

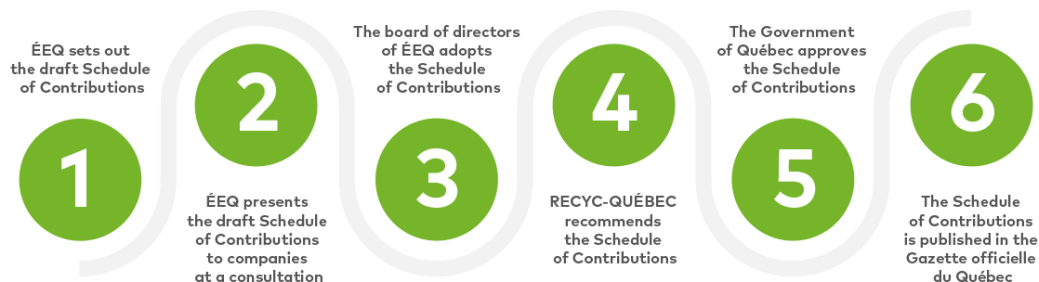
Consultation on the 2021 Schedule of Contributions – Summary

Table of Contents

Development of the Schedule of Contributions and consultations with companies: A supervised legal process.....	3
The 2021 Schedule during the pandemic and the modernization of curbside recycling.....	4
COVID-19: Its impacts on curbside recycling and contributing companies	4
Curbside recycling in Quebec is changing.....	5
The request for modernization has been active for 10 years.....	5
Curbside Recycling in Quebec, in Figures.....	6
Update of input figures to prepare the 2021 Schedule.....	7
Calculation of total costs to be taken into account in the 2021 Schedule ..	7
Net cost estimate for 2020	7
ÉEQ fees and other provisions	8
Details regarding ÉEQ fees and provisions for bad debts	8
Total costs rising.....	9
Estimated quantities expected to be reported by businesses for 2020	10
Fee structure formula and rate calculations	11
Average rate calculation.....	11
Flat Fees.....	12
2021 contribution table:.....	13
Draft contribution table draft for the 2021 Schedule.....	13
Limiting the rate increase	13
Explaining rate variations.....	14
Integrating eco-modulation measures.....	15
Eco-modulation measures introduced in the 2021 Schedule	16
Eco-modulated Contribution table.....	18
Draft contribution table draft for the 2021 Schedule.....	18
Application rules.....	19
Appendix I – Rate of recovery and net costs of materials used in the 2021 Schedule of Contributions.....	20

Development of the Schedule of Contributions and consultations with companies: A supervised legal process

As per the Environment Quality Act (EQA), the Schedule of Contributions governing contributions paid by companies must be submitted to targeted companies and organizations as part of a consultation process. Éco Entreprises Québec's consultation program focuses on Schedule application rules and the contribution table applicable to each category of designated materials; its aim is to provide a platform to exchange with the greatest possible number of contributing companies and organizations. The process for the 2021 Schedule of Contributions is the thirteenth implemented by ÉEQ.



For each Schedule of contributions, ÉEQ's Board of Directors adopts a draft Schedule of contributions that is presented to businesses and organizations through a three-week consultation process. Following consultation activities, ÉEQ analyzes the comments received and writes a report on the conclusions drawn during the exercise. The Schedule of contributions and the report are then approved by the Board, with or without amendment, before being submitted to RECYC-QUÉBEC (RQ), which assesses compliance with the process in order to recommend the Schedule of contributions to the Québec government. The government of Québec then approves the Schedule and publishes it in the *Gazette officielle du Québec*.

This summary presents the main changes made to the contribution table and application rules – the Schedule of Contributions – and to the contribution table for obligation year 2021. The draft Schedule of Contributions will be submitted to companies targeted by the Compensation Plan as part of consultation meetings held on November 24, 2020.

All targeted companies and organizations must submit to ÉEQ their Company Report on the materials they place on Quebec's market in order to determine the contribution they must pay. The amount of the contribution is calculated by multiplying the quantity, in kilograms, of each material in a given class by the applicable rate indicated in the contribution table for the obligation year concerned, and then adding up those amounts.

The 2021 Schedule during the pandemic and the modernization of curbside recycling

The 2021 Schedule of Contributions is developed against the background of the global COVID-19 pandemic, which has unprecedented impacts for all contributing companies and the curbside recycling system.

On one hand, the recovery industry in Quebec, which was still struggling to restart following the closure of Chinese markets to recyclables, has not been spared. On the other hand, for all companies across all business sectors, economic activities and business models have been affected, and they have had to cope with new realities regarding consumption and work.

