

Preparer's Guide

Annual declaration

Agreement relating to the consignment, recovery,
and recycling of non-refillable soft drink containers
(The 1st of January 2021)

I. GENERAL

This guide has been prepared under the principles of the Agreement relating to the consignment, recovery and recycling of non-refillable soft drink containers (the 1st of January 2019), hereinafter "the 'Agreement'. It was written for the sole purpose of helping the preparer as well as the practicing professionals mandated by the member to fulfill their respective responsibilities. It cannot replace the provisions of applicable agreements, laws, and regulations, which prevail in all circumstances.

Pursuant to Articles 7.4 and 8.2 of the Agreement, in order to verify the information included in the monthly declarations, each recoverers and non-recoverers must send to BGE, **no later than March 31 of each year**, an **annual declaration** in conformity with substance to **Annex E, or E1 when approved by BGE**, of the Agreement confirming the number of returnable containers of soft drinks sold, delivered or given pursuant to Article 4.1 of the Agreement for the period from 1st January to December 31st the previous year.

In addition, under section 5.4, to verify the total premium paid for the 2 ¢ unit recovery incentive fee paid by the recoverer during the defined period, all recoverers must report the premiums paid for 5 ¢ containers and 20 ¢ containers.

The annual statement must be joined with a **report on the results of the application of specified audit procedures issued by a firm of independent accountants** and duly authorized under any law governing them.

Schedule E-1 of the Agreement (Declaration of an officer relating to the attached annual declaration), when used with BGE's approval, should be signed by one of his senior officers.

Definitions and useful details

Section 1 of the *Act respecting the sale and distribution of beer and soft drinks in non-refillable containers* (L.R.Q., chapter V-5.001) defines beer and soft drinks, which are the subject of separate agreements. dealing with the consignment, recovery, and recycling of non-refillable containers.

- **“Beer”**: the beverage obtained by the alcoholic fermentation in drinking water of an infusion or decoction of barley malt, hops or any other similar product;
- **“Soft drink”**: aerated water to which an essence or syrup has been added.

For clarification, non-traditional products such as Kombucha-type products, reconstituted sparkling juices, energy drinks, de alcoholic sparkling wines, etc, are considered soft drinks since they correspond to the above definition. A carbonated drink which contains more than 0.5% by volume of alcohol is exceptionally excluded from the deposit system, as per an ad hoc decision made by Recyc-Quebec.

- **“Recyclable container”** : A non-refillable container which, as a whole, as marketed, is made either of steel more than 99% by weight, or aluminum of more than 99% by weight, or glass at more than 99% by weight, almost exclusively of the same type or of the same category of plastic, or a container designated as recyclable by BGE with the agreement of Recyc-Québec according to article 11.6, and, in all cases, none of the components of which is an obstacle to recycling the main body and which, in the case of a “can” type container, does not have a detachable part .

For the sake of understanding, a recyclable container, as defined in the Agreement, is a non-refillable container, which is why, in practice, these concepts are similar.

- In article 4.1... A member must also collect from any person to whom he sells, delivers, or gives outside Quebec non-refillable soft drinks, a deposit in respect of each container which bears an identical or similar statement to that in Annex D, or any other indication that could lead to believe that the container is consigned in Quebec according to this agreement.

Products sold, donated, or delivered in Ontario and bearing the Consignée Québec 5 ¢ Refund marking, or a similar mention, must be added to the units declared, except for glass containers.

II. ANNUAL DECLARATION (Schedule E)

Schedule E : Form to complete						
Declaration for the period of January 1 to December 31						
Corporate name of the Registrant						
Permit number						
Part 1 For Non-Recoverers and Recoverers						
Quantities of consigned containers sold, delivered or given with a deposit and not declared by another Registrant. (Art. 4.1)						
(Containers for which you have not paid the deposit at the time of purchase)						
				Aluminum	Plastic	Glass
Quantity of consigned containers sold delivered or given						
Total quantity according to your monthly declarations						
Difference						
Part 2 For Recoverers only						
Quantity of recovered containers on which the 0,02\$ incentive fee to the retailer was paid						
0,02\$ incentive fee on 5¢ containers						
0,02\$ incentive fee on 20¢ containers						

