 4 of the Regulation.

3. Update

The guide is not a static tool. It is likely to evolve should the need arise to incorporate therein a new regulatory interpretation that is of interest to the different intervening parties concerned, by considering the needs expressed by them, by specifying the technical interpretations to be given to certain sections or, there again, by providing information necessary to their application. The Service des matières résiduelles (SMR) (Residual Materials Department) of the Direction des matières résiduelles et des lieux contaminés (DMRLC) (Residual Materials and Contaminated Sites Branch) will be responsible for updating the regulation, where needed..

We are relying on the collaboration of the users of this guide to notify the SMR of the MDDEP about special situations that would be brought to their attention and that would merit being included in the guide and that benefit other users. This information will enable the SMR to update the content of the guide according to new situations that are encountered.

To send your comments or for any request for additional information, please contact one of the following persons at the SMR, at (418) 521-3950, followed by their respective extension:

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4. Caveat

Even though this document outlines the effects of the regulation and summarizes its main requirements, it does not claim to be comprehensive.

The legal texts of the regulation in force were reproduced in this document, but for the official texts that take precedence, refer to those published in the Gazette officielle du Québec or on the official site of Publications du Québec.

We further wish to inform the reader that this document was not subject to any judicial validation and cannot take the place of any formal interpretation or legal judgment.

5. Thanks

This guide was prepared by the SMR of the MDDEP, in collaboration with RECYC-QUÉBEC. We especially wish to thank the team members of the Division de la prévention, de la planification et de la responsabilisation (Prevention, Planning and Accountability Division) as well as Ms. Sylvie Leblond.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p style="text-align: center;">CHAPTER I PURPOSE</p> <p style="text-align: right;">Section 1 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>	
<p>1. The purpose of this Regulation is to reduce the quantities of residual materials to be disposed of by assigning responsibility to enterprises for the recovery and reclamation of the products referred to in Chapter VI and marketed by them and by promoting the design of products more respectful of the environment.</p>	
<p>EXPLANATORY NOTES</p> <p>This regulation stems from the Quebec Residual Materials Management Policy, adopted by order-in-council number 100-2011 dated February 16, 2011 and announced on March 15, 2011, and its 2011-2015 Action Plan.</p> <p>The objectives of the Action Plan are to reduce the quantity of disposed residual materials to 700 kg or less per inhabitant, that is, a reduction of 110 kg per inhabitant, compared to 2008. Moreover, Action 20 of the Action Plan provides for the adoption of a regulation to expand extended producer responsibility to three new categories of products (electronic products, batteries and mercury lamps).</p> <p>In addition, Action 21 provides for the drafting of a list of products that will fall, on a priority basis, under the producers' extended responsibility as well as the designation, every two years, of at least two new products.</p> <p>This wish to develop product recovery and reclamation systems pursuant to the extended producer responsibility (EPR) approach led to the development of this regulation which is a framework regulation that applies to all products and enterprises covered by this approach.</p> <p>Chapters I to V inclusive form the “core curriculum” that applies to all covered enterprises, whereas Chapter VI is comprised of several divisions, each one pertaining to one specific category of covered products in particular. Therefore, this Chapter VI is expected to expand owing to the addition of new categories of products.</p> <p>Chapter VII covers penal provisions.</p> <p>Chapter VIII covers transitional and miscellaneous provisions, in particular, to oversee the transition of former regulations regarding paint containers and paint residue as well as oils, oil containers and oil filters that are repealed by this regulation.</p> <p>The Regulation is also intended to promote more environmentally respectful product design. Quebec thus joins the ranks of a growing number of provinces and countries that have opted to</p>	

require companies to take back and manage end-of-life products. In so doing, the Regulation contributes to a cumulative effect that might prompt enterprises to re-examine the design of their products in order to reduce the quantities of products to be managed, to facilitate their recovery and reclamation and to reduce the costs of the programs that will have to be assumed by the enterprises or their customers.

The Regulation further provides that the environmental costs associated with the different types of covered products will have to be adjusted in order to take the “environmental” qualities of the products into consideration (see Section 5, subparagraph (10)).

The Regulation was drawn up in compliance with the Canada-wide Action Plan for Extended Producer Responsibility, adopted by the Canadian Council of Ministers of the Environment (CCME) in November 2009.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">RECOVERY AND RECLAMATION PROGRAM</p> <p style="text-align: right;">Section 2 1st paragraph Feb. 2012</p>
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**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

2. Every enterprise that markets a new product referred to in this Regulation under a brand, a name or a distinguishing guise owned or used by the enterprise must recover and reclaim, or cause to be recovered and reclaimed, by means of a recovery and reclamation program developed in accordance with section 5, any product of the same type as the product marketed by the enterprise and that is deposited at one of its drop-off centres or for which the enterprise offers, if applicable, a collection service.

[...]

EXPLANATORY NOTES

The purpose of section 2 (also see the following sheets) is to determine some of the enterprises subject to the Regulation and to establish their principal obligations.

(First paragraph)

Subjected enterprises are required to implement a recovery and reclamation program meeting the requirements under Section accepting covered products of the same type as those they market in Quebec that are returned to them, including old and orphan products. An “old product” means a product that was marketed before the effective date of this regulation and an “orphan product” means a product whose brand holder or first supplier is no longer in business.

The development or the management of this program may be entrusted, in whole or in part, to a third person. However, within the meaning of the application of the Regulation, the subjected enterprise remains solely accountable for the program’s compliance with the different provisions of the Regulation, for reporting and for achieving the prescribed recovery rates.

- “Marketing” means making a product available to a consumer, user or other recipient in Quebec, by direct sale or distance selling (Internet, telephone, etc.) or by any other form of distribution, including short- or long-term leasing, complimentary distribution, for promotional purposes or in connection with the honouring of a warranty.
- Besides determining the covered enterprises, the “marketing” concept also allows for the identification of the products subject to the obligation to be the subject matter of a

recovery and reclamation program and to be declared as “marketed”.

- A “new product” means any product that is marketed for the first time. Thus, a product that is marketed as a used product to be reused is not covered. However, a recycled product similar to the initial product having undergone an in-factory conversion or treatment process is considered to be a “new” product. For further particulars, see the different divisions under Chapter VI of the Regulation
- A “covered product” is a product referred to in one of the divisions under Chapter VI, subject to some exclusions, whether marketed as a stand-alone product, a replacement product, a spare part or component of another product (see Section 3).
- “Trade-mark” has the meaning ascribed to it in the Trade-marks Act (R.S.C., 1985, c. T-13), namely a mark used by a person for the purpose of distinguishing or so as to distinguish, wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others, a certification mark, a distinguishing guise, or a registered or proposed trade-mark;
- A “distinctive sign” or “distinguishing guise” means any form, colour, logo, lettering or other means of visual identification subject to an exclusivity.
- “User” means any enterprise that markets a product displaying a brand, name or distinguishing sign or guise which it does not own but for which it holds usage or distribution rights, under license or any other form.

For the purposes of this guide, the designation of “brand holder” is synonymous with an enterprise that owns or uses a brand, name or distinguishing guise.

- “Recover” means the fact of taking back a product at the end of its lifespan, in particular, by setting up drop-off centres or through collection services, as stipulated under Section 5, subparagraph (6) and Sections 15 to 21 of Chapter V, with a view to its reclamation or final disposal while adhering to the order of the 3Rs, reclamation and disposal (see Section 5).
- “Reclamation” has the meaning set forth under Section 53.1 of the *Environment Quality Act* (EQA), namely, “any operation the purpose of which is to obtain usable substances or products, or energy, from residual materials through reuse, recycling, composting, regeneration or any other process that does not constitute elimination”. The EQA defines “elimination” as “any operation involving the final deposit or discharge of residual materials in or into the environment, in particular, by dumping, storage or incineration, including operations involving the treatment or transfer of residual materials with a view to their elimination”. Subparagraph (11) of Section 1 of the EQA defines residual material as any residue resulting from a production, treatment or utilization process and any substance, material or product or, more generally, any object that is discarded or that the holder intends to discard. In this respect, any product recovered in connection with the program is deemed a residual material. Moreover, under Sub-section 5(1) of the Regulation, reclamation activities

must focus on compliance with the order of the different reclamation actions.

- “Product of the same type” means any product having the same functions as the product marketed by the enterprise, regardless of brand, name or distinguishing guise or its origin in Quebec. For instance, an enterprise that markets printers is required to recover and reclaim all the printers that are returned under its recovery system. However, if this enterprise only markets printers, it is not required to recover and reclaim photocopy machines even though they form part of the same subcategory of product pursuant to Chapter VI of the Regulation.

Furthermore, and generally-speaking within the Regulation, the following mean:

1. “category of products”: all products covered by one of the divisions under Chapter VI, more specifically, in Sections 22, 29, 35, 41, 42 and 48, and their equivalents, such as electronic products, batteries, mercury lamps, paint and paint containers as well as oils, coolants, antifreeze, their filters and containers and other similar products;
2. “subcategory of products”: the product or all the products listed in each of such sections. Example no. 1: in Section 22, subparagraph (4), the subcategory is comprised of printers, scanners, fax machines and photocopiers. Example no. 2: in Section 35, subparagraph (2), the subcategory is comprised of just compact fluorescent lamps;
3. “type of product”: each product listed in a subcategory. Example no. 1: in Section 22, subparagraph (4), the subcategory is comprised of four types of products, namely, printers, scanners, fax machines and photocopiers which each represent one type of product. In the case of a multi-purpose product, it must be allocated to the main function of the type of product. Thus, a photocopier that also serves as a printer or fax machine must be declared as a photocopier. Example no. 2: in Section 35, subparagraph (2), the subcategory is comprised of just one single type of product, that is, compact fluorescent lamps.

An assembly of a certain number of units of a same type of product for purposes similar to the unit product is counted as this type of product. Example: in Section 29, subparagraph (2), a single use button cell and a battery composed of such cells, comprise a single and same type of product.

Note: Where a subjected enterprise opts to avail itself of the exemption under Section 4 of the Regulation, it is required to be a member in good standing of the organization having entered into an agreement with RECYC-QUÉBEC. This applies even if another enterprise acts in the name of the subjected enterprise vis-à-vis the organization as a “voluntary contributor”, and, ipso facto, makes the declarations and contributions in its place.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p style="text-align: center;">CHAPTER II</p> <p style="text-align: center;">RECOVERY AND RECLAMATION PROGRAM</p> <p style="text-align: right;">Section 2 2nd paragraph Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>	
<p>2.</p> <p>[...]</p> <p>If a product is marketed under more than one trading mark, name or distinguishing guise, the obligation provided for in the first paragraph falls the enterprise responsible for the product’s design enterprise responsible for the conception of the product.</p> <p>[...]</p>	
<p>EXPLANATORY NOTES</p> <p>(Second paragraph) “Product design” means the activities relating to a product’s invention, development, design, manufacture, production or fine tuning as a usable product even if the activity is limited to placing an order with a manufacturer to produce a product developed by a third person.</p> <p>The subjected enterprise, where a product bears more than one brand, more than one name or more than one distinguishing guise, is either the enterprise responsible for the activities relating to its design or the enterprise that is the most upstream in carrying out one or the other of these activities.</p> <p>For example, this kind of situation sometimes occurs in the case of cellular telephones which may, at the same time, bear the name of the company responsible for the device’s design (Motorola, Samsung, Nokia, Apple, for instance) and the name of the company that puts the device in service or on a network (Bell, Telus, Rogers, for instance). Where applicable, the covered enterprise is the one responsible for the device’s design (Motorola, Samsung, Nokia, Apple, etc.), to the extent this enterprise has a domicile or an establishment in Quebec (also see the following sheet).</p>	

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

2.

[...]

Despite the first and second paragraphs, that obligation falls on the enterprise that acts as the first supplier of that product in Québec, whether or not the enterprise is the importer, in the following cases:

1. the enterprise referred to in the first or second paragraph has no domicile or establishment in Québec;
2. the enterprise that markets the product acquires the product outside Québec, regardless of whether the enterprise owning or using the brand, name or distinguishing guise has a domicile or establishment in Québec;
3. a product does not bear any brand, name or distinguishing guise.

[...]

EXPLANATORY NOTES

(Third paragraph)

Besides enterprises that own or use a brand, a name or a distinguishing guise (also referred to as “brand holders”) referred to in the first paragraph, enterprises that act as the first supplier of a product in Quebec are also subject to the Regulation. This is intended to cover all covered products marketed in Quebec since, on the one hand, certain brand holders are absent from the Quebec territory, and are thus outside the legal scope of the Regulation, and, on the other hand, a brand holder present in Quebec cannot be held responsible for quantities of products brought therein by a third person.

In fact, even where a brand holder referred to in the first paragraph has a domicile or an establishment in Quebec, it often occurs that this brand’s products are marketed in Quebec by other enterprises. Often, the brand holder does not know the quantities and the types of products of its brand that are marketed in Quebec by third persons. All enterprises that act as the “first

supplier” of a covered product on the Quebec market are therefore also subject to the Regulation.

“Domicile or establishment in Québec” means a physical location having a civic address or telephone line under the responsibility of the brand holder, whether or not this location is used for an activity directly connected to the marketing of a covered product.

“First supplier” means an enterprise having a domicile or an establishment in Quebec that acquires a covered product outside Quebec in order to market it in Quebec. The first supplier is the enterprise located in Quebec that is the most upstream in the distribution chain in Quebec. Thus, a first supplier can be an importer, a broker, a wholesaler, a distributor, a retailer or any other stakeholder in Quebec that first intervenes in a product’s distribution chain.

A first supplier is only responsible for the products it acquires outside Quebec. The marketed covered products that it acquires from another enterprise located in Quebec do not fall under its responsibility. Thus, a first supplier only has to declare the covered products which it acquires outside Quebec and not all the covered products it markets in Quebec if a portion of these products come from another enterprise in Quebec.

Therefore, more than one enterprise may possibly be responsible for different quantities of a same line of products, whether they be a brand holder and one or more first suppliers (wholesalers, distributors, retailers, etc.) or, in the absence of a brand holder in Quebec, several first suppliers.

Furthermore, the presence of a brand holder in Quebec does not mean that some other enterprise (first supplier) is not subject to the Regulation. A first supplier of a covered product is subject if it acquires the product outside Quebec, whether or not there is a brand holder in Quebec. It is also possible that a first supplier may only be responsible for a portion of the covered products that it markets, if it only acquires a portion of such products outside Quebec. For products acquired in Quebec, the first person responsible is the enterprise that launched the products on the Quebec market. In fact, the Regulation’s approach ensures that the responsible enterprise is the one located most upstream in the distribution chain in Quebec for a given product. Thus, the programs that fall under the responsibility of brand holders will not necessarily cover all the products of their brand marketed in Quebec, because these enterprises are not responsible for products of their brand put on the Quebec market by a third person (first supplier).

In the case of remote orders placed by a Quebec customer base, in particular, Internet, telephone or catalogue orders, they must be declared by the covered brand holder or first supplier that owns the remote ordering service, regardless of whether or not this service is operated from within Quebec. Thus, a brand holder in Quebec must declare the quantities of products marketed in Quebec through Internet, telephone or mail orders placed through a system operating under the same brand or same name as its, regardless of whether or not it is involved in processing these orders. The same applies for a first supplier, regardless of whether or not the product passes through its installations. Furthermore, an enterprise in Quebec becomes a first supplier if it is affiliated or associated with a remote ordering service, whether or not it is located in Quebec and whether or not the products pass through its installations. For instance, a credit company that offers a reward program whereby customers may purchase goods by placing a remote order is a

first supplier subject to the Regulation if the covered products are offered by this remote ordering service.

The first supplier of a covered product is also the subjected person where the product does not bear any brand, name or distinguishing guise. “Bear” means an indication on the product itself, on a label that is affixed or attached thereto, or on the packaging.

Note: Where a subjected enterprise opts to avail itself of the exemption under Section 4 of the Regulation, it is required to be a member in good standing of the organization having entered into an agreement with RECYC-QUÉBEC. This applies even if another enterprise acts in the name of the subjected enterprise vis-à-vis the organization as a “voluntary contributor”, and, ipso facto, makes the declarations and contributions in its place.

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

2.

[...]

Where enterprises referred to in this section are part of the same chain, franchise or banner, they may form a group to develop, in accordance with section 5, a common recovery and reclamation program pertaining to the products referred to in this Regulation and marketed by them under the same brand, name or distinguishing guise, or for which they act as first supplier. The group is then considered as an enterprise for the purposes of this Regulation.

EXPLANATORY NOTES

(Fourth paragraph)

A “chain, banner, franchise” means a group of distributors or retailers that belong to one and the same trade name or operate under one and the same trade name and are bound by a relationship of ownership, an agreement or a contract.

“Common recovery and reclamation program” (common program) means a program that complies with the provisions of the Regulation, that is operated by a group that complies with the foregoing paragraph, or in the name of such a group. For the purposes of regulatory compliance, a common program is equivalent to an individual program.

A common program of a group of enterprises (chain, banner, franchise) can only accept individual enterprises that form part of this group as participants. A common program cannot include enterprises belonging to different chains, banners or franchises or other forms of groups.

Joining a common program means that participating enterprises do not have to implement individual programs. However, these enterprises remain jointly responsible for the common program and must ensure that it complies with the provisions of the Regulation. In the event of non-compliance, they may be held individually liable for any penalty or payment to the Green Fund, on the basis of the quantities of products covered by the common program which they market.

In the event a common program is created for a group of enterprises, an enterprise forming part of this group is not required to become a member, subject to any other provision to this effect in

its group agreement or contract. An enterprise may opt for an individual program or avail itself of the exemption under Section 4 and become a member of an organization certified by RECYC-QUÉBEC to implement a group program.

An enterprise that wants to join a common program operated by its group or in its name, must adopt a resolution certifying its membership in this group (also see Section 6, second paragraph, subparagraph (2)). A common program must accept the participation of any enterprise forming part of the group it serves, so long as such enterprise has adopted a resolution to this effect.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 3 1st paragraph Feb. 2012</p>
<p>3. An enterprise that markets a product a component of which is a product referred to in this Regulation must recover and reclaim, or cause to be recovered and reclaimed, any original component or replacement component of the same type as that marketed by the enterprise, whether or not the main product is covered.</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Section 3 (also see the following sheet) serves to determine certain other enterprises subjected to the Regulation that are required to implement a recovery and reclamation program. Like Section 2, these are enterprises that market reconditioned covered products, either as owner or user of a brand, a name or a distinguishing guise, or as first suppliers of the product in Quebec. Essentially, it is the concept of product that creates the difference here in that we are targeting covered products marketed as a component of another product that is not covered.</p> <p>The enterprises under Section 3 have an additional time period of one year to implement their programs, which must be in effect by July 14, 2013 at the latest or to become a member of an organization certified by RECYC-QUÉBEC (see Section 4).</p> <p>(First paragraph) Pursuant to this section, where a covered product is sold as a component of another product, the enterprise that markets the product containing a component corresponding to a covered product must also implement a recovery and reclamation program for this type of component.</p> <p>Generally, a “component” means an element (other than an ingredient in a formulation or a permanent covering) forming part of a main product’s design or attached to it and that is indispensable or planned in its usual workings or proposed as an addition to a main product. For instance, the battery in a watch, in a rechargeable pocket flashlight or in a toothbrush constitutes a covered component as well as a mercury lamp sold with a luminary, a GPS integrated into an automobile’s dashboard or the oil and oil filter in the engine of a new automobile or recreational vehicle.</p> <p>This applies regardless of whether or not the main product housing the component is a covered product.</p>		

For instance, an enterprise that markets watches or toothbrushes (products that are not covered) containing a battery (component that is a covered product), as brand holder or first supplier in Quebec, must implement a program to recover and reclaim batteries of the same types as those marketed as a component of a main product. In addition, if the enterprise acquires watches from another supplier in Quebec, but acquires batteries separately outside Quebec to install them in the watches before they are marketed, said enterprise is also covered.

However, by analogy with the exceptions and exclusions set out in the different divisions of Chapter VI regarding products designed and earmarked exclusively for industrial purposes or use in an industrial, commercial or institutional environment, where a main product containing a component covered by such exception or exclusion is itself designed or earmarked exclusively for industrial purposes or for use in an industrial, commercial or institutional environment, it is excluded. Take the example of a computer screen or television integrated into a subway car. The enterprise that markets the subway car is not covered by analogy with the first paragraph of Section 22 that provides an exception for electronic products designed and intended to be used exclusively in an industrial, commercial or institutional environment. However, if such screens are similar to screens marketed for general usage and they are installed separate from the design of the subway car, they are covered and the enterprise is subject to the Regulation.

Moreover, where the main product is also a covered product, the main product/component combination is deemed to constitute one single product and the quantities of covered products marketed with a covered main product (component of a main product) do not have to be accounted for separately from the main products. Thus, the implemented program must both recover and reclaim the main product and any covered component discarded with the main product. However, this program is not required to recover all covered products of the “component” type of main products that are discarded separately. Thus, the responsibility of the enterprise that markets a covered main product that contains a component that is also covered is limited to the components that were marketed and discarded along with a main product, whether it be an original component or a replacement component.

However, if the enterprise that markets a covered main product housing a covered component also markets covered products as replacement components, and as such marketed separately from a main product, this enterprise must implement a recovery and reclamation program so as to recover covered components that are discarded separately from a main product.

It is important to note that in the event recovered components that are similar to a covered main product are entrusted to another recovery and reclamation program for products of the same type as these components, they must not be accounted for in the recovery rate of this other program since they were not taken into account when the covered main product was marketed. The annual reports of both programs concerned must set out such transfers and the quantities they represent.

For instance, take the case of an enterprise that markets wireless telephones(covered main products) containing rechargeable batteries (covered components), that is to say, sold with the wireless phones. The recovery and reclamation program implemented by this enterprise must recover and reclaim the wireless phones as well as the rechargeable batteries discarded with

these phones. This enterprise is only required to recover and reclaim the discarded rechargeable batteries separately from the wireless phones if it also marketed rechargeable batteries separately from a covered main product, such as replacement rechargeable batteries.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 3 2nd paragraph Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>3.</p> <p>[...]</p> <p>However, if the main product is not designed to allow the easy removal or replacement of the component by the consumer, in such a way as it is normally discarded with the main product, the enterprise is required to recover and reclaim only the components contained in products of the same type as the main product marketed by the enterprise.</p> <p>The provisions of this Regulation apply, with the necessary modifications, to an enterprise referred to in the first and second paragraphs.</p> <p>This section does not apply to an enterprise that is a small supplier within the meaning of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1).</p>		
<p>EXPLANATORY NOTES</p> <p>(Second paragraph)</p> <p>In some cases, covered products marketed as components of another product cannot be removed or separated from the main product in that they are sealed, integrated or installed in such product, with the result being that they are not usually removed by consumers or that the main product's warranty is voided if a person other than an authorized specialist tries to remove the component from the product. For instance, consider a battery sealed inside a toothbrush or pocket flashlight, a GPS, a CD or DVD player integrated in a dashboard or passenger compartment of an automobile or a mercury lamp integrated in a medical device.</p> <p>The enterprise that markets a product housing a component deemed not to be removable within the meaning of the preceding paragraph must implement a recovery and reclamation program. However, this program is only required to recover the components contained in the main products of the same type as those it markets. For instance, the enterprise that markets pocket flashlights equipped with a sealed battery is only required to recover pocket flashlights of the same type and not all the batteries of the same type. The enterprise that markets automobiles equipped with integrated covered components is only required to recover components coming from automobiles. Thus, for all useful purposes and in most cases, the recovery and reclamation program must be able to recover the non-covered main product in order to recover the covered</p>		

component and reclaim it.

To summarize the first and second paragraphs, an enterprise that markets:

- a covered component in a covered main product is required to recover and reclaim the components discarded along with a main product of the same type. However, it is not required to account for these covered components separately from the covered main products, except in the event these components are entrusted to another program responsible for the recovery and reclamation of products of the same type as these components;
- a covered component in a non-covered main product, where the component can be easily removed from the main product, is required to recover and reclaim the components of the same type as those it markets in its main product;
- a covered component in a non-covered main product, where the component is deemed inseparable from the main product, is only required to recover and reclaim the components discarded along with the same type of main product.

(Fourth paragraph)

Section 3 does not apply to an enterprise that is a “small supplier”, that is to say, whose gross annual income is less than \$30,000. For instance, a craftsman who makes watches that run on batteries that he or she acquires outside Québec is not required to implement a recovery and reclamation program insofar as the annual income derived from his or her taxable sales is less than \$30,000. This exemption only applies for covered products marketed as a component of another product and not to a covered product marketed as a main product.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 4 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>4. An enterprise referred to in section 2, 3 or 8 is exempt from the requirements of this Regulation, subject to the requirements in the third paragraph of section 6 and sections 7 and 12, if the enterprise, to ensure the recovery and reclamation of a product referred to in this Regulation and marketed by it, is a member of an organization:</p> <ol style="list-style-type: none"> 1. the function or one of the functions of which is to implement or to contribute financially towards the implementation of recovery and reclamation system for such product, in accordance with the conditions determined in an agreement entered into under subparagraph a of subparagraph 7 of the first paragraph of section 53.30 of the <i>Environment Quality Act</i> (R.S.Q., c. Q-2); 2. the name of which appears on a list published in the Gazette officielle du Québec in accordance with subparagraph b of subparagraph 7o of the first paragraph of section 53.30 of the Act 		
<p>EXPLANATORY NOTES</p> <p>Under Section 4, an enterprise may be exempt from the obligation to implement an individual program (or common program, see Section 2, fourth paragraph) to recover and reclaim covered products of the same type as those it markets in Quebec as a brand holder or first supplier.</p> <p>To avail itself of this exemption, an enterprise subject to the Regulation must become a member of an organization having entered into an agreement with RECYC-QUÉBEC outlining, among other things, the conditions to be met in order to act on behalf of the covered enterprises that are members thereof as well as the conditions surrounding the implementation of a program to recover and reclaim products referred to in the Regulation that are covered by the agreement. Such an organization is referred to as a “certified organization” and the program implemented by such organization is referred to as a “<u>group</u> program”. A <u>group</u> program differs from a <u>common</u> program (see Section 2, fourth paragraph) in that it is regulated by the provisions of an agreement with RECYC-QUÉBEC and not by the Regulation and in that it is open to all enterprises subject to the Regulation and not just those that are members of a group of enterprises.</p> <p>The last paragraph of Section 53.30 of the EQA provides:</p>		

- that any agreement entered into between an organization and RECYC-QUÉBEC must provide recovery and reclamation levels that meet or exceed the levels that would be achieved through the application of the Regulation;
- that the Minister may prescribe approval conditions for such agreements and may determine the minimum content thereof. (see Schedule F – Directives from the Minister to RECYC-QUÉBEC regarding contracting with applicant organizations in application of Section 4 of the Regulation);
- that the provisions of such agreements are public information.

Depending on the applications addressed to RECYC-QUÉBEC to become a certified organization, there may possibly be more than one organization to cover all the subcategories of products of a same category of covered products or more than one organization for a same category or subcategory of covered products. It is also possible that a single organization may be certified for more than one category of covered products, In the event there is no applicant organization to act on behalf of subjected enterprises for one category or subcategory of covered products, the enterprises that market these products remain subject to the obligation to implement individual programs.

An organization may only be certified for one or more full subcategories of products, or one or more partial or full categories of products. In other words, an organization can only be certified for one or more types of products comprising a portion of a subcategory of products, with the exception however of products that constitute accessories and that are not the subject to a recovery rate prescribed by the Regulation (Section 22, subparagraphs (7) and (10)).

The names of the certified organizations are published in the Gazette officielle du Québec as well as on the website of RECYC-QUÉBEC. An organization cannot declare itself to be certified or responsible for a group program in connection with the application of the Regulation. Certification agreements must be accessible to the public.

Where a subjected enterprise opts to avail itself of this exemption, it must be a member in good standing of an organization certified to recover and reclaim the same types of products as those it markets even if another enterprise acts as a “voluntary contributor” to this organization and, ipso facto, makes the declarations and contributions in its name to the organization.

In the event the agreement to certify an organization is not renewed or is cancelled, the member enterprises remain responsible for ensuring that a new organization is certified or that individual programs are implemented so as to maintain continuous service.

An enterprise that opts to avail itself of this exemption must become a member of as many certified organizations as necessary to cover all the types of covered products that it markets unless it has implemented one or more individual recovery programs or participates in one or more common programs of a group of enterprises to which it belongs to cover certain types of covered products.

Notwithstanding the foregoing, an enterprise that elects to become a member of a certified

organization is not exempt from:

- sending to the Minister, within no later than three months before the date set out in Chapter VI to implement its program, the information required under the third paragraph of Section 6. For enterprises that market electronic products, batteries, mercury lamps or coolants/antifreeze as stand-alone products, the cut-off date is April 14, 2012 or if the enterprise arrives on the Quebec market at some future date, then no later than that date. If the enterprise markets such products as a component of another non-covered product, the cut-off date is April 14, 2013 or at any other future date when the enterprise comes into the Quebec market. However, such information may also be sent by the certified organization on behalf of the enterprise;
- attributing the cost related to the recovery and reclamation of a product, as the case may be, only to that product (no cross-subsidization) and internalizing this cost in the asking price as soon as the product is put on the market (see Section 7);
- recording in a register, on a quarterly basis, the quantities of each type of covered product marketed in Quebec (see Section 12).

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 1st paragraph, subparagrah (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <ol style="list-style-type: none"> 1. provide for the management of recovered products to ensure their reclamation, by focusing, in declining order of priority, on reuse, recycling, including biological reclamation, any other reclamation operation whereby residual materials are processed to be used as substitutes for raw materials and energy recovery, or ultimately their disposal, in that order, subject to the following cases: <ol style="list-style-type: none"> a) a life cycle analysis, complying with the applicable ISO standards and taking into account the perennality of resources and the externalities of various management methods for recovered materials, shows that a method is more advantageous than another in environmental terms; b) the existing technology or the applicable laws and regulations does not allow for the use of a management method in the prescribed order; <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Section 5 establishes the elements that a covered enterprise must ensure within the scope of the implementation of its recovery and reclamation program.</p> <p>(Subparagraph (1)) The program must be designed to promote adherence to the order of the 3Rs, reclamation and disposal, and ensure utmost reclamation of recovered products and materials. While required programs focus on the post-consumption management of products, the enterprise should nonetheless contemplate actions to promote reduction.</p> <p>However, the program must essentially work at adhering to the following order: reuse, recycle, material reclamation, energy recovery, safe and secure disposal or elimination.</p> <p>Material reclamation includes any operation whose purpose is to obtain usable substances or products, or energy, from residual materials through re-use, recycling, biological treatment,</p>		

including composting and biomethanation, land farming, regeneration or any other process that does not constitute elimination. (EQA, Section 53.1)

The 3Rs, reclamation and disposal or elimination, mean:

- “**reuse**”: repeated use of a product without changing its appearance, its properties or its primary function. The object remains intrinsically the same and its use is repeated. Thus, reuse is a way to extend a product’s life cycle, avoid or postpone the recycling and energy recovery stages or, where no other solution is possible, the elimination of the product or the materials it contains. For instance, a computer or a cell phone is put back on the market as a used product to give it a “second life”.

Since several products are often reused by mutual agreement in informal circles, the quantities of products that lend themselves to this form of reclamation in a program can vary. As some products will only be returned under recovery programs once they no longer have the adequate characteristics to respond to the reuse market, it will generally be necessary, in connection with the program, to establish criteria to define the characteristics that a discarded product must have in order to be forwarded to the reuse channel according to the requirements of this market. Such criteria, as well as the underlying analysis, must be outlined in the annual report and revised periodically to keep up with technological and market evolution.

Sometimes, reuse can only apply to a portion of a product, such as the reuse of a case or parts. This aspect of reuse must not be overlooked where it is applicable. However, some covered products cannot be reused given current technologies. Such is the case, for instance, for single use batteries and compact fluorescent lamps. However, it is up to the covered enterprise to periodically show that there are no possibilities or outlets to reuse a product or some of its components.

The covered enterprise’s responsibility in matters of reuse can thus be summarized as follows:

- determine the products, components or parts likely to be reused;
- develop the criteria to reuse these products, components or parts;
- ensure that during their handling in drop-off centres, their pick up by collection services and their transfer to treatment centres, the integrity of the reusable products is protected;
- ensure that the staff at treatment centres, particularly at the sorting stage, are quite familiar with the reuse criteria and are able to sort properly;
- forward the reusable products to the different reuse channels, that is to say, directly to users or organizations or enterprises operating in the field.

The enterprise may also elect to implement its own reuse channel, whether for profit or

not for profit.

The enterprise must ensure a follow-up of the quantity of products actually put back into use compared to the quantity that did not find any takers and that was returned to the recovery circuit without any extension of the products' life cycle, except when the products are remitted directly to users;

- “**recycling**”: use of a secondary material in a manufacturing process to replace an original resource. “Secondary material” means material that was recovered, treated or conditioned so as to be reintroduced in a manufacturing process, whether or not this process is the same as the one from which the material is derived. Recycling also includes biological treatment activities, such as composting and biomethanation, as well as land farming. A secondary material remains a residual material as long as it is not reused.
- “**material reclamation**”: any reclamation operation (other than energy recovery) whereby residual materials are treated to be used as substitutes for raw materials without, however, any destruction of the material.
- “**energy recovery**”: recovery of the energy contained in the chemical bonds of the material through the transformation of recovered material. Energy recovery involves the destruction of the material in that it is no longer available to be re-introduced into a new reclamation cycle. To be considered as energy recovery and not elimination, the different thermal treatment processes must meet the criteria of recognition to be determined by the government (draft regulation being prepared);
- “**elimination**”: operation involving the final deposit or discharge of residual materials, in particular, by dumping (landfill), permanent storage or incineration, including operations involving the treatment or transfer of residual materials with a view to their elimination (EQA, Section 53.1). Falling last in the order, elimination should be the last recourse in the choice of management method and, ideally, should only apply to final residues, that is to say, to residues from which no value can be harnessed given current technologies or applicable laws and regulations. Hazardous materials earmarked for elimination must be entrusted to a site duly authorized to accept them.

