

Producers' Financial Participation Policy

The **Producers' Financial Participation Policy** (the “**Policy**”) applies in the framework of EPR Selective Collection and addresses amongst other things the following:

- The obligated Producers (criteria, etc.);
- The targeted Materials;
- The Reporting terms, conditions and methodologies;
- The Eco-Modulated Financial Participation Schedule;
- The eco-modulation criteria;
- The Financial Participation payment terms;
- The collection procedures.

The amendments to this Policy, which were adopted by the board of directors of ÉEQ on March 27, 2026, are effective as of this date.

Producers are invited to consult ÉEQ website to see the tools available to assist them in the preparation of their Reports.

Scope

1. The Policy applies to all Producers.
2. The Small Producers' Policy describes the criteria for exemption, eligibility for a simplified Report, the terms and conditions of a simplified Report and the resulting fixed Financial Participations.
3. The Policy applies to any Voluntary Producer provided it meets the conditions set out in the Voluntary Producers' Policy and is duly accepted by Éco Entreprises Québec (ÉEQ).
4. The Policy forms an integral part of the Contract and the General Terms and Conditions, and it may be amended in accordance with the General Terms and Conditions to adapt to the evolving responsibilities of the Producers under the Regulation and changes to the System of Selective Collection of the Materials in Quebec.

Policy

5. Unless otherwise provided, capitalized terms used in the Policy shall have the meaning ascribed thereto in the General Terms and Conditions.
6. Obligated Producers
 - 6.1 Obligated Producers are persons that:
 - (a) Are the owners or users of a name or Trademark;
 - (b) When a Product or a Material is identified by more than one name or Trademark owned by separate owners, the obligated Producer is the owner or user of the name or Trademark that is most closely related to the production of the Product or Material;
 - (c) Put Materials or Products, or offer Services on the Quebec market that generate Materials; and
 - (d) Have a domicile or Establishment in Quebec.
 - 6.2 Notwithstanding section 6.1 above:
 - (a) Where a Producer has no domicile or Establishment in Quebec, payment of the PFP is then required from the First Supplier that has a domicile or Establishment in Quebec, with the exception of the manufacturer of:

- (i) a Product or Printed Matter whose name or Trademark owner or user has no domicile or Establishment in Quebec;
 - (ii) a Product that is commercialized, marketed or otherwise distributed without a name or Trademark by means of a Container or Packaging; or
 - (iii) a Material that is not identified by a name or Trademark.
- (b) Where the First Supplier in Quebec does business under a Banner, the payment of the PFP is then required from the Owner of the Banner that has a domicile or Establishment in Quebec.
- (c) Where a Product or Printed Matter is acquired from outside Quebec as part of a sale governed by the laws of Quebec, by a person domiciled or having an Establishment in Quebec or by a municipality or public body within the meaning of section 4 of the *Act respecting contracting by public bodies* (CQLR c C-65.1), for their own use, payment of the PFP for the Materials (whether or not they bear a name or Trademark) used for the commercializing, marketing or any other type of distribution in Quebec of such Product or Printed Matter is then required from:
- (i) the person who operates a transactional website through which the Product or Printed Matter was acquired, that allows a person who is neither domiciled nor has an Establishment in Quebec to commercialize, market or distribute a Product or Printed Matter in Quebec; or
 - (ii) the person from whom the Product or Printed Matter was acquired, whether or not that person has a domicile or an Establishment in Quebec, in any other case.

6.3 Notwithstanding sections 6.1 and 6.2 above, in the case of Materials (whether or not they bear a name or Trademark) added at a retail outlet or added when a Product or Printed Matter is acquired in Quebec through a transactional website, payment of the PFP is required from:

- (a) Where a point of sale is stocked or operated under a Banner:
- (i) the Owner of the Banner, if such Owner has a domicile or an Establishment in Quebec; or
 - (ii) the Retailer, if the Owner of the Banner has no domicile or Establishment in Quebec;
- (b) Where a point of sale is not stocked or operated under a Banner:
- (i) From the Retailer, if the total surface area of the point of sale is $\geq 929 \text{ m}^2$; or
 - (ii) If the surface area is $< 929 \text{ m}^2$, no PFP is payable, as provided in the Small Producers' Policy.
- (c) When a Product or Printed Matter is acquired in Quebec through a transactional website:
- (i) From any person having added such Materials.

