

Products covered by extended producer responsibility

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# Scope

This document presents helpful information for managing issues associated with products covered by the Extended Producer Responsibility (EPR) Regulation, specifically the purchase of products covered by the Regulation respecting the recovery and reclamation of products by enterprises:

- Batteries
- Electronic products
- Household appliances and air conditioners
- Mercury lamps
- Oils, coolants, antifreeze, their filters and containers and other similar products
- Paint and paint containers
- Agricultural Products (2023 and 2025)
- Pressurized Fuel Containers (2024)
- Pharmaceutical Products (2024)

Detailed advice is provided on best practices for purchasing products covered by EPR regulations, as well as tools and references to facilitate buyers' task.<sup>1</sup>



<sup>&</sup>lt;sup>1</sup> This document is provided for information purposes only. Other than the information indicated herein, RECYC-QUÉBEC is not vouching for the organizationsmentioned. RECYC-QUÉBEC declines all responsibility regarding the services offered by such organizations.

# Did you know?

Extended Producer Responsibility (EPR) is an approach that aims to transfer responsibility for managing residual materials generated by product consumption to the companies that introduced the items on a given market (MELCC 2022a).

When applied within a regulation, law or other legal tool, EPR becomes an instrument to extend companies' obligations for their products beyond their sale and/or after-sale service to the end of each product's useful life. Companies that market EPR-covered products thus become responsible for recovering and reclaiming those items.

#### **EPR Value Chain**

The EPR value chain is made up of all interactions between various EPR actors in Québec. View the <u>video</u> to better understand the EPR approach as well as the role played by RECYC-QUÉBEC and other stakeholders in the system.

In Québec, the government adopted a framework EPR regulation that came into force on July 14, 2011. The Regulation respecting the recovery and reclamation of products by enterprises (the "Regulation") requires companies that introduce new products on Québec's market to:

- Implement a recovery and reclamation program for their products, or
- Join a RECYC-QUÉBEC-recognized producer responsibility organization (PRO) that has implemented such a program.

Companies targeted by the Regulation include:

- Québec-based manufacturers or producers
- Trademark owners or users
- First suppliers or marketers in Québec
- Enterprises outside Quebec and transactional websites in certain cases (see Regulation)



#### Main obligations of targeted companies

- Reach prescribed minimum recovery rates
- Implement a recovery structure (drop-off points)
- Respect the 3R hierarchy in the choice of management options
- Opt for local end-of-life product management companies
- Support the dissemination of information, awareness and education
- Support research and development in their business sector
- Report to RECYC-QUÉBEC on an annual basis
- Publish the performance results of the program annually

The following is a list of official programs for each category of products covered by the Regulation.

# Covered products and official recovery and reclamation programs

Categories of products covered by the regulation

Pro recognized by RECYC-QUÉBEC Private programs<sup>2</sup>



# Used oils including their containers and filters Antifreeze and coolants

including their containers and filters

Aerosol containers for brake cleaners







#### **Mercury lamps**

including fluorescent tubes and compact fluorescent bulbs





#### **Paints**

including aerosols and containers





#### **Batteries**

including rechargeable and non-rechargeable batteries





#### **Electronics**

including computers and peripherals, laptops, monitors, cellphones, TV sets, audio and video equipment, etc.









Household appliances and air conditioners including fridge, freezer, oven, washer and dryer, air conditioning, wine refrigerator, etc.





<sup>&</sup>lt;sup>2</sup> Industry-initiated private programs are strictly designed for the products marketed by members and do not necessarily include all sub-categories of productscovered by the Regulation.

<sup>&</sup>lt;sup>3</sup> Quebecor's program also includes its subsidiaries Vidéotron, Le Superclub Vidéotron and Microplay, where the company is rolling out its drop-off points.

For agricultural products, pressurized fuel containers and pharmaceutical products, individuals PROs and programs are in the process of being set up in anticipation of the coming into force of these new categories from 2023 to 2025.