However, the management methods outlined above may depart from in two special cases:

- **[Subparagraph 1 a)]: If a life cycle analysis (LCA) was conducted and shows that a management method other than the one usually preferred is environmentally advantageous.**

The LCA is an analytical method that quantifies the impact of a product, a service or a process, from the extraction of the raw materials that comprise it to its end-of-life management, going through the distribution and utilization phases.

The LCA must meet applicable ISO standards, namely:

- o ISO 14 040 (2006). Environmental management – Life cycle analysis – Principles and framework. International Organization for Standardization, p. 30.
- o ISO 14 044 (2006). Environmental management – Life cycle analysis – Requirements and guidelines. International Organization for Standardization, p. 56.

The provision to the effect of taking into account the perennality of resources and the externalities of various recovered material management methods, among other things, comes into play in cases where all the LCA criteria cannot determine if one management method is more advantageous than other in environmental terms. These two elements (perennality of resources and externalities) must be considered as priority criteria.

“**Externalities** of the different methods to manage recovered materials” means the different environmental effects of the management of end-of-life products and the environmental cost of which is generally absorbed by different levels of the population.

In the course of an LCA, these external effects may be combined under different environmental impact categories, in particular, global warming, depletion of the ozone layer, land use, acidification, eutrophication, photochemical ozone formation, human toxicity, eco-toxicity, depletion of non-renewable resources, impact of environmental risks, whether caused by the management method or by related activities (transportation, storage, etc.).

- **[Subparagraph 1 b): If the existing technologies or applicable laws and regulations do not allow for the use of one management method in the prescribed order. “Existing technology” means any technology available on a global commercial basis, not just available in Quebec or offered by a provider in or around Quebec.**

In addition, where a law or regulation in Quebec prohibits recourse to a management method to treat a product or a material recovered by a program, with the result that such program is unable to apply the order, this program is deemed to comply with the Regulation. Similarly, if it is shown that the recovered quantities of a product or of a material in Quebec do not warrant the establishment of a treatment facility in Quebec and that a law or a regulation where any such facility exists prohibits its use for the program, it is deemed to comply with the Regulation.

As an example of prohibitions, we note the prohibition for a facility to accept hazardous materials, the prohibition for a facility outside Quebec to accept materials coming from another province or from another country and the overrun of authorized volumes for a given facility.

The assessment of compliance with the order of the 3Rs, reclamation and disposal, may vary depending on the types of products and must undergo a case-by-case analysis. It is up to the covered enterprise to clearly show that all efforts were expended to maximize adherence to the order. Thus, a program may be considered as adhering to the order where:

1. founded reuse criteria (i.e., with supporting demonstration of their relevance) were drawn up and adequate sorting mechanisms allow the removal from the flow a maximum

of recovered products that meet such criteria in order to send the products to the reuse channel. In cases where reuse is not possible, the enterprise provides a clear demonstration to this effect which must be updated periodically (five-year assessment);

2. the vast majority of the quantities of non-reusable recovered products is forwarded to treatment stages, the final destination of which is recycling, taking into consideration the quantity of rejects from all these treatment stages that is sent for material reclamation, energy recovery or elimination;
3. a reasonable portion, less significant than under point (2), of the quantities of non-reusable recovered products (including rejects of materials earmarked for recycling) is forwarded to material reclamation or energy recovery, taking into consideration, where applicable, the quantity of rejects from these reclamation methods that is sent for elimination;
4. few or no recovered products or materials coming from the rejects of the different treatment or reclamation stages are sent for elimination.

In some cases, it is to be expected that a portion of the recovered products or materials that comprise them will be forwarded for elimination. It is then up to the enterprise responsible for the program to show the efforts that were made to reduce that quantity as much as possible. In addition, where the proportion of these products or materials is considerable, research and development efforts must be expended to support the development of reclamation solutions (see subparagraph (9)). The concept of “considerable proportion” may differ depending on the types of products concerned and the nature of the materials that comprise them and must be the subject matter of a case-by-case analysis.

Where quantities sent for elimination increase, the enterprise must explain the reasons for this in its annual report and explain what it intends to do to restore and improve the situation.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 1st paragraph, subparagraph (2) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must:</p> <p>[...]</p> <p>(2) ensure that the management of recovered products, including the recovery, transportation, storage, sorting, consolidation, conditioning and any other treatment of the recovered products, is carried out by the enterprise, service providers and subcontractors in accordance with the best practices and accepted standards;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>This second subparagraph of Section 5 establishes the subjected enterprise’s responsibility in implementing recovery and reclamation activities, whether put in place by the enterprise itself or entrusted to a third person by contract, agreement or any other form of partnership. This paragraph is completed by subparagraph (3).</p> <p>The enterprise must ensure that throughout the process to route recovered products to their reclamation or disposal, the duties carried out by the enterprises and the individuals involved are performed in accordance with best-known practices and in compliance with all applicable rules, regulatory or otherwise.</p> <p>This means that the enterprise must conduct initial checks with its providers and, where applicable, their subcontractors, in order to ensure their compliance with and their ability to adhere to best practices and accepted standards. It must also ensure compliance with these best practices over time. To do this, besides the environmental audit requirements under the Regulation (see subparagraph (11)), the enterprise must act with vigilance and provide for regular and ongoing measures to monitor the work carried out in connection with its program.</p> <p>“Best practices” and “accepted standards” or trade practices may vary depending on the treatment stage (collection or drop-off, transportation, storage, sorting, consolidation, conditioning or other form of treatment) and depending on the category, subcategory or type of product or material concerned. The “operating rules, criteria and requirements” under subparagraph (3) must, in particular, be used to describe the practices required for the different situations.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 2nd par., subpar (3) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>3. provide for operating rules, criteria and requirements to be complied with by a service provider selected, including subcontractors, for the management of recovered products and provide for measures to ensure compliance;</p> <p>Those operating rules, criteria and requirements must address the following topics, in particular:</p> <p>a) the applicable rules, regulations and conventions;</p> <p>b) the management of recovered products and materials, including the methods, procedures and equipment to be favoured according to the best practices and taking into account documentation, transportation, handling, treatment, reclamation, storage and disposal of the products and materials, as well as the traceability of products and materials forwarded to a third person;</p> <p>c) an environmental management system pertaining to:</p> <p>i) environment performance monitoring;</p> <p>ii) the management of risks and operation safety, as well as the safe treatment of products and materials;</p> <p>iii) the training and information of employees;</p> <p>iv) the improvement of practices and procedures;</p> <p>d) the reporting and the verification of information;</p> <p>e) all measures for the maintenance of services for the management of products and materials should the service provider no longer be able to perform the services, and for the repair of any damage possibly done to the environment, such as guarantees</p>		

and insurances;

- f) any other element that ensures compliance of the services provider's activities with the program and this regulation;

[...]

EXPLANATORY NOTES

Subparagraph (3) of the first paragraph of Section 5 deals with the operating rules, criteria and requirements (hereinafter the “operating rules”) to be drawn up in connection with a recovery and reclamation program and which every service provider and its subcontractors must comply with in managing the recovered products entrusted to them. It is up to the covered enterprise to draft these operating rules, apply them to all its service providers and ensure their compliance. This subparagraph therefore completes the foregoing (subparagraph (2)), in that it constitutes the bases defining the “best practices” and “accepted standards” to be met.

The elements to be covered by these operating rules are listed in the five sub-subparagraphs of subparagraph (3) and refer to the elements mentioned below. However, the content will vary depending on the category, subcategory or type of product to which it refers. In addition, with regard to drop-off centres and collection services, the operating rules may be abbreviated so as to only cover pertinent elements stemming from sub-subparagraphs (a), (b) and (d) of this subparagraph.

With the exception of drop-off centres and collection services, the operating rules should also specify the methodology to be used by each provider with a view to drawing up the mass assessment required in the annual report under Section 9, subparagraph (5).

These rules must be reviewed over time, in particular, in connection with the five-year assessment so that they reflect the changing situation not only in terms of laws and regulations but in terms of technological change.

a) Statutory and regulatory requirements

Among the statutory and regulatory requirements, we find the determination of applicable laws and regulations, such as the Regulation respecting hazardous materials, as well as the requirements to be met by a provider, such as holding the requisite authorizations, such as certificates of authorization and permits, having facilities that conform to standards for all the operations entrusted to it and keeping a register providing the service provider's environmental background (offences, incidents).

We also find compliance with international conventions. The provisions applicable to enterprises participating in the program must be determined and taken into account, such as the provisions set out in the Basel Convention or the International Labour Organization.

b) Management of recovered products and materials

For each product management stage, the operating rules must establish adequate and accepted methods and procedures as well as the requisite equipment or equipment features. The methods and procedures must, in particular, focus on adequate and accepted methods pertaining to handling, storage, transportation and the different product and material treatment stages.

With regard to reclamation and disposal stages, the operating rules must stipulate the accepted types of reclamation or disposal and the products or materials for which disposal or elimination is permitted.

These methods and procedures must also deal with the documents that providers must fill out to enable the follow-up and the inspection of operations. Documentation methods must enable products and materials to be tracked from the time they are received until they are forwarded to a third person. This documentation must be generated in a manner permitting continuity in the overall movement of a product or material from its drop-off or collection through to its reclamation, storage or disposal, in connection with subparagraph (4).

c) Environmental management system

The Environmental Management System (EMS) is a global management system that establishes, plans, implements and systematically reviews the environmental policy of a service provider. An EMS enables the latter to better control its impacts on the environment.

Several elements must be part of an EMS:

- i. **Environmental performance monitoring** is determined by an established process monitoring water, energy or material consumption, emissions, effluents, generation of residual materials, etc., and reporting. Some enforcement and contingency measures as well as a procedure to document these aspects should be part of a service provider's environmental performance monitoring.
- ii. **Risk management** takes place through the determination and analysis of the risks associated with the enterprise's activities (spills, explosions, various accidents, etc.), as well as the determination of the actions to be taken to avoid or reduce risks and to respond when any such event occurs. Risk management must include the actions to be taken in the event of an emergency.

The management of operational safety as well as the safe and secure treatment of the products and materials must be controlled, in particular, by the establishment of procedures to manage hazardous materials, the assessment of the workers' exposure to toxic substances or to equipment-related accidents, the secure upkeep of the locations where such materials are received, transferred and treated and a

regular inspection program.

- iii. The operating rules must also outline the contents of **the employees' training** as well as the process to be implemented to ensure **information** is provided to the **employees**.
- iv. Practices and procedures must be improved to minimize environmental impact and the safety of the processes. These elements must be documented and be related to item "i" regarding the monitoring of environmental performance.

d) Reporting

An EMS must provide for reporting through registries held by the provider and the subcontractors. These registries must be subject to routine auditing. The information thus compiled must be the subject to an annual internal audit. The internal audit is an independent and objective activity performed by some employees of the enterprise who certify the consistency of the enterprise's management in terms of its policies, procedures and action plans.

This information must also be subject to an environmental audit that involves an audit of the activities' compliance with laws, regulations and other undertakings (including compliance with the operating rules) as well as with the standards and conventions to which the enterprise subscribes or to which it is subject. This is a systematic and documented audit that must take place as of the first full calendar year of the program's implementation and at least every three years thereafter, in accordance with subparagraph (11).

e) Maintenance of services and repair of damages (Financial guarantees)

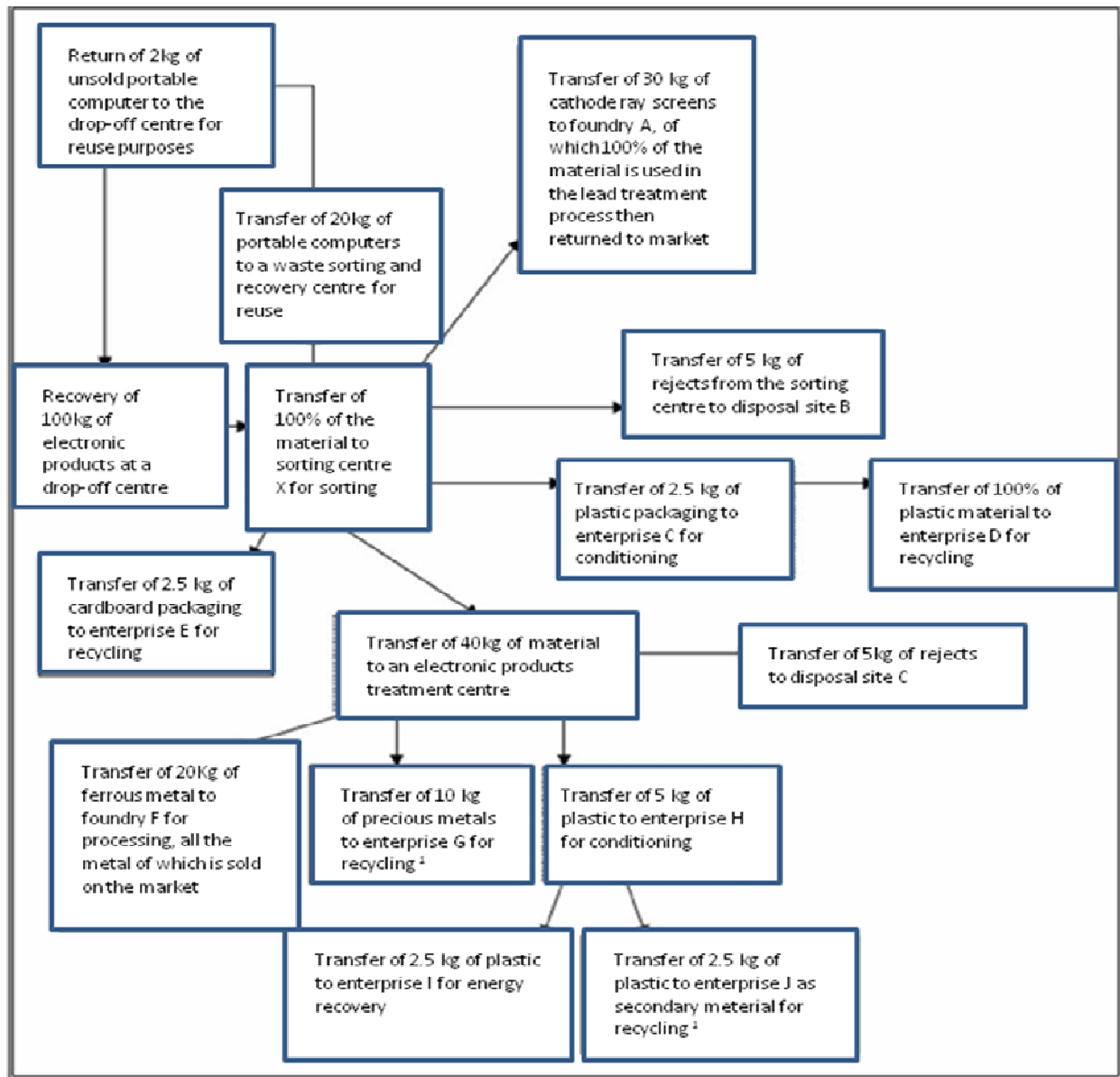
The operating rules must provide for measures maintaining management services of products and the materials entrusted to a provider, in accordance with the responsibilities and quantities vested in it, and to repair any damage to the environment that might result from an incident, an accident or from negligence. This is intended to ensure consistency in the implementation of the recovery and reclamation program and to avoid or reduce the environmental impacts that might ensue.

Require that appropriate insurance be taken out or financial guarantees obtained to secure the funds necessary to carry out the operations required in the event of the temporary cessation of activities or the closure of the provider's enterprise, such as the removal and transfer of products and materials that remain on the site after the closure and, if need be, the decontamination of the site. However, the operating rules should also provide for measures, such as agreements between providers, to ensure that the products and materials can be re-routed to another treatment site.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 3rd paragraph., subparagraph (4) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>4. ensure the monitoring of the products and materials, from their recovery to their final destination where they will be reclaimed or disposed of;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>“Monitoring of the products and materials” means tracking these products and materials from the recovery stage to their final destination.</p> <p>“Final destination” means the stage marking the end of a product’s or a material’s movement through the recovery and reclamation process, including its storage or disposal, as the case may be. The entire “fate” of the recovered products or materials must be tracked to ensure their movement through appropriate and authorized sites. This might, for instance, be the stage where the material is transferred to a reuse enterprise, a recycling enterprise, that is to say, one that subjects the material to a procedure that manufactures a new material or finished product, to an energy recovery facility or an authorized disposal or elimination site, in other words, up to the last stage in post-consumption management.</p> <p>Product and material tracking applies regardless of the province or country housing the treatment, reclamation and disposal site. Tracking also applies where products or materials are entrusted to brokers or their equivalent.</p> <p>Where a product or material is forwarded to a site where it will be mixed with similar products or materials coming from other sources before being routed to a reclaimer or an enterprise responsible for elimination, tracking must show where and how these similar products or materials are then reclaimed, stored or disposed of. Where a product or a material’s destination is located outside Quebec, tracking will show that the practices of the enterprises concerned outside Quebec are equal to or better than Quebec practices and comply with the operating rules.</p>		

Data, such as the types of recovered products or materials and their weight as well as the next receiver, must be entered in registers accessible to those in charge of the program as well as to the auditors and sent to the MDDEP on request.

The following is a hypothetical example of tracking for electronic products in the recycling and treat chain until their final disposal. Each arrow represents the flux of the material as well as the information to be collected. The bold lines are starting points in the chain. The total weight of 100kg includes the weight of packaging materials. The dotted lines represent a “final destination”, i.e. up to where the information must be collected. **NOTE : FOR MORE ACCURACY THE FRENCH VERSION SHOULD BE CONSULTED.**



1 “Recycling” means the use of a secondary material in a manufacturing process to replace an original resource

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 5th paragraph., subparagraph (5) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must:</p> <p>[...]</p> <p>5. favour the local or regional management of residual materials;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Where resources are available, at similar costs, the programs should provide for the management of products and materials as close as possible to their generation site.</p> <p>This obligation serves to:</p> <ul style="list-style-type: none"> • avoid “bulk” shipments of materials to destinations outside the region, province or country without a maximum of pre-treatment taking place as close as possible to the generation site; • assume the consequences of consumption by occupants of a territory locally and regionally; • support the development of a local and regional green economy; • take into consideration the activities that exist on the local and regional level, such as activities led by social economy enterprises. 		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 6th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>6. provide for drop-off centres and, if applicable, collection services in accordance with Chapter V;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Drop-off centres</p> <p>Also popularly known as a “waste collection point”, a “drop-off centre” means a site that accepts products covered by the Regulation when they reach the end of their life cycles.</p> <p>A drop-off centre can, for instance, take the form of a site earmarked for recovery, such as a municipal eco-center, or a “return to point of sale”, where an obsolete device can be returned to a retailer selling similar products.</p> <p>Collection service</p> <p>A “collection service” means a pick up service offered by the generator of the products and materials. An example of collection service is when the transportation company picks up a product when it delivers a new product.</p> <p>For more information about drop-off centres, see Sections 15 to 21.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 7th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>7. provide for the management of containers and other packages not covered by this Regulation and used to bring the products to the drop-off centres and those used to transport them to the treatment centres, by focusing, in declining order of priority, on reuse, recycling, including biological reclamation, any other reclamation operation whereby residual materials are processed to be used as substitutes for raw materials and energy recovery, or ultimately their disposal;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Subparagraph (7) of the first paragraph of Section 5 ensures that all containers and packages used at each stage of the recovery and reclamation of covered products (those used to bring the products to drop-off centres, those used for product accumulation or storage at recovery sites, those used for transportation to treatment centres and so on until the final destination of the material) are adequately managed and in compliance with the management method order of priority under subparagraph (1) of Section 5(1).</p> <p>The containers and packages referred to under this subparagraph are made of traditional recyclable materials, such as paper, cardboard, flexible and rigid plastic, glass, metal and wood. The operating rules for providers should provide for occasional cases with unusual circumstances.</p> <p>In the event a container used to bring a product to a drop-off centre or through a collection service is not a container covered by the Regulation, but it is contaminated by a covered product, the container in question should be managed with the containers of covered products. For instance, if used or spent oil (covered product) is brought to a drop-off centre in a windshield washer container (non-covered container), the latter, which was contaminated by the used oil, should be managed in the same flux as the used oil containers (covered containers).</p>		

The covered enterprise will compile data on the preferred management methods for recovered containers and packages as well as on their final destination. Such information must be conveyed in the program's annual report.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 8th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5.A recovery and reclamation program must</p> <p>[...]</p> <p>8. provide for information, awareness and education activities to inform consumers of the environmental benefits of the recovery and reclamation of products, and of the available drop-off centres and services so as to favour their participation;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Information, awareness and education (IAE) obligations are two-fold.</p> <p>On the one hand, IAE activities must make consumers and users of covered products aware of the fact that these products can be reclaimed and stress the importance of taking the right steps when the products reach the end of their life cycles.</p> <p>On the other hand, IAE activities must underscore the existence of the recovery and reclamation program, in particular, the presence of free drop-off centres and the availability of collection services, as the case may be. They must also specify the products that are accepted and the best ways to handle, transport, or package them to facilitate their recovery.</p> <p>IAE activities are likely to greatly contribute to the success of the program and the achievement of the prescribed recovery rates. It is up to the covered enterprise to choose the methods and the scope of the IAE activities as well as the most suitable partners to reach out to the different target customer bases. However, all the regions served by the program should be covered by the IAE program.</p> <p>IAE activities should vary over time. In addition, a minimum of IAE activities must be maintained at all times even when recovery rates are reached especially to maintain the timeliness of the information regarding the location of drop-off centres and access to collection services as well as to encourage users to act in an eco-responsible manner.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 9th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>9. include a research and development constituent pertaining to the recovery and reclamation techniques for the recovered products and materials and the development of markets for those products and materials;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Subparagraph (9) of Section 5 provides that the recovery and reclamation program drawn up by covered enterprises must include a research and development aspect (R&D).</p> <p>The required R&D aspect focuses solely on recovery and reclamation and not on the eco-design elements of a covered product. Thus, R&D may apply to several management phases of end-of-life products and materials: techniques on recovery, sorting, treatment, reclamation of covered products and materials, development of technologies, development of markets for these recovered products and materials, etc.</p> <p>The R&D aspect may take on several forms. It may be headed by the enterprise itself, entrusted to a third person and take the form of financial support from an independent entity, such as a research institute or a university, to the extent the expected results show some potential for the recovery and reclamation program's evolution.</p> <p>As may be required, R&D activities may only target certain aspects of recovery and reclamation or market development activities. The amounts allocated to R&D must be established in terms of R&D needs and able to provide, in the short- or medium-term, elements of solution to problems that are encountered.</p> <p>The actions already required by the Regulation must not be accounted for as R&D (i.e., assessment of the average age of discarded products).</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 10th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5. A recovery and reclamation program must</p> <p>[...]</p> <p>10. determine the actual costs related to the recovery and reclamation of each product subcategory or type and, starting not later than 1 January 2016, modulate those costs for each product on the basis of characteristics such as toxicity, recyclability, recycled material content, lifespan or impact on the environment and on the reclamation process;</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>The actual costs attributable to the management of covered products, i.e. the costs related to recovery (i.e., drop-off centres and collection services), transportation, sorting, other treatments, reclamation and, as the case may be, safe disposal, must be determined for each product subcategory and, where applicable, for each product type. Besides the recovery and reclamation cost, these actual costs must take into account program management costs, IAE activity costs and R&D costs. Besides the cost related to the different treatment stages, recovery and reclamation costs must take into account the final destination of a type or subcategory of product and the material derived therefrom, the value of such material or the costs of their safe disposal. This is to avoid any form of cross-subsidization between the different product types and subcategories (for instance, inflating the low costs associated with product type A to reduce the high costs associated with product type B). Thus, for a subcategory of products comprising more than one product type, the costs must be differentiated per product type depending on its final destination, according to a weighting of the costs or income thus incurred or generated.</p> <p>Moreover, as of January 1, 2016, the costs attributable to the end-of-life management of each product will be modulated (adjusted) in terms of environmental characteristics. This modulation is intended to promote or recognize the eco-design efforts of products. The eco-design of a product (also called sustainable design) is intended to rank the product in a sustainable development effort by taking into account the social and environmental repercussions associated with the product throughout its lifespan.</p>		

Cost modulation is a mechanism to recognize efforts and is by no means intended to determine with any accuracy the actual savings or charges associated with the characteristics retained for the modulation. In fact, the characteristics or criteria retained may possibly have no impact on actual management costs.

Cost modulation is part of the effort to promote and recognize the eco-design efforts of products with a view to reducing a product's ecological footprint throughout its lifespan. It can be used as leverage for enterprises to recognize the efforts invested in some manufacturing models or methods that are more ecologically-friendly and to reflect this effort in the environmental cost associated with its post-consumption management. However, cost modulation does not result in a reduction of the actual management costs for this entire product type, except, eventually in the mid- and long-term if a majority of the models meet criteria having an impact on post-consumption management, bluntly speaking.

The environmental characteristics or criteria used for cost modulation may take into consideration all the stages of the product's life cycle and not just its end-of-life management. The type and the number of characteristics or criteria are left to the discretion of the enterprise and they may rest on a qualification approach drawn up by the covered enterprise as part of its program or its recognition programs or certification systems already in place managed by third party organizations (Energy Star, EPEAT, European Directive RoHS, ISO standard, etc.). They may, for instance, take into account a product's toxic material content, its recycled material content, its manufacturing process, its remoteness from the manufacturing site, its energy consumption, its lifespan and its end-of-life recoverability.

As a result of cost modulation, for a single product type, the environmental cost may vary depending on the make or model. Thus, a model X product containing heavy metals and presenting significant challenges in terms of recyclability may see its management cost adjusted upward whereas the same model Y product type, made entirely of recycled materials, with low or no toxicity and clearly indicated, accordingly facilitating its reclamation, may see its cost adjusted downward. For instance, a program could provide that the cost modulation criterion for the end-of-life management of desktop computers is based on the EPEAT performance tool. Thus, the end-of-life management cost of a certified EPEAT-Gold model may be adjusted downward by 10%, a certified EPEAT-Silver model by 5% and a certified EPEAT-Bronze by 2%, whereas an uncertified model would be adjusted upward by 10% or more to offset downward adjustments. Consequently, for a same product type, a program would charge different environmental costs depending on the models.

The covered enterprise must determine the requisite requirements to determine if a product meets a modulation criterion in its favour.

Modulation costs apply to the environmental costs established for each subcategory or, as the case may be, each type of product. Also, a modulated cost is deemed to be the cost related to the recovery and reclamation of a product for the application of the first paragraph of Section 7.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 5 11th paragraph, subparagraph (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>5.A recovery and reclamation program must</p> <p>[...]</p> <p>11. provide for the environmental audit, by an independent third person certified for that purpose by a body accredited by the Standards Council of Canada, of the management of recovered products and compliance by all service providers, including subcontractors, with the operating rules, criteria and requirements referred to in paragraph 3; such audit must be carried out as of the first full calendar year of implementation of the program and thereafter at least once every 3 years.</p> <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>The environmental audit is a planned, systematic and documented auditing process to objectively ascertain if the activities of the enterprise in question comply with applicable codes, statutory and regulatory requirements as well as the other requirements to which the program is subject to, in particular, the operating rules under subparagraph (3) of this section. It is a process that rests on such principles as impartiality, independence, conduct and ethics.</p> <p>The environmental audit especially applies to service providers and their subcontractors in connection with the program in order to assess if their activities comply with the operating rules established in connection with the program and any other statutory element or element ensuing from recognized best practices.</p> <p>A “certified independent third person” means an individual dealing at arm’s length or not affiliated in any way with the enterprise or the organization subject to the audit and holding valid certification, issued by an organization certified by the Standards Council of Canada for environmental audit purposes.</p> <p>An “organization certified by the Standards Council of Canada” means an organization vested with the authority to evaluate and certify an individual to conduct environmental audits. In Canada, there are at least two certified organizations, namely, the Association québécoise de vérification environnementale (Quebec Environmental Auditing Association) and ECO Canada.</p>		

On their respective websites, these organizations provide an updated list of individuals certified to conduct environmental audits.

Some certifications, such as those issued by the Association québécoise de vérification environnementale, have an expiry date and have to be renewed. In all cases, the certified professional must keep his or her knowledge current and show proof of a minimum of practical experience. Therefore, it is relevant and the responsibility of the enterprise covered by the Regulation to ensure the validity of the certification of said certified independent third person.

The following elements are generally systematically assessed during an environmental compliance audit:

- environmental policies, commitments and objectives (in connection with the environmental management system (EMS) of the enterprise);
- activities, processes, products and services that interact with the environment;
- environmental aspects and impacts ;
- the production of residual materials resulting from the enterprise's activities;
- material transportation, storage and handling activities;
- energy sources and consumption;
- contingency plans;
- environmental history.

The environmental audits required under the Regulation must also cover the providers' compliance with the operating rules drawn up as part of a recovery and reclamation program.

The environmental audit is required for all providers as of the first full calendar year of a program covered by the Regulation. Thus, for covered enterprises active before the date scheduled to implement new programs (July 14, 2012) or the date scheduled for compliance of existing programs (January 1, 2013), environmental audits are required for all program providers in 2013. Thereafter, a program provider must undergo an environmental audit at least once every three years.

However, where the covered enterprise implements a program to certify its providers, the issuance of such certification to a provider stipulating that it complies with all the operating rules (see Section, first paragraph, subparagraph (3)), during the first year it participates in the program, may replace the requirement for a separate environmental audit to the extent the person having issued the certification is certified by an organization certified by the Standards Council of Canada to conduct environmental audits.

Moreover, insofar as the environmental audit of drop-off centres is concerned, it may be carried out on a sampling basis depending on the different types of drop-off centres to the extent that each sample represents at least 10% of the total number of this type of drop-off centre, that the environmental audit on a sampling basis is conducted annually and that all the territories (RCMs or equivalents) served by the program are subject to environmental audit activities at least every three years. Thus, for instance, for a given year, the audit of paint container and paint recovery drop-off centres can cover 10% of the municipal eco-centres spread out over the territories under

the responsibility of different municipal bodies, and 10% of the “return to point of sale” drop-off centres, like hardware stores. The environmental audit does not apply to collection services picking products up directly from generators.

The same person or the same team can conduct the environmental audit in conjunction with the other audit activities provided for in subparagraph (11) of Section 9, to the extent this person or team corresponds to or includes an individual meeting the definition of “certified independent third person”, and that such individual is be present on site during the audit and signs the environmental audit.

For the purposes of this paragraph, the words “certified”, “certification”, “accredited” and “accreditation” are synonymous and refer to an official form of authorization or attestation to act either as an organization to certify or authorize individuals to conduct environmental audits, or as an individual to conduct an environmental audit.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 6 Paragraphs 1 and 2, Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>6. Not later than 3 months before the date provided for in Chapter Vi for the implementation of a recovery and reclamation program in respect of a product, an enterprise referred to in section 2, 3 or 8 must inform the Minister of its intention to implement an individual program, to join a group of enterprises implementing a common program or to become a member of an organization referred to in section 4.</p> <p>An enterprise electing to implement an individual program or to participate in the common program of a group of enterprises must then submit the following information and documents to the Minister:</p> <ol style="list-style-type: none"> 1. in the case of an enterprise implementing an individual recovery and reclamation program: <ol style="list-style-type: none"> a) its name and address, telephone and fax numbers and email address; b) the business number assigned under the Act respecting the legal publicity of enterprises (R.S.Q., c. P-44.1); and c) in the case of a legal person, partnership, association or organization, the name and contact information of its representative; 2. in the case of an enterprise participating in the common recovery and reclamation program of a group of enterprises: <ol style="list-style-type: none"> a) the information referred to in subparagraph 1° concerning the group and each enterprise in the group; b) a resolution attesting to its participation in the group; 3. the name and contact information of the person in charge of the program; 4. each subcategory and each type of product marketed by the enterprise and the brand, name or distinguishing guise owned or used by the enterprise or, as the case may be, that 		

information concerning a product for which the enterprise acts as first supplier;

5. according to each subcategory of product, the estimated quantity of each type of product marketed during a year;
6. the regional municipality or territory referred to in sections 16 and 17 where each type of product is marketed and the method of marketing used, such as wholesale, retail sale, distance selling or house-to-house selling;
7. a list of drop-off centres, including their quantity, kind, address and business days and hours, the subcategories or types of products accepted and, if applicable, their maximum threshold, according to weight, quantity or size, for a deposit by industrial, commercial and institutional clients, and a description of the other collection services offered and for whom they are intended;
8. a description of the residual material management methods used for each subcategory or type of product, including in particular the conditions of the transportation, storage, sorting, consolidation and any other treatment of recovered products and, if reuse is the management method used, a description of the methods and criteria used to sort out, identify and forward the products for that purpose.

Where a management method may not be used in the order provided for in paragraph 1° of section 5 because the existing technology or applicable laws and regulations do not allow for such use, proof must be provided to the Minister. Where the situation is warranted because a method has an advantage over another in environmental terms, a life cycle analysis confirming the situation must be provided to the Minister with the annual report for the year in which the situation occurs;

9. the names and contact information of the providers whose services have been retained or are about to be retained for the management of residual materials, as well as the operating rules, criteria and requirements they must comply with under the program;
10. a description of the measures proposed for the environmental audit of the management of recovered products and of compliance by service providers and their subcontractors with the operating rules, criteria and requirements referred to in subparagraph 9;
11. a description of the means proposed for the management of containers and other packages not covered by this Regulation and that were used to bring products to drop-off centres and to transport them to treatment centres;
12. the planned final destination for the recovered products and materials, including the names and addresses of the addressees and, if a type of product or material is to be disposed of, the disposal method and site for each type of product or material and the name and contact information of the person in charge of that site; and
13. a description and a schedule of the proposed information, awareness and education

activities and research and development activities.

EXPLANATORY NOTES

Section 6 is intended to obtain material information from covered enterprises and to have knowledge of those that opt for an individual program, of those that belong to a group (chain, franchise, banner) and of those that participate in a common program and those that elect to become members of a management organization certified by RECYC-QUÉBEC.