7. Producers exempt from PFP

7.1 The Small Producers' Policy sets out all the terms, conditions and criteria leading to a PFP payment exemption.

7.2 Voluntary Producers, as indicated in the Voluntary Producers' Policy, cannot be exempted from payment.

8. Materials included, excluded or deductible from the Report

8.1 Producers are invited to consult the Materials Guide, as well as the *Guide for Reporting of Materials Intended for the Institutional, Commercial, and Industrial Sector*, available on ÉEQ's website, which will guide them in the classification of the Materials included, excluded and deductible from the Report.

8.2 Essentially, the types of Materials to be reported are:

- (a) Containers and Packaging:
 - (i) Made of flexible or rigid material such as paper, cardboard, plastic, glass or metal;
 - (ii) Designed to contain, protect or wrap products;
 - (iii) Intended for a single or short-term use;
- (b) Printed Matter, paper and other cellulosic fibres, whether or not used as a medium for text or images, except books with a useful life of more than five years;
- (c) Short-lived Containers and Packaging sold as Products, and Printed Matter sold as Products; and
- (d) Shipping Containers and Packaging used in the movement of products to the End Consumer, such as paper, cardboard, polystyrene cushioning packaging, or plastic film.
- (e) As a first step of Reporting, the Materials listed in Appendix 2.

8.3 Materials to be excluded from the Report are:

- (a) Materials designed to accompany, protect or store a Product or Printed Matter throughout its lifetime, where such Product or Printed Matter is designed for a shelf life of 5 years or more;
- (b) Pallets designed to facilitate the shipping and handling of a number of sales units or grouped packaging, bags used to administer fluids or medications and bags used for force-feeding, syringes, with or without needles, and pressurized containers containing hazardous materials within the meaning of the *Regulation respecting hazardous materials* (CQLR c Q-2, r 32);
- (c) Containers and Packaging sold as products implicitly intended to contain or wrap materials other than those covered by the Regulation, such as household waste, organic matter and biomedical waste;
- (d) Materials generated by a Service or accompanying Products or Printed Matter intended only for use or consumption by an Ultimate Consumer on the premises where the product is distributed or sold, where such Materials are taken charge of on those same premises. Generally, without limitation, Materials accompanying food inside a restaurant are excluded, but not those accompanying drive-through orders or take-out food;
- (e) Except for the Materials listed in Appendix 2, Materials for which the Ultimate Consumer is an industrial, commercial or institutional facility;
- (f) Books and documents of a didactic nature having a lifetime of more than 5 years; and
- (g) Printed Matter serving as personal identification documents, official documents or containing personal information, such as birth certificates, passports and medical charts.

8.4 Materials that may be deducted from the Report are:

- (a) Materials recovered during home delivery;
- (b) Returned Products that are part of a recall, that are expired, damaged, unable to be sold to an End Consumer or not distributed; and

- (c) Materials used or recovered in-house, not sold or not distributed and which are not otherwise covered by the Policy.

Every exclusion must be clearly described and justified in the ÉEQ Portal, otherwise the Materials shall be included in the Report.

9. Terms and conditions related to the annual Report

9.1 Every Producer must file its annual Report in the ÉEQ Portal not later than:

- (a) For the 2024-2025 Reporting Years: Not later than on the 60th day following whichever comes first:
 - i) the effective date of the applicable Schedule of Contributions published under section 53.31.14 of the *Environment Quality Act*, CQLR c Q-2 or ii) June 30th, 2025; and
- (b) For the 2026 and subsequent Reporting Years: Not later than May 31 of the Reporting Year.

9.2 The annual Report must include the following data and information:

- (a) The quantities of materials subject to a fee generated in kilograms during the Reference Year covered by that Report (for example, for the 2024 Report, the materials subject to a fee to be reported are those generated in 2023);
- (b) Description of the methodology supporting the reported data;
- (c) Description of the materials subject to a fee deducted from the annual Report and the number of kilograms or the percentage applied based on the materials subject to a fee;
- (d) The list of names and Trademarks included in the Report, while identifying the status in respect of those Trademarks: owner, user, First Supplier, Retailer or transactional website operator; and
- (e) The updated Producer information required by ÉEQ, including the name of the first respondent, the name of the delegate and its main sector of activity.