COVID-19: Its impacts on curbside recycling and contributing companies

The 2021 Schedule was therefore developed while closely monitoring the situation and taking into account a series of factors based, among other things, on the findings of four ÉEQ reports produced with the aim of fully understanding the repercussions of recent upheavals on the [curbside recycling](#) and [deposit](#) systems, as well as on [consumer habits](#) in Quebec. The [last report](#) has just been published and deal specifically with the impacts of COVID on business contributions. Feel free to read them for additional information not presented in this summary.

The arrival of COVID-19 has called the established order into question. Three main observations included in the last report influenced the development of the 2021 Schedule of Contributions:



The impacts of COVID on system costs indicate an upward trend, but there is no confirmation that these costs will be transferred to municipalities, given the nature of the contracts between them and service providers. In order to mitigate this impact, RECYC-QUÉBEC enhanced its assistance program for materials recovery facilities, which was devised to support them following the closure of Chinese markets. This program aimed to counter the ensuing falling prices in order to "cover a portion of the costs for equipment and protective measures taken to limit the risk of spreading the COVID-19 virus".



With the health crisis, contributing companies who traditionally represent the largest proportion of contributions to the financing of curbside recycling, i.e. manufacturers and retailers of food products and consumer goods, including big box stores and manufacturers of chemical products (cleaners), should see an increase in their estimated quantities to report and, consequently, in their contributions.

Certain sectors are more negatively impacted by COVID-19, for example, publishing, restaurants and clothing retailers. The level of their contribution to ÉEQ is less, but the higher costs to come could add to the load they already bear due to the pandemic.



The number of businesses seeking protection under the CCAA (Companies' Creditors Arrangement Act) or under the BFI (Bankruptcy and Insolvency Act) is higher than it was in recent years. ÉEQ will have to ensure that allowances for bad debts are sufficient to mitigate risks to the organization and to other companies.

Curbside recycling in Quebec is changing

The development of the 2021 Schedule of Contributions is also happening along with the transformation of the curbside recycling system. Indeed, on September 24, the Quebec government tabled a bill that confirmed its intention to modernize curbside recycling and materialized the announcement made to that effect by the Minister of the Environment and the Fight against Climate Change last February.

Against the background of the current compensation plan, Quebec municipalities have been providing the curbside recycling service to their citizens. However, companies are offsetting 100% of the efficient and effective net costs to collect, transport, sort and process the containers, packaging and printed matter (C, P & PM) they market.

The request for modernization has been active for 10 years

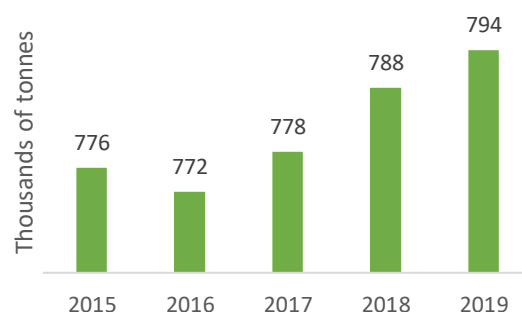
After three recycling crises, with effects of the last one still being felt, four Quebec government working groups, one policy and two action plans to manage residual materials announcing an upcoming modernization, significant cost increases for municipal curbside recycling programs in recent years resulting in considerable contribution increases, have acted as a catalyzer to encourage the modernization of the management and financing framework for curbside recycling.

The modernization aims to give companies that produce and market containers, packaging, printed matter and newsprint (C, P, PM & N) control of the system based on the principle of Extended Producer Responsibility (EPR), in partnership with municipalities. With EPR-Partnership, companies that market C, P, PM & N will be responsible for their products from the beginning to the end of those products' life cycles. In being accountable, companies will have to find ways to better design their packaging through eco-design and integrate more recycled content in their C, P, PM & N. In order to send a signal to government authorities and businesses in a perspective of transitioning towards EPR-Partnership that focuses on the circularity of C, P, PM & N, various modulation measures relating to the Schedule have been evaluated and three are subject to consultation by companies.

Curbside Recycling in Quebec, in Figures

In 2019, over 793,935 tonnes of materials were recovered in Quebec via the curbside recycling system, which is a slight increase of close to 5,665 tonnes (0.7%) compared to 2018. This increase in quantity is the result of the expansion of the service to multi-unit dwellings as well as to industries, companies and institutions that generate material types similar to those generated by residences. That decline is mainly due to lighter-weight containers and packaging as well as lower quantities of certain printed matter items and newspapers that are increasingly being published online.

Tonnage reported by municipalities per calendar year



Municipal net costs for 2019, based on actual costs reported by municipalities, went up 17.5% (\$200.3 million vs. \$170.5 million) compared to the previous year.