SCHEDULE E

AUDITORS REPORT *

To the directors of _____

We have audited the appended Declaration (the “Declaration”) in respect of the quantities of consigned recyclable containers sold, delivered, or given and recovered for the period starting January 1, 20__ and ending December 31, 20__ for _____ (the “Company”). This Declaration has been prepared by the Directors of the Company in accordance with the Agreement relating to the Deposit, Recovery and Recycling of Non-Refillable Soft Drink Containers (the “Agreement”). The Directors of the Company oversee preparing this Declaration, in compliance with the dispositions of the Agreement, and with the internal control deemed necessary for the preparation of a Declaration that does not contain significant inaccuracies, whether such inaccuracies result from fraudulent activity or mistakes.

Directors’ responsibility for the Declaration

The Directors of the Company oversee preparing this Declaration, in compliance with the dispositions of the Agreement, and with the internal control deemed necessary for the preparation of a Declaration that does not contain significant inaccuracies, whether such inaccuracies result from fraudulent activity or mistakes.

Responsibility of auditors

Our responsibility is to express an opinion on this Declaration, in the form of reasonable assurance of management's statement, based on the audit evidence obtained. We performed the reasonable assurance engagement in accordance with Canadian Assurance Engagement Standard (CAES) 3530, Attestation Engagement for Issuing a Compliance Report. This standard requires that we comply with the rules of professional conduct to obtain reasonable assurance that the management statement is fairly presented in all material respects.

Reasonable assurance corresponds to a high level of assurance, which does not, however, guarantee that an engagement carried out in accordance with the standard will always detect any significant case of non-compliance with the specified requirements that may exist. Instances of non-compliance may result from fraud or error and are considered material when it is reasonable to expect that they could, individually or collectively, influence the decisions of users of the report.

A reasonable assurance engagement for the issuance of a compliance report involves performing procedures to obtain audit evidence relating to management's representation regarding the entity's compliance with specified requirements. The nature, timing and extent of the procedures chosen are within our professional judgment, and in particular our assessment of the risks that management's statement

contains material anomalies, whether these result from fraud or error, and involve obtaining audit evidence regarding management.

Opinion

In our opinion, the information presented in the Declaration regarding the quantity of recyclable containers sold and recycled during the period starting January 1st, 20__ and ending December 31st, 20__ has been prepared, in all significant aspects, in accordance with the dispositions of the Agreement relating to the Deposit, Recovery and Recycling of Non-Refillable Soft Drink Containers.

Accounting method and distribution restriction

Without changing our opinion, we would like to reiterate the fact that this Declaration was prepared to allow the Company to comply with the requirements of the Agreement relating to the Deposit, Recovery and Recycling of Non-Refillable Soft Drink Containers. As a result, it is possible that this Declaration may not be used for any other purpose.

Firm _____

City _____

Date _____

Note: This is an example. The auditor shall refer to the effective standards.

SCHEDULE E-1

**DECLARATION OF AN OFFICER RELATING TO THE ANNUAL DECLARATION ATTACHED TO
SCHEDULE E**

TO: BOISSONS GAZEUSES ENVIRONNEMENT

I _____(name), _____(title)
of _____(name of member) whose soft drink sales and
distribution permit number is _____(permit number) solemnly affirm that to
the best of my knowledge, the information contained in the attached declaration of
_____ relating to the quantity of consigned
recyclable containers of soft drinks, sold, delivered or given for the period from
January 1st to December 31st 20__, is true, complete and trustworthy, and that this
declaration has been completed in accordance with the principles and articles of the
Agreement relating to the deposit, recovery and recycling of non-refillable soft drink
containers (as amended and applicable in the term in question); or, if it is the case,
relating to the totality of non-refillable soft drink containers that this registrant has
sold, delivered or given during the said term, the member has paid the totality of the
deposits to a Recoverer at purchase .

AND I HAVE SIGNED:

City: _____ Date: _____

(Name and title)