9.3 In the case of Printed Matter, a Producer must include the list of Printed Matter it converted from a physical format during a Reference Year to a digital format it owns and offers throughout the Reference Year, if any, in order to document the Printed Matter reduction measures that have been implemented.

9.4 For every Material generated by a Product or Printed Matter put on the market in Quebec, the Producer must be able to specify, on request:

- (a) The name or Trademark associated with it, if any; and
- (b) Its status in respect of the Product or Printed Matter, i.e., specify whether it is the owner, user, First Supplier, Retailer or operator of a transactional website through which the Product or Printed Matter was acquired.

9.5 The quantities of Materials that were generated must take into account the combined operations in Quebec at all of the points of sale, Establishments or businesses under the same Banner.

9.6 A Producer must keep and maintain up-to-date and accurate documentation, books, records and other data in support of its obligations under the Contract, the General Terms and Conditions, the policies and the Regulation so as to justify the content of every Report, every credit request due to an eco-modulation measure and the amount of every PFP for a period of 5 years from the filing of its Report.

9.7 A Producer must notify ÉEQ promptly if it becomes aware that the information contained in the Report on the ÉEQ Portal is incorrect or incomplete.

9.8 Methodologies used to extract the data to be included in the Report:

- (a) ÉEQ encourages the use of actual data to prepare the Report.

- (b) The methodology used must be able to support the data entered in the ÉEQ Portal and show, in particular:
 - (i) Product identification data, such as UPC (SKU);
 - (ii) Description of each Product or Product group;
 - (iii) Product format; and
 - (iv) Weight and type of each component of the Product.
 - (c) The studies carried out by the Producer or by a Producer association justifying the deductions applicable in Quebec.
- 9.9 The data reported will be used to prepare the Eco-modulated Financial Participation Schedule for the next Obligation Year and the billing of the resulting PFP, if any.
- 9.10 ÉEQ reserves the right to revise the Report at any time and issue a revised PFP invoice in accordance with the Audit Policy.
10. Time frame for requesting an amendment to the Report in accordance with the Audit Policy
- 10.1 Any Producer that believes it has grounds that could justify a revision of its Report shall have a period of 2 years following the submission due date of such Report. The admissible grounds are set out in the Audit Policy.
- 10.2 Upon receipt by ÉEQ of a notice of termination of membership sent by the Producer or upon expiry of the prior notice sent by ÉEQ for this purpose, as provided in section 9 of the General Terms and Conditions, a Producer shall have 30 days to deliver a Report amendment request. No amendment requests will be accepted after that time period.
- 10.3 All relevant documents and information enabling ÉEQ to proceed with a full analysis of the amendment request and render an informed decision must be submitted within the same time frame.
11. Eco-modulated Financial Participation Schedule and eco-modulation measures
- 11.1 The Eco-modulated Financial Participation Schedule and the eco-modulation measures:
- (a) Are considered to be a lever to promote circular economy, to meet the undertakings of ÉEQ and the Members described in the General Terms and Conditions, and to facilitate the achievement of the performance targets identified in the Regulation;
 - (b) Are updated annually and appended to the Policy;
 - (c) Will be presented to the Members for consultation prior to their final adoption by the board of directors, in accordance with the General Terms and Conditions; and
 - (d) Must allow the financing of the costs of the System of Selective Collection and related expenses, as provided in the General Terms and Conditions.
- 11.2 Eco-modulated Financial Participation Schedule
- (a) Under the Contract, the General Terms and Conditions and the Regulation, the Eco-modulated Financial Participation Schedule is dynamic, in order to take into account, in particular, the following factors, as the data justifying the measures introduced gradually become available:
 - (i) The recyclability of the Materials;
 - (ii) The presence of outlets for the Materials;
 - (iii) The incorporation of recycled materials in those Materials; and
 - (iv) The reduction efforts at source in the manufacturing of those Materials.

- (b) The Eco-modulated Financial Participation Schedule contains a list of materials subject to a fee to be reported and the rates ÉEQ has set for each of these materials.