For more information on products, targeted companies and PROs, go to <u>RECYC-QUÉBEC's</u> website.

For more information on the Regulation and its application, go to the government's website at the Ministry of the Environment and the Fight against Climate Change (MELCC) and the Regulation application guide (in French only) at Guide d'application du Règlement (PDF, 944 KB).

# Issues

### The problem with free riders

The efficiency of an EPR approach is based on the premise that all actors in the value chain respect the law. To meet their obligations, targeted companies must implement a recovery and reclamation program or join an organization recognized by RECYC-QUÉBEC that manages such a program.

Of course, running a recovery and reclamation program requires financing. Companies therefore add charges to their products' sale price in order to cover program management costs and can make those charges visible according to certain parameters defined by the government (MDDELCC, 2017b). In certain cases, PROs may apply environmental handling fees (EHFs) in order to finance their program, which are collected by their members when the products are sold to consumers.

Companies that do not meet their obligations under the Regulation, known as free riders, benefit from recovery and recycling services financed by companies who do comply with the Regulation. By not charging environmental handling fees, free riders get an unfair competitive advantage on the market, as they can offer equivalent products at a lower cost. What's more, PROs that recover and reclaim products sold by offending companies incur losses, as they do not receive the necessary financing for processing the products sold or acquired by free riders.

# Risks for contract givers involved in purchasing decisions

Sometimes, contract givers unknowingly do business with free riders or suppliers outside Québec offering products at lower prices.

By doing business with a free rider, contract givers indirectly harm the viability of the programs in place while associating with companies that do not respect the law. It is therefore important that they take steps to purchase covered products from compliant suppliers.

Contract givers who purchase products from suppliers based outside Québec are targeted by the Regulation and their company must therefore implement their own recovery program or join a PRO. Otherwise, the company itself becomes a free rider. When companies do not comply with the Regulation, they are subject to penalties.



# Parallel Networks and Product Management Practices

In order to contribute to system efficiency, contract givers who purchase products covered by the Regulation must ensure that they do business with suppliers verified by official end-of-life product management programs. The Regulation requires PROs and companies with private programs to work with collectors, recyclers and other conditioners who apply industry best practices. By sending their products to official programs instead of "parallel networks," contract givers can rest assured that end-of-life products are properly and safely managed. In so doing, they contribute to program performance by improving recovery rates.

The Regulation also requires that access to recovery or drop-off points be free of charge.<sup>4</sup> It is therefore preferable to do business with a supplier affiliated with an official program in order to avoid additional costs for recovering and transporting end-of-life products. In order to resolve this issue, from September 2022, the Regulation contains a formal obligation to participate in a recognized program in order to handle covered products. Although this obligation will reduce the impact of parallel networks, contract givers and all parties must remain vigilant in order to promote best practices in product management.



<sup>&</sup>lt;sup>4</sup> The Regulation requires that a minimum number of product drop-off points or in-store collection locations be provided. The program should include productcollection services, but if no drop-off point is available in a given area, a free complementary collection service must be offered.

# **Purchasing best practices**

The following section lists purchasing best practices for EPR-covered products at each step of the purchasing process.

#### Make EPR a criterion for product purchases

In order to responsibly purchase EPR-covered products, contract givers should include an eligibility criterion requiring suppliers to be compliant with EPR regulations.

### Before buying a product

#### **Tenderer compliance**

When developing a call for tenders or code of conduct involving EPR products, contract givers should include a requirement regarding tenderers' compliance with the Regulation. Tenderers must be able to:

- 1) Indicate whether they are targeted by the Regulation: Yes or No
- 2) If so, indicate how they comply with the Regulation:
  - The tenderer has access to a private program
  - The tenderer is a member of a producer responsibility organization recognized by RECYC-QUÉBEC
  - The tenderer is working on attaining compliance
  - The tenderer is not compliant
- If not targeted, indicate whether their own supplier is targeted and whether that supplier complies with the Regulation. The compliance requirement should be among eligibility criteria for participation in the call for tenders, which could be determined, for example, from their answers to a questionnaire in an appendix to the call for tenders. The questionnaire should be part of required documentation when the tender is submitted. EPR compliance may also be specified in a code of conduct. To help you validate whether tenderers are indeed compliant, see the decision tree provided in the appendix to this document.