Such information must be sent to the Minister by no later than three months before the start of the program's scheduled operating date. For electronic product, battery, mercury lamp and coolant and antifreeze categories and subcategories, the cut-off date is April 14, 2012.

An enterprise that chooses an individual or common program must also send information about the different aspects of the program which the enterprise or group is going to implement. Such information concern, in particular, :

- the enterprise's coordinates and the people in charge of it;
- the subcategories and types of products it markets and, in the case of a brand holder or user, the brands, names or distinguishing guises or distinctive signs;
- an estimate of the annual quantities and territories where these products are marketed. Where an enterprise accepts distance or remote orders (Internet, telephone or catalogue orders), the served territory is deemed to cover all of Quebec;
- the list and features of the contemplated drop-off centres;
- the description of the contemplated management methods, including for transportation, sorting, reuse (including the applicable criteria – see Section 5, subparagraph (1)(a)) and other treatments;
- the coordinates of the providers whose services were retained or will be retained shortly;
- the operating rules, criteria and requirements applicable to providers;
- the proposed environmental audit measures (see Section 5, subparagraph (11));
- the planned final destination for recovered products and materials;
- the description of the IAE activities planned for users in the short term and a description of future R&D activities.

An enterprise that opts to become a member of a certified organization only has to send information about the enterprise's coordinates and about the people who are in charge, the name of the management organization certified by RECYC-QUÉBEC to which it belongs, the subcategories or types of products it markets and, as the case may be, the brands, names or distinguishing guises it owns or uses.

However, if the enterprise becomes a member of a certified management organization (CMO) before the cut-off date, the CMO may send such information to the extent it is presented by member enterprise and not all together.

If, on the cut-off date and for a given product category or subcategory, no CMO is in place or is on the verge of being in place, an enterprise cannot avail itself of the exemption under Section 4 and must plan for the implementation of an individual program or participate in a common

program if provided for by the group (chain, franchise, banner) to which it belongs. The interpretation of “on the verge of being in place” is left to the discretion of the MDDEP and RECYC-QUÉBEC.

The information sent is confidential and subject to the provisions of the Act respecting Access to documents held by public bodies and the Protection of personal information.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 7 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>7. The costs related to the recovery and reclamation of a product, as determined under paragraph 10° of section 5, may be attributed only to that product and must be internalized in the price asked for the product as soon as it is put on the market.</p> <p>Those internalized costs may be rendered visible only on the initiative of the enterprise referred to in section 2 or 3 that markets the product; in such case that information must be disclosed as soon as it puts the product on the market.</p>		
<p>EXPLANATORY NOTES</p> <p>The Sustainable Development Act rests on 16 principles, including the internalization of costs, i.e. that “the value of the goods and services must reflect all the costs to the company throughout their lifespan, from their design to their consumption and their final disposition”. This principle is to better incorporate the concept of sustainable development, in particular, by incorporating the management costs of the products’ final disposal into the costs of the product, in much the same way as production, transportation and marketing costs, etc.</p> <p>The obligation to internalize costs applies “as soon as the product is put on the market”. Thus, costs must be internalized for all types of marketing, regardless of the customer base, and for all the phases of this marketing. For instance, the costs of products marketed for a business customer base must be internalized, as do products going from a wholesaler to a retailer.</p> <p>In addition, this obligation to internalize costs also applies to an enterprise that elects to avail itself of the exemption under Section 4 for the implementation of a recovery and reclamation program.</p> <p>Moreover, this section echoes Section 224 of the Consumer Protection Act, which reads as follows:</p> <p>“ 224. No merchant, manufacturer or advertiser may, by any means whatever:</p> <p>[...]</p> <p>(c) charge, for goods or services, a higher price than that advertised.</p> <p>For the purposes of subparagraph c of the first paragraph, the price advertised</p>		

must include the total amount the consumer must pay for the goods or services. However, the price advertised need not include the Québec sales tax or the Goods and Services Tax. More emphasis must be put on the price advertised than on the amounts of which the price is made up.”

The second paragraph of Section 7 makes a clear distinction between the concepts of cost internalization and cost visibility. Thus, an enterprise is not prohibited from informing its customer base that a product’s asking price includes an environmental cost for such product’s end-of-life management. However, only the enterprise responsible for marketing a product in Quebec can decide to make the cost visible and how it will make it visible (on the package, in literature, in advertising tools, etc.).

However, visibility must comply with the Consumer Protection Act and must be indicated in a way that is less obvious than the total price, before taxes or not. Thus, the environmental cost may be visible in the store or on the invoice but only if the covered enterprise (brand holder or first supplier) opted to make it visible more upstream in the distribution chain or in cases where the retailer is also the brand holder or first supplier. However, no party intervening in a product’s distribution chain, in particular, the retailer, is obliged to extend the visibility of an environmental cost.

It is important to remember that effective 2016, the environmental cost of a same product type is likely to vary from one model to another because of cost adjustments to recognize eco-design efforts. This will make it more complex to correctly allocate costs.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER II RECOVERY AND RECLAMATION PROGRAM</p>	<p>Section 8 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>8. An enterprise, including a municipality that, for its own use, acquires from outside Québec products covered by this Regulation or manufactures such products must recover and reclaim, or cause to be recovered or reclaimed, those products after use.</p> <p>That enterprise must provide for the management of recovered products in accordance with paragraphs 1, 2 and 4 of section 5 and obtain from each of its service providers and subcontractors all information enabling to verify the practices used for the management of the products entrusted to them.</p> <p>Where a management method referred to in paragraph 1 of section 5 may not be used for one of the reasons provided for in subparagraphs a and b of that paragraph, one of the documents referred to in the second paragraph of subparagraph 8° of section 6 must be provided to the Minister.</p>		
<p>EXPLANATORY NOTES</p>		
<p>Section 8 sets out some other entities subject to the Regulation and establishes a portion of their obligations.</p> <p>This section provides that an enterprise or municipality that acquires a covered product from outside Quebec or that manufactures it for its own use and not to market it is also subject to the Regulation.</p> <p>This enterprise or municipality is required to implement a recovery and reclamation program. It can also opt to avail itself of the exemption under Section 4 and become a member of a management organization certified by RECYC-QUÉBEC. Where applicable, the information under Section 4 of this guide applies.</p> <p>The requirements applicable to enterprises and municipalities covered by Section 8 for the implementation of an individual program are fewer and less comprehensive. Essentially, they can be summarized as follows:</p> <ul style="list-style-type: none"> • take requisite measures to ensure the post-consumption management of end-of-life products in compliance with the 3Rs, reclamation and disposal; • ensure that the management of each stage in the recovery and reclamation process, 		

including the elimination of some products or materials, as the case may be, takes place in accordance with best practices and accepted standards by obtaining verifiable information from service providers and their subcontractors showing compliance with these best practices and accepted standards;

- ensure that products and materials can be tracked as they move through the recovery and reclamation process, including, as the case may be, elimination;
- send an annual report (see Section 11).

In the event the management of some products does not meet the 3Rs, reclamation and disposal, order, the enterprise or municipality must provide information accounting for this situation along with its annual report (see Section 11). Such information must show that existing technology is not available or that a law or regulation prohibits recourse to it and the fact of acting in this way, based on a life cycle analysis, has an advantage in environmental terms.

For more information on the interpretation of the above-mentioned activities and their completion in the spirit of the Regulation, see the explanatory notes under Section 5 for subparagraphs (1), (2) and (4).

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 9 Par. 1 and 2, subpar (1) Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>9. Not later than 30 April of each year or, if applicable, within 4 months of the termination of a program, an enterprise referred to in section 2 or 3 must submit to the Minister a report assessing the performance of its recovery and reclamation program for the preceding calendar year and including the following information and documents:</p> <ol style="list-style-type: none"> 1. for each product subcategory, the quantity of each type of product marketed during the year covered by the annual report and during the reference year determined by Chapter VI and, if applicable, according to their brand, name or distinguishing guise; 2 for each subcategory of products, the quantity of products recovered, the recovery rate in percentage and the difference in units or in weight calculated in accordance with Chapter IV, the detail of those calculations and any use of a positive difference for compensation purposes, as well as the quantity and proportions of those products that have been reused, recycled, otherwise reclaimed or disposed of in accordance with the program; <p>[...]</p>		
<p>EXPLANATORY NOTES</p> <p>Section 9 applies to enterprises covered as brand holders or first suppliers of a covered product or a non-covered product, a component of which is a covered product.</p> <p>(First paragraph) This section concerns the obligation to send an annual report to the Minister and stipulates the information to be set out in the report. The annual report serves to provide information on the quantities of marketed, recovered and reclaimed products in order to determine the program’s performance, to obtain and update information on the management of the program and the products recovered as they make their way through the program and to outline the IAE and R&D activities. The data in the annual report must be subjected to an audit (on this last point, see the explanatory notes on the second and third paragraphs of this section).</p> <p>The annual report must be sent by no later that April 30th and must cover the preceding calendar year, that is, the period from January 1st to December 31st of the year ended at most four months</p>		

before the remittance of the annual report.

An enterprise that terminates its program during a year must send a report comparable to the annual report covering the period of the year during which its program applied, within no later than four months after having terminated the operations of its program, calculated on the basis of the date on which users could no longer bring covered products to the drop-off centres served by the program. This report must cover all activities up to the final disposal of the last quantities of products forwarded under the program.

For the period covered by the annual report or the termination of operations report, said report must include:

- (Subparagraph (1))

This subparagraph covers the declarations of the quantities of covered products marketed by the covered enterprise during the period covered by the report, for each type of products and per subcategory of products. (For the meaning of “type of product” and “subcategory” of products, see the explanatory notes under the first paragraph of Section 2).

The report must also indicate the quantities of each type of product, by subcategory of products, marketed during the reference year. A reference year is determined for each subcategory of covered products in each division on a product category under Chapter VI of the Regulation (example: for electronic products, Chapter VI, Division 1, Section 27, second paragraph). In the case of certain products, in particular products that are depleted by usage, the concept of reference year is replaced by that of the quantity of products considered available for recovery. Where the reference year corresponds to a full calendar year for which an annual report was required pursuant to this section, the verified data of this annual report must be used. In the case of covered enterprises active before 2013, this year corresponds to the first year for which an annual report covering a full calendar year is required.

The enterprise must also indicate the different brands, names or distinguishing guises under which the different quantities of product types were marketed, for products marketed during the year and during the reference year.

However, for the products referred to in Section 22, subparagraphs (7) and (10), namely peripherals and accessories, such as keyboards, mice, cables, connectors, routers, hard drives, etc., the marketed quantities are only required as part of the five-year assessment (see Section 10).

- (Subparagraph (2))

This subparagraph covers the declarations of the quantities of recovered products, per subcategory only (and not per type of product) and the annual recovery rate that must also be calculated per subcategory.

The report must indicate the recovery rate reached during the year, per subcategory of products. This rate is calculated in terms of the quantities recovered per subcategory of products over the quantities of products of the same subcategory marketed during the reference year (or considered available for recovery).

For 2012 and 2013, the report must specify, for each subcategory of products, the quantity of products corresponding to 50% of the recovered quantities which can be used for 2015 to 2019 inclusive as “credit” to offset quantities that are missing to reach the prescribed recovery rate, as the case may be. For “paints” and “oils and coolants” categories, the 50% calculation applies 2012 only and the “credit” may be applied to offset an insufficient rate for 2013 to 2017 inclusive. The prescribed recovery rates vary depending on the category and sometimes the subcategory of products and are indicated in the different divisions of Chapter VI (example: for batteries, Chapter VI, Division 2, Section 33).

As of 2015, the report will have to indicate, for each subcategory of products, if the recovery rate reached shows a positive or negative difference compared to the prescribed recovery rate. A positive difference may be transferred or rolled over to offset a negative difference noted during the five years before or after the year during which the positive difference is noted (for further information, see the explanatory notes under Section 13 and the examples under Schedule D). The report must also note any transfer of quantities stemming from a positive difference, with the assistance of a table covering at minimum the period of five years before or after the current year. Based on declared quantities of products recovered during the year, the report must note the total quantities of recovered products that were forwarded for reuse, recycling, material reclamation, energy recovery or elimination. These quantities must also be expressed as a proportion (percentage) of the total recovered products.

For the purposes of subparagraphs (1) and (2), quantities may be declared, as the case may be, in units or equivalent weight or in volume or equivalent weight, as per the provisions of the different divisions of Chapter VI. Often, marketed quantities are available in units whereas recovered quantities are declared in weight or in volume. In addition, conversion factors must be provided together with the methodology to establish them, in accordance with the provisions of the different divisions of Chapter VI (example: for electronic products, Chapter VI, Division 1, Section 23, second paragraph. Some exceptions apply however, in particular, for products under subcategories 1 and 3 of Section 22, which must absolutely be declared in units.

For certain product categories, information in addition to that indicated in this Section 9 is required in the annual report. Such information is indicated in the different divisions of Chapter VI, particularly in Section 26 (Division 1) for electronic products, in Section 32 (Division 2) for batteries and in the second paragraph of Section 38 (Division 3) for mercury lamps. Thus, besides the requirements under this Section 9, the covered enterprise must pay special attention to the additional requirements set out in the divisions of the Regulation dealing with the products it markets.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 9 Sub. Par. 1 Par. 3 to 11 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>9. [...]</p> <p>First paragraph, subparagraphs (3) to (11)</p> <p>(3) where a management method may not be used in the order provided for in paragraph 1 of section 5:</p> <p>(a) because a method has an advantage over another in environmental terms, a life cycle analysis confirming that situation must be provided, as required under the second paragraph of subparagraph 8 of the second paragraph of section 6 or in the case of any change of management method made during the year for that reason, such analysis must be updated every 5 years;</p> <p>(b) because the existing technology or laws and regulations do not allow for the use of a method, proof of that situation must be provided in the case of any change of management method made during the year for that reason, or updated proof if 5 years have elapsed since the proof provided under this subparagraph or the second paragraph of subparagraph 8 of the second paragraph of section 6;</p> <p>(4) if applicable, for each subcategory of products, the total quantity of recovered products or materials that have been stored, the name and address of the storage site and, where the quantity stored is 10% or more greater than the quantity stored in the previous year, the reasons for that situation and the measures proposed to reduce that quantity;</p> <p>(5) all products considered, a mass balance stating the quantity and nature of materials that were recovered, according to whether they were reused, recycled, otherwise reclaimed, stored or disposed of, and identifying the matters forming more than 3% of those materials and a description of the methodology used to carry out the mass balance;</p> <p>(6) for each subcategory and, if applicable, by type of product, or for each material, the final reclamation destination of the recovered products and materials, including the names and addresses of the addressees and, if products or materials are to be disposed of, the disposal site and the name and contact information of the person in charge of</p>		

that site;

- (7) a description of the information, awareness and education activities and research and development activities that took place during the year and those planned for the following year;
- (8) the costs related to the implementation of the recovery and reclamation program, specifying the costs associated with:
 - (a) the recovery, reuse, recycling, any other reclamation or the disposal of the products covered by a program or, as the case may be, the storage, as well as the costs broken down into each subcategory or type of product;
 - (b) the information, awareness and education of customers;
 - (c) research and development; and
 - (d) program management;
- (9) for each subcategory and, if applicable, by type of product, as of 2016 at the latest, the criteria for modulating the costs associated with the recovery or reclamation and the factors for the application of that modulation in accordance with paragraph 10 of section 5;
- (10) if applicable, a description of the environmental audit activities carried out during the year including the name and address of the independent third person whose services were retained and proof that such person is certified in environmental audit, as well as the findings resulting from the audit and, if applicable, the adjustments to be made to rectify the elements causing problems; and
- (11) any amendment to components of the recovery and reclamation program referred to in section 5 and to the information referred to in section 6.

[...]

EXPLANATORY NOTES

The other information to be conveyed in the annual report or in the termination of operations report includes the following.

(Subparagraph (3))

The provisions of this subparagraph do not apply in the event of a termination of operations report.

In the case of an annual report where, for the period covered by an annual report, the order of the management methods prescribed by the 3Rs, reclamation and disposal, could not be complied with, the report must include either the life cycle analysis which shows that acting in this way is

advantageous in environmental terms, or some proof that the technology to do it is not available or that a law or regulation in effect bars recourse to it. (For further information on the requirements regarding these topics, see the explanatory notes under Section 5, first paragraph, subparagraph (1).

If the recovered products' management methods are not changed in the next five years, the annual report submitted five years after an annual report in which such life cycle analysis or proof was presented, must be accompanied by an update of the initial life cycle analysis or the status of the situation regarding available technologies or laws and regulations in force.

If a change occurs but results in the fact that the program still does not comply with the order of the 3Rs, reclamation and disposal, the report must note this. A revised life cycle analysis or proof regarding the available technologies or constraints created by a law or a regulation are then only necessary if the change results in moving away from instead of moving toward the order of the 3Rs, reclamation and disposal.

The explanations provided in the two foregoing subparagraphs also apply to the initial information required under Section 6, subparagraph (8) that must be sent to the Minister no later than three months before the implementation of the programs.

(Subparagraph (4))

This subparagraph applies where, for one or more subcategories of covered products or for certain materials resulting from their treatment, a portion is stored, regardless of the proposed storage period.

The quantities of stored products or materials must be declared, per subcategory of products, to the extent possible. Where storage takes place at a treatment stage where it is not possible to distinguish the origin of the materials per subcategory, all the subcategories of products from where the stored materials originate must be specified.

All stored quantities must be declared, including the remaining quantities of the stored quantities declared in the immediately preceding annual report. In addition, where the total quantity of stored products and materials is more than 10% of the stored quantities indicated in the immediately preceding annual report, the report must explain the reasons for this storage and its increase. It must also note the measures that will be put in place, by the covered enterprise or its providers and their subcontractors, to reduce the stored quantities. Where short-term measures are not planned, the report must indicate as such and, depending on the nature of the stored materials and the storage conditions, establish the possible storage period so that the reclamation of products and materials remains conceivable.

Where a provider receives products and materials from several sources (including the covered enterprise) and it is not possible to determine with any accuracy the exact source of the stored quantities, the share attributable to the covered enterprise must be prorated to the quantities of products and materials having generated the stored quantities forwarded there in connection with the covered enterprise's program.

The names and addresses of the storage site or sites must be indicated in the report.

(Subparagraph (5))

The report must contain a mass balance encompassing all the materials recovered along with the recovered products, all subcategories and all product types combined. “Mass balance” means the allocation, in weight, of the different recovered materials for each of the reclamation channels used.

However, in the case of reuse, the mass balance can indicate the total weight of the products, including parts that are forwarded to this channel without distinguishing the different material comprising these products.

For each of the other reclamation channels as well as for any quantity forwarded to storage or disposal, the mass balance worksheet must indicate the materials comprising these product or material flows.

“Material” means the different categories of materials used in the manufacture of a product, such as:

- different categories of metals – ferrous, non-ferrous, precious or rare;
- different categories of plastics – thermoplastics, thermo-hardening, elastomers, etc., depending on whether or not they contain hazardous materials and, in particular, toxic materials;
- different types of glass – flat glass, utility glass, wired or armoured glass, layered glass (metal coatings, oxides, nitrides, etc.);
- different types of cellulose fibers – paper board, wood, depending on if they are contaminated, treated, etc.;
- different types of textiles – natural, synthetic, etc.;
- different types of liquids – oils, surfacings, etc.;
- gas.

These categories may vary depending on the products that fall under a program. However, their determination must be explained and justified and the Minister may request that they be modified.

Where a category of materials represents more than 3% of the total of the materials recovered and forwarded to each of the different reclamation, storage or disposal channels, the mass balance must provide more details on the different materials found in this category of materials as well as on their final destinations. For instance, if the thermoplastic category represents 25% of the mass balance, it must indicate the material comprising these thermoplastics such as, acrylonitrile-butadiene-styrene copolymer (ABS), polyethylene (PE), polyethylene terephthalate (PET), high-density polyethylene (HDPE), polyvinyl chloride (PVC), etc., and the final destinations of these different materials. Alternatively, if the category of non-ferrous metals represents 8% of the mass balance, it must indicate the materials comprising these non-ferrous metals, such as, gold, silver, copper, aluminum, lead, zinc, cadmium, palladium, etc. and the final destinations of these different materials. In addition, where one category of materials

encompasses another, such as non-ferrous metals that can contain precious metals, the mass balance must indicate all the components.

The methodology used to establish the mass balance statement must be outlined in the report. This methodology should also be spelled out in the operating rules under subparagraph (3) of the first paragraph of Section 5 for providers participating in the different treatment stages of the recovered products in order to ensure utmost consistency.

(Subparagraph (6))

The report must note the final destination of the different recovered products, according to the subcategories of products, for purposes of reclamation (reuse, recycling, material reclamation or energy recovery), storage or elimination.

In some cases, this information must be presented according to the different types of products or groupings of types of products. For instance, in the category of “paint and paint containers”, for subcategory (2) covering alkyd or enamel paint, metal and rust paint, varnishes and several kinds of protective products, it will be necessary, where applicable, to specify the types of products or materials of this subcategory that are forwarded to recycling, those forwarded to material reclamation and those earmarked for energy recovery.

This information does not have to be accompanied by quantities.

In addition, the annual report must indicate the names, addresses and any other coordinate to identify the different recipients of the products and materials, whether they are located in or outside Quebec.

(Subparagraph (7))

The annual report must note the different IAE activities that were carried out during the year. For each activity, the information sent must include the description of the activity as well as the list of partners and stipulate the targeted customer bases, the dates on which the activity took place, the territories covered, the costs, etc. The report must also outline the IAE activities planned for the following year, whether they are continuing activities or new activities.

The annual report must also note the R&D activities carried out during the year. For an activity carried out directly by the covered enterprise or under its responsibility, the information sent must include the description of the activity and its goal (problems to solve, situations to improve), the list of partners, the length of the activity (timetable), the costs, expected or achieved results, etc.

In the case of an activity carried out by a third person (research institute, university, consortium, etc.), the provided information must specify the nature and topic of the activities (empirical research, applied research, etc.), the interest in the activity in connection with the recovery and reclamation program and how the expected results will lead to solving a problem or improving a situation, as well as the scope and duration of the activity, the planned timetable, the groups or researchers who participate in the activity, the amounts paid by the covered enterprise, etc.

Pursuant to Section 5, subparagraph (9), R&D activities must cover the techniques to recover

and reclaim recovered products and materials as well as the development of markets for these products and materials.

The life cycle analyses conducted to meet the requirements of subparagraph (1) of the first paragraph of Section 5 cannot be considered as R&D activities required under subparagraph (9) of the first paragraph of Section 5.

Activities related to determining the average age of recovered products required under the second paragraph of Section 10 or relating to the assessment of the quantities of residual products available for recovery under Sections 45 and 51 cannot be considered as R&D activities required under subparagraph (9) of the first paragraph of Section 5.

(Subparagraph (8))

The annual report must indicate the costs related to the program by specifying the costs associated with each reclamation channel used as well as the costs related to disposal. In addition, these costs must be broken down in terms of each subcategory of products and in terms of the different types of products comprising a same subcategory. This breakdown is intended to validate the determination of the costs per subcategory or per product type as required under subparagraph (10) of the first paragraph of Section 5.

The declared costs must take into account the different charges and different revenues associated with one of the program's stages (sorting, treatment, reclamation and disposal). We are therefore referring here to net costs.

The annual report must also indicate costs other than those directly generated by activities to recover, reclaim or dispose of materials, such as IAE, R&D and management costs.

In sub-subparagraph (a):

- “recovery” refers to activities related to drop-off centres, collection services, if applicable, and to transportation to the initial sorting facilities or other treatment operations where products originating at drop-off centres or taken by a collection service are brought. These costs might include, among other things, the costs of collection equipment, of site layout in accordance with applicable standards and rules, leasing, acquisition and maintenance of spaces, vehicles or machinery, reception personnel or staff to serve program users and handle products as well as the different transportation, insurance, personnel training, environmental and accounting audit costs, etc.;
- “reuse” refers to activities related to the determination or review of reuse criteria, sorting activities focusing on reuse, product conditioning activities with a view to reuse, where applicable, transportation to reuse facilities, etc.;
- “recycling” refers to activities related to the necessary treatments to route a product or materials that compose it to recycling (see the definition of recycling at subparagraph (1) of the first paragraph of Section 5), such as the sorting, dismantling, all other process used to separate the different materials or to condition them, the

preparation and the packaging of the materials for transport, the transport between the different treatment locations and towards reclamation locations, the environmental auditing of providers, etc.;

- “any other reclamation operation” refers, in particular, to material reclamation and energy recovery (see the definitions under Section 5, first paragraph, subparagraph (1)) that must cover the costs of activities equivalent to those indicated above for recycling;
- “disposal” refers to the routing of products or materials to an elimination or disposal site duly authorized to accept them, that is, the costs to transport and the costs for entry to the disposal site;

Storage costs, where storage is for an indefinite term, must be indicated separately.

The costs under sub-subparagraphs (b) and (c) are the same as those referred to in subparagraph (7) of this section.

In sub-subparagraph (d), “program management” means administration costs other than those included in the above-described activities, that is, expenses of the program’s management staff (wages, benefits, etc.), office expenses (rent, furniture, etc.), traveling expenses, general insurance, association dues, etc.

(Subparagraph 9)

The annual report must outline the cost modulation criteria applied in connection with the program and, where applicable, specify to which subcategory or which product type the different criteria apply (see the explanatory notes on Section 5, first paragraph, subparagraph (10) regarding cost modulation as of 2016).

The report must also indicate how compliance or non-compliance with each criterion affects (or modulates) the environmental costs for the different products subject to such criterion or criteria. Where more than one criterion might apply to a product, the report must explain the method to calculate the cumulative effect of compliance with more than one criterion on the environmental cost for this product.

The report must note the requisite requirements to establish that a product meets the established criteria.

(Subparagraph 10)

The annual report must describe the environmental audit activities carried out during the year in accordance with subparagraph (11) of the first paragraph of Section 5. This environmental audit is required for all providers having participated in the program.

In the case of the first annual report covering a full calendar year, it must describe the environmental audit exercise conducted for each provider to its program.

In the case of subsequent annual reports, each one must describe the environmental audit

exercises carried out in the year, bearing in mind that each provider must undergo such audit at least once every three years. Thus, every three years, all the annual reports for the three preceding years must indicate that an environmental audit was conducted for all program providers.

Each annual report must specify the name and address of any person (certified independent third party) having conducted an environmental audit in connection with the program and provide proof of his/her/its certification and validity at the time of the audit (certificate copy, certification number, name of certified organization having issued the certification, etc.).

For each provider having undergone an environmental audit, the report must indicate the observations ensuing therefrom and, if necessary, specify the measures proposed to remedy the situation, the timetable to implement these measures as well as ensure the follow-up of compliance with these corrective actions.

Where the environmental audit detects some irregularities regarding one or more drop-off centres resulting from an audit on a sampling basis, measures must be undertaken with the entity in charge of such drop-off centres (e.g., a municipality, a group of retailers, etc.) in order to ensure that all the drop-off centres of the same type under the responsibility of this entity conform.

(Subparagraph (11))

The annual report must describe any change made to the program since the preceding annual report, including the update of the initial information sent prior to the implementation of the program. Special attention must be paid to the names and coordinates of the persons in charge at all the providers whose services were retained during the year.

For certain categories of products, information in addition to that indicated in this Section 9 is required in the annual report. This information is indicated in the different divisions of Chapter VI, in particular in Section 26 (Division 1) for electronic products, Section 32 (Division 2) for batteries and in the 2nd paragraph of Section 38 (Division 3) for mercury lamps. Thus, besides the requirements of this Section 9, the covered enterprise must pay special attention to the additional requirements indicated in the divisions of the Regulation regarding the products it markets.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 9 Par. 2 and 3 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>9.</p> <p>[...]</p> <p>The information referred to in the first paragraph must be the subject of an audit engagement, both at the enterprise level and at the level of its service providers and subcontractors, by an expert third person holding a permit to practise public accountancy issued by a professional order, who gives his or her opinion on the information's reliability.</p> <p>In addition, the audit engagement concerning the information referred to in subparagraphs 1 and 2 of the first paragraph and related to a common recovery and reclamation program may be carried out only for a portion of the enterprises, service providers and subcontractors involved in the program, on an alternate basis, on the following conditions:</p> <ol style="list-style-type: none"> (1) for each subcategory of products, the quantity of products marketed during the year by those enterprises represents at least 20% of the products marketed by all the enterprises in the program, and the quantity of products recovered or reclaimed during the year by those enterprises and their service providers and subcontractors represents 20% of the products recovered or reclaimed by all the enterprises in the program; (2) the information subject to the audit engagement allows the expert third person to give his or her opinion for the whole of the enterprises and service providers and subcontractors; and (3) each enterprise in the program and each service provider and subcontractor are the subject of an audit engagement at least once every 5 years. 		
<p>EXPLANATORY NOTES</p> <p>(Section 9, second paragraph)</p> <p>The second paragraph of Section 9 pertains to monitoring or control activities, more specifically the audit of the information conveyed in the annual report or the termination of operations report. This audit must be of an “audit engagement” type and cover financial and accounting</p>		

information as well as nominative elements.

The audit engagement is intended to verify the reliability and accuracy, the consistency and conformity of the information and to obtain a critical professional opinion on its ability to reflect a faithful image of the program's activities.

The scope of the audit engagement goes beyond the activities carried on directly by the covered enterprise to ensure that its program works properly and, as the case may be, must include all the service providers and their subcontractors that participate in the program.

The audit engagement must be performed by an external auditor, that is to say, an expert holding an appropriate license to practice, who is independent of the program in that he or she does not already act for or within a party (covered enterprise, providers, etc.) participating in the program.

(Section 9, third paragraph)

The third paragraph of Section 9 only relates to common programs, that is to say, programs implemented by a group of enterprises (chain, franchise, banner, etc.) in accordance with the fourth paragraph of Section 2.

In such case, the audit of certain information included in the report to meet the requirements of subparagraphs (1) and (2) of the first paragraph may only cover a sampling of the enterprises and service providers concerned by the program.

However, the audit on a sampling basis is limited solely to the information comprising the declarations of quantities of products marketed during the year and the declarations of quantities of recovered products. Also, all information related to the audit of the calculations to determine the reached recovery rate, the finding of any difference compared to the prescribed rate and the transfer of quantities of recovered products to another year must subject to the audit, as do the proportions of products forwarded to the different reclamation, storage or disposal channels.

Moreover, the sampling of the information to be audited must be determined so that the total quantities audited, for marketed products as well as for recovered products, represent at least 20% of the total of the declared quantities marketed and 20% of the declared quantities recovered.

For successive annual reports, the choice of enterprises or providers forming the subject matter of the audit engagement must vary so that each enterprise and each provider or subcontractor is audited once every five years or more often.

If the expert mandated to perform the audit engagement considers that more information, including more enterprises or providers, is necessary to enable him or her to give an opinion on the reliability of the report's data, the sampling will have to be broadened to the expert's satisfaction.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 10 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>10. An enterprise referred to in section 2 or 3 implementing a recovery and reclamation program must also, every 5 years and on the basis of the information referred to in section 9, attach to the annual report an assessment of the implementation and effectiveness of the recovery and reclamation program for the 5 previous years that also specifies the orientations and priorities for the 5 following years.</p> <p>The assessment must also indicate, for each subcategory and, if applicable, by type of product, the average age of the products recovered during the period covered, on the basis of sampling methods that satisfy recognized practices.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 10 applies to covered enterprises in their capacity as brand holders or first suppliers of a covered product or a non-covered product, a component of which is a covered product.</p> <p>Every five years, in addition to its annual report, a covered enterprise must prepare an assessment report. This assessment is intended to be a global, analytical and critical look at the program and the activities carried out over the previous five years in order to assess its effectiveness, strengths, weaknesses, successes and difficulties. Moreover, the assessment must deal with the evolution of the context in which the program operates, the covered products, available treatment and reclamation technologies, markets for the recovered products and materials, etc.</p> <p>In light of this analysis, the assessment must also determine the priorities for the continued implementation of the program over the next five years, submit contemplated changes and explain their goals and reasons.</p> <p>The five-year assessment is also the moment to document any difficulty in the application of a regulatory requirement or its relevance and to highlight weaknesses in order to provide the MDDEP with information to consider regarding the advisability of amending the Regulation.</p> <p>Along with this five-year assessment, covered enterprises must submit the results of their sampling campaigns that were intended to determine the average age of recovered products during this period depending on the different years. The assessment must also describe the sampling methods used to validate the steps taken. The assessment must indicate the name and</p>		

coordinates of the person in charge of this activity.

The foregoing paragraph also applies to enterprises that market products that are depleted by usage, like paints, oils, coolants and antifreeze. These enterprises must accompany their five-year assessment with a study or an update of an earlier study on the assessment of the quantities of products considered to be available for recovery. (See Sections 45 and 51.)

Other information requested pursuant to the different sections of the Regulation is also sometimes required in connection with this five-year assessment. This is, in particular, the case for the declaration of quantities of marketed products that are products referred to in subparagraphs (7) and (10) of Section 22, namely peripherals and accessories, such as keyboards, mice, cables, connectors, routers, hard drives, etc. (See the third paragraph of Section 26), which do not have to be provided in the annual report.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 11 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>11. Not later than 30 April of each year or, as the case may be, in the 4 months following termination of a program, an enterprise referred to in section 8 must send the Minister a report containing the following information and documents for the preceding calendar year:</p> <ul style="list-style-type: none"> (1) the quantity of products acquired outside Québec or manufactured by the enterprise for its own use, by subcategory and type of product; (2) the management methods used in accordance with section 8 for the management of recovered products and materials and, if applicable, the names and addresses of the service providers retained; (3) if applicable, the documents provided for in subparagraph 3 of the first paragraph of section 9; (4) the quantity of products recovered and the quantity of those products that have been reused, recycled, otherwise reclaimed, disposed of or, as the case may be, stored, by subcategory and type of product; (5) if applicable, the total quantity of stored products or materials, the duration of the storage and, where the stored quantity is 10% or more greater than the quantity stored in the previous year, the reasons for that situation and the measures proposed to reduce those quantities; (6) the final destination of the recovered products or materials; (7) any change in its recovery and reclamation program and in the information referred to in the second paragraph of section 8. <p>An enterprise referred to in section 8 must also, every 5 years and on the basis of the information referred to in the first paragraph, attach an assessment complying with section 10 to the annual report.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 10 concerns enterprises, including municipalities, that acquire from outside of Quebec or</p>		

that produce, for their own use, covered products.