11.3 Eco-modulation measures

- (a) In accordance with the Contract and the General Terms and Conditions and with a view to extended producer responsibility, ÉEQ makes an effort to encourage the Producers to choose Materials that are compatible with selective collection or to dissuade them from choosing less compatible Materials by instituting eco-modulation measures in support of its Eco-modulated Financial Participation Schedule.
- (b) The eco-modulation measures are dynamic, and they are updated annually so as to keep up with developments in the Materials generated, the capacities of the System of Selective Collection to process and recycle the Materials, and the potential for introducing recycled content in the Materials with a view to a circular economy.
- (c) The eco-modulation measures (bonuses and maluses) are presented globally in the Guides available on the ÉEQ website.
- (d) The eco-modulation measures that apply to a given Report are in effect for the same Obligation Year as the Eco-Modulated Financial Participation Schedule set forth in Appendix 1.
- (e) Producers eligible for credits and other eco-modulation measures are Producers that have:
 - (i) Generated Materials in the Reference Year;
 - (ii) Submitted a detailed Report, including a Small Producer that has chosen to make a detailed Report of its Materials, even if it is eligible for a simplified Report leading to a fixed PFP;
 - (iii) Fully paid the PFP due for prior Obligation Years, within the prescribed time frame, unless there was a prior written agreement with ÉEQ; and
 - (iv) Transmitted the form and the information required for the credit or eco-modulation measure within the prescribed time frame.
- (f) Producers that are not eligible for credits or other eco-modulation measures are Producers that:
 - (i) Are exempted from paying the PFP;
 - (ii) Have availed themselves of a fixed PFP under the Small Producers' Policy; or
 - (iii) Have sent a notice of termination of membership to ÉEQ or have received a prior notice of termination from ÉEQ.
- (g) Eco-modulation measures may result in the granting of credits (bonus) or the charging of penalties (malus). Certain measures may be subject to an analysis prior to being validated by ÉEQ.
 - (i) ÉEQ has the authority to review all circumstances leading to a credit, bonus or other incentive measures and to request additional supporting documentation if necessary;
 - (ii) Further to its analyses and reviews, ÉEQ has the authority to generate a full or partial credit or to grant no credit for the eco-modulation measure in question;
 - (iii) Credits resulting from an eco-modulation measure are granted in the form of a credit note issued during the Obligation Year;
 - (iv) Credits resulting from an eco-modulation measure are applicable against any balance due following the processing of the eco-modulation request; and

- (v) Penalties (malus) are applicable on the amount of the PFP for a given Obligation Year and are included in the billing for the Report.

11.3.1 Eco-design incentive bonus

- (a) A bonus of up to 50% of the PFP payable for the Product Containers or Packaging concerned by an eco-design measure may be granted to an eligible Producer that has implemented an eco-design measure for Containers or Packaging and that demonstrates that its measure meets the requirements described on the ÉEQ website.
- (b) A Producer may submit a bonus request for several Products to ÉEQ. A separate request must be submitted by the Producer for each Container or Packaging concerned by an eco-design measure.
- (c) The form and the supporting documents needed to justify the request for an eco-design incentive bonus must be submitted to ÉEQ within thirty (30) days following the Report due date, no later than June 30.
- (d) A Producer may obtain a credit of up to \$50,000 per bonus request and may combine several credits up to a maximum of \$100,000 per Producer, on eligible actions.
- (e) A minimum amount of \$10,000 per Producer will be granted to any Producer whose single or multiple bonus requests are deemed admissible by ÉEQ. That minimum amount will be capped at the total amount of the PFP in the Reference Year if the PFP is less than \$10,000.
- (f) The eco-design bonus is granted exclusively for the reported quantities of eco-designed Containers and Packaging put on the market in the Reference Year.

11.3.2 Penalty for the Marketing of Certain Materials

- (a) In order to make regulated persons accountable for the environmental and financial consequences associated with the marketing of certain materials, a penalty (malus) of 75% will be automatically applied when ÉEQ issues invoices for quantities of the “Polyvinyl chloride (PVC)” material and 50% for quantities of the “Polylactic acid (PLA) and other degradable plastics” material. The criteria for applying the penalty are established in the Guide available on ÉEQ’s website.

12. Coming into force of the Eco-modulated Financial Participation Schedule

- 12.1 The Eco-modulated Financial Participation Schedule and the eco-modulation measures shall come into force following their adoption by ÉEQ’s board of directors.
- 12.2 Until such time as it is paid, any previous balance shall remain due and owing in accordance with the Eco-modulated Financial Participation Schedule for the Obligation Year applicable to it.