#### **Clarity With Regard to Prices and EHFs**

In the case of a call for tenders, tenderers should be required to indicate whether or not proposed prices include EHFs. If EHFs are applicable, it is useful to indicate the amount in order to facilitate price comparisons between suppliers. When clear price and EHF information is available, contract givers can avoid unforeseen charges after the contract is awarded.

The Regulation formalizes that an enterprise electing to render those internalized costs visible must, when selling a product, indicate to the purchaser the address of a website on which information concerning the recovery and reclamation program for the product is posted.

# **During tenderer evaluation**

#### **Checking tenderer compliance**

In order to confirm tenderers' statements regarding their compliance with the Regulation, you may contact the PRO or look through their membership list:

- Appel à Recycler: Single-use and rechargeable batteries, button batteries.
- <u>Éco-Peinture</u>: Paints, stains, varnishes, shellacs, primers, etc.
- <u>EPRA-Québec</u>: Electronics (computers, peripherals, monitors, TV sets, laptops, etc.)
- GoRecycle: Household appliances and air conditioners.
- Recyc-Fluo: Fluorescent tubes, compact fluorescent bulbs and other mercury lamps.
- Société de gestion des huiles usagées (SOGHU): Motor oils, antifreeze and coolants, filters and brake cleaners.

For agricultural products, pressurized fuel containers and pharmaceutical products, individuals PROs and programs are in the process of being set up in anticipation of the coming into force of these new categories from 2023 to 2025.

You may also contact our EPR team for help in checking tenderer compliance:

- E-mail: REP@recyc-quebec.gouv.qc.ca
- By phone: Greater Montréal area at 514-352-5002, or toll free at 1-800-807-0678



#### **Evaluating prices**

Generally, product costs should be evaluated according to the overall price, which includes the sale price and associated EHFs, if any.

### At contract signing

#### Clarity and flexibility regarding prices and EHFs

To avoid all ambiguity, the agreement or contract with the selected supplier should indicate whether prices include applicable EHFs.

While EHFs are relatively stable, you may wish to include an EHF modulation clause, either upwards or downwards, in long-term supply contracts. You would then be able to adjust prices if, for example, the PRO changes EHF rates. To do so, EHF amounts must be clearly identified in the agreement.

#### Supplier's continued compliance

Contracts should include a clause indicating that the supplier must remain compliant with the Regulation for the entire contract term.

### **During contract performance**

#### Verification of the supplier's continued compliance

Contract managers should periodically verify whether the supplier continues to comply with the Regulation as the contract progresses.



# References

MELCC (2022). <u>Guide d'application du Règlement sur la récupération et la valorisation de</u> produits par les entreprises, viewed in April 2022

MELCC (2022a). Responsabilité élargie des producteurs, questions et réponses, viewed in April 2022

MELCC (2022b). <u>Responsabilité élargie des producteurs, questions et réponses, section 4.</u> Internalisation et visibilité des coûts afférents, viewed in April 2022

Publications du Québec (2022). <u>Regulation respecting the recovery and reclamation of products by enterprises</u>, viewed in April 2022

RECYC-QUÉBEC (2022a). Responsabilité élargie des producteurs, viewed in April 2022

Publications du Québec (2022b). <u>The Regulation to amend the Regulation respecting the recovery and reclamation of products by enterprises.</u>