This section establishes the obligations of such enterprises with regards to the annual report and the five year assessment. These reporting requirements are more relaxed than those of an enterprise covered as a brand holder or first provider and whose purpose is the marketing of the covered products. However, several elements found in the present section tie in to the requirements found in Sections 9 and 10 and must be interpreted in the same way, with necessary adaptations made according to the context.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section12 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>12. An enterprise referred to in section 2, 3, 4 or 8 and an enterprise forming part of a group must, every 3 months, record in a register the quantities of each type of product covered by this Regulation that are marketed, acquired or manufactured, and a copy must be provided to the Minister on request.</p> <p>Any information recorded in the register must be kept for 10 years from the date of entry.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 12 obliges an enterprise that markets a covered product, acquires a covered product outside Quebec for its own use, or manufactures a covered product for its own use, to keep a quarterly register in which it records at least every three months the quantities of covered products that are marketed, acquired or manufactured since the last entry.</p> <p>This obligation to keep a register also applies to an enterprise that opts to avail itself of the exemption under Section 4 regarding the implementation of a recovery and reclamation program.</p> <p>This register must be kept so that each and every entry is available for a minimum period of ten years.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER III ANNUAL REPORT, ASSESSMENT AND REGISTER</p>	<p>Section 13 Par. 1 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>13. From the year in which a recovery rate is prescribed for a subcategory of product under Chapter VI, an enterprise referred to in section 2 or 3 that markets such products must, for each subcategory of product to which a product marketed by the enterprise belongs, determine yearly:</p> <p>(1) its recovery rate according to the following formula:</p> $T = A / B$ <p>(2) the difference in units, weight or volume, according to the prescriptions of Chapter VI, between the quantity of recovered products and the quantity necessary for attaining the minimum recovery rate prescribed in Chapter VI for the subcategory of product, according to the following formula:</p> $E = A - (C \times B)$ <p>in which:</p> <p>A = Quantity of products actually recovered during the year, that is, the quantity of products returned to drop-off centres or recovered through a collection service provided for in the recovery and reclamation program and that were forwarded to a treatment or storage centre during the year;</p> <p>B = As the case may be</p> <p>(1) Quantity of products marketed during the reference year for that subcategory of products; or</p> <p>(2) quantity of products considered available for recovery during the year under Chapter VI for that subcategory of products; if the quantities of products considered available for recovery vary according to the sizes used to market them or the specific features of the products in a single subcategory or type, the value used for that subcategory of products must be calculated on the basis of the proportions of quantity considered available for recovery provided for in Chapter</p>		

VI;

C = Minimum recovery rate provided for in Chapter VI according to the subcategory of products, in percentage;

E = Difference between the quantity of products recovered and that necessary to attain the minimum recovery rate;

T = Annual recovery rate of the enterprise, in percentage.

[...]

EXPLANATORY NOTES

Section 13 applies to enterprises covered as brand holders or first suppliers of a covered product or a non-covered product of which a component is a covered product.

This section introduces the obligation to calculate the recovery rates of covered products, per subcategory of products, as well the difference obtained compared to the prescribed rate.

It also introduces the obligation to pay an amount to the Green Fund in the event the recovery rate prescribed for a given year is not reached as well as a mechanism to transfer or carry over quantities recovered over and above the prescribed rate to another year for a maximum period of ten years (see the explanatory notes under the second, third, fourth and fifth paragraphs of Section 13) in order to eliminate or reduce this payment to the Green Fund.

The calculation of the recovery rate is required as of the first year in which a recovery rate is prescribed, that is, as of 2015 for electronic product, battery and mercury lamp categories and as of 2013 for paint and paint container, oil, coolant, antifreeze, filter and container categories and other similar products (see Schedule B). However, in accordance with the provisions of Section 9, the quantities of recovered products must be determined every year, including during years prior to which a rate is prescribed.

The recovery rate is determined as follows:

- per subcategory, regardless of the types of products;
- on the basis of quantities of covered products returned to all program drop-off centres or recovered through program collection services during the year, expressed in units, in weight or in volume, subject to the provisions set out in the different divisions of Chapter VI. For instance, in the case of desktop computers, computer screens and television sets, the quantities must be calculated in units. The rate must, however, be expressed as a percentage (%);
- the quantity of recovered products per subcategory is divided by the quantity of products of this same subcategory, that is:
 - marketed during the reference year (see Section 27, paragraph 2 and following, Section 33, paragraph 2 and following, and Section 39, paragraph 2 and following);
 - considered available for recovery (see Section 46, second paragraph, and Section 52,

- second paragraph). The prescribed recovery rate difference is determined as follows:
- per subcategory of products, regardless of the types of products;
 - as the case may be, in units, weight or volume;
 - by multiplying the recovery rate prescribed for the year by the quantity of products, that is:
 - marketed during the reference year (see Section 27, paragraph 2 and following, Section 33, paragraph 2 and following, and Section 39, paragraph 2 and following);
 - considered available for recovery (see Section 46, second paragraph, and Section 52, second paragraph);
 - by subtracting the result of this multiplication from the quantity of products recovered during the year.

The result may be a positive or a negative difference. A transfer or carry over mechanism is provided for in order to carry over or offset any such positive or negative difference (see the explanatory notes for the second, third, fourth and fifth paragraphs of Section 13).

Example recovery rate calculation for 2018 (hypothetical figures)

Subcategory: compact fluorescent lamps

Quantities of compact fluorescent lamps recovered in the year: 5,000 or 500 kg

Quantities of compact fluorescent lamps marketed in 2012 (reference year): 10,000 or 1,000 kg

$$\Delta \text{ Recovery rate} = 500 \text{ kg} / 1,000 \text{ kg} = 50\%$$

Example calculation of the difference for 2018

Prescribed recovery rate for 2018 = 45%

Quantities of compact fluorescent lamps marketed in 2012 (reference year): 10,000 or 1,000 kg

$$45\% \times 1,000 \text{ kg} = 450 \text{ kg}$$

Quantity recovered in 2018 of 500 kg – Quantity corresponding to the prescribed objective of 450 kg = 50 kg

$$\Delta \text{ Difference noted} = \text{positive difference of 50 kg.}$$

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER IV PAYMENT TO THE GREEN FUND</p>	<p>Section 13 2nd, 3rd, 4th and 5th paragraphs Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>13.</p> <p>[...]</p> <p>Where, for a year, the difference calculated under subparagraph 2 of the first paragraph is negative, the value of the difference must be paid into the Green Fund in accordance with section 14 if that difference is not compensated for in the following 5 years by a positive difference referred to in the third paragraph.</p> <p>Any positive difference calculated under subparagraph 2 of the first paragraph may be used, in whole or in part and for a single subcategory of products to compensate for a negative difference of a year occurring 5 years before or after the year of calculation of the positive difference.</p> <p>The quantity of products recovered for a subcategory during each of the 2 full calendar years preceding the year in which a minimum recovery rate is prescribed may be used at a rate of 50%, in whole or in part, to compensate for the negative difference of a single subcategory of products calculated for a year occurring no more than 5 years after the first year for which a rate is prescribed.</p> <p>Any information used to calculate the recovery rate and the difference referred to in the first paragraph, the detail and the result of those calculations as well as any use of a positive difference or of the quantity referred to in the fourth paragraph for compensation purposes must be recorded annually in a register and that information must be kept for at least 10 years and provided to the Minister on request.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 13, second, third, fourth and fifth paragraphs</p> <p>The second paragraph of Section 13 introduces the obligation to pay an amount to the government's Green Fund in the event the recovery rate prescribed for a subcategory of products for a given year is not reached. The value of this payment is determined in accordance with Section 14 as well as with the amounts indicated in the different divisions of Chapter VI.</p>		

However, this payment is only required if the negative difference ascertained during a year cannot be fully offset over the following five years. If this amount is partially offset over the following five years, the value of the payment is determined according to the residual difference. Thus, no payment is required until five years have elapsed. For a difference recorded in 2015, for instance, no payment can be required before 2020.

The second and third paragraphs set out the terms and conditions of a transfer mechanism. Pursuant to this mechanism, quantities of products corresponding to a positive difference recorded one year for a subcategory of products ((the “donor” year) can be used to reduce or eliminate a negative difference recorded for the same subcategory of products during one of the five years before or after this year (the “recipient” year). The quantities thus carried forward must be subtracted from the “donor” year so that they are used only once and entered in the “recipient” year (also see Schedule D). These entries must be recorded in a register and kept for at least ten years, that is, the period corresponding to the authorized range for such transfers.

In addition, this transfer mechanism allows 50% of the quantities recovered during each of the two years preceding the year during which an initial recovery rate is prescribed to be used to reduce or eliminate a negative difference recorded during the first five years during which a minimal rate is prescribed. Thus, if need be, for electronic product, battery and mercury lamp categories, 50% of the quantities recovered in 2013 and 2014 may be carried forward to any year between 2015 and 2019 inclusive. These carried forward quantities must be subtracted from the “donor” year so that they are used only once and entered in the “recipient” year (also see Schedule D). These entries must be recorded in a register and kept for at least ten years.

This transfer mechanism is intended to support the implementation of performing programs from the outset and to support ongoing improvement by using the best performing years as a “reward”. In addition, with its range spread out over ten years, this mechanism allows for the reduction in the margin of error regarding the lifespan of various covered products (reference years) or quantities of products considered available for recovery, therefore, the moment or the quantity actually available for recovery for a given year.

Schedule D provides two examples of the application of this transfer mechanism.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER IV PAYMENT TO THE GREEN FUND</p>	<p>Section 14 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>14. From the fifth year following the year for which a recovery rate is prescribed for a subcategory of products under Chapter VI, the enterprise referred to in section 2 or 3 must determine each year, for each subcategory of products, the recovery and reclamation results of the year preceding by 5 years the current year, after compensation made under the third or fourth paragraph of section 13, if applicable.</p> <p>Where the results for that year indicate a negative residual difference, the enterprise must make a payment into the Green Fund. The amount of that payment is calculated by multiplying the applicable values in Chapter VI by the missing quantity of products, in units, weight or volume, in order to attain the minimum recovery rate.</p> <p>An enterprise that terminates the operation of its program must, within 4 months of the termination, determine the recovery and reclamation results for each of the previous years for which such determination was not done and make a payment into the Green Fund for any negative residual difference.</p> <p>Payment of the amount must be made, to the order of the Minister of Finance, not later than 30 April following the end of the period concerned or, as the case may be, within 4 months after termination of a program, and must be attached to the annual report referred to in section 9.</p> <p>Amounts not paid within the time allowed bear interest from the date of default at the rate determined in accordance with the first paragraph of section 28 of the Tax Administration Act (R.S.Q., c. A-6.002).</p> <p>If the delay exceeds 60 days, 15% of the unpaid amount is added to any amount due, in addition to interest.</p> <p>The amounts thus obtained are paid into the Green Fund in accordance with paragraph 5 of section 15.4 of the Act respecting the Ministère du Développement durable, de l'Environnement et des Parcs (R.S.Q., c. M-30.001).</p>		
<p>EXPLANATORY NOTES</p> <p>Section 14 is read in conjunction with the first paragraph of Section 13. It determines the timing and the method of the calculation of a possible payment to the Green Fund in the event the</p>		

recovery rate prescribed for one subcategory of products and a given year is not reached. It only applies as of the fifth year following the year for which a rate is prescribed in order to permit the use of the transfer mechanism described in the third and fourth paragraphs of Section 13.

In the event a negative residual difference remains after the application of the mechanism to transfer to a subcategory of products, the covered enterprise is required to pay a penalty for this subcategory of products. The penalty corresponds to a payment to the Green Fund determined as follows:

The missing quantity of products, in units, weight or volume as the case may be, to reach the prescribed recovery rate, multiplied by the amount indicated for the subcategory of products concerned. The amounts are indicated in the different divisions of Chapter VI, namely Section 28 for electronic products, Section 34 for batteries, Section 40 for mercury lamps, Section 47 for paint and paint containers and Section 53 for oils, coolants, antifreeze, their filters and containers and other similar products (also see Schedule C).

Where applicable, the payment of the amount owing for all subcategories of products concerned for a given year must accompany the annual report for the year five years after the year in which the negative residual difference is recorded. Thus, for a negative difference recorded in 2017 and not fully offset at the end of 2022, the payment to the Green Fund must be sent along with the annual report for 2022.

Moreover, in the case of a covered enterprise that decides to terminate its individual or common program, the report required under Section 9 must outline the negative residual differences for each subcategory of products for the five years preceding the year of the termination of its operations and must be accompanied by the equivalent payment to the Green Fund, if applicable.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 15 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>15. A drop-off centre is permanent or seasonal.</p> <p>A permanent drop-off centre is fixed and accessible all year long at least 4 days per week, including at least a week-end day per month.</p> <p>A seasonal drop-off centre is fixed or mobile and accessible during each season for at least on week day and one weekend day at the same place.</p>		
<p>EXPLANATORY NOTES</p> <p>Chapter V contains six sections, that is, Sections 15 to 21, which cover all the provisions related to drop-off centres and collection services required under subparagraph (6) of Section 5. It applies to enterprises covered as brand holders or first suppliers of a covered product or a non-covered product which contains a component that is a covered product.</p> <p>This Section 15 establishes that two types of drop-off centres can exist, namely, permanent drop-off centres and seasonal drop-off centres.</p> <ul style="list-style-type: none"> • A “drop-off centre” means a site where users or generators can return the different covered products to be disposed off at the end of their lifespan, free of charge (see Section 21). • A “<u>permanent</u> drop-off centre” means a site that is set up at a same location for an indefinite period of time, that can be accessed all year long, at least four days per week, regardless of which days, to the extent that, at least once a month, the site is accessible on a Saturday or Sunday. Most municipal eco-centres are permanent drop-off centres. • A “<u>seasonal</u> drop-off centre” means a site that is set up at a same location or at different locations within a same territory (RCM or equivalent) during a year and that is accessible at least four times per year, that is, at least once every season, for at least two days at the same location, with one day occurring during the week and one day on the weekend. The scheduling of specific collection days in a public place, a parking lot, etc. may correspond to a seasonal drop-off centre. The possibility of bringing covered products to a fire station one full week per season also corresponds to a seasonal drop-off centre. <p>In all cases, a compliant drop-off centre must be accessible free of charge (see Section 21), must accept the drop-off of covered products returned by all customers using such products, whether “ordinary citizens” or a commercial, institutional or industrial customer base, regardless of where within the Quebec territory they come from. However, certain limitations may apply (see Section 19).</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 16 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>16. Subject to sections 17, 19 and 20, an enterprise referred to in section 2 or 3 must set up drop-off centres whose quantity, kind and location correspond to one of the following options:</p> <ul style="list-style-type: none"> (1) or each business or other place where that enterprise's products are marketed, there must be a permanent drop-off centre at the business or place or at any other location less than 5 km from the business or place by roads usable by motor vehicles year round; (2) for any regional municipality, other than those referred to in section 17, in the territory of which the products of that enterprise are marketed: <ul style="list-style-type: none"> (a) where the population is less than 15,000 inhabitants, at least 1 seasonal drop-off centre must be provided, unless the territory of the regional municipality is more than 3,000 km², in which case there must be at least 2 seasonal drop-off centres; (b) where the population is at least 15,000 inhabitants but less than 25,000 inhabitants, at least 1 permanent drop-off centre and 1 seasonal drop-off centre must be provided; if the territory of the regional municipality is more than 3,000 km², there must be an additional permanent or seasonal drop-off centre; (c) where the population is at least 25,000 inhabitants but less than 100,000 inhabitants, at least 1 permanent drop-off centre for each of the first 2 full groups of 25,000 inhabitants and 1 seasonal drop-off centre for each additional group of not more than 15,000 inhabitants must be provided; (d) where the population is 100,000 inhabitants or more, at least 3 permanent drop-off centres for the first group of 100,000 inhabitants and 1 permanent drop-off centre for each additional group of not more than 50,000 inhabitants must be provided. <p>Where more than 1 drop-off centre is required in the territory of a regional municipality, the drop-off centres must be spread over the territories of different local municipalities.</p> <p>The drop-off centres referred to in subparagraph 1 of the first paragraph must be in operation as</p>		

soon as a program is implemented.

For each regional municipality referred to in subparagraph 2 of the first paragraph, there must be at least 1 drop-off centre in operation as soon as the program is implemented. Two-thirds of all the drop-off centres must be in operation as of the first anniversary of the program's implementation and all drop-off centres as of the second anniversary.

For the purposes of this Chapter, “regional municipality” means a regional county municipality, a metropolitan community, an urban agglomeration or a city or town of more than 25,000 inhabitants. Where one of those territories is entirely comprised within another, the provisions of subparagraph 2 of the first paragraph apply to the largest territory.

EXPLANATORY NOTES

Two basic options are possible to set up a required drop-off centre.

- Option 1: the return of products to each covered product marketing point (i.e., return to points of sale) or to a site located within less than 5 km from this point. Each site must be accessible all year long, be a permanent drop-off centre and be in operation as of the implementation of the program.

For example, the return of cell phones to their sales and networking counters corresponds to this option, so long as all counters under the responsibility of the covered enterprise or that market the products of the covered enterprise participate continuously and permanently as of the implementation of the program.

- Option 2: the return of products to various drop-off centres which may include points of sale, municipal eco-centres, different sites chosen in terms of their customer base, customer traffic or accessibility, such as libraries, schools and bank branches, or drop-off centres set up specifically to meet regulatory requirements. These drop-off centres may be permanent or seasonal in accordance with the provisions of sub-subparagraphs (a) to (d).

These sub-subparagraphs set out the number and type (permanent or seasonal) of drop-off centres required by this option, for each regional municipality based on the total population of these territories. In cases where the population is less than 25,000 inhabitants, a population density factor is also applied.

At least one drop-off centre per regional municipality must be in place as of the implementation of the program. One year after the implementation of the program, two-thirds of the drop-off centres must be in operation and, on the date of the second anniversary of the program's implementation, all of them must be in operation. For example, an enterprise that has been marketing single use batteries across Quebec since 2005 must plan to have at least one drop-off centre in operation in each regional municipality as of July 14, 2012, two-thirds of the total number of required drop-off centres (202) by no later than July 14, 2013 and all of the required drop-off centres (303) before July 14, 2014.

Schedule E contains three tables summarizing the number of drop-off centres required for

each RCM or equivalent territory, based on data compiled from the 2011 population survey by the Ministère des Affaires municipales, des Régions et de l'Organisation du territoire (MAMROT). It shows that the total number of drop-off centres required for the territories referred to under Section 16 is 303.

For the purposes of the application of this second option, as well as anywhere else in Chapter V, a “regional municipality” means the two metropolitan communities, 84 regional county municipalities (RCMs) other than those of Caniapiscau, La Minganie and the Gulf of Saint Lawrence, agglomerations (Cookshire-Eaton, La Tuque, Îles-de-la-Madeleine, Longueuil, Montreal, Mont-Laurier, Mont-Tremblant, Quebec City, Rivière Rouge, Sainte-Agathe-des-Monts, Sainte-Marguerite-L'Estérel) and major cities or towns (Gatineau, Laval, Lévis, Saguenay, Sherbrooke, Trois-Rivières, Terrebonne) (See: L'organisation municipale et régionale au Québec en 2010, MAMROT (2010 Municipal and Regional Organization in Quebec)). However, where an above-mentioned territory is entirely contained within another (e.g., Longueuil in the Montreal Urban Community) and where products are marketed across the largest territory, the number of drop-off centres is calculated on the basis of the largest territory.

For details on the distribution of drop-off centres within a regional municipality, see the explanatory notes under Section 18.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTIONS SERVICES</p>	<p>Section 17 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>17. An enterprise referred to in section 2 or 3 that markets products in the territories of the regional municipalities of La Minganie, Caniapiscau and Golfe-du-Saint-Laurent, the territory of the James Bay region, as described in the schedule to the James Bay Regional Development and Municipal Organization Act (R.S.Q., D-8.2), the territory governed by the Kativik Regional Government, as described in paragraph v of section 2 of the Act respecting Northern villages and the Kativik Regional Government (R.S.Q., c. V-6.1), as well as any territory not referred to in subparagraph 2 of the first paragraph of section 16 may, instead of setting up drop-off centres in accordance with subparagraph 1 of the first paragraph of that section, set up, for each municipality, city, town, urban agglomeration, locality or Native community in those territories, collection equipment appropriate for those territories, in sufficient quantities to recover the products marketed there and installed in adequate premises accessible to consumers. The products thus recovered must be transported at least once a year to a treatment location indicated in the recovery and reclamation program.</p> <p>Such equipment must be installed at the beginning of the first full calendar year of implementation of the program in the case of municipalities, cities, towns, urban agglomerations, localities or Native communities of more than 1,000 inhabitants, and not later than the second anniversary of the program in the other cases.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 17 pertains to service of the remote and northern territories of Quebec, that is, the RCMs of La Minganie, Caniapiscau and the Gulf of Saint Lawrence as well as the Cree territories of James Bay/Jamésie and Nunavik.</p> <p>Pursuant to this section, a covered enterprise that chooses option 2 must, in the course of its program, ensure that drop-off equipment adapted to these territories, with regard to their type, number, size or location of said territories, are installed and accessible within each municipality, town, village or location, including native communities and northern villages. The enterprise must also ensure that the covered products returned through such equipment are recovered at least once a year and forwarded to an appropriate treatment site meeting the different applicable regulatory provisions (compliance with the operating rules, audit, etc.)</p>		

For each covered “municipality” or “community” whose population exceeds 1,000 inhabitants, the equipment must be in place by no later than the start of the first full calendar year (i.e., January 1, 2013 for new programs). In other cases, the equipment must be accessible on the second anniversary of the program (i.e., July 14, 2014 for new programs).

See Schedule E for further information about the number of “municipalities” or “communities” of these territories.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 18 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>18. A fixed drop-off centre must be so located as to limit as much as possible the distance to travel to reach it for most inhabitants of the territory covered by the recovery and reclamation program. Where there is more than one fixed drop-off centre in a territory, they must be so located as to serve as many inhabitants as possible.</p> <p>In addition, the business days and hours of such a drop-off centre must be posted at an appropriate place on the site of the drop-off centre in a way that makes them visible from the outside.</p>		
<p>EXPLANATORY NOTES</p> <p>Where a drop-off centre is fixed, whether permanent or seasonal, its location must be determined taking into account the population's distribution within the territory and the distances the majority of inhabitants must travel to reach it.</p> <p>Where there is more than one fixed drop-off centre, they must be located on the territory so as to easily serve a maximum amount of the population.</p> <p>In the case of option 2 of Section 15, where more than one drop-off centre is required for a regional municipality, they must be located in different local municipalities. Where the number of drop-off centres is greater than the number of local municipalities, they must be distributed throughout the territory so as to promote optimal service on the territory, taking into account criteria such as population density, occupancy type, accessibility depending on the nature of the products, etc.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 19 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>19. An enterprise may fix a maximum threshold, according to quantity, weight or size, for the deposit of products at a drop-off centre by an industrial, commercial or institutional clientele. In such case, the clientele must have access to at least one drop-off centre in the same territory as that served by the drop-off centre for which a maximum threshold is fixed, or the enterprise may offer that clientele a complementary collection service for the recovery of products.</p> <p>Where an enterprise markets a product by distance selling and elects the option referred to in subparagraph 1 of the first paragraph of section 16 as to its drop-off centres, it must offer to consumers residing in the territory of a regional municipality or in another territory where it has no drop-off centre, a complementary collection service to recover that product in that territory.</p>		
<p>EXPLANATORY NOTES</p> <p>“Collection service” and “complementary collection service” mean a service other than a drop-off centre. A collection service entails that the program offers the possibility for a product to be picked up at an agreed upon location and at an agreed-upon time, according to certain criteria. Such criteria must suit, at minimum, any situation that exceeds the thresholds determined to return products to a drop-off centre. In general, a collection service takes the form of a door-to-door collection service by truck, a “postage paid” return mail service, a courier service, etc. Where a collection service is set up owing to the application of thresholds in some drop-off centres within a served territory, it must be offered free of charge.</p> <p>(First paragraph)</p> <p>A covered enterprise can limit access to all or a portion of its drop-off centres by its industrial, commercial and institutional (ICI) customer base. The limitations, or thresholds, must be determined in terms of quantity, weight or size of the returned covered products and not in terms of customer base. They must ensue from specific constraints such as the lack of proper equipment to handle the products because of their size or weight, the lack of space if the quantity returned by this customer base risks preventing the acceptance of other products returned by smaller generators for a definite period of time, the overflow of the authorized capacity, etc.</p> <p>The limitations and the customer bases targeted by them must be posted on the site of the drop-off centres and be indicated in the information tools regarding the location of a program’s drop-</p>		

off centres (such as on an Internet site).

Where limits apply, the affected customer bases must be able to have access to another drop-off centre located on the same territory and able to accept all products, or have access to a collection service that will pick up the products where they are generated within a reasonable period of time in order to avoid them being sent for elimination. "Same territory" means the zone usually served by the drop-off centre applying limits or any other zone located at a reasonable distance from the generation site of the discarded products.

(Second paragraph)

An enterprise that chooses option 1 of Section 15 (return to points of sale) and that also offers remote order services (by Internet, telephone order or catalogue) must, for any regional municipality, any remote territory or any northern territory where its products are marketed and where it does not have any drop-off centre, ensure that it offers complementary services to recover the discarded products.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 20 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>20. Sections 16 and 17 do not apply to an enterprise referred to in section 2 or 3 that markets a product exclusively for industrial, commercial or institutional clientele, for their own consumption, if the enterprise offers for that product a collection service directly at the place of those clientele.</p> <p>They do not apply either to an enterprise that offers to any person a collection service on request, at least once a month, directly at the place of that person, or a collection service by return mail.</p>		
<p>EXPLANATORY NOTES</p> <p>Two situations allow a covered enterprise to be exempt from setting up drop-off centres in accordance with either of the options found under Section 16.</p> <p>In one case, the covered enterprise markets covered products solely to an industrial, commercial or institutional (ICI) customer base, for their own use, i.e. the covered products are not likely to be found elsewhere at the end of their lifespan. The covered enterprise must then offer all its ICI customers a door-to-door collection service.</p> <p>In the other case, the covered enterprise offers any person, including the ICI customer base, free of charge, either a return mail, or door-to-door collection service on request, which must take place within a maximum period of one month following the date of the request.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER V DROP-OFF CENTRES AND COLLECTION SERVICES</p>	<p>Section 21 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>21. Access to and the deposit of products at the drop-off centres referred to in sections 16 and 17 and the collection services referred to in sections 19 and 20 must be free of charge.</p>		
<p>EXPLANATORY NOTES</p> <p>All the drop-off centres and collection services required by one or another of the sections of Chapter V must be free of charge for users. Users can only be charged a fee for the complementary services not required by this chapter. Thus, a fee can be charged for a home collection service of a television if a free drop-off centre is accessible on the territory in accordance with the provisions of Sections 16 and 17. Moreover, where an ICI customer wants to dispose of a batch containing a significant quantity of covered products, a fee can only be charged for the door-to-door collection service if at least one drop-off centre located on the same territory as this customer is in a position to accept this entire batch of products.</p> <p>“Same territory” here means the zone usually served by the drop-off centre closest to or located at a reasonable distance from the ICI customer base’s location.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 22 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>22. The products covered by this Division are electronic appliances used to send, receive, display, store, record or save information, images, sounds or waves, and their accessories, except cases, decorative or transportation accessories and products designed and intended to be used exclusively in an industrial, commercial or institutional environment.</p> <p>The category of electronic products is composed of the subcategories provided for in the following subparagraphs, which include the types of products listed therein:</p> <ol style="list-style-type: none"> (1) desktop computers; (2) laptop computers, electronic pads and e-book readers; (3) computer screens and television sets; (4) printers, scanners, fax machines and photocopiers; (5) cellular and satellite telephones; (6) wireless and conventional telephones, pagers and answering machines; (7) keyboards, mouses, cables, connectors, chargers and remote controls designed to be used with a product covered by this Division; (8) video game consoles and their peripherals, projectors designed to be used with electronic equipment, sound, image and wave readers, recorders, burners or storage devices, amplifiers, equalizers, digital receivers and speakers designed to be used with an audio video system; the types of products referred to in this subcategory include those marketed as part of a set such as home theatre systems; (9) portable digital players, radio receivers, docking stations for portable digital players and other portable devices, walkie-talkies, digital cameras, digital photo frames, camcorders and global positioning systems; 		

- (10) routers, servers, hard drives, memory cards, USB keys, speakers, webcams, earphones, wireless devices and other accessories and spare parts not covered by an other subcategory provided for in this section and designed to be used with a product covered by this category.

For the purposes of this Division, a desktop computer that is integrated into a screen is considered as a product in the subcategory referred to in subparagraph 1 of the second paragraph and a multi-purpose pocket electronic device that includes a telephone function is considered as a product in the subcategory referred to in subparagraph 5 of that paragraph.

EXPLANATORY NOTES

(First paragraph)

The first paragraph of Section 22 defines the concept of “electronic products”. Generally, the covered products are products forming part of either information and communications technologies, commonly referred to as ITC, in particular, products associated with data processing and telecommunications, or of entertainment products, namely, electronic games, audio-visual devices, cameras, etc., or both.

The covered products are determined by their basic design and their primary use and not by the userbase. Also, the covered products are those considered as “general usage” in that their main application can meet the different needs of both a residential and ICI customer base.

As the world of electronic products is vast, the first paragraph contains a few exceptions. Besides cases and decorative or transportation accessories, they pertain to products whose design is intended to exclusively meet the needs of an ICI customer base and whose function ensures that these products are intended solely for such a customer base.

Thus, this exclusion is intended to avoid subjecting an electronic product whose main function responds exclusively to usage by the ICI sector and that cannot be reasonably contemplated for general usage or use by the “public at large”. Moreover, the concept of “public at large” is not limited to consumers and individuals but includes any other customer base such as a commercial and institutional customer base, of which the uses of covered products respond to similar functions.

For example, a giant screen, which constitutes an electronic device in that it receives, sends and displays information, images, sounds or waves, is designed and intended exclusively for commercial or institutional use, such as for a concert or professional hockey amphitheatre. Given its dimensions and other technical features, it is a product that cannot reasonably be contemplated for general usage. Therefore, it is excluded from Section 22 and cannot form the subject matter of the products referred to in the second paragraph. Other examples would be a medical densitometry or echography device, a cash register optical reader or a car engine’s electronic management system. In the case of this last example, the car’s electronic system is considered to be an industrial usage even though it forms part of another general usage product since it does not, in and of itself, constitute a product nor can it be considered to be a product

that is likely to be acquired directly for general usage.

The role of this exception in the first paragraph is, therefore, intended to set out guidelines for the subcategories of products that may be covered by the Regulation and not to reduce the scope of the subcategories of products that are specifically listed therein. Only the exceptions indicated directly in a subcategory of covered products, as the case may be, can reduce the scope of such subcategory. In the category of electronic products, there are no such exclusions for one subcategory. For such an example, it is necessary to refer to another division of the Regulation, such as paragraph (1) of Section 29.

(Second paragraph)

The devices listed in the second paragraph constitute, without exception, covered products regardless of the different available models or user base. For example, all desktop computers are covered, including models that may have features meeting the special needs of certain ICI users (memory, capability, sturdiness, etc.) and marketed by distribution networks dedicated to this customer base. The same applies for printers, for which the most impressive and more costly as well as those models generally used in a commercial or institutional context are covered in the same way as models that respond more to home use.

In addition, where the products referred to in the second paragraph are marketed in conjunction with products excluded under the first paragraph in that they are added to these other products without, however, being part of their design, these covered products remain as such. For instance, where an optical scanner or an echography device is marketed with a separate computer screen, this screen constitutes a covered product, not being part of the optical scanner or the echography device's design, even though it facilitates or permits its use.

This approach, among other things, takes into account the difficulty in discerning certain devices of the same type meeting the needs of an ICI customer base from those that are instead intended for general usage which may include the public at large, and takes into account the potential for the reuse of these devices in an environment other than an ICI environment as well as the possibility for these products to eventually find their way to a recovery and reclamation system implemented pursuant to the Regulation.

The electronic product category contains ten subcategories, of which all except for one groups together more than one type of product. They are as follows:

- (1) Desktop computers, that is to say, computers whose central processing unit contains a microprocessor and that are designed to be permanently installed at a same location, generally on a desk or on the floor. They are designed for a wide range of applications, both home and office, such as e-mail, Internet surfing, word processing, data management, graphics, games, etc. Desktop computers are not designed to be portable. In general (some exceptions exist), desktop computers use a screen, a keyboard, and an external mouse. Other terms, such as micro-computer, personal computer, PC, etc., are also used to designate desktop computers.

Pursuant to subparagraph (1) of the first paragraph of Section 23, marketed and recovered quantities of desktop computers must be calculated in units only. This serves to paint a clear picture of the reality of the situation, by avoiding distortions that could stem from considerable differences in weight between old technologies still in use, such as cathode ray screens, and new technologies.