13. Determining the PFP

- 13.1 The amount of the PFP for a given Obligation Year is determined by:

- (a) Multiplying:
 - (i) The quantity in kilograms of each of the materials subject to a fee generated during the Reference Year;
 - (ii) By the rate applicable to each under the Eco-modulated Financial Participation Schedule for the Obligation Year,
- (b) The penalties (malus) resulting from eco-modulation measures for that Obligation Year are added to the amount owed, if any.

13.2 The credits resulting from an eco-modulation measure that are obtained by a Producer are applicable against any balance due following the processing of the eco-modulation request.

14. Taxes applicable to the PFP

14.1 The taxes in force in Quebec under the *Act respecting the Québec sales tax*, CQLR c T-0.1 apply to the Producers' Financial Participation.

15. Billing and payment of the annual PFP

15.1 On an annual basis, ÉEQ provides Producers with the applicable Eco-modulated Financial Participation Schedule.

15.2 Within the timeframe specified by ÉEQ, all Producers will receive the invoice(s) for the PFP based on the information contained in the Report, with or without amendments, as applicable.

15.3 All annual or special PFP payments or instalments must be paid in full, by the due date, in the year following the Report, based on the following schedule and terms:

Payment schedule	Payment due dates
Quarterly payments of the annual PFP	
1st payment due (25%)	January 31 st yearly
2nd payment due (25%)	April 30 th yearly
3rd payment due (25%)	July 31 st yearly
4th payment due (25%)	October 31 st yearly

15.4 All payments of the annual PFP must be made in the lawful currency of Canada.

15.5 Payments may be made by either:

15.5.1 Direct deposit (ÉEQ's preferred method): ÉEQ's banking details are available on every invoice issued. A written notice must be sent to recevables@eeq.ca. Failure to send such notice shall release ÉEQ from any liability for allocating the payment;

15.5.2 Credit card via the Moneris platform, available through the ÉEQ Portal if the total amount owing is less than \$10,000; or

15.5.3 A cheque made to the order of Eco Entreprises Québec sent to 1600, René Lévesque Blvd. West, Suite 600, Montréal (Quebec) H3H 1P9. In the latter case, kindly allow enough time for mailing in order to meet the payment due dates and avoid charges being applied.

15.6 Any past due sums shall bear interest in accordance with the terms, conditions and rates listed in the Interest, Penalties and Sanctions Policy.

16. Reporting terms and conditions for new Members

16.1 Any Producer that commences operations in Québec shall submit a Report in the year following the year during which it began its operations. The time between such beginning of operations and December 31st shall be the Reference Year for the purposes of the Report. The Producer shall comply with the terms, conditions and time periods set forth in the Policy.

16.2 As mentioned in the Contract, a Producer that becomes a Member retroactively shall submit all missing Reports, in addition to the Report for the current year, in the ÉEQ Portal. The policies in force

at that time and the Eco-modulated Financial Participation Schedules specific to each of the Obligation Years shall then apply. Charges and penalties shall also apply under the Interest, Penalties and Sanctions Policy.

Preliminary translation pending legal review.

17. Reporting terms and conditions in the event of substantial changes to the marketed quantities

- 17.1 This section of the Policy governs the exceptional circumstances in which ÉEQ may agree to adjust a producer's Reference Year data in the event of substantial changes to a Producer's Product line or market segment.
- 17.2 In the case of an eligible substantial change, the Producer has the option, but not the obligation, to request from ÉEQ, before the notification deadline described in section 17.8, a reduction or increase to its PFP based on a previous Report.
- 17.3 This section does not apply to:
- (a) Producers whose marketing of Materials has been changed for a reason other than a substantial change;
 - (b) Circumstances involving changes to the quantities of Materials previously reported, which are subject to an amendment request in accordance with the Audit Policy;
 - (c) Cases of business closure or transfer, which are governed by the General Terms and Conditions; and
 - (d) Name or Trademark changes.
- 17.4 A substantial change means a cessation by a Producer of at least eighty percent (80%) of a Product line or a market segment that has been marketed in Québec for at least three (3) years, or the beginning of such marketing, leading to a substantial change in the Materials generated. Complete cessation means the cessation of all supply, manufacture, distribution or sale of said Products. The Product line refers to all Products of the same nature that fulfil the same usage functions, albeit in different ways.
- 17.5 For a substantial change to be admissible under this section:
- (a) The Producer must be up to date with Reporting and payments related to the Product line or market segment for which the request is made;
 - (b) The Producer must comply with its obligations under the Contract, the General Conditions, the policies and the Regulation;
 - (c) The substantial change must comply with the admissible financial requirements, i.e. result in a net reduction or increase of at least 5% of the total volume of Materials marketed during the Reference Year that would otherwise be financed by the Producer; and
 - (d) The quantity of Materials that will serve as the basis for an eligible substantial change will be determined at ÉEQ's sole discretion through the verification mechanisms set forth in this section.
- 17.6 Verification of the data submitted in support of a request for fee reduction or increase will be performed by ÉEQ, at the expense of the Producer requesting the fee reduction or increase. ÉEQ's conclusions concerning the quantity of Materials affected by the substantial change are decisive and may not be reviewed by the Producer.
- 17.7 To request a fee reduction or increase, the Producer must, at the time of notification, pay a non-refundable administrative fee to ÉEQ in an amount equal to the greater of \$1,000 or 0.5% of the PFP