	2018	2019	Variation
Tonnes recovered	788,270	793,935	0.7%
Net costs	\$170.5M	\$200.3M	17.5%
Population with access to curbside recycling	8,345,193	8,433,743	1.0%
Kilograms per inhabitant	94.5	94.1	-0.4%
Net cost per inhabitant	20.43	23.75	16.3%
\$ per tonne recovered	\$216/t	\$252/t	16.7%

Update of input figures to prepare the 2021 Schedule

The development of a Schedule of Contributions includes seven inputs that are obtained either via studies (rate of recovery, distribution of costs per class of materials, net costs per material), either via estimates (municipal net costs, quantities expected to be reported by companies) or known data (RQ allowance, ÉEQ fees).

Among the four inputs updated this year, two have a preponderant influence on material rates, namely municipal net costs and quantities expected to be reported by businesses, present particular challenges during this pandemic.

Calculation of total costs to be taken into account in the 2021 Schedule

Net cost estimate for 2020

In the context where the recycling crisis continues for several materials and MRFs that have had to review their operations due to COVID, estimating municipal net costs has therefore presented a considerable challenge this year. Indeed, in order to take into account the health challenges of municipalities, the Public Corporation, RECYC-QUÉBEC (RQ) has granted municipalities an additional one-month period to submit their 2019 data. That data source is essential to develop the Schedule of contributions, as ÉEQ must first assess the municipal net costs that will be compensated for the year 2020. The ensuing chain of delays therefore had an influence on the timing of the consultation period, this data was not transmitted to us until mid-October rather than at the end of August.

The estimated increase in collection and transportation costs takes into account contract renewals as well as the increase in the consumer price index for transportation. For sorting and packaging costs, the estimate is based on contract renewals and reopenings between municipalities and MRFs known to date, as well as average increases by category of municipalities. Because a municipality's compensation is calculated based on its performance compared to that of its group, this approach has been preferred for two years now in order to monitor not only cost variances for a municipality, but for other municipalities in its group. Thus, municipal costs with taxes are estimated to be \$231.7 million. ÉEQ's share of costs eligible for compensation is estimated at \$197.1 million, for an increase of 10.8% for the 2021 Schedule of contributions compared to 2020.

Performance and efficiency factor

The calculation of the P&E factor is defined in the by-law and reduces additional costs by comparing municipalities from six groups based on population and distance from the major centers of Montreal and Québec City.

	2020 Schedule	2021 Schedule
Estimated municipal net costs before taxes ¹	\$188.7M	\$220.2M
QST (4.99%) ²	\$9.4M	\$11.6M
Estimated municipal net costs	\$198.1M	\$231.7M
Deduction - Non-designated materials (6.45%)	(\$12.8M)	(\$15.0M)
Deduction for P&E factor	(\$11.0M)	(\$23.5M)
Municipal management costs (8.55%)	\$16.0M	\$16.6M
Deduction - Newspapers	(\$12.4M)	(\$13.7M)
ÉEQ compensation to municipalities	\$177.9M	\$197.1M
Variation	+23.2%	+10.8%

ÉEQ fees and other provisions

Other costs need to be added to compensation costs to produce the total contribution payable by companies. Thus, if we consider the RQ allowance provided for in the regulation, fees for bad debts, ÉEQ and project fees and the deduction from the expected fixed rates, the total amount of \$11.2 million, integrated in the calculation of the Schedule, is lower compared to other fees of the 2020 Schedule.

Details regarding ÉEQ fees and provisions for bad debts

For the purposes of the draft Schedule of Contributions, ÉEQ's fees are estimated at 6 million dollars. However, the 2021 budget process is not yet completed. It will have to be updated when the budget forecasts are adopted next December. This amount represents approximately 2.9% of total contributions.

In addition, pursuant to the financial commitments provided for in the *Innovative Glass Works* Plan, \$0.6 million is allocated to glass for costs incurred to support the participation of MRFs. This distribution is in line with the orientations agreed upon by the Board in December 2017.

Moreover, given the ongoing pandemic and as per observations made regarding bad debts, ÉEQ maintains the allowance for bad debts at 2% of anticipated contributions in order to cover the numerous company closures and bankruptcies as well as possible disputes.

¹ Note: 50% of GST has been reimbursed to municipalities for some time now (no change).

² Under the fiscal pact, the QST is reimbursed at a rate of 50% from 2015 to 2020 inclusively.