- (2) Laptop computers, electronic pads and e-book readers. This subcategory is comprised of three types of products:
 - laptop computers, that is to say, computers of a limited weight and size, that include a screen and a keyboard within a single case that opens up when in use, that can be held on one's knees and that can be carried around (also called portable or hand-held computers);
 - electronic pads, that is to say, small portable computers to manage different applications and to capture data solely via the screen. They are smaller, lighter and thinner than most portable computers and they do not contain bracket hinges or a keyboard;
 - e-book readers, that is to say, tablet-type devices comprised of a touch screen, memory, stand-alone energy source and internet connection, that enables digital works to be read (books, newspapers, work documents). (Taken from *Le métier de documentaliste*, Accart and Réty).
- (3) Computer screens and television sets. This subcategory is divided into two types of products:
 - computer screens, that is to say, screens that are designed to be used either as a computer or other electronic equipment's video output peripheral in order to display images generated by the graphics card or its equivalent, or as input devices such as touch screens. All computer screens are covered: analog screens, such as cathode-ray tube screens, digital flat screens, such as liquid crystal display or LCD screens, plasma screens, DLP (Digital Light Processing) and any other technology, including smart boards such as those used in schools and in meeting rooms;
 - television sets, that is to say, receiver sets that enable the transmission of images or animated scenes and generally with sound, such as television programs, by cable, by radio-frequency waves or other. All television sets are covered, whether analog or digital, and equipped with a cathode-ray tube screen or a flat liquid crystal or LCD screen, plasma, LED, 3D, etc.
- (4) Printers, scanners, fax machines and photocopiers. This subcategory is made up of four types of products:
 - printers, that is, devices that form part of a computer's peripherals, that enable texts, images, photos, etc, to be transferred to paper (or plastic). All printers

are covered, whether dot matrix, inkjet, laser, etc., whether they print in black and white or in colour or whether they are multifunction (three in one) incorporating scanner and facsimile machine functions. For the purposes of declaring marketed quantities, a multifunction printer (with scanner and facsimile capabilities) is considered to be one printer;

- scanners, that is, devices used to convert a document on paper (text, graphics or image) to a document in image mode;
- fax machines, that is, devices allowing the remote transmission of documents, sending data by telephone line or by dedicated line to be recovered by another facsimile machine, computer, cell phone, etc., that converts impulses by transcribing them to memory or on paper;
- photocopiers, that is, devices using the electro-photographic process to quickly reproduce a document. For the purposes of declaring marketed quantities, a photocopier that has the functions or features of a computer, such as a processor, hard drive, modem, e-mail or that can serve as a network printer, scanner, etc., is considered to be one photocopier.

(5)° Cellular and satellite telephones. This subcategory is divided into two types of products:

- cellular telephones, also called mobile telephones or portable telephones, that is, devices that allow for communication by telephone without being connected by cable to a telephone exchange, by electromagnetic wave voice transmission in a specific network, in 900 and 1,800 MHz band frequencies. This type of device includes “smartphones”. Moreover, any electronic multifunction pocket device with the functions of a cellular phone is considered as such;
- satellite telephones, that is, telephone devices that send and receive via satellite and that, generally, offer global coverage. The best known brands are “Iridium” and “Globalstar”.

(6) Wireless and conventional telephones, pagers and answering machines. This category is comprised of three types of products:

- wireless and conventional telephones, that is, telephone devices connected by cable to a telephone exchange. They can be fixed devices, generally comprised of a case or a handset all connected by wire, or a wireless device using high frequencies (UHF or VHF) to communicate with a docking station connected to the telephone line;
- pagers, that is, devices that serve as pocket receivers enabling a paging system subscriber to receive short messages within a given zone. Most devices are

one-way but some models are capable of two-way communications;

- answering machines, that is, automatic devices that answer telephone calls and that issue a greeting message and record the caller's message.

(7) Keyboards, mice, cables, connectors, chargers and remote controls, that is, some small peripherals and accessories regularly used with the main covered products,

- Keyboard means keyboards separate from computers, with or without wire. Covered mice include wired and wireless mice. Integrated cable connectors are comparable to cables, on the other hand, chargers comprised of a connector and a cable as well as connectors separate from a cable must be accounted for separately.

As for the declaration of the quantities of these different marketed product types, data is only required when the five-year assessment under Section 10 or under the second paragraph of Section 11 is tabled (see the third paragraph under Section 26).

Moreover, even though no minimum recovery rate is prescribed for this subcategory of products, the recovery and reclamation program must accept and treat them in accordance with the same rules as those applicable to other subcategories of products and note them in the annual report.

(8)° Video game consoles and their peripherals, projectors designed to be used with electronic equipment, sound, image and wave readers, recorders, burners or storage devices, amplifiers, equalizers, digital receivers and speakers designed to be used with an audio video system, the types of products referred to in this subcategory including those marketed as part of a set such as home theatre systems. Because of the number of devices incorporating several functions of different types of products indicated in this subcategory, the quantity of products to be declared for each type of product is determined depending on the main function of each product. Moreover, where a product is marketed within a set, it must be calculated as a product separate from this set. For instance, in a home theatre system, the television set will be counted with television sets, the speakers with speakers, etc.

The types of products comprising this subcategory, for products marketed as stand-alone products or depending on their main function, are:

- video game consoles and their peripherals, that is, devices whose main application is to play video games, including home consoles hooked up to a screen and to which game controllers are often connected, as well as small-size portable consoles that have their own screen and are stand-alone. "Their peripherals" mean products like game controllers, balance boards, sensors and

any other device designed specifically to be used with a game console;

- projectors designed to be used with electronic equipment, that is, devices used to project computer-generated images onto an external surface, like a wall or a canvas, or to a smart board;
- sound, image and wave readers, recorders, burners or storage devices are, for instance, CD, DVD, VHS, or other readers not integrated into another product already covered by this section. External mediums not constituting an electronic product and serving to store data, like compact disks (CDs), digital video disks (DVDs) and cassettes, are not covered;
- digital receivers, that is, devices that serve to receive digital data in order to send them to another device, such as receivers and decoders to pick up satellite television or any other digital signal;
- amplifiers, to the extent that they constitute separate devices designed to be combined with other devices;
- frequency equalizers, to the extent they constitute separate devices designed to be combined with other devices;
- loudspeakers designed to be used with an audio-video system, that is, speakers equipped with cables and connectors compatible with devices, such as stereo units, television sets and home theatre systems, which excludes speakers and docking stations designed to be connected to a computer or to a portable player, which are referred to in subparagraph (10).

(9) Portable digital players, radio receivers, docking stations for portable digital players and other portable devices, walkie-talkies, digital cameras, digital photo frames, camcorders and global positioning systems (GPS). This subcategory includes eight different types of small electronic devices:

- digital players, that is, small pocket devices, the main function or one of the main functions of which is to store, record or read music, images and data, which includes devices with the capacity to receive the Internet, but excludes devices with telephone functions;
- radio receivers, that is, devices whose main function is to tune AM and FM waves, such as a clock radio, excluding, however, docking stations for players as well as short-wave devices, such as ham radios, and high-frequency devices, such as VHF radios;
- docking stations for players and other portable devices, that is, devices in which to plug a player or another portable device (e.g., a smartphone) and equipped with a speaker so as to listen to stored music on a portable device, to charge the latter and, sometimes, to use some other functions of the portable

device;

- portable radio units, that is, devices for radio-telephone links over short distances using VHF and UHF frequencies especially, such as walkie-talkies;
- digital cameras. In the case of models with removable lenses, only the camera bodies are covered;
- digital picture frames, that is, table or wall devices equipped with a screen and able to store data, the main function of which is to display images;
- camcorders, that is, devices, the main function of which is to record and send moving images (video);
- global positioning systems (GPS), that is, devices, the main function of which is to position, from satellite signals, the location of a place or of the user on a map, follow the movements or chart a route or an itinerary.

- (10) Routers, servers, hard drives, memory cards, USB keys, speakers, webcams, earphones, wireless devices and other accessories and spare parts not covered by another subcategory provided for in this section and designed to be used with a product covered by this category.

Similar to the the subcategory covered at sub paragraph (7), this subcategory is comprised of several small peripherals and accessories regularly used with the main products referred to in this section. However, the number of product types may vary and is expected to evolve depending on the abandoning or introduction of new products and technologies on the market.

- “Server” means devices or equipment dedicated to the administration of a data processing network, so as to provide, manage or store applications, files, printers, etc., with the exception of units which, because of their size, capacity or design, and by analogy with the first paragraph of this section, are earmarked exclusively for an ICI customer base. Where a device already covered by another subparagraph of this section, such as desktop computers, is used as a server, it is considered to be a desktop computer.
- “Hard drive” means external hard drives.
- “Wireless devices” mean small devices equipped with a wireless technology or intended to enable the use of a wireless technology (e.g., Bluetooth or equivalent), with the exception of wireless products referred to specifically in this subparagraph (10), such as wireless earphones, or referred to in another subparagraph of this section, such as wireless keyboards, mice or printers.
- “Other accessories” means products housing an electronic component (e.g., an antenna) as well as products essential to the functioning of a product covered

by this section (e.g., an ink cartridge). However, products used solely for data support and not containing any electronic component are excluded (ribbon cassettes, compact disks, DVDs, etc.).

- “Spare parts” means electronic parts that are marketed to optimize a device, excluding spare parts marketed exclusively to electronic product maintenance and repair companies.

As for the declaration of the quantities of these different marketed product types, data is only required when the five-year assessment under Section 10 or the second paragraph of Section 11 is tabled (see the third paragraph under Section 26).

Moreover, even though no minimum recovery rate is prescribed for this subcategory of products, the recovery and reclamation program must accept and process them in accordance with the same rules as those applicable to other subcategories of products and note them in the annual report.

In all cases, where a device incorporates several functions, the main function is the one used to determine to which type of product or sub-category it belongs. Without a doubt, any pocket device having telephone functionalities other than by Internet is considered to be a cellular telephone. In addition, where a desktop computer is combined with a screen, as in the case of certain Apple models, this device is considered to be a desktop computer. Where a printer combines the functions of scanner and fax machine, it remains a printer.

Also, in all cases, the covered products include wired or wireless models, products earmarked for consumers as well as for industries, businesses and institutions, subject to the exceptions set out in the first paragraph.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 23 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>23. For the purposes of this Regulation, every quantity of products referred to in the second paragraph of section 22 must be calculated,</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraphs (1) and (3), in units; (2) in the case of the other products, in units or equivalent weight. <p>That quantity must also be accompanied, for each subcategory and type of product, by the conversion factor in units or weight, as the case may be, and by the methodology used to establish that factor.</p>		
<p>EXPLANATORY NOTES</p> <p>The evolution of technologies creates significant differences in the weight of television sets, computer screens and desktop computers. This results in the fact that for an indefinite period of time, the quantities of these marketed and recovered devices must be declared in units. This will give a more accurate picture of the situation and allow to determine a recovery rate that reflects reality, with minimum distortion.</p> <p>For other covered products, the covered enterprise may, at its discretion, declare the marketed quantities, the recovered quantities and the recovery rate in units or in equivalent weight.</p> <p>In most cases, it is more practical to obtain marketing data on the basis of the number of units and recovered product data on the basis of weight, in particular, for small-sized products and for subcategories of products comprising more than one type of product. Also, the annual report must indicate a conversion factor between the units and the weight, for each type of product, and describe the methodology used to establish the conversion for each type of product, specifying the margin of error.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 24 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>24. An enterprise referred to in section 2 or 8 that markets, acquires or manufactures products referred to in the second paragraph of section 22 must implement its recovery and reclamation program not later than,</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraphs 1 to 7, 14 July 2012; (2) in the case of products referred to in subparagraphs 8 to 10, 14 July 2013; (3) in the case of such a product marketed subsequently to the date referred to in subparagraph 1 or 2 of this paragraph, the date on which the product is marketed, acquired or manufactured. <p>An enterprise referred to in section 3 that markets a product one component of which is a product referred to in the second paragraph of section 22 must implement its recovery and reclamation program not later than 14 July 2013 or, if the date of marketing of the product is subsequent to that date, the date of marketing of the product.</p>		
<p>EXPLANATORY NOTES</p> <p>The date to implement a program to recover and reclaim electronic products differs depending on the subcategory of products concerned. The first products to be subject to such program, that is Phase 1 products, are those indicated in subcategories (1) to (7) inclusive of the second paragraph of Section 22, namely desktop computers, laptop computers, electronic pads, e-book readers, computer screens, television sets, printers, scanners, fax machines, photocopiers, cellular and satellite telephones, wireless and conventional telephones, pagers, answering machines, keyboards, mice, cables, connectors, chargers and remote controls.</p> <p>For the Phase 1 products indicated above, the program implementation date is July 14, 2012, that is, one year after the effective date of the Regulation or as of the marketing of the products in the case of enterprises that will start to market Phase 1 products at a date after July 14, 2012.</p> <p>The products listed in subcategories (8) to (10) inclusive of the second paragraph of Section 22 are Phase 2 products, namely, video game consoles and their peripherals, projectors designed to be used with electronic equipment, sound, image and wave readers, recorders, burners or storage</p>		

devices, amplifiers, equalizers, digital receivers, speakers designed to be used with an audio video system, portable digital players, radio receivers, docking stations for portable digital players and other portable devices, walkie-talkies, digital cameras, digital photo frames, camcorders, global positioning systems, routers, servers, hard drives, memory cards, USB keys, speakers, webcams, earphones, wireless devices and other accessories and spare parts not covered by an other subcategory and designed to be used with a covered product.

For Phase 2 products, the program implementation date is July 14, 2013, that is, one year after Phase 1 products and two years after the effective date of the Regulation or as of the marketing of the products in the case of enterprises that will start to market Phase 2 products at a date after July 14, 2013.

For products covered under Section 3, that is, covered products marketed as a component of another product, the program implementation date is July 14, 2013, or two years after the effective date of the Regulation, or as of the marketing of the products in the case of enterprises that will start to market the products, one component of which is a product referred to in Section 22, at a date after July 14, 2013.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 25 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>25. In addition to the elements mentioned in section 5, the recovery and reclamation program of an enterprise referred to in section 2 or 3 that markets products covered by this Division must include measures aimed at destroying personal and confidential information that may be contained in recovered and reclaimed electronic products.</p>		
<p>EXPLANATORY NOTES</p> <p>The destruction of personal and confidential information applies to all devices that might contain such information, including computers and electronic pads of all kinds, cellular telephones, digital players with Internet connection capacity, etc.</p> <p>In the case of recovered devices earmarked for recycling, the physical or mechanical destruction of the components concerned is sufficient. However, measures must be in place to ensure the protection of information as the recovered devices move through the treatment chain.</p> <p>In the case of reuse however, other methods to destroy information must be contemplated in order to preserve the integrity of the components. Different approaches and various protocols exist. These are documented in the guidelines published in September 2006 for the U.S. Government by the National Institute of Standards and Technology Computer Security Resource Center (United States), entitled Guidelines for Media Sanitization.</p> <p>It is up to the covered enterprise to determine the protocols that best fit the recovered products in connection with its program. Also, the operating rules, criteria and requirements under subparagraph (3) of Section 5 must govern the destruction of the personal and confidential information for the different situations (reuse, recycling, etc.). The choices retained and applied (techniques, protocols, etc.) must be described in the annual report.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 26 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>26. An enterprise referred to in section 2 or 3 that markets products referred to in this Division must describe in its annual report the measures referred to in section 25 that have been applied during the year.</p> <p>In the case of an enterprise that markets products referred to in subparagraph 3 of the second paragraph of section 22, the information to be included in the annual report and referred to in subparagraphs 1 and 2 and in subparagraph a of subparagraph 8 of the first paragraph of section 9 must be provided per product type, according to their particularities and size.</p> <p>In the case of an enterprise referred to in section 2, 3 or 8 that markets, acquires or manufactures products referred to in subparagraph 7 or 10 of the second paragraph of section 22, the information referred to in subparagraph 5 of the second paragraph of section 6 is not required to be provided to the Minister for those subcategories. Likewise, the information referred to in subparagraph 1 of the first paragraph of section 9 and in subparagraph 1 of the first paragraph of section 11 is not required to be included in the annual report for those subcategories of products. That information must however be included in the assessment provided for in section 10 or in the second paragraph of section 11 for the period covered by the assessment.</p>		
<p>EXPLANATORY NOTES</p>		
<p>Section 26 covers some particularities regarding the disclosure of information in the annual report or in connection with the information required prior to the implementation of a program.</p> <p>The annual report must describe the methods and protocols used to ensure the destruction of personal and confidential information according to the different reclamation channels (reuse, recycling, etc.).</p> <p>For computer screens and television sets, data regarding the marketed and recovered quantities and data regarding the costs associated with these products for the program must be determined and presented separately for computer screens and television sets and according to the main particularities of these products. “Particularities” mean the elements of their design that sets them apart and that might have an impact on reporting results or related environmental costs,</p>		

notably, the type of technology used (e.g., cathode-ray tube screen or flat screen) and the sizes (groupings by categories of sizes).

For products referred to in subparagraphs (7) and (10), such as, keyboards, mice, cables, external hard drives, webcams, earphones, etc., data regarding marketed quantities does not have to be disclosed as part of the information required prior to the implementation of the program or in the annual reports. However, it must be sent every five years in connection with the five-year assessment required under Sections 10 and 11.

This is because of the fact that while no minimum recovery rate is required for these products, it remains necessary to periodically receive an indication of the recovery rate achieved for these products.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 27 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>27. As of 2015, the minimum recovery rates that must be attained yearly by an enterprise referred to in section 2 or 3 that markets products referred to in the second paragraph of section 22 must be equal to the following percentages:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraphs 1 to 4 and 8, the minimum rate for all the products in each subcategory is 40%, which is increased by 5% per year until a 65% rate is attained; (2) in the case of products referred to in subparagraphs 5, 6 and 9, the minimum rate for all the products in each subcategory is 25%, which is increased by 5% per year until a 65% rate is attained. <p>The rates are calculated on the basis of the quantity of products marketed in the following reference year:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraph 3, the year preceding by 10 years the year for which the rate is calculated; (2) in the case of products referred to in subparagraphs 5 and 6, the year preceding by 3 years the year for which the rate is calculated; (3) in the case of the other products, the year preceding by 5 years the year for which the rate is calculated. <p>Where the time elapsed since the date of the first marketing of such products by an enterprise is less than the time prescribed by subparagraphs 1 to 3 of the second paragraph, the year of the first marketing is considered to be the reference year for those products until the time prescribed by those subparagraphs has elapsed.</p> <p>Where, pursuant to subparagraphs 1 to 3 of the second paragraph, the reference year is prior to the year 2011, that year is considered to be the reference year until the time prescribed by those subparagraphs has elapsed.</p>		
<p>EXPLANATORY NOTES</p>		

Section 27 does not apply to enterprises referred to in Section 8, that is to say, enterprises or municipalities that acquire covered products outside of Quebec or manufacture them for their own use.

This section sets out the minimum recovery rates that must be reached over time. Recovery rates are calculated per subcategory of products on the basis of quantities of covered products returned to drop-off centers or through collection services, compared to the quantities of same products marketed during a reference year, that is, a rate sometimes referred to as the “catch rate” that refers to quantities considered available for recovery (also see the explanatory notes for Section 13).

The reference year varies depending on the subcategory of products. The reference year is determined so as to take into consideration the average lifespan of the products of a subcategory. For the subcategory under subparagraph (3) of the second paragraph of Section 22 (computer screens and television sets), the reference year is ten years prior to the rate calculation year. For the subcategories under subparagraphs (5) and (6) of the second paragraph of Section 22 (telephone devices), it is three years prior and for the other subcategories, five years prior (see the table below).

However, for the first years during which a rate is prescribed, where the reference year is prior to 2011 (the year the Regulation comes into force), 2011 becomes the reference year as long as the number of years elapsed since coming into force of the Regulation is not greater than the period determined for the average lifespan of the products of a subcategory (ten, three or five years). If an enterprise enters the market after 2011, the reference year is the year the enterprise first markets the covered products as long as the elapsed time is not greater than the period determined for the average lifespan of the product.

For instance, an enterprise that has been marketing television sets since 2005 must, to calculate its recovery rate in 2015 and until 2021 inclusive, use the number of television sets marketed in 2011, then, in 2022, the quantities marketed in 2012, in 2023, the quantities marketed in 2013, etc. However, an enterprise that enters the market in 2018 will use the quantities marketed in 2018 until 2028. Moreover, where an enterprise enters the market late, the recovery rate to be reached is the same rate as for enterprises already on the market (see the timetable under Schedule B).

RATE Calculation year →	2015	2016	2017	2018	2019	2020	2021	2022	2023
Subcategories of products (section 22)									
Subparagraph 3 Rate to be reached → Reference year →	40% 2011	45% 2011	50% 2011	55% 2011	60% 2011	65% 2011	65% 2011	65% 2012	65% 2013
Subparagraphs 5 and 6 Rate to be reached → Reference year →	25% 2012	30% 2013	35% 2014	40% 2015	45% 2016	50% 2017	55% 2018	60% 2019	65% 2020
Subparagraphs 1, 2, 4, 8 Rate to be reached → Reference year →	40% 2011	45% 2011	50% 2012	55% 2013	60% 2014	65% 2015	65% 2016	65% 2017	65% 2018
Subparagraph 9 Rate to be reached → Reference year →	25% 2011	30% 2011	35% 2012	40% 2013	45% 2014	50% 2015	55% 2016	60% 2017	65% 2018

A rate is determined and applicable for each subcategory of products, and this for all product types. Although the prescribed recovery rate is the same for several subcategories of products, the recovery rate reached must be calculated separately for each of the subcategories.

For all the subcategories of the category of electronic products, the minimum recovery rate applies as of 2015. The starting rates established for 2015 are increased by 5% per year until a “cruising rate” is reached, that is to say, the minimal rate to be maintained and to be surpassed in the mid- and long-term.

The starting rate for the subcategories of subparagraphs (1) to (4) inclusive and (8) of the second paragraph of Section 22 is 40%; it is 25% for the subcategories of subparagraphs (5), (6) and (9) of the second paragraph of Section 22. The cruising rate for all the subcategories of electronic products is 65%. In the first case, this cruising rate will be reached as of 2020, in the second case, as of 2023.

Schedule B contains a timetable of the annual recovery rates to be reached for the different categories and subcategories of products covered by the Regulation.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 1 ELECTRONIC PRODUCTS Section 28 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>28. For the purpose of calculating the amount payable under Chapter IV, the values applicable to the products referred to in the second paragraph of section 22 are the following:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraph 1, \$10 per unit; (2) in the case of products referred to in subparagraph 2, \$2 per unit or equivalent weight; (3) in the case of products referred to in subparagraph 3, \$15 per unit; (4) in the case of products referred to in subparagraph 4, \$5 per unit or equivalent weight; (5) in the case of products referred to in subparagraphs 5 and 6, \$0.50 per unit or equivalent weight; (6) in the case of products referred to in subparagraph 8, \$4 per unit or equivalent weight; (7) in the case of products referred to in subparagraph 9, \$1 per unit or equivalent weight. 		
<p>EXPLANATORY NOTES</p> <p>Section 28 sets out the values applicable to electronic products in the event a payment to the Green Fund is required under Section 14 (see the explanatory notes for Section 14). The amounts apply per unit for the subcategory of desktop computers and the subcategory of computer screens and television sets, and per unit or on the basis of equivalent weight for the other subcategories of products. Values vary from \$0.50 to \$15 depending on the subcategories. The amount of the payment to the Green Fund is determined by multiplying the quantity of products missing to reach the prescribed recovery rate, multiplied by the applicable value.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 2 BATTERIES Section 29 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>29. The battery category is composed of the subcategories provided for in the paragraphs below, and comprising the types of products listed therein:</p> <ul style="list-style-type: none"> (1) rechargeable batteries of any shape and batteries composed of such batteries, except lead-acid batteries, batteries designed to be used in motor vehicles and batteries exclusively designed and intended for industrial purposes; (2) single use button cells, batteries composed of such cells, other single use batteries and batteries composed of such batteries. 		
<p>EXPLANATORY NOTES</p> <p>Section 29 outlines the products covered by Division 2 of Chapter VI, that is, most rechargeable batteries and single use button cells as well as batteries composed of such marketed cells, whether used by a residential customer base or by an ICI customer base. Batteries marketed as components of another product, such as batteries marketed in a watch, a toy, a tool, etc., are also covered (see Section 3), but covered enterprises have an additional period of one year to implement their program (see Section 31). A few exceptions apply depending on the subcategory of products.</p> <p>Generally speaking, a “battery” is a device equipped with two electrodes and containing a liquid, a paste or an electrolyte which, owing to a chemical reaction, provides electrical energy. Rechargeable batteries are sometimes also called accumulators. A battery is an assembly of batteries/cells or accumulators.</p> <p>Batteries are grouped together according to two subcategories. The concepts of “category”, “subcategory” and “type of products” are explained in the first paragraph of Section 2.</p> <p>The two subcategories are as follows:</p> <ul style="list-style-type: none"> (1) Rechargeable batteries, sometimes referred to as secondary batteries, of all types and all sizes, except: <ul style="list-style-type: none"> • lead–acid batteries; 		

- batteries designed to be used in a motor vehicle, that is, other than already excluded lead-acid batteries, any other battery or cell designed to be used in a motor vehicle, regardless of its nature (hydrogen fuel cell, electric battery, fuel cell, etc.). A “motor vehicle” is a vehicle that is used to carry people or goods, with the exception of a motorcycle or a moped. Thus, batteries designed to be used in a motor vehicle not used for road transportation, such as a snowmobile, boat, wheelchair or bicycle, are covered. However, since this exception is not exclusive to a motor vehicle, it applies even if a certain quantity of these batteries is also used for other purposes to the extent the brand holder or first supplier is able to show that the use for which the battery was designed and for which the vast majority of marketed batteries is intended is for a motor vehicle;
- batteries designed and earmarked exclusively for industrial purposes, that is, batteries meeting specific industrial applications and for which it is not reasonable to believe that they would be subject to general usage for various purposes, including for an ICI customer base or that are not likely to be considered to be such batteries.

Here, we are referring, in particular, to any battery manufactured in a special industrial context and for specific industrial uses. As such, batteries used in lighting, signaling or emergency evacuation systems in public, commercial or industrial buildings meet a general usage need and, therefore, are covered. The same applies for batteries used to power industrial or commercial grade portable tools. However, batteries designed and earmarked exclusively to maintain the core functions of a production line or integrated into a device or machine, the usage of which is exclusive to an industry, are excluded. In most cases, thermal batteries are intended for use that is considered to be industrial usage and, if applicable, are excluded.

Covered rechargeable batteries are, for instance, nickel-cadmium (Ni-Cd) batteries, nickel metal hydride (NiMh) batteries, lithium (Li) batteries, lithium-ion (Li-ion) batteries, lithium-ion polymer (Lipo) batteries, nickel-zinc (Ni-Zn) batteries and rechargeable alkaline batteries.

All the batteries of this subcategory comprise one single type of battery for the purposes of the declarations required by the Regulation. However, to determine the conversion factor required pursuant to Section 30, a representative sampling will have to be taken of the different kinds of marketed rechargeable batteries.

- (2) Single use button cells, sometimes called primary batteries, or single use button cells and other types of single use batteries, including cells or batteries sometimes called “sticks” Here, we are referring, in particular, to alkaline, saline, zinc-carbon, lithium, silver oxide and zinc-air batteries. In addition, the majority of stick-type single use button cells for which the common sizes are AAA, AA, C, D, 9V, etc., are covered.

This subcategory of batteries is comprised of two types of products, namely (1) button

cells and batteries composed of such cells, and (2) other single use cells and batteries.

The cells and batteries marketed as components of another product, whether or not this product is covered by the Regulation, are covered (e.g., a battery marketed in a watch, a toothbrush or a toy). These batteries may or may not be removable from the product in which they are housed. In all cases, these batteries are covered by the Regulation and must be subject to a recovery program. For further information, see Section 3

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 2 BATTERIES Section 30 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>30. For the purposes of this Regulation, every quantity of products referred to in section 29 must be calculated by subcategory in units or equivalent weight.</p> <p>That quantity must also be accompanied, for each subcategory and type of product, by the conversion factor in units or in weight, as the case may be, and by the methodology used to establish that factor.</p>		
<p>EXPLANATORY NOTES</p> <p>In most cases, it is more practical to obtain marketing data based on the number of units and recovered product data based on weight, particularly for small-sized products and for subcategories of products comprising more than one type of product. Thus, the choice of unit of measure is left to the discretion of the covered enterprise. However, since the recovery rate calculation must use only one unit of measure, the annual report must indicate, for each subcategory of product, a conversion factor allowing the conversion of units into equivalent weight and vice-versa. To determine this conversion factor, there must be a representative sampling of the different lamp models comprising each subcategory. The methodology used to obtain the conversion must be indicated in the annual report and its margin of error must be specified.</p> <p>To determine the quantity of recovered single use button cells, solely for this type of product and where it is recovered unsorted with other types of single use cells, the quantities can be calculated on the basis of sampling methods meeting recognized practices. The sampling method used must be validated by an expert and take into account the objectives of the approach, particularly to determine the quantity, the origin and the representative nature of the samples.</p> <p>This methodology must be consistent from one year to the next in order to ensure an effective follow-up and permit the comparison of annual performances and it must be described in the annual report.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 2 BATTERIES Section 31 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>31. An enterprise that markets, acquires or manufactures products referred to in section 29 must implement its recovery and reclamation program not later than:</p> <ul style="list-style-type: none"> (1) in the case of an enterprise referred to in section 2 or 8, 14 July 2012 or the date of marketing, acquisition or manufacture of such a product if it is subsequent to that date; (2) in the case of an enterprise referred to in section 3, 14 July 2013 or the date of marketing of such a product if it is subsequent to that date. 		
<p>EXPLANATORY NOTES</p> <p>For enterprises that market batteries in their capacity as brand holders or first suppliers of batteries, the program implementation date is July 14, 2012, that is, one year after the coming into force of the Regulation.</p> <p>For enterprises that market products, a component of which is a battery, as brand holders or first suppliers of these products in Quebec, the program implementation date is July 14, 2013, that is, two years after the effective date of the Regulation.</p> <p>For enterprises that will start to market batteries, or products containing batteries, as brand holders or first suppliers in Quebec after July 14, 2012 or July 14, 2013, as the case may be, the programs must be implemented as of the marketing date of these products.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 2 BATTERIES Section 32 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>32. In addition to the information in section 9, an enterprise referred to in section 2 or 3 that markets products referred to in paragraph 2 of section 29 must indicate in its annual report</p> <ul style="list-style-type: none"> (1) the quantity of single use button cells recovered during the year, on the basis of sampling methods satisfying recognized practices; (2) the various batteries containing mercury marketed during the year and their quantity, the average mercury content of each battery and the total quantity of mercury that is so marketed. <p>In addition, the mass balance required by subparagraph 5 of the first paragraph of section 9 must specify any quantity of recovered mercury and the quantity of mercury that was reused, recycled, otherwise reclaimed, stored or disposed of.</p>		
<p>EXPLANATORY NOTES</p>		
<p>For the subcategory of single use batteries, where a recovery and reclamation program recovers, treats or reclaims button cells or batteries composed of button cells pell-mell with other types of single use batteries, the annual report must contain an assessment of the quantity of button batteries having been recovered, treated or reclaimed. This assessment must be supported by sampling methods established by experts (statisticians or others) in accordance with recognized methods, taking into consideration the recovered quantities and the distribution of the recovery activities within the territory. The sampling method must be described in the report, specifying the margin of error.</p> <p>In addition, an enterprise that markets button-type single use cells must indicate in its report the different types of these batteries that contain mercury, their average mercury content as well as the total quantity of mercury thus marketed during the year.</p> <p>Moreover, the mass balance (see Section 9, first paragraph, subparagraph (5)) must state the quantity of recovered mercury as well as its distribution in the different treatment, reclamation, storage or disposal channels, regardless of whether or not the quantity of mercury constitutes a material or a matter representing 3% or more of the mass balance.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 2 BATTERIES Section 33 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>33. As of 2015, the minimum recovery rates that must be attained yearly by an enterprise referred to in section 2 or 3 that markets products referred to in section 29 must be equal to the following percentages:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in paragraph 1, the minimum rate for all the products in that subcategory is 25%, which is increased by 5% per year until a 65% rate is attained; (2) in the case of products referred to in paragraph 2, the minimum rate for all the products in that subcategory is 20%, which is increased by 5% per year until a 65% rate is attained. <p>The rates are calculated, for each subcategory, on the basis of the quantity of products marketed in the year preceding by 5 years the year for which the rate is calculated.</p> <p>Where the time elapsed since the date of the first marketing of such products by an enterprise is less than 5 years, the year of the first marketing is considered to be the reference year for those products until 5 years have elapsed.</p> <p>Where the time elapsed since the date of the first marketing of such products by an enterprise is less than 5 years, the year of the first marketing is considered to be the reference year for those products until 5 years have elapsed.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 33 does not apply to the enterprises referred to in Section 8, i.e. enterprises or municipalities that acquire covered products outside Quebec or that manufacture them for their own use.</p> <p>This section determines the minimum recovery rates that must be reached as of 2015 and thereafter. Recovery rates are calculated per subcategory of products, on the basis of the quantities of covered products returned to drop-off centres and through collection services compared to the quantities of same products marketed during a reference year, that is, a rate sometimes called “catch rate”, that refers to quantities considered available for recovery (also</p>		

see the explanatory notes for Section 13).

The reference year is determined so as to take into consideration the average lifespan of the products of one subcategory. In the case of batteries, the reference year is the same for each of the two subcategories of products, that is, five (5) years before the rate calculation year.

For the first years during which a rate is prescribed, where the reference year is prior to 2011 (the year the Regulation comes into force), 2011 becomes the reference year as long as the number of years since the effective date of the Regulation is not greater than the period determined for the average lifespan of the products of this subcategory. If an enterprise enters the market after 2011, the reference year is the year the enterprise first markets the covered products as long as the elapsed time is not greater than the period determined for the average lifespan of the products (see the following table).

For instance, an enterprise that has been marketing rechargeable batteries since 2005 must, to calculate its recovery rate in 2015 and in 2016, use the number of rechargeable batteries marketed in 2011, then, in 2017, the quantities marketed in 2012, in 2018, the quantities marketed in 2013, etc. However, an enterprise that enters the market in 2018 will use the quantities marketed in 2018 until 2023. Moreover, where an enterprise enters the market late, the recovery rate to be reached is the same rate as for enterprises already on the market (see the timetable under Schedule B).