for the Obligation Year in question, up to a maximum of \$5,000. Otherwise, the Producer's request will not be considered.

17.8 Notification deadline. A Producer requesting a fee reduction for any substantial changes to a Product line or market segment during the Reference Year must provide notice to ÉEQ by April 1 following the Reference Year, with the exception of the Reference Years 2023 and 2024, for which Producers will have until June 1, 2025.

17.9 To request a fee reduction or increase for an eligible substantial change, the Producer must complete the following steps:

a) Step 1: Notification

- (i) Before the notification deadline, send a notice to ÉEQ at service@eeq.ca, with the subject line: "Request for fee reduction or increase due to a qualifying substantial change"; and
- (ii) Provide an explanation of the substantial change that addresses the following points:
 - Describe the substantial change in sufficient details for ÉEQ to validate that it is a substantial change;
 - Attest to the dates on which the Producer completely discontinued or began the Product line or market segment, and submit supporting documentation; and
 - Justify, with supporting data, that the substantial change meets the admissible financial requirements set out in section 17.5(c).

b) Stage 2: Preliminary assessment by ÉEQ

Based on the information provided by the Producer in the first step, ÉEQ will:

- (i) Make a preliminary assessment to determine, subject to receipt of complete data in Step 3, whether it qualifies as an eligible substantial change; and
- (ii) Notify the Producer of its provisional decision, which will be subject to receipt of additional data from the Producer.

c) Step 3: Final submission of information to calculate fee reduction or increase

If the Producer is provisionally eligible for fee reduction or increase:

- (ii) The Producer must provide a report, in the form requested by ÉEQ, concerning the Products or Materials associated with the substantial change.
- (iii) The Producer will not be permitted to request further changes under this section 17 for the current Obligation Year.
- (iv) ÉEQ will review the report, make a final decision as to whether the Producer is eligible for fee reduction or increase, and communicate the decision to the Producer.

d) Step 4: Fee reduction or increase

Once all the above steps have been satisfactorily completed:

- (i) The fee reduction or increase will be processed by ÉEQ.
- (ii) Once the fee reduction or increase has been determined by ÉEQ, this decision is final and cannot be the subject of a request to amend the Report in accordance with the Audit Policy.

18. Establishing a special PFP

18.1 ÉEQ reserves the right to request a special PFP in the following instances:

- (a) In order to meet all its obligations and assume its responsibilities under the Regulation, including, without limitation, the creation of a reserve fund;
- (b) Following an adjustment to a given Eco-modulated Financial Participation Schedule, due to significant changes in the System of Selective Collection or the context thereof.

18.2 If a special PFP is required, a special Eco-modulated Financial Participation Schedule will be developed to cover the necessary costs.

18.3 In accordance with the Contract and the General Terms and Conditions, the special Eco-modulated Financial Participation Schedule and the conditions justifying its implementation will be presented to the Producers for consultation.

18.4 Such special PFP will be payable in the time frame indicated on the invoice. However, the minimum time frame will be 30 days following receipt of the invoice.

18.5 Any past due sums shall bear interest in accordance with the terms, conditions and rates listed in the Interest, Penalties and Sanctions Policy.