# Contact information for official programs

# Recognized producers responsibility organizations

#### Appel à Recycler

Tel.: 1-888-224-9764 info@appelarecycler.ca www.appelarecycler.ca

#### Éco-Peinture

Tel.: 819-840-6229 (toll-free: 1-855-840-6559)

info@ecopeinture.ca www.ecopeinture.ca

#### **EPRA-Québec | Recycle my electronics**

Tel: 1-888-557-8177

<u>info@recyclermeselectroniques.ca</u> <u>www.recyclemyelectronics.ca</u>

#### **GoRecycle**

info@gorecycle.com www.gorecycle.com

#### Recyc-Fluo

Tel.: 1-888-604-2624 info@recycfluo.ca www.recycfluo.ca

#### Société de gestion des huiles usagées (SOGHU)

Tel.: 450-447-9996 (toll-free: 1-877-987-6448)

soghu@soghu.ca www.soghu.com

# **Private programs**

#### Bell

Tel.: 1-866-301-1942 Bell Contact Us page Link to program

#### Canadian Tire | Go Eco Program

Tel.: 1-800-565-3356

<u>Canadian Tire Contact Us page</u> <u>www.canadiantire.ca/en/go-eco.html</u>

#### **Crevier | REVHUC Program**

Tel.: 450-679-8866 (Toll free: 1-800-363-0590)

experts@crevier.ca

www.lubricants.crevier.ca/ecofriendly-actions

#### Gagnon frères

Tel.: 418-690-3366

gagnon@gagnonfreres.ca www.gagnonfreres.com

#### **Meubles RD**

Tel.: 819-330-3131 <u>info@meublesrd.com</u> www.meublesrd.com/en/

#### Safety-Kleen

Tel.: 1-800-641-0610 www.safety-kleen.com/

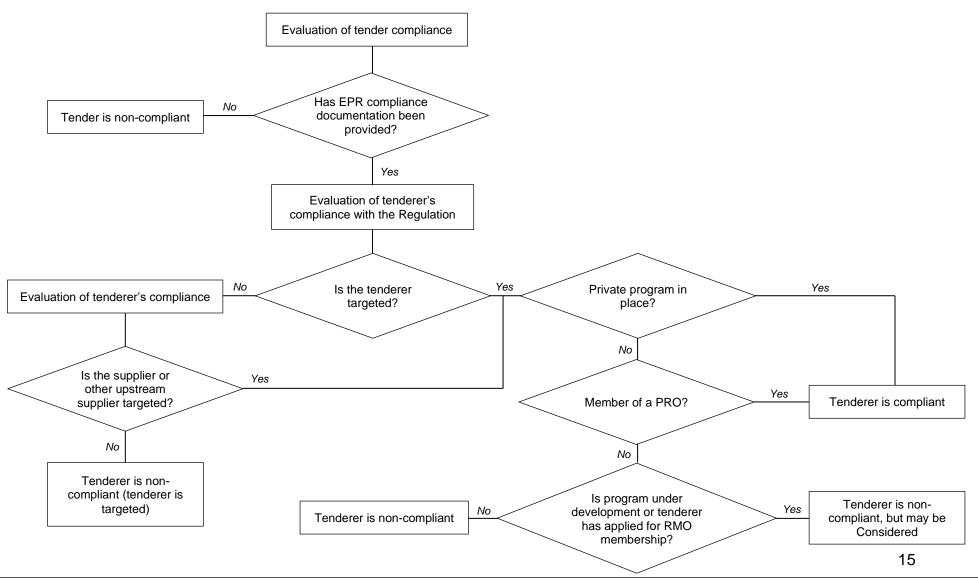
#### Québecor | We Recycle Program

(Vidéotron, Le Superclub Vidéotron et Microplay)

Tel.: 1-877-512-0911

<u>Videotron Contact Us page</u> www.videotron.com/werecycle

# **Appendix 1: Evaluating Supplier Compliance with the Regulation**







#### Need help?

Our EPR team is there for you. Contact us:

- E-mail: REP@recyc-quebec.gouv.qc.ca
  By phone: Greater Montréal area at 514-352-5002, or 1-800-807-0678 (toll free)

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- By e-mail: info@recyc-quebec.gouv.qc.ca
- By phone: 1-800-807-0678 (toll free)