Rate calculation year →	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Year of reference →	2011	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sub-category of product (Sec. 29) ↓										
Paragraphs 1 Rechargeable battery Rate to be reached →	25%	30%	35%	40%	45%	50%	55%	60%	65%	65%
Paragraphs 2 Single use batteries Rate to be reached →	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%

A recovery rate is determined and applicable for each subcategory of products, all product types combined, and must be calculated separately for each of the subcategories.

Minimum recovery rates apply as of 2015. Starting rates determined for 2015 are increased by 5% per year until a “cruising rate” is reached, that is to say, the minimum rate to be maintained and to be surpassed in the mid- and long-term.

The starting rate for the subcategory of subparagraph (1) of Section 29 (rechargeable batteries) is 25%; it is 20% for the subcategory of subparagraph (2) of Section 29 (single use batteries). The cruising rate for these two subcategories is 65%. In the first case, this cruising rate will be reached as of 2023, and in the second case, as of 2024.

Schedule B contains a timetable for the annual recovery rates to be reached for the different categories and subcategories of products covered by the Regulation.

The recovery rate must also be calculated for 2013 and 2014 during which a minimal rate is not prescribed, and said rate must also be based on the quantities of products marketed in 2011. Pursuant to the transfer mechanism under Section 13 of the Regulation regarding payments to the Green Fund, up to 50% of the quantities recovered during these two years, per subcategory of products, can be transferred to any year between 2015 and 2019 inclusive in order to improve performances in the event that the prescribed rate is not reached. This transfer mechanism, besides avoiding or curtailing the obligation to make payments to the Green Fund, reduces the uncertainty regarding the lifespan established for the covered products.

Government of Québec Ministry of Sustainable Development, Environment and Parks	CHAPTER VI CATEGORIES OF PRODUCTS COVERED	DIVISION 1 ELECTRONIC PRODUCTS Section 34 Feb. 2012
REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES		
34. For the purposes of calculating the amount payable under Chapter IV, the values applicable to the products referred to in section 29 are the following: <ul style="list-style-type: none"> (1) in the case of products referred to in paragraph 1, \$0.40 per unit or equivalent weight; (2) in the case of products referred to in paragraph 2, \$0.04 per unit or equivalent weight. 		
EXPLANATORY NOTES Section 34 presents the values applicable to batteries in the event a payment to the Green Fund is required pursuant to Section 14 (see the explanatory notes for Section 14). The amounts apply per unit (number of batteries) or on the basis of equivalent weight. The values vary from \$0.04 to \$0.40 depending on the subcategories. The amount of the payment to the Green Fund is established by multiplying the missing quantity of products, in units or in equivalent weight, to reach the prescribed recovery rate, multiplied by the applicable value.		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMP Section 35 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>35. The mercury lamp category is composed of the subcategories provided for in the paragraphs below, and comprising the types of products listed therein:</p> <ul style="list-style-type: none"> (1) fluorescent tubes; (2) compact fluorescent lamps; (3) any other type of lamp containing mercury. 		
<p>EXPLANATORY NOTES</p> <p>Section 35 lists the products covered by Division 3 of Chapter VI, that is, all marketed lamps containing mercury, without exception, whether used by a residential or an ICI customer base.</p> <p>Mercury lamps are grouped together according to three subcategories. The concepts of “category”, “subcategory” and “type of products” are explained in the first paragraph of Section 2.</p> <p>The three subcategories are the following:</p> <ul style="list-style-type: none"> (1) “Fluorescent tubes”, that is, tubular lamps containing mercury, equipped with a pin base, whether linear or non-linear, i.e. including tubes that are circular, square or other. (2) “Compact fluorescent lamps”, that is, lamps in the shape of a miniaturized tube, sometimes twisted, containing mercury. They come in a wide variety of shapes and sizes, are equipped with either a screw base or integrated ballast, or with a pin base (without ballast). Their most common use is indoor residential lighting. Lamps equipped with an integrated ballast (screw base) are very popular and designed to directly replace incandescent lamps. Compact fluorescent lamps are often called “light bulbs” or compact fluorescent light bulbs (CFL). (3) “Any other type of lamp”, that is, all other types of lamps containing mercury, in 		

particular:

- fluorescent induction lamps, such as those to light roadways;
- mercury vapour lamps, that is, high intensity discharge lamps (H.I.D.) that are generally used in an industrial environment and to light public places;
- metal halide (or metal iodide) lamps, which have uses similar to mercury vapour lamps. Capable of higher wattages, they are also used in movie projectors, to light stages, exhibits and in photography as well as in lighting sport installations;
- high pressure sodium vapour lamps, used to light roadways, parking lots or inside industrial installations;
- neons, sometimes called “neon tube” or “neon lamp”. Neons are generally used in advertising signs, plasma television screens as well as in lightning conductors and certain lasers. Emitting only an orange-coloured light, they must not be confused with fluorescent or luminescent tubes, that sometimes resemble them, but that emit different colours by using other types of gas.

For this third subcategory, for the purposes of the declarations regarding the marketed quantities required under Section 6 (initial declaration) and Section 9 (annual report), the concept of “type of lamp” may be considered to be the technology used or the chemical composition of the lamps. Therefore, it is not mandatory to provide information for the different specific applications of these different types of lamps. For instance, the total quantity of metal halide mercury lamps may be declared without specifying the different uses or models, such as lighting public places or use in movie projectors, etc.

Mercury lamps integrated into various products, whether or not such products are covered by the Regulation, are covered as “components” within the meaning of Section 3, whether or not removable from the main products in which they are housed. For further information, see the explanatory notes regarding the second paragraph of Section 3.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMP Section 36 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>36. For the purposes of this Regulation, every quantity of products referred to in section 35 must be calculated:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in sub-paragraph (1), in linear feet or equivalent weight; (2) in the case of products referred to in sub-paragraph (2), in units or equivalent weight; (3)^o in the case of products referred to in sub-paragraph (3), in kilograms. <p>That quantity must also be accompanied, for each subcategory of products, by the conversion factor in linear feet, units or in weight, as the case may be, and by the methodology used to establish that factor.</p>		
<p>EXPLANATORY NOTES</p> <p>In most cases, it is more practical to obtain marketing data on the basis of the number of units and recovered product data on the basis of weight, in particular, for small-sized products and for subcategories of products comprising more than one type of product. The choice of unit of measure is left to the discretion of the covered enterprise.</p> <p>However, as the recovery rate calculation must use only one unit of measure, the annual report must indicate, for each subcategory of products, a conversion factor between either the units and the weight, or the linear foot and the weight. To determine this conversion factor, there will have to be a representative sampling of the different lamp models comprising this subcategory. The methodology used to obtain the conversion must be indicated in the annual report, including the margin of error.</p> <p>For the “any other lamp containing mercury” subcategory, only weight can be used. It must be calculated for all inseparable components comprising the lamps, that is to say, by including any element installed by the manufacturer that is not designed to be removed by the user (e.g., a metal housing or covering for fastening).</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMPS Section 37 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>37. An enterprise that markets, acquires or manufactures products referred to in section 35 must implement its recovery and reclamation program not later than</p> <ul style="list-style-type: none"> (1) in the case of an enterprise referred to in section 2 or 8, 14 July 2012 or the date of marketing, acquisition or manufacture of such a product if the date of marketing is subsequent to that date; (2) in the case of an enterprise referred to in section 3, 14 July 2013 or the date of marketing of such a product if the date of marketing is subsequent to that date. 		
<p>EXPLANATORY NOTES</p> <p>For enterprises that market mercury lamps as brand holders or first suppliers of lamps, the program implementation date for mercury lamps is July 14, 2012, that is, one year after the coming into force of the Regulation.</p> <p>For enterprises that market products whose components include a mercury lamp, as brand holders or first suppliers of these products in Quebec, the program implementation date is July 14, 2013, that is, two years after the effective date of the Regulation.</p> <p>For enterprises that start to market mercury lamps or products comprising mercury lamps, as brand holders or first suppliers in Quebec after July 14, 2012 or July 14, 2013, as the case may be, the programs must be implemented as of the marketing date of these products.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMPS Section 38 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>38. The information, awareness and education activities referred to in paragraph 8 of section 5 and provided for in the recovery and reclamation program of an enterprise referred to in section 2 or 3 that markets mercury lamps must include specific activities adapted to various uses and clientele, such as tanning salons, and showing them, in particular, the manner to clean up and manage mercury debris and releases in case of lamp breakage.</p> <p>In addition to the information in section 9, the annual report of the enterprise must also specify</p> <ul style="list-style-type: none"> (1) any quantity of mercury marketed and the quantity of mercury that was reused, recycled, otherwise reclaimed, stored or disposed of; (2) the details of the information, awareness and education activities referred to in the first paragraph. 		
<p>EXPLANATORY NOTES</p> <p>As mercury lamps are used by a multitude of customer bases and for a range of functions, certain special situations, as in the case of tanning salons, may call for IAE activities adapted to the field concerned. Such IAE activities must focus on cleaning and handling of debris or shards further to a lamp breakage and on the importance of returning burned out lamps under a recovery program with a view to safe and secure post-consumption management. The annual report must describe the targeted sectors or customer bases and outline the interventions carried out therein.</p> <p>The annual report must also note the quantity of mercury marketed during the year through lamps as well as the quantities of mercury recovered and forwarded to the different reclamation, storage or disposal channels.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMPS Section 39 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>39. As of 2015, the minimum recovery rates that must be attained yearly by an enterprise referred to in section 2 or 3 that markets products referred to in section 35 must be equal to the following percentages:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in paragraphs 1 and 3, the minimum rate for all the products in each subcategory is 40%, which is increased by 5% per year until an 80% rate is attained; (2) in the case of products referred to in paragraph 2, the minimum rate for all the products in that subcategory is 30%, which is increased by 5% per year until an 80% rate is attained. <p>The rates are calculated on the basis of the quantity of products marketed in the following reference year:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in paragraphs 1 and 3 of section 35, the year preceding by 3 years the year for which the rate is calculated; (2) in the case of products referred to in paragraph 2 of section 35, the year preceding by 6 years the year for which the rate is calculated. <p>Where the time elapsed since the date of the first marketing of such products by an enterprise is less than the time prescribed for those products in subparagraphs 1 and 2 of the second paragraph, the year of the first marketing is considered to be the reference year for those products until the time prescribed by those subparagraphs has elapsed.</p> <p>Where, pursuant to subparagraph 2 of the second paragraph, the reference year is prior to 2011, that year is considered to be the reference year until 5 years have elapsed.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 39 does not apply to enterprises referred to in Section 8, that is to say, enterprises or municipalities that acquire covered products outside Quebec or that manufacture them for their own use.</p>		

This section sets out the minimum recovery rates that must be reached over time. Recovery rates are calculated per subcategory of products on the basis of quantities of covered products returned to drop-off centers and through collection services, compared to the quantities of the same products marketed during a reference year, that is, a rate sometimes referred to as the “catch rate” which refers to quantities considered available for recovery (also see the explanatory notes for Section 13).

The reference year varies depending on the subcategory of products. The reference year is determined so as to take into consideration the average lifespan of the products of one subcategory. For the subcategories of subparagraphs (1) and (3) of Section 35 (fluorescent tubes and lamps other than compact fluorescent lamps), the reference year is three years prior to the rate calculation year. For the subcategory of subparagraph (2) of Section 35 (compact fluorescent lamps), it is six years before.

However, for the first years during which a rate is prescribed, where the reference year is prior to 2011 (the year the Regulation comes into force), 2011 becomes the reference year as long as the number of years elapsed since the effective date of the Regulation is not greater than the period determined for the average lifespan of the products of this subcategory. If an enterprise enters the market after 2011, the reference year is the year the enterprise first markets the covered products as long as the elapsed time is not greater than the period determined for the average lifespan of the products (see the table below).

For instance, an enterprise that has been marketing compact fluorescent lamps since 2005 must, to calculate its recovery rate in 2015 and until 2017 inclusive, use the number of mercury lamps marketed in 2011, then, in 2018, the quantities marketed in 2012, in 2019, the quantities marketed in 2013, etc. However, an enterprise that enters the market in 2018 will use the quantities marketed in 2018 until 2024. Moreover, where an enterprise enters the market late, the recovery rate to be reached is the same rate as for enterprises already on the market (see the timetable under Schedule B).

Rate calculation year →	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Subcategories of products (Sec 35) ↓											
Subparagraphs 1 and 3 (Tubes and other mercury lamps except CFL) Reference year →	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Rate to be reached →	40%	45%	50%	55%	60%	65%	70%	75%	80%	80%	80%
Subparagraph 2 (Compact fluorescent lamps) Reference year →	2011	2011	2011	2012	2013	2014	2015	2016	2017	2018	2019
Rate to be reached →	30%	35%	40%	45%	50%	55%	60%	65%	70%	75%	80%

A recovery rate is determined and applicable for each subcategory of products, all product types

combined. Although the prescribed recovery rate is the same for more than one subcategory of products, the recovery rate reached must be calculated separately for each of the subcategories.

For all the subcategories of the mercury lamp category, the minimum recovery rates apply as of 2015. The starting rates established for 2015 are increased by 5% per year until a cruising rate is reached, i.e. the minimum rate to be maintained and to be surpassed in the mid- and long-term.

The starting rate for the subcategories of subparagraphs (1) and (3) of Section 35 (fluorescent tubes and lamps other than compact fluorescent lamps) is 40%; it is 25% for the subcategory of subparagraph (2) of Section 35 (compact fluorescent lamps). The cruising rate for all the subcategories of mercury lamps is 80%. In the first case, this cruising rate will be reached as of 2023, in the second case, as of 2025.

Schedule B contains a timetable of the annual recovery rates to be reached for the different categories and subcategories of products covered by the Regulation.

The recovery rate must also be calculated for 2013 and 2014 where a minimum rate is not prescribed, also based on the quantities of products marketed in 2011. Moreover, pursuant to the mechanism under Section 13 of the Regulation regarding payments to the Green Fund, up to 50% of the quantities recovered during these two years, per subcategory of products, can be carried over to a year between 2015 and 2019 inclusive in order to improve performances in case the prescribed rate is not reached. This transfer mechanism, besides avoiding or curtailing the obligation to make payments to the Green Fund, reduces the uncertainty regarding the lifespan established for the covered products.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 3 MERCURY LAMPS Section 40 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>40. For the purpose of calculating the amount payable under Chapter IV, the values applicable to the products referred to in section 35 are the following:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in paragraph 1, \$0.20 per linear foot or equivalent weight; (2) in the case of products referred to in paragraph 2, \$0.30 per unit or equivalent weight; (3) in the case of products referred to in paragraph 3, \$2.00 per kilogram. 		
<p>EXPLANATORY NOTES</p> <p>Section 40 presents the values applicable to mercury lamps in the event a payment to the Green Fund is required pursuant to Section 14 (see the explanatory notes for Section 14). The amounts apply per linear foot or on the basis of weight for the fluorescent tube subcategory, per unit or on the basis of equivalent weight for compact fluorescent lamps, and on the basis of weight only for the other types of mercury lamps. Values vary from \$0.20 to \$2 depending on the subcategories. The amount of the payment to the Green Fund is determined by multiplying the quantity of products missing to reach the prescribed recovery rate, multiplied by the applicable value.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4 PAINT AND PAINT CONTAINERS Section 41 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>41. For the purposes of this Division, stains, primers, varnishes, lacquers, metal, wood or masonry treatment or protection products and any preparation of the same nature intended for maintenance, protection or decoration are considered to be paint.</p>		
<p>EXPLANATORY NOTES</p> <p>Section 41 defines the concept of “paint” for the purposes of the application of the Regulation. It complements Section 42.</p> <p>Generally speaking, covered paints are coverings that are applied in layers or coats to modify the properties of a surface or an object. Covered paints includes paints generally marketed in liquid form, but also any product of the same nature marketed in solid or semi-solid form to which a liquid must be added before it can be used.</p> <p>Covered paints includes so-called architectural paints, in particular, paints used for houses and other buildings, inside or outside, for decoration, protection or maintenance purposes. Such paint includes interior and exterior paint, stains, primers, varnishes, lacquers, enamel, latex, alkyd or urethane paints, shellac, etc., regardless of the types of surfaces for which they are intended, such as, plaster, plasterboard, wood, metal, aluminum, masonry, etc. It also includes paint for buildings, roofs, foundations, floors, terraces, fences, swimming pools, hangars, furniture, etc., as well as anti-fungal, anti-fouling and anti-rust paints, etc.</p> <p>Subject to size limits and the exceptions provided at Section 42, covered paints also include asphalt coverings, marine products and marking products. Moreover, the covered products are determined according to their basic design and their main use and according to their userbase. Also, the covered products are those considered as for “general use” in that their main application can meet the different needs of a residential as well as an ICI customer base.</p> <p>However, products like solvents, waxes, glues, polishes and cleaners are excluded even though they are sometimes used for similar purposes or in connection with the use of the covered paints.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4 - PAINT AND PAINT CONTAINERS Section 42 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>42. The products covered by this Division are paint marketed in containers of not less than 100 mm and not more than 50 l and such paint containers, except paint designed and intended to be used exclusively for industrial or artistic purposes. Paints marketed in aerosol containers and such containers are also covered.</p> <p>The paint and paint container category is composed of the subcategories provided for in the subparagraphs below and comprising the products listed therein:</p> <ul style="list-style-type: none"> (1) latex paint; (2) alkyd or enamel paint, metal and rust paint, the other types of paint other than those in paragraphs 1 and 3, stains, primers, varnishes, lacquers, metal, wood or masonry treatment or protection products and any preparation of the same nature intended for maintenance, protection or decoration; (3) aerosol paint and aerosol containers, as well as all types of containers used for marketing the products referred to in subparagraphs 1 and 2. 		
<p>EXPLANATORY NOTES</p> <p>Section 42 completes Section 41 by providing some particulars regarding the covered products and by determining the subcategories and types of covered products.</p> <p>(First paragraph) The first paragraph sets out exceptions. On the one hand, all paint marketed in containers less than 100 ml or more than 50 liters are excluded. On the other hand, paint designed and intended to be used exclusively for industrial or artistic purposes is excluded.</p> <p>“Paint designed and intended to be used exclusively for industrial purposes” means paint whose formulation specifically meets the needs of an application as of the initial manufacturing of a product or by a specialized workshop and differs from the formulation of similar “general usage”</p>		

products, that is to say, accessible to a larger and non-specialized customer base.

“Paint designed and intended to be used exclusively for artistic purposes” means paint for fine arts or creative painters, such as oil and acrylic paint for canvases, water colours or gouache. Paint marketed to an artistic customer base but corresponding to a paint otherwise covered remains a covered product.

(Second paragraph)

The paints listed in the second paragraph constitute covered products without exception.

The category of paint and paint containers is made of the following three subcategories:

- (1) “Latex paint”, also referred to as water-based paint, because it is diluted with water. In most of these paints, synthetic latex, such as acrylic or polyvinyl acetate, is used as a binding agent. Latex paint makes up a significant portion of marketed paints.

For the purposes of the Regulation, all latex paint constitutes a same type of product.

- (2) “Alkyd and other types of paint”. This subcategory encompasses all covered paints, other than latex paint and aerosol paint. Several types of products are included, namely the following:

- alkyd paint, often called oil paint, in which polyester resins or alkyds are used;
- enamel paint;
- metal paint, with or without properties to treat or prevent rust;
- stains;
- primers;
- varnishes;
- lacquers;
- any other product to be applied to metal, wood, masonry, etc.;
- asphalt products;
- marine coverings.

For declaration purposes, for the aspect of marketed quantities, products of this subcategory must be grouped together according to the different types of products indicated above. However, for the quantities of recovered products aspect, the different types of products may be grouped together according to their final destination (that is, recycling, energy recovery, safe and secure disposal, etc.).

- (3) “Aerosol paint and aerosol containers”. This subcategory combines all paint marketed in aerosol containers and all containers used to market all the products of this category.

All aerosol paint is covered regardless of its nature or destination, subject to the

size limits provided in the first paragraph. Aerosol paint and its containers (aerosol) constitute one type of product of this subcategory. However, with regard to the application of the minimum recovery rate prescribed in the subparagraph (2) of Section 46, only containers are covered, as aerosol containers be considered to be the same as other types of paint containers.

Other containers of every sort constitute another type of products. However, for declaration purposes, for the marketed products aspect, the types of containers must be broken down according to their nature (metal, plastic, etc.) and their size. For the recovered quantities aspect, the declarations must separate the recovered containers according to the nature of the products (metal, plastic, etc.).

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4 - PAINT AND PAINT CONTAINERS Section 43 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>43. For the purposes of this Regulation, every quantity of products referred to in the second paragraph of section 42 must be calculated:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in paragraphs 1 and 2, in kilograms or equivalent volume; (2) in the case of products referred to in paragraph 3, in kilograms based on empty containers or litres of an equivalent capacity. <p>That quantity must also be accompanied, for each subcategory and type of product, by the conversion factor in weight, equivalent volume or litres of an equivalent capacity, as the case may be, and by the methodology used to establish that factor.</p>		
<p>EXPLANATORY NOTES</p> <p>In most cases, it is more practical to obtain marketing data based on volume and recovered product data based on weight. Also, the choice of unit of measure is left to the discretion of the covered enterprise. However, as the recovery rate calculation should only use a single unit of measure, the annual report must indicate, for each subcategory of products, a conversion factor between volume and weight or, for containers, between volume capacity or weight.</p> <p>This conversion factor must be established according to a representative sampling of the different types of products comprising each subcategory. In the case of containers, the sampling must be representative of the types of containers according to their nature (metal, plastic, etc.) and the sizes used to market the products. Aerosol containers must be empty. The methodology used to obtain the conversion must be indicated in the annual report, specifying the margin of error.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4- PAINT AND PAINT CONTAINERS Section 44 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>44. Every enterprise referred to in section 2 or 8 that markets, acquires or manufactures products referred to in the second paragraph of section 42 must implement its recovery and reclamation program as soon as such a product is marketed, acquired or manufactured.</p>		
<p>EXPLANATORY NOTES</p> <p>The obligation to implement a program to recover and reclaim paint containers and paint residue has been in place since 2001 pursuant to the Regulation respecting the recovery and reclamation of discarded paint containers and paint. Also, programs already in place must comply with the provisions of this Regulation by no later than January 1, 2013 (see the transitional provisions in Chapter VIII of the Regulation).</p> <p>For enterprises entering the market after July 14, 2011, their program complying with this Regulation must be in place as of the marketing of their products.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4- PAINT AND PAINT CONTAINERS Section 45 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>45. Every enterprise referred to in section 2 that markets products referred to in subparagraphs 1 and 2 of the second paragraph of section 42 must attach to the assessment required by section 10 a study assessing the quantities of residual paint available for recovery or an update of such study.</p>		
<p>EXPLANATORY NOTES</p> <p>The calculation of the minimum recovery rates prescribed in Section 46 for paint products referred to in subparagraphs (1) and (2) of Section 42 is based on the quantities of paint considered available for recovery in accordance with the findings of the “Révision du taux de peinture récupérable au Québec” study conducted by RECYC-QUÉBEC in collaboration with the industry and published in December 2010.</p> <p>As part of its five-year assessment, a covered enterprise must submit a study containing an update of this data and an adjustment in terms of the specific types of paint marketed by the enterprise, as well as in terms of the usages ensuing therefrom. The methodology used to conduct this study must be clearly explained.</p>		

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4-PAINT AND PAINT CONTAINERS Section 46 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>46. As of the first full calendar year of implementation of a recovery and reclamation program, the minimum recovery rates that must be attained annually by an enterprise referred to in section 2 that markets products referred to in the second paragraph of section 42 must be equal to the following percentages:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraphs 1 and 2, the minimum rate for all the products in each subcategory is 75%, which is increased to 80% as of 2017; (2) in the case of products referred to in subparagraph 3, the minimum rate for all the products in this subcategory is 40% of the quantity of containers marketed, which is increased by 5% per year until a 70% rate is attained. <p>The rates are calculated on the basis of the quantity considered available for recovery, namely :</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraph 1 of the second paragraph of section 42: <ul style="list-style-type: none"> (a) in the case of paint marketed in containers of 1 l or less, on the basis of 14.8% of the quantity of paint marketed in the year; (b) in the case of paint marketed in containers of more than 1 l but less than 8 l, on the basis of 6.25% of the quantity of paint marketed in the year; (c) in the case of paint marketed in containers of at least 8 l but not more than 50 l, on the basis of 4.55% of the quantity of paint marketed in the year; (2) in the case of products referred to in subparagraph 2 of the second paragraph of section 42, on the basis of 9.57% of the quantity of paint marketed in the year; (3) in the case of products referred to in subparagraph 3 of the second paragraph of section 42, on the basis of the total quantity of containers marketed in the year. 		
<p>EXPLANATORY NOTES</p>		
<p>Section 46 applies to enterprises that are brand holders or first suppliers of products referred to in</p>		

Section 42 within the meaning of Section 2 of the Regulation.

This section establishes the minimum recovery rates to be reached as of 2013 and thereafter. Recovery rates are calculated per subcategory of products, on the basis of quantities of covered products returned to drop-off centres and through collection services compared to a proportion of the quantities of the same products marketed during the year. This proportion is established in the Regulation and stems from the “Révision du taux de peinture récupérable au Québec” study conducted by RECYC-QUÉBEC in collaboration with the industry and published in December 2010. Since paint is a product destined to be consumed, this study establishes the percentages considered as non-consumed and available for recovery depending on the types of marketed products or marketed sizes. The results of the study serve to establish the denominator for the calculation of the rate. The indicated percentages apply to quantities marketed during the year for which the rate is calculated. Such recovery rate is also sometimes referred to as “catch rate”, referring to quantities considered available for recovery (see the explanatory notes for Section 13).

- For the products referred to in subparagraph (1) of Section 42 (latex paint), the proportion of quantities considered available for recovery varies depending on the size used to market the products. This rate is 14.8% for latex paint marketed during the year in containers of one (1) liter or less, 6.25% for paint marketed during the year in containers of more than one (1) liter and up to eight (8) liters, and 4.55% for paint marketed during the year in containers of eight (8) liters and more, up to the largest size container covered by the Regulation, i.e. 50 liters.

However, the recovery rate calculation applies to all latex paint. Therefore, the denominator must be calculated annually to be established pro rata of the different sizes used during the year to market the latex paint, as shown in the following hypothetical example.

Paint designed for	Quantity marketed during the year	% considered available for recovery	Quantity considered available for recovery the same year
≤ 1 litre	5 000 kg	14,8 %	740 kg
> 1 litre and < 8 litres	120 000 kg	6,25 %	7 500 kg
≥ 8 litres and ≤ 50 litres	70 000 kg	4,55 %	3 185 kg
Total	195 000 kg		11 425 kg

To reach the recovery rate of **75%** for the subcategory of paint, the program must recover at least **8 568 kg** of used paints, that is 75% of 11 425kg

The recovery rate prescribed for this subcategory is 75% as of 2013, that is, the same rate

as the one that has been applicable to all paint since 2008 pursuant to the *Regulation respecting the recovery and reclamation of discarded paint containers and paint*. As of 2017, this rate will increase to 80%.

- For the products referred to in subparagraph (2) of Section 42 (alkyd paint and other products similar to paint), the proportion of the quantities considered available for recovery is the same for this entire subcategory, that is 9.57% of the quantities marketed during the year.

The recovery rate prescribed for this subcategory is the same as the one for the subcategory of subparagraph (1), that is, 75% as of 2013, the same rate as the one that has been applicable to all paint since 2008 pursuant to the *Regulation respecting the recovery and reclamation of discarded paint containers and paint*. As of 2017, this rate will increase to 80%.

- For the products referred to in subparagraph (3) of Section 42 (aerosol paint and aerosol containers), the recovery rate applies solely to the quantity of containers, all container types combined.

The rate must be calculated on the basis of empty containers. If the unit of calculation retained is based on weight, the average weight of a container per liter of capacity must be established proportionally to the different container types used to market the paint during the year, that is to say, take into account the proportion of containers that are made of plastic, metal or other material, as well as the different sizes.

The recovery rate prescribed for this subcategory was revised downward compared to the rate set out in the *Regulation respecting the recovery and reclamation of discarded paint containers and paint*, in application of the same criteria as those used to establish the starting rates for the other subcategories of products covered by the Regulation. The prescribed rate for 2013 is now 40%. This rate increases by 5% annually until the prescribed “cruising rate” of 70% is reached, which will be as of 2019. This 70% rate stems from the “Politique québécoise de gestion des matières résiduelles” and the “Plan d’action 2011-2015” (Quebec Residual Materials Management Policy and 2011-2015 Action Plan) for recyclable materials that are not considered dangerous.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 4- PAINT AND PAINT CONTAINERS Section 47 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>47. For the purpose of calculating the amount payable under Chapter IV, the values applicable to the products referred to in the second paragraph of section 42 are the following:</p> <ul style="list-style-type: none"> (1) in the case of products referred to in subparagraph 1, \$0.60 per kilogram or equivalent volume; (2) in the case of products referred to in subparagraph 2, \$0.90 per kilogram or equivalent volume; (3) in the case of products referred to in subparagraph 3, \$0.25 per kilogram or litre of an equivalent capacity. 		
<p>EXPLANATORY NOTES</p> <p>Section 47 presents the values applicable to paint and paint containers in the event a payment to the Green Fund is required pursuant to Section 14 (see the explanatory notes for Section 14). The amounts apply per volume/volume capacity or per equivalent weight (in kilograms). Values vary from \$0.25 to \$0.90 depending on the subcategories. The amount of the payment to the Green Fund is determined by multiplying the missing quantity of products, in volume/volume capacity or in equivalent weight, to reach the prescribed recovery rate, multiplied by the applicable value.</p>		

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

48. The category of oils, coolants, antifreeze, their filters and containers and other similar products is composed of the subcategories provided for in the paragraphs below and comprising the types of products listed therein:
- (1) mineral, synthetic or vegetable oils intended for lubrication, insulation or heat transfer in motorized vehicles or equipment, or in the operation of hydraulic or transmission systems, as well as brake fluids, except oils that combust when used such as oils intended to be blended with combustion engine fuel, machine tool slideway lubricants, chainsaw chain oils, drawing, stamping, shaping or form oils, drilling oils, conveyor lubricating oils, dust control oils, penetrating oils and rustproof oils;
 - (2) containers of 50 l or less used for marketing the products referred to in paragraph 1, including containers used for marketing oils that are excluded in that paragraph, as well as aerosol containers used to market brake cleaners;
 - (3) oil filters intended for internal combustion engines, hydraulic systems and transmissions, filters for heating systems using light heating oil and for oil storage tanks, coolant and antifreeze filters and diesel filters that are considered to be oil filters for the purposes of this Regulation;
 - (4) coolants and antifreeze intended for use in vehicles, machinery or motorized equipment, except vegetal coolants and antifreeze, as well as coolants and antifreeze used for aircraft deicing;
 - (5) containers of 50 l or less used for marketing the products referred to in paragraph 4.

EXPLANATORY NOTES

Section 48 defines the different products included in the category of oils, coolants, antifreeze, their filters and containers and other similar products. These products were grouped together in a same category because of the fact that, in most cases, their usage applies to the same types of use and users. However, it is up to the covered enterprise to decide whether to manage the end-of-

life products within one program or within separate programs.

Each subcategory covers a subset of these products.

- The subcategory referred to in subparagraph (1) covers oils. The covered oils, whether mineral, synthetic or vegetable, are those intended for use as lubricants, insulation or heat transfer in vehicles and various machinery or equipment or in hydraulic or transmission systems. Brake fluids are considered to be covered oils.

Oils usually consumed with usage are not covered, but the containers used to market them are (see the subcategory of subparagraph (2)). For declaration purposes, for the marketed quantities aspect, products of this subcategory must be grouped together according to the different uses indicated in sub-subparagraphs (a) to (j) of the second paragraph of Section 52. However, for the recovered quantities aspect, all oils may be grouped together to the extent that the quantities forwarded to the different treatment and reclamation channels are well indicated in accordance with the requirements of the annual report (see Section 9).

- The subcategory referred to in subparagraph (2) covers all containers of 50 litres or less used to market the oils referred to in subparagraph (1), as well as oils excluded because of the fact that they are consumed with use. Aerosol brake cleaner containers are included in these containers.
- The subcategory referred to in subparagraph (3) covers filters. This includes oil filters for oils of the same types as the ones covered or excluded in subparagraph (1), coolant/antifreeze filters and diesel filters.
- The subcategory referred to in subparagraph (4) covers coolants and antifreeze, that is, products used to lower the freezing temperature of a liquid or avoid its overheating. These products generally contain ethylene glycol, 1,2-propylene glycol, isopropanol, glycerol, methanol or a mixture of such products. These products may be marketed as “pure” or “concentrated” or in a diluted “ready-to-use” form.

The covered coolants and antifreeze are those used in motorized vehicles, machinery or equipment with the exception of devices designed and intended for heating or air-conditioning purposes for any type of building, such as heat pumps and geothermal systems.

For declaration purposes, the quantities must always be converted to represent a product on a “pure” basis. Moreover, for the marketed quantities aspect, the products of this subcategory must be grouped together according to the different types of products on the basis of the main active ingredient (ethylene glycol, isopropanol, etc.). For the quantities of recovered products aspect, the different types of products may be grouped together according to their final destination (i.e. reuse, recycling, energy recovery, safe and secure disposal, etc.).

- The subcategory referred to in subparagraph (5) covers all containers of 50 liters or less used to market the coolants and antifreeze covered in subparagraph (4).

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

49. For the purposes of this Regulation, every quantity of products referred to in section 48 must be calculated:

- (1) in the case of products referred to in paragraph 1, in litres or equivalent weight;
- (2) in the case of products referred to in paragraphs 2 and 5, in litres of capacity or equivalent weight based on empty containers;
- (3) in the case of products referred to in paragraph 3, in units or equivalent weight;
- (4) in the case of products referred to in paragraph 4, in litres according to their equivalence to a pure product, or in equivalent weight.