19. Collection procedure for outstanding balances

19.1 Any balance outstanding on the PFP due date stipulated in this Policy shall be subject to collection measures up to and including legal recourses, as provided in the Interest, Penalties and Sanctions Policy.

19.2 The collection measures may be taken by ÉEQ or by a third party on behalf of ÉEQ.

20. Producers in default

20.1 Any Producer that is in default under the Contract, the General Terms and Conditions, the Regulation or this Policy must notify ÉEQ promptly if it becomes aware that the information contained in its Report is incorrect or incomplete.

20.2 Any Producer that is in default under the Contract, the General Terms and Conditions, the Regulation or this Policy shall incur charges, penalties or sanctions, in accordance with the Interest, Penalties and Sanctions Policy.

For any assistance understanding your obligations, preparing your Report, classifying materials or others, including the eco-modulation measures, do not hesitate to:

➤ **Consult the tools and information made available to you on the ÉEQ website:**

- **Materials Guide**
- **Methodology sheets by activity sector**
- **Excel file for the classification of Materials**

➤ **Contact a Company services agent who will be pleased to assist you:**

service@eeq.ca

514-987-1700 or 1-888 – 987-1491

Appendix 1

Eco-Modulated Financial Participation Schedule

Financial Participation Schedule

Sub-categories of Materials	Materials	2023 Special PFP ¢/kg	2024 Special PFP ¢/kg	2025 PFP ¢/kg	PFP 2026 ¢/kg	PFP 2027 ¢/kg
Printed Matter	• Newspapers	N/A	7,188	0,46512	0,49269	To be determined
	• Newsprint inserts and circulars	5,673	0,963	0,46826	0,49032	To be determined
	• Magazines, catalogues and publications	7,112	1,396	0,69193	0,73712	To be determined
	• Telephone books					To be determined
	• Paper for general use and other printed matter					To be determined
Paperboard Containers and Packaging	• Corrugated cardboard	6,397	1,293	0,5018	0,53967	To be determined
	• Kraft paper shopping bags					To be determined
	• Kraft paper packaging					To be determined
	• Boxboard and other paper packaging	8,029	1,784	0,67284	0,71291	To be determined
	• Gable-top containers	9,021	1,746	0,78732	0,82034	To be determined
	• Paper laminants	10,855	1,881	1,09449	1,19999	To be determined
	• Aseptic containers	10,240	2,063	0,94042	0,99414	To be determined
	• Cork and wood	12,550	3,166	1,43472	1,57100	To be determined
	• Alternative fibers	N/A	1,784	0,67284	0,71291	To be determined
	• Reusable natural fiber bags			1,43472	1,57100	To be determined
Plastic Containers and Packaging	• Polyethylene terephthalate (PET) bottles	11,177	2,196	0,84441	1,00609	To be determined
	• High-density polyethylene (HDPE) bottles and containers < 5L	6,193	1,239	0,45047	0,94031	To be determined
	• Plastic laminants	17,107	4,145	1,64099	1,79811	To be determined
	• Plastic HDPE and low-density polyethylene (LDPE) film	17,802	4,818	1,71583	1,78192	To be determined

Sub-categories of Materials	Materials	2023 Special PFP c/kg	2024 Special PFP c/kg	2025 PFP c/kg	PFP 2026 c/kg	PFP 2027 c/kg
	• HDPE/LDPE plastic shopping bags					To be determined
	• Expanded polystyrene – food packaging	29,694	7,940	2,90476	3,33142	To be determined
	• Expanded polystyrene – cushioning packaging					To be determined
	• Non-expanded polystyrene					To be determined
	• PET containers					11,177
	• Polyvinyl chloride (PVC)	29,694	7,940	2,90476	3,39142	To be determined
	• Polylactic acid (PLA) and other degradable plastics					To be determined
	• Polypropylene (PP)	10,275	2,147	0,82602	1,19426	To be determined
	• Other plastics, polymers and polyurethane	11,695	3,156	1,06541	1,26310	To be determined
	• Reusable synthetic fiber bags			2,90476	3,39142	To be determined
Aluminium Containers and Packaging	• Food and beverage aluminium containers	6,752	1,805	0,26087	0,44457	To be determined
	• Other aluminium containers and packaging					To be determined
	• Aluminium aerosol containers	N/A				To be determined
Steel Containers and Packaging	• Steel aerosol containers	6,059	1,342	0,41488	0,66580	To be determined
	• Other steel containers					To be determined
Glass Containers and Packaging	• Clear glass	6,653	1,173	0,58102	0,55978	To be determined
	• Coloured glass	6,762	1,356	0,58183	0,56112	To be determined
	• Ceramic and porcelain	11,556	2,847	1,31975	1,41393	To be determined
Materials soon to be redeemable	• Aseptic containers soon to be redeemable	10,240	- 4,721	0,94042	0,99414	To be determined
	• Gable-top containers soon to be redeemable	9,021	-4,751	0,78732	0,82034	To be determined
	• Cork and wood soon to be redeemable	N/A	7,595	1,43472	1,57100	To be determined
	• Plastic laminants soon to be redeemable	N/A	10,171	1,64099	N/A	To be determined

Sub-categories of Materials	Materials	2023 Special PFP ¢/kg	2024 Special PFP ¢/kg	2025 PFP ¢/kg	PFP 2026 ¢/kg	PFP 2027 ¢/kg
	• PET bottles soon to be redeemable	N/A	6,671	0,14074	N/A	To be determined
	• HDPE (all bottles or < 5 L format) soon to be redeemable	N/A	3,323	0,07508	N/A	To be determined
	• Other plastics soon to be redeemable	N/A	8,271	1,06541	N/A	To be determined
	• Other steel containers soon to be redeemable	N/A	3,229	0,41488	0,66580	To be determined
	• Clear glass soon to be redeemable	N/A	3,377	0,58102	0,55978	To be determined
	• Coloured glass soon to be redeemable	N/A	3,764	0,58183	0,56112	To be determined
	• Ceramic and porcelain soon to be redeemable	N/A	6,881	1,31975	1,41393	To be determined

Appendix 2

First Step of Reporting for Materials Ultimately Intended for Street-Front Businesses and Restaurants

1. Purpose of the First Step of Reporting

As part of the first step of Reporting, ÉEQ requires Producers generating Materials ultimately intended for street-front businesses and restaurants in Quebec to report these Materials. Unless otherwise specified in this appendix, the Reporting rules set forth in the Producer Financial Participation Policy (the “**Policy**”) apply for the purposes of the 2026 Report to Producers covered by this first step.

These rules are modified as follows:

- (a) Paragraph (c) of Section 6.2 of the Policy is replaced by the following text:

“(c) Where a Product or Printed Matter is acquired from outside Quebec as part of a sale governed by the laws of Quebec, by a person domiciled or having an Establishment in Quebec or by a municipality or public body within the meaning of section 4 of the *Act respecting contracting by public bodies* (CQLR c C-65.1), for their own use, payment of the PFP for the Materials (whether or not they bear a name or Trademark) used for the commercializing, marketing or any other type of distribution in Quebec of such Product or Printed Matter is then required from:

(i) The person who markets or commercializes a Product constituting secondary packaging intended for an institution, business, or industry, purchased through a transactional website;”

- (b) Section 8.2 (e) of the Policy is amended by adding a subparagraph (i) that reads as follows:

“(i) For the year 2026, Materials constituting secondary packaging are those made of corrugated cardboard and flat cardboard intended for street-side businesses and restaurants, marketed between July 1 and December 31, 2025.”

- (c) Section 9.8 of the Policy is amended by adding a subparagraph (d) reading as follows:

“(d) As part of the first step of Reporting, ÉEQ will suggest a Reporting methodology tailored to the Reporting of Producers generating Materials ultimately intended for street-side businesses and restaurants.”

- (d) Sections 9.9 and 9.10 of the Policy are amended to reflect that no financial contribution will be required from Producers of Materials ultimately intended for street-front businesses and restaurants in Quebec.

Producers are invited to consult the *Guide for Reporting of Materials Intended for the Institutional, Commercial, and Industrial Sector (ICI Guide)*, which provides additional information and details regarding the application of these provisions. This guide is provided for informational purposes only and does not replace the Contract, which prevails in the event of any inconsistency.

2. Duration of the First Step of Reporting

The first step of Reporting, in effect under the 2026 Report, is intended to allow for the gradual implementation and evaluation of certain operational procedures of this Report for the covered Producers. Subject to the results obtained, these procedures are intended to be maintained and incorporated into subsequent reporting steps for these Producers.