That quantity must also be accompanied, for each subcategory and type of product, by the conversion factor in litres, equivalent weight, litres of capacity or units according to their equivalence to a pure product in the case of products referred to in subparagraph 4 of the first paragraph, as well as by the methodology used to establish that factor.

EXPLANATORY NOTES

Section 49 stipulates the units of measure that can be used for declaration purposes.

In some cases, it is more practical to obtain marketing data on the basis of units (filters), volume (liquids) or volume capacity (containers) and recovered product data on the basis of weight. The choice of unit of measure is left to the discretion of the covered enterprise. However, as the recovery rate calculation is expected to use one single unit of measure per subcategory, the annual report must indicate, for each subcategory of products, a conversion factor between unit and weight (filters), volume and weight (liquids) or between volume capacity and weight (containers).

This conversion factor must be determined according to a representative sampling of the different types of products comprising each subcategory. In the case of containers, the sample must be representative of the types of containers according to their nature (metal, plastic, etc.) and the sizes used to market the products. Containers must be empty. The methodology used to obtain the conversion must be indicated in the annual report, stipulating the margin of error.

Government of Québec
**Ministry of Sustainable Development,
Environment and Parks**

**CHAPTER VI
CATEGORIES OF PRODUCTS
COVERED**

**DIVISION 5- OILS, COOLANTS,
ANTIFREEZE, THEIR FILTERS
AND CONTAINERS AND OTHER
SIMILAR PRODUCTS**
Section 50 Feb. 2012

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

50. Every enterprise referred to in section 2, 3 or 8 that markets, acquires or manufactures products referred to in section 48 must implement its recovery and reclamation program:
- (1) in the case of products referred to in paragraphs 1 to 3, as soon as they are marketed, acquired or manufactured;
 - (2) in the case of products referred to in paragraphs 4 and 5, not later than 14 July 2012 or the date of their marketing, acquisition or manufacture if it subsequent to that date.

Despite subparagraph 1 of the first paragraph, where an enterprise markets, acquires or manufactures only brake cleaners in aerosol containers, it may implement its recovery and reclamation program not later than 14 July 2012 or the date of their marketing, acquisition or manufacture if it is subsequent to that date.

EXPLANATORY NOTES

Section 50 applies to enterprises covered as brand holders or first suppliers of covered products or products containing a component comprised of a covered product and to enterprises that acquire a covered product outside Quebec or manufacture it for their own use.

- For the oils, oil containers and filters subcategory, the obligation to implement a recovery and reclamation program has been in place since 2004 pursuant to the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters*. Moreover, the programs already in place must comply with the provisions of this Regulation by no later than January 1, 2013 (see the transitional provisions in Chapter VIII of this Regulation).

Enterprises having started to market one of these three subcategories of products after July 14, 2011 must plan for the implementation of program compliant with this Regulation as of the marketing of their products.

In the event an enterprise only markets brake cleaners and none of the other products referred to in subparagraphs (1), (2) and (3) of Section 48, the date to implement its program is July 14, 2012, or as of the marketing of brake cleaners, if such marketing takes place after such date.

- For the subcategories of coolants, antifreeze and their containers, the programs must be in place by no later than July 14, 2012.

For enterprises that will start to market these products after July 14, 2012, the programs must be in place as of the marketing of these products.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p style="text-align: center;">CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p> <p style="text-align: center;">DIVISION 5 - OILS, COOLANTS, ANTIFREEZE, THEIR FILTERS AND CONTAINERS AND OTHER SIMILAR PRODUCTS</p> <p style="text-align: center;">Section 51 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>	
<p>51. Every enterprise referred to in section 2 or 3 that markets products referred to in paragraphs 1 and 4 of section 48 must attach to the assessment required by section 10 a study assessing the quantities of residual oils, coolants and antifreeze available for recovery, or an update of such study.</p>	
<p>EXPLANATORY NOTES</p> <p>The calculation of the minimum recovery rates prescribed in Section 52 for the covered products referred to in subparagraphs (1) and (4) of Section 48 is based on the quantities of products considered available for recovery. In the case of oils, the rate is established according to the findings of the “Révision du taux d’huiles récupérables au Québec” study conducted by RECYC-QUÉBEC in collaboration with the industry, and published on September 28, 2010 and the results of Addendum 1 published on March 18, 2011. In the case of coolants and antifreeze, the rate is established according to the data forwarded by the industry and derived from sources such as Leading Edge Reports, Ward’s Auto Infobank, US Census, etc.</p> <p>As part of its five-year assessment, a covered enterprise must submit a study containing an update of this data and an adjustment in terms of the specific types of products marketed by the enterprise, as well as in terms of the usages ensuing therefrom. The methodology used to conduct this study must be clearly explained.</p>	

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VI CATEGORIES OF PRODUCTS COVERED</p>	<p>DIVISION 5- OILS, COOLANTS, ANTIFREEZE, THEIR FILTERS AND CONTAINERS AND OTHER SIMILAR PRODUCTS Section 52 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>52. The minimum recovery rates that must be attained annually by an enterprise referred to in section 2 or 3 that markets products referred to in this Division must be equal to the following percentages from the time indicated:</p> <ol style="list-style-type: none"> (1) in the case of products referred to in paragraphs 1 to 3 of section 48, the minimum rate for all the products in each subcategory is 75% from the first full calendar year of implementation of the program, which is increased to 80% as of 2017; (2) in the case of products referred to in paragraph 4 of section 48, the minimum rate for all the products in that subcategory is 25% as of 2015, which is increased by 5% per year until an 80% rate is attained; (3) in the case of products referred to in paragraph 5 of section 48 and aerosol containers used to market brake cleaners referred to in paragraph 2 of that section, the minimum rate and the application period are those provided for in the above subparagraph 1, unless those products are dealt with separately from those referred to in paragraph 2 of section 48, in which case the minimum rate and the application period are those provided for in the above subparagraph 2. <p>The rates are calculated on the basis of the quantity considered available for recovery, namely :</p> <ol style="list-style-type: none"> (1) in the case of products referred to in paragraph 1 of section 48 : <ol style="list-style-type: none"> (a) designed to be used in the internal combustion engines of light motor vehicles, on the basis of 84.6% of the quantity of that type of oil marketed in the year; 		

- (b) designed to be used in the internal combustion engines of heavy vehicles and equipment, on the basis of 66.4% of the quantity of that type of oil marketed in the year;
 - (c) designed for the operation of hydraulic systems, other than those referred to in subparagraph d, on the basis of 56% of the quantity of that type of oil marketed in the year;
 - (d) designed for the operation of tractor hydraulic systems, on the basis of 79.6% of the quantity of that type of oil marketed in the year;
 - (e) designed for the operation of automatic transmission systems, on the basis of 73.6% of the quantity of that type of oil marketed in the year;
 - (f) designed to be used in railroad engines, on the basis of 36.7% of the quantity of that type of oil marketed in the year;
 - (g) designed to be used in marine engines, on the basis of 40% of the quantity of that type of oil marketed in the year;
 - (h) designed for the operation of differentials, on the basis of 74.8% of the quantity of that type of oil marketed in the year;
 - (i) designed for the operation of industrial gears, on the basis of 90% of the quantity of that type of oil marketed in the year;
 - (j) designed for any other use than those in subparagraphs a to i, on the basis of 86.8% of the quantity of that type of oil marketed in the year;
- (2) in the case of products referred to in paragraphs 2, 3 and 5 of section 48, on the basis of the total quantity of products marketed in the year;
 - (3) in the case of products referred to in paragraph 4 of section 48, on the basis of 45% of the total quantity of products being equivalent to a pure product marketed in the year.

EXPLANATORY NOTES

Section 52 applies to enterprises covered as brand holders or first suppliers of covered products or products containing a component comprised of a covered product.

This section establishes the minimum recovery rates to be reached as of 2013 (oils, oil containers and filters) or as of 2015 (coolants, antifreeze and their containers) as the case may be, and thereafter. Recovery rates are calculated per subcategory of products, on the basis of quantities of covered products returned to drop-off centres or through collection services compared to a proportion of the quantities of the same products marketed during the year.

This proportion is set out in the Regulation and comes from the “Révision du taux d’huiles récupérables au Québec” study conducted by RECYC-QUÉBEC in collaboration with the industry, and published in September 2010 as well as from Addendum 1 to this study published in March 2011 or from data forwarded by the industry and derived from sources such as Leading Edge Reports, Ward’s Auto Infobank, US Census, etc. As oils, coolants and antifreeze are products for which a portion may be lost to usage, this study sets out the percentages considered to be non-consumed and available for recovery depending on the different uses for which they are designed and intended.

The results of the study serve to establish the denominator used in calculating the rate. The indicated percentages apply to quantities marketed during the year for which the rate is calculated. Such recovery rate is also sometimes referred to as “catch rate”, referring to quantities considered available for recovery (see the explanatory notes for Section 13).

- For the products referred to in subparagraph (1) of Section 48 (oils), the proportion of quantities considered available for recovery varies depending on the use for which an oil is designed. For instance, this rate is 84.6% for oils designed to be used in the internal combustion engines of light motor vehicles compared to the total quantity of such oils marketed during the year. This proportion diminishes to 66.4 % for oils designed to be used in the internal combustion engines of heavy vehicles and equipment and to 56% for oils designed for the operation of hydraulic systems (other than for tractors), etc.

However, the calculation of the recovery rate applies to all oils comprising this subcategory. Therefore, the denominator must be calculated annually to be established proportionally with the different types of oils marketed during the year, as shown in the following hypothetical example.

Oil designed for	Quantity marketed during the year	% considered available for recovery	Quantity considered available for recovery for the same year
Light motor vehicle internal combustion engines	500,000 kg	84,6 %	423,000 kg
Heavy motor vehicle and equipment internal combustion engines	350,000 kg	66.4 %	232,400 kg
Hydraulic systems (save for tractors)	60,000 kg	56 %	33,600 kg
Marine motors	80,000 kg	40 %	32,000 kg
Total	990,000 kg		721,000 kg
<ul style="list-style-type: none"> • To attain a recovery rate of 75% for the oils subcategory, the program must recover at least 540,750kg of used oils, that is, 75% of 721,000 kg 			

The recovery rate prescribed for this subcategory is 75% as of 2013, that is, the same rate as the one that has been applicable to all oils since 2008 pursuant to the *Regulation*

respecting the recovery and reclamation of used oils, oil or fluid containers and used filters. As of 2017, this rate will increase to 80%.

- For the products referred to in subparagraphs (2) and (3) of Section 48 (oil containers of 50 liters or less and filters), the rate is calculated on the basis of quantities marketed during the year, in units or volume capacity, as the case may be, or in equivalent weight. The rate for each of these subcategories of products will be 75% as of 2013, that is, the same rate as the one that has been applicable to oil containers and filters since 2008 pursuant to the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters*. As of 2017, this rate will increase to 80%.

- For the products referred to in subparagraph (4) of Section 48 (coolants and antifreeze), the proportion of quantities considered available for recovery is the same for this entire subcategory, that is, 45% of the quantities marketed during the year, on the basis of a pure (undiluted) product.

The recovery rate prescribed for this subcategory is 25% as of 2015. This rate increases by 5% per year until it reaches the 80% cruising rate in 2026.

- For the products referred to in subparagraph (5) of Section 48 (coolant and antifreeze containers of 50 liters or less and aerosol brake cleaning containers), the rate is calculated on the basis of quantities marketed during the year, in volume capacity or equivalent weight.

The rate applicable to this subcategory differs depending on the method used to recover the container. If the containers are recovered mixed with oil containers, the applicable rate is the same as for oil containers, i.e. 75% as of 2013 and 80% as of 2017. If the containers are recovered apart from the oil containers, the rate goes to 25% as of 2015, and is increased by 5% per year until it reaches 80% in 2026.

For all containers and filters, the rate must be calculated on the basis of empty and drained products. If the retained calculation unit is weight, the average weight of a container or filter must be established proportionally to the different container and filter types and sizes marketed during the year.

Government of Québec
**Ministry of Sustainable Development,
Environment and Parks**

**CHAPTER VI
CATEGORIES OF PRODUCTS
COVERED**

**DIVISION 5 –OILS, COOLANTS,
ANTIFREEZE, THEIR FILTERS
AND CONTAINERS AND OTHER
SIMILAR PRODUCTS**

Section 53
Feb. 2012

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

53. For the purpose of calculating the amount payable under Chapter IV, the values applicable to the products referred to in section 48 are the following:

- (1) in the case of products referred to in paragraph 1, \$0.05 per litre or equivalent weight;
- (2) in the case of products referred to in paragraph 2, \$0.10 per litre of capacity or equivalent weight;
- (3) in the case of products referred to in paragraph 3, \$0.50 per unit or equivalent weight;
- (4) in the case of products referred to in paragraph 4, \$0.25 per litre or equivalent weight, according to their equivalence to a pure product;
- (5) in the case of products referred to in paragraph 5, \$0.10 per litre of capacity or equivalent weight.

EXPLANATORY NOTES

Section 53 presents the values applicable to the different subcategories in the event a payment to the Green Fund is required pursuant to Section 14 (see the explanatory notes for Section 14). The amounts apply per volume, per volume capacity, per unit or on the basis of equivalent weight. Values vary from \$0.05 to \$0.50 depending on the subcategories. The amount of the payment to the Green Fund is determined by multiplying the missing quantity of products, in volume, volume capacity, unit or equivalent weight, to reach the prescribed recovery rate, multiplied by the applicable value.

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

54. Every person who contravenes any of the provisions of sections 2 to 5, section 7, the first and second paragraphs of section 8, sections 13 to 21, 23 to 28, 31, 33, 34 and 37, the first paragraph of section 38 and sections 40, 44, 46, 47, 50, 52, 53, 58 and 59 commits an offence and is liable :

- (1) in the case of a natural person, to a fine of \$2,000 to \$25,000;
- (2) in the case of a legal person, to a fine of \$5,000 to \$250,000.

EXPLANTORY NOTES

Section 54 sets out the lower and upper limits of the fines that can be imposed on an enterprise referred to in Sections 2, 3 or 8 that breaches the obligation to:

- implement a program to recover and reclaim covered products of the same type as those it markets and in compliance with statutory provisions;
- determine the costs related to the recovery and reclamation of each type of product or of each subcategory, to internalize these costs in the product's asking price, to adjust these costs in accordance with criteria associated with the eco-design of the products as of 2016, and only make these costs visible if this information is disclosed as of the first time a product is marketed;
- establish its recovery rate annually, as well as any difference in terms of the prescribed rate;
- set up drop-off centres and collection services in compliance with statutory provisions;
- comply with the various provisions of Chapter VI regarding program implementation dates, the calculation of prescribed recovery rates and payments to the Green Fund where applicable and all other provisions regarding the disclosure of certain information in connection with the annual report or the five-year assessment.

These fines may apply irrespective of the payments to the Green Fund set out under Section 14.

The amounts indicated here could change further to the passing of the *Act to amend the Environment Quality Act* (Bill 89 tabled in 2011) that intensifies the applicable penal measures in the case of offences or repeat offences. These amendments could, among other things, result in a raising of the maximum fines.

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

55. Every person who fails to communicate to the Minister information whose communication is prescribed by section 6, the third paragraph of section 8, sections 9 to 12, sections 23, 26, 30, 32, 36, the second paragraph of section 38 and sections 43, 45, 49 and 51 or communicates false or inaccurate information is liable prescribed by section 6, the third paragraph of section 8, sections 9 to 12, sections 23, 26, 30, 32, 36, the second paragraph of section 38 and sections 43, 45, 49 and 51 or communicates false or inaccurate information is liable, 30, 32, 36, the second paragraph of section 38 and sections 43,45, 49 and 51 or communicates false or inaccurate information is liable
- (1) in the case of a natural person, to a fine of \$1,000 to \$10,000;
 - (2) in the case of a legal person, to a fine of \$2,000 to \$50,000.

EXPLANATORY NOTES

Section 55 sets out the lower and upper limits of the fines that can be imposed on an enterprise referred to in Sections 2, 3 or 8 that breaches the obligation to file or send the following information or that provides inaccurate information:

- information requested prior to the implementation of its program (Section 6);
- data regarding a life cycle analysis in the event of the management of recovered products as per an order different from the order of the 3Rs, reclamation and disposal;
- information in connection with the annual report, the five-year assessment, the termination of operations of operations report and register keeping;
- additional information requested in the different divisions of Chapter VI.

The amounts indicated here could change further to the passing of the *Act to amend the Environment Quality Act* (Bill 89 tabled in 2011) that intensifies the applicable penal measures in the case of offences or repeat offences. These amendments could, among other things, result in a raising of the maximum fines.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p style="text-align: center;">CHAPTER VI OFFENCES</p> <p style="text-align: right;">Section 56 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>	
<p>56. In the case of a subsequent offence, the fines prescribed by sections 54 and 55 are doubled.</p>	
<p>EXPLANATORY NOTES</p> <p>The indicated amounts could change further to the passing of the <i>Act to amend the Environment Quality Act</i> (Bill 89 tabled in 2011), that intensifies the applicable penal measures in cases of offences or repeat offences. These amendments could, among other things, result in an increase of the maximum fines.</p>	

REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES

57. The *Regulation respecting the recovery and reclamation of discarded paint containers and paints* (c. Q-2, r. 41) and the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters* (c. Q-2, r. 42) are revoked.

Despite the foregoing, the provisions of those Regulations continue to apply to enterprises that implement recovery programs under those Regulations until they develop recovery and reclamation programs in accordance with this Regulation.

EXPLANATORY NOTES

The regulations that were already in place when this Regulation was adopted and that concerned the recovery and reclamation of paint and paint containers as well as used oils, oil filters and oil containers were repealed. However, during a transitional period that could last until December 31, 2012, the provisions of these regulations continue to apply.

Thus, the individual programs implemented pursuant to these regulations may continue to operate without any modification until December 31, 2012 only. Before then, the covered enterprises must plan to make the requisite changes to their program in order to ensure operations and reporting in compliance with the provisions of the new Regulation that will apply in their entirety as of January 1, 2013.

In the case of organizations certified by RECYC-QUÉBEC, in order to allow enterprises covered by the two old regulations to avail themselves of the exemption of implementing individual programs, agreements will have to be revised in 2012 to take the new Regulation into account

**REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF
PRODUCTS BY ENTERPRISES**

58. An enterprise that, on 14 July 2011, implements a recovery system under the *Regulation respecting the recovery and reclamation of discarded paint containers and paints* (c. Q-2, r. 41) or the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters* (c. Q-2, r. 42) must, not later than from 2013, implement a recovery and reclamation program in accordance with this Regulation, and provide the Minister, not later than 3 months before the date scheduled for the implementation of that program, with the notice of intention and the information and documents provided for in section 6 .

EXPLANATORY NOTES

An enterprise that was covered by one of the two repealed regulations and that had opted to implement an individual or a common program must notify the Minister, by no later than October 1, 2012, of its intention to maintain its individual or common program, with the requisite modifications made to comply with the new Regulation, or to terminate it, in which case, it must plan to become a member of an organization certified by RECYC-QUÉBEC in order to be able to avail itself of the exemption provided under Section 4 of this Regulation. In both cases, the enterprise must send the Minister the information required pursuant to Section 6.

REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES

59. An enterprise must continue to implement its recovery system under the *Regulation respecting the recovery and reclamation of discarded paint containers and paints* (c. Q-2, r. 41) and the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters* (c. Q-2, r. 42) until that program is replaced in accordance with section 58.

For the purposes of paragraph 10 of section 5, the modulation of costs related to the recovery and reclamation of each subcategory or type of product covered by either of the regulations referred to in the first paragraph must be implemented as of 2013.

For the purposes of the fourth paragraph of section 13, an enterprise that implements a system referred to in the first paragraph may compensate for a negative difference occurring in the first 5 years of the program implemented in accordance with this Regulation by using all or part of 50% of the quantity of products recovered during the last year of implementation of that system.

EXPLANATORY NOTES

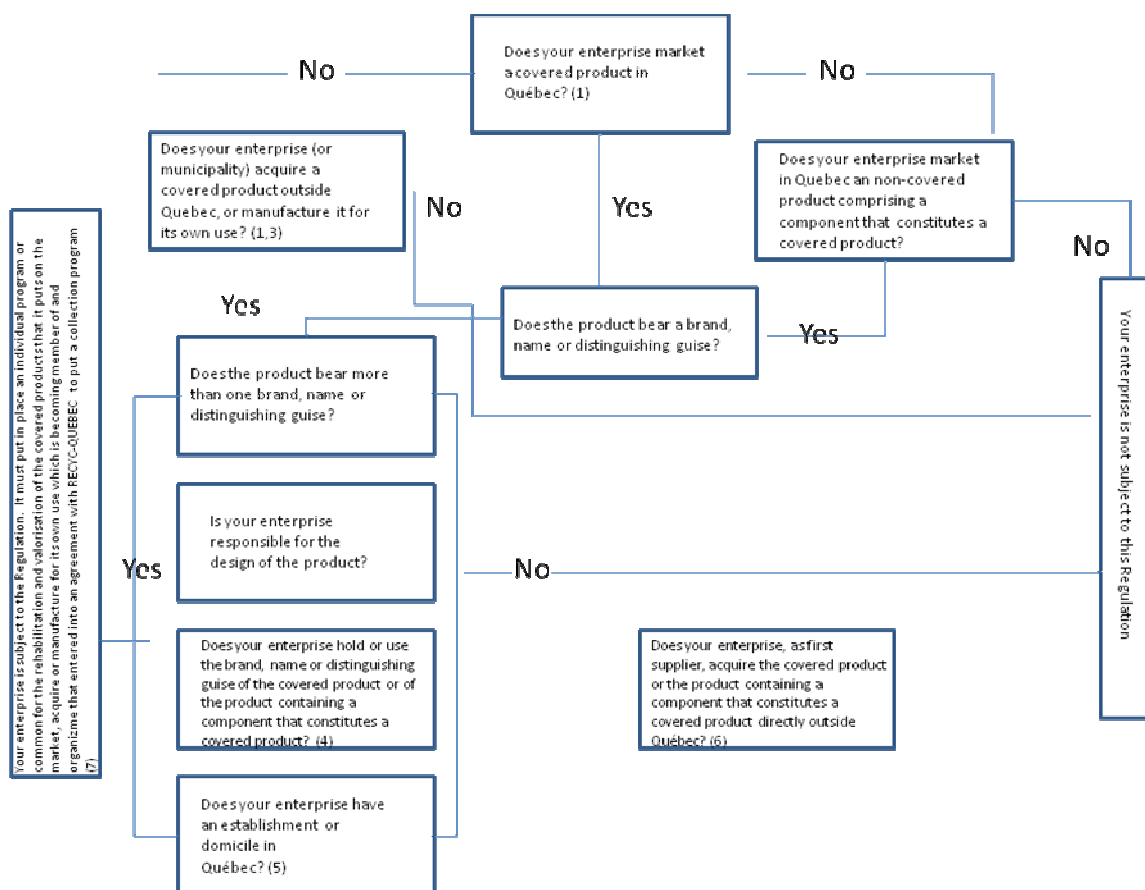
Notwithstanding the fact that both the old regulations are repealed, the enterprises that were covered by them must continue their program until they modify it to bring it into compliance with the new Regulation before the cut-off date of December 31, 2012 or until they drop their individual or common program to become members of an organization certified by RECYC-QUÉBEC, pursuant to the old regulations or Section 4 of the new Regulation.

The programs already implemented or to be implemented to recover and reclaim paint and paint containers as well as to recover and reclaim oils, oil containers and oil filters must undertake cost modeling in favour of the eco-design of products as of 2013 (see the explanatory notes for Section 5, subparagraph (10))

Moreover, in order to contribute to reaching the prescribed recovery rates as of 2013 for these products, a pre-existing program may use up to 50% of the quantities of products recovered in 2012 to reduce a potential negative difference during the subsequent five years, that is, from 2013 to 2017 inclusive. (See the explanatory notes on the transfer mechanism in the second, third, fourth and fifth paragraphs of Section 13). In the case of paint where prescribed recovery rates will apply as of 2013 to two separate subcategories (latex paint and alkyd and other paint), the quantities representing 50% of all paint recovered in 2012 may be transferred to one of the two new subcategories, as needed.

<p>Government of Québec Ministry of Sustainable Development, Environment and Parks</p>	<p>CHAPTER VIII TRANSITIONAL AND MISCELLANEOUS</p>	<p>Section 60 Feb. 2012</p>
<p>REGULATION RESPECTING THE RECOVERY AND RECLAMATION OF PRODUCTS BY ENTERPRISES</p>		
<p>60. This Regulation takes effect on the fifteenth day following the date of its publication in the Gazette officielle du Québec. [Unofficial translation] [This section was omitted from the Regulation]</p>		
<p>EXPLANATORY NOTES</p> <p>The <i>Regulation respecting the recovery and reclamation of products by enterprises</i> was published in the Gazette officielle du Québec dated June 29, 2011 (143rd Year, No. 26) and came into force on July 14, 2011.</p>		

SCHEDULE A: Decision tree to determine if an enterprise is subject to the Regulation



1 See Chapter VI, Division 1, Section 22; Division 2, Section 29; Division 3, Section 35; Division 4, Sections 41 and 42; Division 5, Section 48;

2 See Section 3 regarding enterprises that market a product d, a component of which is a covered product;

3 See Section 8 regarding enterprises, including municipalities, that acquire a covered product outside Québec or manufacture it for their own use;

4 See Section 2 regarding covered enterprises, as holder of a brand, name or distinguishing guise or as first supplier in Québec;

5 Including through distance selling by Internet, telephone or catalogue;

6 Including a location belonging to your enterprise or group of enterprises;

7 See Section 4 regarding the exemption to implement an individual or common program.

SCHEDULE B – Timetable and annual recovery rates to be reached for the different categories of products covered by the Regulation

Categories	2012 ²	2013 ^{4,5}	2014 ⁵	2015 ⁴	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 and +
ELECTRONIC PRODUCTS															
Subcategories 1 to 4 and 8 (computers, screens, TVs, printers, audio-video systems, etc.)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	40 %	45 %	50 %	55 %	60 %	65 %	65 %	65 %	65 %	65 %	65 %	65 %
Subcategories 5, 6 and 9 (telephones, cameras, GPS, etc.)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	25 %	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	65 %	65 %	65 %
Subcategories 7 and 10 (keyboards, mice, cables, ink cartridges, other accessories)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
BATTERIES															
Subcategory 1 (rechargeable)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	25 %	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	65 %	65 %	65 %
Subcategory 2 (single use)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	20 %	25 %	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	65 %	65 %
MERCURY LAMPS															
Subcategories 1 and 3 (tubes + other lamps)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	40 %	45 %	50 %	55 %	60 %	65 %	70 %	75 %	80 %	80 %	80 %	80 %
Subcategory 2 (CFLs)	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	70 %	75 %	80 %	80 %
PAINT															
Subcategories 1 and 2 (paint residue)	[75 %] ³	75 %	75 %	75 %	75 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Subcategory 3 (paint containers, incl. aerosols)	[75 %] ³	40 %	45 %	50 %	55 %	60 %	65 %	70 %	70 %	70 %	70 %	70 %	70 %	70 %	70 %

categories	2012 ²	2013 ^{4,5}	2014 ⁵	2015 ⁴	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 and +
OILS AND ANTIFREEZE ANTIGELS															
Subcategory 1 (used oils)	[75%] ³	75 %	75 %	75 %	75 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Subcategory 2 (oil containers)	[75%] ³	75 %	75 %	75 %	75 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Subcategory 3 (oil filters)	[75%] ³	75 %	75 %	75 %	75 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Subcategory 4 (coolants and antifreeze)	n.a.	n.a.	n.a.	25 %	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	70 %	75 %	80 %
Subcategory 5 (coolant and antifreeze containers)	n.a.	n.a.	n.a.	25 %	30 %	35 %	40 %	45 %	50 %	55 %	60 %	65 %	70 %	75 %	80 %

- 1 Recovery rate = recovered quantities over quantities considered available for recovery (quantities marketed during the reference year for an average lifespan of products or % of products considered not consumed).
- 2 2012 = program implementation year for new categories and subcategories (electronic products, batteries, mercury lamps, coolants and antifreeze). The other programs are already in place.
- 3 Recovery rate prescribed since 2008 pursuant to the *Regulation respecting the recovery and reclamation of discarded paint containers and paint* and the *Regulation respecting the recovery and reclamation of used oils, oil or fluid containers and used filters*.
- 4 Year as of which a recovery rate is prescribed by the new regulation (2015 for new categories/subcategories, 2013 for products already regulated). Dark gray = prescribed maximum recovery rate to be subsequently maintained.
- 5 With the transfer mechanism, 50% of quantities recovered (new categories and subcategories) in 2013 and 2014 may be used to offset a negative difference in reaching the prescribed rate from 2015 to 2019. For products already regulated, 50% of the quantities recovered in 2012 can be carried forward from 2013 to 2017 (see Schedule C).

SCHEDULE C – Values to calculate payments to the Green Fund in the event prescribed recovery rates are not reached

Categories and subcategories	Payment calculation values ¹
Electronic products	
Desktop computers	\$10 /unit
Laptop computers, electronic pads, e-book readers	\$2 /unit or equivalent weight
Computer screens and TV sets	\$15 /unit
Printers, scanners, fax machines, photocopiers	\$5 /unit or equivalent weight
Cellular, satellite, conventional telephones	\$0.50 /unit or equivalent weight
Game consoles and audio-video systems	\$4 /unit or equivalent weight
Radio receivers, digital players, cameras, camcorders, GPS, etc.	\$1 /unit or equivalent weight
Batteries	
Rechargeable	\$0.40 /unit or equivalent weight
Single use	\$0,04 /unit or equivalent weight
Mercury lamps	
Fluorescent tubes	\$0.20 /lin. ft. or equivalent weight
Compact fluorescent lamps	\$0.30 /unit or equivalent weight
Other lamps containing mercury	\$2 /kg
Paint	
Latex paint	\$0.60 /kg or equivalent volume
Alkyd paint and other products similar to paint (varnish, etc.)	\$0.90 /kg or equivalent volume
Paint and aerosol containers	\$0.25 /kg or equivalent liter of capacity
Oils and antifreeze	
Used oils	\$0.05 /liter or equivalent weight
Oil containers	\$0.10 /liter of capacity or equivalent weight
Oil filters	\$0.50 /unit or equivalent weight
Coolants and antifreeze	\$0.25 /liter or equivalent weight
Coolant and antifreeze containers	\$0.10 /liter of capacity or equivalent weight

¹Payments to the Green Fund calculated on the basis of quantities missing to reach the prescribed recovery rate

**SCHEDULE D – Calculation examples to determine if a payment to the Green Fund is required (transfer mechanism)
Example D1 – Section 22, subparagraph (1), desktop computer subcategory (fictitious figures)**

Desktop computers	2011	2012	2013²	2014²	2015	2016²	2017	2018	2019³	2020⁴	2021	2022	2023	2024	2025
Quantity marketed during the year (in units) ⁵	100 000	90 000	90 000	80 000	80 000	70 000	70 000	70 000	60 000	60 000	60 000	50 000	50 000	50 000	40 000
Quantity marketed during the reference year (in units) ^{1,5}	n. a.	n.a.	n.a.	n.a.	100 000	100 000	90 000	90 000	80 000	80 000	70 000	70 000	70 000	60 000	60 000
Prescribed recovery rate	n.a.	n.a.	n.a.	n.a.	40 %	45 %	50 %	55 %	60 %	65 %	65 %	65 %	65 %	65 %	65 %
Quantity necessary to reach the prescribed rate (in units) ⁵	n.a.	n.a.	n.a.	n.a.	40 000	45 000	45 000	49 500	48 000	52 000	45 500	45 500	45 500	39 000	39 000
Quantity recovered during the year (in units) ⁵		8 000	14 000	28 000	35 000	43 000	47 000	49 000	49 000	48 500	48 000	44 000	44 000	42 000	41 000
Pos. (neg.) diff. or nil (in units) ²	n. a.	n. a.	n. a.	n. a.	(5 000)	(2 000)	2 000	(500)	1 000	(3 500)	2 500	(1 500)	(1 500)	3 000	2 000
Transfer (smoothing over 5 yrs. before or after)^{2, 6}															
Quantity that can be transferred to another yr. (in units) ⁵		n.a.	7 000 ²	14 000 ²	0	0	2 000	0	1 000	0	2 500	0	0	3 000	2 000
Transfer and [residual difference] 2015 ⁶			5 000 to 2015 [2 000]	[14 000]	+ 5 000 from 2013 [nil]										
Transfer and [residual difference] 2016 ⁶			2 000 to 2016 [nil]	[14 000]		+ 2 000 from 2013 [nil]									
Transfer and [res. difference] 2017 ⁶				[14 000]			[2 000]								
Transfer and [res. difference] 2018 ⁶				500 to 2018 [13 500]			[2 000]	+ 500 from 2014 [nil]							
Transfer and [res. difference] 2019 ⁶				[13 500]			[2 000]		[1 000]						
Transfer and [res. difference] 2020 ⁶							2 000 to 2020 [nil]		1 000 to '20 [nil]	+ 2 000 from 2017, + 1000 from 19					
Transfer and [res. difference] 2021 ⁶									[nil]	+ 500 from 2021 [nil]	500 to 2020 [2 000]				4 + 1

Transfer and [res. difference] 2022 ⁶									[nil]		1 500 to 2022 [500]	+ 1 500 from 2021 [nul]			4 + 2
Transfer and [res.													[(1 500)]		4 + 3

Desktop computers	2011	2012	2013²	2014²	2015	2016²	2017	2018	2019³	2020⁴	2021	2022	2023	2024	2025
difference] 2023 ⁶															
Transfer and [res. difference] 2024 ⁶											500 to 2023 [nil]		+ 500 fr. 2021 + 1 000 de [nil]	1 000 to 2023 [2 000]	4 + 4
Transfer and [res. difference] 2025 ⁶														[2 000] 1, + 4	4 + 5 [2 000] 1, + 5
[Res. diff.] after résiduel] smoothing period	n.a.	n.a.	n.a.	n.a.	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[2 000] 1 + 4	[2 000] 1, + 5
Payment to Green Fund (neg. res. diff.) (in units) X \$10 ⁷	n.a.	n.a.	n.a.	n.a.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

¹ For this subcategory, the reference year under subparagraph (3) of the second paragraph of Section 27 of the Regulation is five (5) years before the year for which a rate is calculated. Where such reference year is prior to the year in which the Regulation came into effect, such effective year, that is, 2011, is considered to be the reference year. Thus, 2011 becomes the reference year for 2015 and 2016, 2012 for 2017, 2013 for 2018, 2014 for 2019 and so on and so forth.

² 50% of the quantities recovered in 2013 and in 2014 may be carried over to 2015 and 2019 inclusive (Section 13, fourth paragraph). Smoothing out period in dark gray.

³ First year during which a payment to the Green Fund may be required.

⁴ Year in which the prescribed maximum recovery rate is reached, which must be maintained thereafter.

⁵ Under subparagraph (1) of Section 23, the quantities for this subcategory must always be calculated in units. However, for most of the other subcategories of covered products, the quantities may be calculated in units or in equivalent weight (or in kg or equivalent volume where applicable). The unit or weight conversion factor and the methodology used to obtain it must be provided (Section 23, second paragraph and other comparable sections in the different divisions of Chapter VI).

⁶ Gray = smoothing period applicable to a current year. Dark gray = included for quantities recovered in 2013 and 2014. ->+3 indicates that the smoothing years follow the end of the table according to the indicated figure.

⁷ Amount established under subparagraph (1) of Section 28.

Example D2 – Section 42, subparagraph (2), alkyd paint subcategory, etc. (fictitious figures)

Alkyd paint,	2012²	2013²	2014²	2015²	2016²	2017^{2,3,4}	2018	2019	2020	2021	2022	2023	2024	2025
Quantity marketed during the year (in kg) ⁵	120 000	125 000	118 000	120 000	110 000	100 000	105 000	102 000	103 000	100 000	98 000	98 000	95 000	96 000
Quantity considered available for recovery (in kg) ^{1,5}	11 484	11 963	11 293	11 484	10 527	9 570	10 048	9 761	9 857	9 570	9 379	9 379	9 092	9 187
Prescribed recovery rate	n.a. ⁸	75 %	75 %	75 %	75 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %	80 %
Quantity necessary to reach the prescribed rate (in kg) ⁵		8 972	8 470	8 613	7 895	7 656	8 038	7 809	7 886	7 656	7 503	7 503	7 274	7 350
Quantity recovered during the year (in kg) ⁵	6 900	7 200	8 300	8 700	7 700	7 900	7 910	8 009	8 051	7 600	7 250	7 350	7 300	7 375
Pos. (neg.) diff. or nil (in kg) ⁵	n.a.	(1 772)	(170)	87	(195)	244	(128)	200	165	(56)	(253)	(153)	26	25
Transfer (smoothing over 5 yrs. before or after														
Quantity that can be transferred to another year (in kg) ⁵	3 450	0	0	87	0	244	0	200	165	0	0	0	26	25
Transfer and [res. diff.] 2013 ⁶	1 772 to 2013 [1 678]	+ 1 772 from [nil]												
Transfer and [res. diff.] 2014 ⁶	170 to 2014 [1 508]		+ 170 from 2012											
Transfer and [res. diff.] 2015 ⁶	[1 508]			[87]										
Carry over and [res. diff.] 2016 ⁶	195 to 2016 [1 313]			[87]	+195 from 2012									
Transfer and [res. diff.] 2017 ⁶	[1 313]			[87]		[244]								
Transfer and [res. diff.] 2018 ⁶				87 to 2018 [nil]		41 to 2018 [203]	+ 87 from 2015 [(41)], + 41 from 2017							
Transfer and [res. diff.] 2019 ⁶						[203]		[200]						
Transfer and [res. diff.] 2020 ⁶						[203]		[200]	[165]					

Alkyd paint,	2012 ²	2013 ²	2014 ²	2015 ²	2016 ²	2017 ^{2,3,4}	2018	2019	2020	2021	2022	2023	2024	2025
Transfer and [res. diff.] 2021 ⁶						56 to 2021 [147]		[200]	[165]	+ 56 fr 2017 [nil]				4 + 1
Transfer and [res. diff.] 2022 ⁶						147 to 2022 [nil]		106 to 2022 [94]	[165]		+ 147 fr 2017 [(106)], + 106 fr 2019 [nil]			4 + 2
Transfer and [res. diff.] 2023 ⁶								94 to 2023 [nil]	59 to 2023 [106]			+ 94 fr 2019 [(59)], + 59 fr 2020 [nil]		4 + 3
Transfer and [res. diff.] 2024 ⁶									[106]				[26]	4 + 4
Transfer and [res. diff.] 2025 ⁶									[106]				[26] 4,+4	4 + 5 [25] 4,+5
[Res. diff.] after smoothing period	n.a.	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[nil]	[106]	[nil]	[nil]	[nil]	[26] 4,+4	[25] 4,+5
Payment to Green Fund \$0.90 ⁷	n.a.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

For this subcategory, the quantities considered available for recovery are established under subparagraph (2) of the second paragraph of Section 46 of the Regulation that provides that the quantities are determined on the basis of 9.57% of the quantity of paint marketed during the year for which the rate is calculated.

² 50% of the quantities recovered in 2012 may be carried over to 2013 to 2017 inclusive (Section 59, third paragraph).

³ First year during which a payment to the Green Fund may be required.

⁴ Year during which the prescribed maximum recovery rate is reached, which must be maintained thereafter.

⁵ Under subparagraph (1) of Section 43, the quantities for this subcategory may be calculated in kg or in equivalent volume. The kg or volume conversion factor and the methodology used to obtain it must be provided (Section 43, second paragraph).

⁶ Gray = smoothing period applicable to the current year. Dark gray = included for the quantities recovered in 2012, ->+3 indicates that the smoothing years follow the end of the table according to the indicated figure.

⁷ Amount established under subparagraph (2) of Section 47.

⁸ Last year of the application of the *Regulation respecting the recovery and reclamation of discarded paint containers and paint*.

SCHEDULE E (PART 1) – Minimum number of drop-off centres to set up per RCM or equivalent territory

(in application of the option under subparagraph 2 of Section 16)

RCM or equivalent territory	Population	Area	Permanent DOCs	Seasonal DOCs	Combination
	Number	Km2	Number		
La Matapédia	18 737	1 933.26	1	1	
Matane	22 011	1 661.87	1	1	
La Mitis	19 302	1 133.81	1	1	
Rimouski-Neigette	54 329	1 780.65	2	1	
Les Basques	9 344	1 017.13	0	1	
Rivière-du-Loup	34 103	1 267.45	1	1	
Témiscouata	21 409	3 920.9	3		P + S = 3*
Kamouraska	21 830	1 488.60	1	1	
Le Domaine-du-Roy	30 046	2 860.62	1	1	
Maria-Chapelaine	25 018	2 198.97	1	1	
Lac-Saint-Jean-Est	51 932	1 684.20	2	1	
Le Fjord-du-Saguenay	20 954	3 540.94	3		P + S = 3*
Saguenay	144 142	1 166.00	4	0	
Charlevoix-Est	16 163	1 263.46	1	1	
Charlevoix	13 250	1 292.37	0	1	
Portneuf	48 696	2 555.30	1	2	
Mékinac	12 603	1 954.32	0	1	
Les Chenaux	17 604	859.23	1	1	
Maskinongé	36 689	2 473.09	1	1	
Shawinigan	50 784	781.81	2	1	
Trois-Rivières	130 373	288.47	4	0	
La Tuque	12 286	2 731.80	1	1	
Le Granit	22 548	2 731.80	1	1	
Les Sources	14 742	777.35	0	1	
Le Haut-Saint-François	22 223	2 276.95	1	1	
Le Val-Saint-François	29 396	1 380.42	1	1	
Coaticook	18 776	1 331.83	1	1	
Memphrémagog	47 599	1 323.21	1	2	
Sherbrooke	154 793	366.00	5	0	
CCM	3 724 496	3 838.49	76	0	
Papineau	22 337	2 961.47	1	1	
Les Collines-de-l'Outaouais	46 041	2 088.23	1	2	
La Vallée-de-la-Gatineau	19 277	3 360.43	3		P + S = 3*
Pontiac	14 314	4 008.26	0	2	
Gatineau	260 920	344.16	7	0	
Témiscamingue	15 620	6 477.76	3		P + S = 3*
Abitibi-Ouest	20 893	2 916.66	1	1	
Abitibi	24 150	5 287.59	3		P + S = 3*
La Vallée-de-l'Or	41 234	21 977.45	1	2	
Rouyn-Noranda	41 077	6 435.64	1	2	
La Haute-Côte-Nord	11 633	2067.06	0	1	

RCM or equivalent territory	Population	Area	Permanent DOCs	Seasonal DOCs	Combination
	Number	Km2	Number		
Manicouagan	29 762	2 029.15	1	1	
Sept-Rivières	33 092	3 043.12	1	1	
Le Rocher-Percé	18 102	1 279.69	1	1	
La Côte-de-Gaspé	17 804	1 866.23	1	1	
La Haute-Gaspésie	11 887	1 520.96	0	1	
Bonaventure	17 898	1 318.52	1	1	
Avignon	13 071	1 661.82	0	1	
Les Iles-de-la-Madeleine	12 620	166.39	0	1	
CMQ	751 990	3 347.12	17	0	
L'Islet	18 526	2 091.92	1	1	
Montmagny	23 088	1 713.15	1	1	
Bellechasse	34 525	1 758.93	1	1	
La Nouvelle-Beauce	33 398	900.14	1	1	
Robert-Cliche	19 001	829.03	1	1	
Les Etchemins	17 232	1 810.77	1	1	
Beauce-Sartigan	50 895	2 013.67	2	1	
Les Appalaches	43 201	1 905.66	1	2	
Lotbinière	29 336	1 661.22	1	1	
D'Au-tray	41 975	1 243.66	1	2	
L'Assomption	8 365	57.78	0	1	
Joliette	62 586	418.86	2	1	
Matawinie	49 740	3 229.45	1	2	
Montcalm	46 452	714.62	1	2	
Deux-Montagnes	1 718	41.95	0	1	
La Rivière-du-Nord	112 959	448.09	4	0	
Argenteuil	30 754	1 270.51	1	1	
Les Pays-d'en-Haut	39 464	692.03	1	1	
Les Laurentides	44 777	2 493.77	1	2	
Antoine-Labelle	35 807	5 884.29	1	1	
Brome-Missisquoi	55 228	1 660.04	2	1	
La Haute-Yamaska	84 134	643.75	2	3	
Acton	15 282	574.00	1	1	
Pierre-De Saurel	50 352	593.63	2	1	
Les Maskoutains	83 146	1 310.54	2	3	
Rouville	24 107	407.03	1	1	
Le Haut-Richelieu	114 137	932.00	4	0	
La Vallée-du-Richelieu	7 689	270.56	0	1	
Les Jardins-de-Napierville	25 984	796.96	1	1	
Le Haut-Saint-Laurent	21 562	1 170.20	1	1	
Beauharnois-Salaberry	49 868	395.29	1	2	
Vaudreuil-Soulanges	34 796	567.58	1	1	
L'Érable	23 225	1 280.75	1	1	
Bécancour	19 644	1 132.81	1	1	
Arthabaska	68 996	1 903.98	2	2	
Drummond	98 041	1 599.57	2	4	
Nicolet- Yamaska	22 394	1 002.52	1	1	

Total by type of centre²		
Total collection sites in Quebec²	303	

Urban community

Agglomération or big city

Excludes data from the RCMs of Caniapiscau, La Minganie, Golfe-du-Saint-Laurent and the Cree territories of James Bay, Jamésie and Nunavik

² Only applies for programs, the products of which are marketed across the territory of Quebec. Does not take into account the requirements for the RCMs of Caniapiscau, La Minganie, Golfe-du-St-Laurent and for the Cree territories of James Bay, Jamésie and Nunavik.

SCHEDULE E (Part 2) – Number of sites requiring the start-up of drop-off equipment / RCMs of Caniapiscou, La Minganie and Golfe-du-St-Laurent and the Cree territories of James Bay, Jamésie and Nunavik

(in application of Section 17)

Territories and sites	Population	Start-up date
James Bay Cree territory		
■ Chisasibi	4 523	January 1, 2013
■ Eastmain	767	July 14, 2014*
■ Mistissini	3 235	January 1, 2013
■ Nemaska	709	July 14, 2014*
■ Waskaganish	2 094	January 1, 2013
■ Waswanipi	1 707	January 1, 2013
■ Wemindji	1 435	January 1, 2013
■ Whapmagoostui	884	July 14, 2014*
Total for the Cree territory: 8 sites		
Jamésie		
■ James Bay Municipality	2 088	January 1, 2013
■ Chapais	1 627	January 1, 2013
■ Chibougamau	7 500	January 1, 2013
■ Lebel-sur-Quévillon	2 600	January 1, 2013
■ Matagami	1 662	January 1, 2013
Total for Jamésie: 5 sites		
Nunavik		
■ Akulivik	602	July 14, 2014*
■ Aupaluk	183	July 14, 2014*
■ Inukjuak	1 812	January 1, 2013
■ Ivujivik	410	July 14, 2014*
■ Kangiqsujaq	654	July 14, 2014*
■ Kangiqsualujjuaq	799	July 14, 2014*
■ Kangirsuk	486	July 14, 2014*
■ Kuujuaq	2 375	January 1, 2013
■ Kuujuarapik	621	July 14, 2014*
■ Puvirnituq	1 646	January 1, 2013
■ Quaqtaq	351	July 14, 2014*
■ Salluit	1 340	January 1, 2013
■ Tasiujaq	239	July 14, 2014*
■ Umiujaq	483	July 14, 2014*
Total for Nunavik: 14 sites		
Total sites to be served		27
Total sites to be served for January 1, 2013		14
Total sites to be served for July 14, 2014*		13

* In the case of existing programs (“paint and their containers” and “oils, oil containers and oil filters”), January 1, 2015)

SCHEDULE F – Regulation respecting the recovery and reclamation of products by enterprises

c. Q-2, r. 40.1

Approval conditions and minimum content

Agreements to be entered into between Société québécoise de récupération et de recyclage and various organizations pursuant to subparagraph (7) of the first paragraph of Section 53.30 of the *Environment Quality Act* and Section 4 of the *Regulation respecting the recovery and reclamation of products by enterprises*.

Context

On July 14, 2011, the *Regulation respecting the recovery and reclamation of products by enterprises* (the “Regulation”) came into force. It was adopted pursuant to subparagraph (6)(b) of the first paragraph of Section 53.30 of the *Environment Quality Act* (EQA). This Regulation requires enterprises that market products covered by this *Regulation to implement programs to recover and reclaim these products once they reach the end of their lifespan*.

This Regulation is in keeping with the implementation of the “Politique québécoise de gestion des matières résiduelles” (Quebec residual materials management policy), more specifically, with “Stratégie 5” (Strategy 5) that focuses on making all players concerned with the management of residual materials accountable. The Policy supports the extended producer responsibility approach for the taking into hand of products, at their end of their life, that require special treatment because of their dangerous nature, size, weight or potential for reuse. In addition, the Policy singles out producers as being the best placed to find solutions suitable to the post-consumption management of their products and to improve the design of these products with a view to reducing the impact on the environment.

Pursuant to subparagraphs (7)(a) and (b) of the first paragraph of Section 53.30 of the EQA, Section 4 of the Regulation provides that a covered enterprise may be exempt from most of the obligations prescribed by this Regulation if it is a member of an organization, the function or one of the functions of which is to implement or to contribute financially towards the implementation of a recovery and reclamation system for such products, in accordance with the conditions set out in an agreement entered into between the organization and Société québécoise de récupération et de recyclage (RECYC-QUÉBEC), and the name of which appears on a list drawn up by Société and published in the *Gazette officielle du Québec*.

Lastly, the last paragraph of Section 53.30 of the EQA provides that the provisions of such agreements must allow recovery and reclamation levels to meet or exceed the levels that would be achieved through the application of the regulatory standards, that the Minister may determine the conditions to approve such agreements and their minimum content and that the provisions of these agreements are public in nature.

In this context, the Minister of Sustainable Development, Environment and Parks (MDDEP) has

established instructions for RECYC-QUÉBEC notifying it about the requirements regarding the conditions to be met in connection with the agreements to be reached with the applicant organizations to enable enterprises covered by the Regulation to avail themselves of the exemption under Section 4 thereof.

These conditions relate to qualities and elements that must be present not just upon the initial assessment of an application and the delivery of an agreement but that must also be maintained throughout the term of the agreement. The failure to maintain the requisite qualities or elements may lead RECYC-QUÉBEC to rescind the agreement, refuse its renewal or its extension.

Directives from the Minister of Sustainable Development, Environment and Parks

(MDDEP)

Regulation respecting the recovery and reclamation of products by enterprises

c. Q-2, r. 40.1

Approval conditions and minimum content of agreements to be entered into between Société québécoise de récupération et de recyclage (RECYC-QUÉBEC) and various organizations pursuant to subparagraph (7) of the first paragraph of Section 53.30 of the *Environment Quality Act* (EQA) and Section 4 of the *Regulation respecting the recovery and reclamation of products by enterprises*.

THE APPROVAL CONDITIONS AND MINIMUM CONTENT TO BE COMPLIED WITH BY RECYC-QUÉBEC IN CONNECTION WITH AGREEMENTS TO BE ENTERED INTO ARE AS FOLLOWS:

1. Conditions regarding the adequacy of representation, the formation and the rules of conduct of an organization

1.1 Adequacy of representation of an organization

1.1.1 In the course of the initial assessment of an organization's application with a view to reaching and maintaining an agreement, an organization must be representative of the enterprises covered¹ by the Regulation.

This adequacy of representation can be gauged on the basis of:

- a specific mandate from a significant number of covered enterprises;
- the voluntary membership of a significant number of covered enterprises;
- the presence of representative associations of covered enterprises;
- the economic weight of member or mandatory covered enterprises;
- the organization's involvement in some similar activities for some similar enterprises in connection with other programs in Quebec or in Canada.

1.1.2 The organization's main mandate or one of its main mandates must be to represent the enterprises in connection with the implementation of programs to recover and reclaim end-of-life products. The overall mission, objectives and other mandates of the organization, provided by its articles, must be compatible and free of any conflict of interest with the mandates and duties vested by the Agreement.

- 1.1.3 The organization must be independent, in its guidelines and policies, from other organizations that represent the special interests of some of its members or enterprises affected by the required recovery and reclamation programs.

In the event RECYC-QUÉBEC receives more than one agreement application for the same products or categories of products, RECYC-QUÉBEC must respect the free choice of association, to the extent it considers that the probabilities of success of the different applicants are reasonable. Otherwise, RECYC-QUÉBEC must give preference to the organization or organizations that best represent the covered enterprises.

1.2 Formation of an organization

An applicant organization must meet the following conditions.

- 1.2.1 It must be a not-for-profit organization.
- 1.2.2 It must be an entity duly constituted in Quebec, having juridical personality and a domicile or an establishment in Quebec, or an organization constituted outside Quebec having a domicile or an establishment in Quebec or, in the case of an organization constituted outside Quebec having no domicile or establishment in Quebec, be entered in the Enterprise Register in accordance with the Act respecting the legal publicity of enterprises and having designated a representative residing therein.

Representative means a person belonging to the organization's managerial or supervisory staff, having received the mandate to negotiate and conclude agreements or transactions and to represent the organization in its mandates in Quebec. The representative's signature must bind the organization.

- 1.2.3 It must have the abilities, skills and qualifications of an organization able to diligently and professionally assume the mandates, duties and responsibilities vested by the agreement at reasonable costs to the covered enterprises and consumers. In evaluating the seriousness of the applicant organization, the following may, in particular, be taken into account: its expertise in and knowledge of the management of residual materials, the presence of expert and network committees and mechanisms to inform and consult with enterprises and providers concerned.
- 1.2.4 It must have the financial capacities and bases to assume the mandates, duties and responsibilities vested by the agreement and to ensure the continuity of its existence and its activities as well as its solvency. In the case of a new organization, the evaluation of the financial capacities and bases may depend on commitments by its members or mandataries.

1.3 An organization's rules of conduct

An applicant organization must agree to comply with the following rules of conduct:

- 1.3.1 Ensure service and operations in French, in particular, for any activity intended for its members and enterprises covered by the Regulation, as well as in all its communications and publications with members, enterprises covered by the Regulation, the public at large, Quebec producers of covered products at the end of their lifespan, Quebec partners of the program, Quebec providers affected by its program as well as in connection with its relations with RECYC-QUÉBEC and the MDDEP;
- 1.3.2 It must be headed by a representative board of directors made up of at least eight persons and comprised of a majority of members coming from enterprises covered by the Regulation and having a domicile or an establishment in Quebec, and a representative from RECYC-QUÉBEC to sit thereon as an observer.
- 1.3.3 Otherwise, the organization must form an advisory board reporting to the organization's board of directors and comprised of at least eight persons made up of a majority of members coming from enterprises covered by the Regulation as well as a representative from RECYC-QUÉBEC who sits thereon as an observer. As the case may be, the formation of such an advisory board as well as its role and powers must be set out and described in the organization's articles.

This advisory board must have a power to oversee the management of the organization's recovery and reclamation program in Quebec, be authorized to vote and have decision-making powers within the organization with regard to all elements related to the management of this program. The advisory board must hold meetings at least twice a year. Its decisions and recommendations are forwarded to the organization's board of directors. The organization's board of directors must take these decisions and recommendations into account and must include them in the annual report and explain how it intends to act on them. Members serving on this advisory board are elected at an annual meeting of the members coming from enterprises covered by the Regulation.

In addition, at all times, the representative of RECYC-QUÉBEC sitting on the board of directors or the advisory board may be accompanied or replaced by a representative of the MDDEP.

- 1.3.4 Set up a watchdog committee comprised of representatives coming from various sectors in Quebec affected by the recovery and reclamation program implemented by the organization, including from the municipal sector, service providers, environmental organizations and consumersⁱⁱ as well as one representative from RECYC-QUÉBEC and from the Ministry. The organization must schedule at least one meeting per year with this watchdog committee in order to inform it about the different aspects of the implementation of its recovery and reclamation program for Quebec and to compile its comments which must form part of the annual report. Furthermore, the board of directors or the advisory board must, at the request of a member of the watchdog committee, agree to put any aspect raised by such member on the agenda of one its meetings and invite said member

to present it during this meeting.

However, if the board of directors or the advisory board, as the case may be, has representation among its members equivalent to the composition required for a watchdog committee, such a committee is not required.

- 1.3.5 Accept as member any enterprise covered by the Regulation that agrees to comply with the organization's rules. However, where the functions or mandates of an applicant organization cover aspects other than the implementation of a program to recover and reclaim covered products, the organization must, in its rules, provide that a covered enterprise may join solely for the aspect related to the option to avail itself of the exemption under Section 4 of the Regulation.
- 1.3.6 Accept as member an enterprise covered by the Regulation that wants to join the organization solely for the management of a portion of the covered products it markets. Where applicable, the organization must send RECYC-QUÉBEC and the MDDEP the name of the enterprise as well as the products or subcategories of products for which it is joining the organization.
- 1.3.7 Ensure that the organization's rules are fair and equitable for all enterprises covered by the Regulation. Among other things, ensure that the membership conditions allow all covered enterprises access at a reasonable cost taking into consideration their market-related importance.
- 1.3.8 Provide for the creation of a reserve fund to be used in the event of a program operating deficit or the obligation to make a payment to the Green Fund in the event the program's objectives are not reached. There must be sufficient funds to cover the costs generated by the program for a period of at least six months but cannot exceed the equivalent of one contribution year. However, sums considered necessary in anticipation of a payment to the Green Fund depending on the evolution of the situation over time may be added to these amounts. The organization must also provide for the terms and conditions of the contribution to this fund, in particular, so that an enterprise that leaves the organization or goes bankrupt can assume a share of the liability.
- 1.3.9 Draft rules to ensure the protection of confidential data coming from the different members of the organization.
- 1.3.10 Ensure that calls-for-tenders for recovery and reclamation services or, as the case may be, disposal services are transparent for the members and comply with rules of competition.
- 1.3.11 Ensure that a separate up-to-date list of members comprised of enterprises covered by the Regulation is kept whether or not a third person acts as voluntary contributor for covered products marketed by some of its members. This list must be up-to-date, forwarded to RECYC-QUÉBEC or to the Ministry on demand and accompany the annual report.

- 1.3.12 Set up a mechanism providing for the proper dissemination of information relating to recovery and reclamation program activities to all covered enterprises, members of the organization, in particular, information pertaining to the costs of the program and the financial position of the organization, cost modulation criteria, results regarding the destination of recovered products and the performance of the program.
- 1.3.13 Plan at least one annual meeting of covered enterprises, members of the organization, enabling such members to learn about the organization's activities, about the evolution in the implementation of the program and the generated costs, to voice their opinions and exchange their concerns on these topics. Where applicable, members of the board of directors or advisory board may be appointed at this annual meeting of member covered enterprises.
- 1.3.14 In the event voluntary contributors participate in an organization's program, ensure that they only declare the products marketed in Quebec by covered enterprises that are members of the organization.
- 1.3.15 Not require arrears from an enterprise that wants to become a member of the organization at a date subsequent to the effective date of its recovery and reclamation program if such enterprise had implemented an individual program or participated in a common program pursuant to the Regulation, while this individual program or participation in a common program was in effect.
- 1.3.16 Initiate and pursue a sustainable development approach by carrying out actions to continuously enhance the social, environmental and economic benefits of its activities.
- 1.3.17 Send RECYC-QUÉBEC copies of its articles and general by-laws that are up-to-date and that comply with the provisions of the Agreement by no later than one month before the effective date of the program. Notify RECYC-QUÉBEC of any change made to its articles or general by-laws no later than fifteen days of the adoption of this change.

2. Conditions regarding the covered products' recovery and reclamation programs to be implemented

In connection with the agreements to be entered into, an applicant organization must undertake to implement a program to recover and reclaim covered products forming the subject matter of the Agreement, in compliance with all the provisions of the *Regulation respecting the recovery and reclamation of products by enterprises* (c. Q-2, r. 40.1). Thus, it must, in particular, promote compliance with the order of the 3Rs, reclamation and disposal, in order to support reuse, for instance, and encourage the local or regional management of residual materials, ensure that the products can be tracked right up to their final destination, etc.

Given the necessary adaptations, the undertaking by the applicant organization must be in keeping with regulatory systems subject to the following.

2.1 Determination of program-related costs

In the event an organization is responsible for more than one program to recover and reclaim covered products, in Quebec or elsewhere, or for a single program covering a territory larger than Quebec, it must establish, separately, and, as the case may be, for each category of covered products, the costs to Quebec of any program in connection with the activities and the products covered by the Agreement, in the name of its members comprising the enterprises covered by the Regulation. Where applicable, the allocation of costs between the programs and the territories served must be the subject matter of an accounting audit.

2.2 Annual report

The date to submit the annual report and the auditor's report may be postponed as long as RECYC-QUÉBEC is in a position to report to the Minister on the Agreement's follow-up by no later than September 30th of each year.

Subparagraph (1) of Section 9 of the Regulation requires that the declared quantities of each type of product marketed during the year forming the subject matter of the annual report as well as during the reference year be indicated according to the different brands, names or distinguishing guises. This requirement may be eased so as to not allocate quantities per brand, name or distinguishing guise to the extent the report outlines a full list of the brands, names or distinguishing guises under which these products were marketed by the members of an organization.

The requirements applicable for the audit engagement must exactly reflect the requirements under Section 9 of the Regulation for a common program. However, some flexibility may be given for the audit of enterprises whose market share is negligible compared to the average of the members, as long as some minimum precautions are provided to ensure the validity of the data declared by these enterprises.

Payment to the Green Fund

This payment, as the case may be, must be made on the same date as the remittance of the annual report.

2.3 Drop-off centres and collection services

The requirements applicable to drop-off centres and collection services may differ from the requirements under Chapter V of the Regulation as long as they comply with the spirit of the Regulation and meet the following criteria:

2.3.1 Drop-off centres are accessible in each regional county municipality (RCM), urban community, agglomeration, city or town of more than 25,000 inhabitants not included in an RCM, as well as for the territories of James Bay and Nunavik defined in the Regulation.

2.3.2 The number and distribution of these drop-off centres take into account the

importance and distribution of the population within these territories.

- 2.3.3 Drop-off centres are accessible to all customer bases, including the industrial, commercial and institutional (ICI) customer base, subject to clearly established thresholds based on quantity, weight or size of the products returned by the ICI customer base. Where applicable, additional drop-off centres dedicated to this customer base and located within the same territory or complementary collection services must be offered.
- 2.3.4 Access to and drop-off of products at the centres and collection services are free of charge for all customer bases.
- 2.3.5 Periods to access the drop-off centres meet the needs of the customer bases that are served taking into account the nature of the covered products.
- 2.3.6 Drop-off centres under the responsibility of partners are served regularly and according to needs by a service that transports recovered products to treatment centres. The costs of this transportation service is assumed by the organization.
- 2.3.7 The organization ensures that the drop-off centres forming part of its program comply with applicable laws and regulations.
- 2.3.8 At least one-third of the drop-off centres and at least one drop-off centre per RCM as well as per urban community, agglomeration, city or town of more than 25,000 inhabitants not forming part of an RCM must be accessible from the outset of the program and by no later than July 14, 2012, or as of the date scheduled to start a program for the organizations that will sign agreements after such date, and during the first year of the program's implementation for the territories of James Bay and Nunavik. All the drop-off centres provided for in the Agreement must be accessible effective the third year of the program's operation.

2.4 Order of the 3Rs, reclamation and disposal

Where applicable on the basis of the nature of the covered products, the program implemented by the organization must provide for a mechanism to determine the criteria to reuse recovered products, identify the products meeting such criteria, forward these products to this channel and ensure the tracking thereof.

3 Conditions regarding the delivery, extension, renewal or termination of an agreement

- 3.1 An agreement is intended to establish the elements that will regulate the role and responsibilities of an organization in connection with the application of Section 4 of the Regulation. To this effect, it must contain all the elements that relate to the organization's adequacy of representation, its formation and operations, access by the enterprises covered by the Regulation, all the parameters and conditions of the programs it is required to implement in accordance with Section 2 of these directives, as well as the

conditions regarding its extension, renewal and termination. Thus, an agreement must not contain the descriptive elements specific to each of the programs, but provide for the submission of the program, which must comply with the conditions of the agreement.

- 3.2 An agreement with an applicant organization may cover several categories of products, just one category of products or one or more subcategories of products. Thus, an agreement may only cover one or a few products comprising a same subcategory of products, with the exception of subcategories of products for which no recovery rate is prescribed.
- 3.3 An agreement must provide that the quantities of recovered products and covered by another agreement reached pursuant to the Regulation be declared to the organization responsible for these products. This transferred data must be clearly identified in the annual reports of both organizations concerned and be the subject matter of the audit engagement. However, covered products that comprise components covered by an agreement and that are recovered along with these covered products (e.g., a rechargeable battery recovered with a portable computer) are excluded in this case. In the event more than one agreement covers the same products, the data must be transferred to RECYC-QUÉBEC which will ensure that the quantities are equitably distributed among the organizations concerned.
- 3.4 An agreement must provide for the annual payment of compensation by the applicant organization to RECYC-QUÉBEC. This compensation must be established on the basis of the management fees corresponding to the direct and indirect fees allocated to each of the programs according to the per-activity accounting model in effect at RECYC-QUÉBEC. The financial results inherent to this methodology are audited annually by Quebec's Auditor General. These compensations are estimated at approximately 3% of the expenses of the subjected organization's program and represent, for the categories of electronic products, batteries, mercury lamps, paint and paint containers, oils, coolants, antifreeze, their filters and containers and other similar products and tires, a maximum of \$2.5 million per year until 2015.
- 3.5 An agreement must provide that the applicant organization undertakes to send REYC-QUÉBEC and the MDDEP a full description of the program covering the operational and budgetary aspects by no later than one month before the program start-up date.
- 3.6 An agreement cannot be entered into for a period of more than three years and it cannot be renewed for more than two consecutive years. It must provide for general and specific termination conditions, including failure to comply with one or more of the clauses pertaining to adequacy of representation, formation, rules of conduct of the organization and the refusal to comply, within six months of notification by RECYC-QUÉBEC, with the conditions regarding the implementation of a program to recover and reclaim covered products.

ABBREVIATIONS AND ACRONYMS

LCA	Life cycle analysis
CCME	Canadian Council of Ministers of the Environment
DMRLC	Direction des matières résiduelles et des lieux contaminés (Residual Materials and Contaminated Sites Branch)
EPEAT	Electronic Product Environmental Assessment Tool
ICI	Industrial, commercial or institutional
IAE	Information, awareness and education
ISO	International Organization for Standardization
CFL	Compact fluorescent lamps
EQA	Environment Quality Act
MAMROT	Ministère des Affaires municipales, des Régions et de l'Organisation du territoire
MDDEP	Ministère du Développement durable, de l'Environnement et des Parcs
RCM	Regional county municipality
CMO	Certified Management Organization
R&D	Research and development
RoHS	Restriction of the use of certain Hazardous Substances in electrical and electronic equipment
SGE	Système de gestion environnementale
EMS	Environmental management system
SMR	Service des matières résiduelles (Residual Materials Department)
ICT	Information and communications technologies

ⁱ “Covered enterprise” means an enterprise referred to in Sections 2, 3 and 8 of the Regulation respecting the recovery and reclamation of products by enterprises, that is, an enterprise having an establishment or domicile in Quebec, that markets a covered product in Quebec as holder or user of a brand, name or distinguishing guise, or any other first supplier of a covered product in Quebec, an enterprise that markets a product, a component of which is a

covered product or an enterprise, including a municipality, that acquires a covered product outside Quebec, or manufactures it for its own use.

ii “Consumer” means the user population of covered products who may be represented by groups or consumer protection groups as well as representatives of large consumers such as institutions and big businesses