	2020 Schedule	2021 Schedule
Allowance paid to RECYC-QUÉBEC	\$2.8M	\$2.8M
ÉEQ fees*	\$6.0M	\$6.0M
Allowance for bad debts	\$3.7M	\$4.1M
Risk funds	\$0.0M	\$0.0M
Deduction for flat fees	(\$1.8M)	(\$2.9M)
Reserve for recycled content credits	\$0.3M	\$0.5M
Innovative Glass Works Plan	\$0.6M	\$0.6M
Other fees	\$11.6M	\$11.2M**
Variation	+0.9%	-4.3%

*Preliminary ÉEQ management expenses

**Difference resulting from rounded figures

Total costs rising

Once all elements are taken into account, total costs to be factored into the fee structure formula are \$208.2 million, an overall increase of 9.9% from 2019 before the injection of funds to mitigate increases.

	2020 Schedule	2021 Schedule
ÉEQ compensation to municipalities	\$177.9M	\$197.1M
Other fees	\$11.6M	\$11.2M
Risk funds	\$2.8M	\$0.0M
ÉEQ's total contribution	\$192.3M	\$208.2M
Variation	+23.3%	+9.9%

The total cost variance to be factored into the 2021 Schedule of Contributions is amplified due to the \$12.3M injection to mitigate the rate increase for the 2020 Schedule last year. Thus, the total cost increase is 15.7%.

Cost	2020 Schedule	2021 Schedule
ÉEQ's total costs	\$192.3M	\$208.2M
Risk fund and other rate-stabilizing funds	(\$4.5M)	\$0.0M
"Containers and packaging" (C&P) fund	(\$7.8M)	\$0.0M
Total costs used in the Schedule of Contributions	\$180.0M	\$208.2M
Variation	+18.6%	+15.7%

Estimated quantities expected to be reported by businesses for 2020

Estimating expected quantities has been made more complex this year due to the postponement of the publication of the 2020 Schedule of Contributions by the government. Indeed, in order to ease the financial burden on businesses during this pandemic period, the Quebec government has not published the 2020 Schedule at the usual time, i.e. in the summer of 2020, so that businesses did not have to report to ÉEQ or pay their 2020 contribution. However, this resulted in ÉEQ not having the most recent data to support its estimates for the preparation of the 2021 Schedule of Contributions. However, other measures have been taken to monitor trends, the impacts of COVID and the generation of materials by companies.

COVID-19 has also had an impact both on changes in consumption and on the transformation of the business activities of contributing companies, consequently impacting the materials generated. After following companies closely (increases and decreases in products consumed, reduction of inserts and flyers, growth of electronic commerce, shop closures, etc.), we can make the two observations below:

- An accelerated trend regarding the reduction in generating printed matter.
- The overall increase in the marketing of containers and packaging, despite difficulties in certain business sectors.

This results in a 20% reduction in expected printed matter quantities and a 4% increase in containers and packaging, for a stable overall quantity.



Fee structure formula and rate calculations

The fee structure formula is used mainly to distribute total costs (municipal net costs + other expenses) among each class of materials, and among the 30 materials of the contribution grid. Recovery rates, processing costs per material in the curbside recycling system (collection, transportation, sorting and processing) and quantities expected to be reported are all used to determine the rate for each material.

Recovery rates, as net costs for materials, are unchanged from the 2020 Schedule of Contributions (see Appendix 1 for a reminder). Moreover, the share of containers and packaging remains at 72.8% and that of printed matter at 20.7%, for a total ÉEQ share of 93.5%.

Average rate calculation

Taking into account the total costs to be considered, the average rate per tonne for 2021 is \$335, a 15.7% increase from the rate for the 2020 Schedule of Contributions.

	2020 Schedule	2021 Schedule
Total costs used in the Schedule of Contributions	\$180.0M	\$208.2M
Variation	+18.6%	15.7%
Expected quantities	621,546 t	621,724 t
Average rate	\$290/t	\$335/t
Variation	+22.5%	+15.7%

Once again, we point out that without the injection of funds in the 2020 Schedule, the average rate for 2020 would have been \$305/t with an average increase of 31.2%. Thus, the average rate increase for 2021 compared to that for 2020 would have been 9.8%.

As costs are distributed by class of materials based on activity-based costing (ABC), we note an average rate increase of 38.1% for printed matter and 11.7% for containers and packaging. In addition to the increase in net costs that applies to all, the rate increase for printed matter is attributable to the sharp drop in expected quantities. Without the injection of funds in the 2020 Schedule, the average rate for C&P would have been \$297/t. Thus, the average rate increase for 2021 compared to that for 2020 would have been 4.8%.

	Printed matter		Containers and packaging	
	2020	2021	2020	2021
ÉEQ Contribution	\$40.9M	\$45.4M	\$139.0M	\$162.7M
Variation	+23.9%	11.0%	+15.8%	17.1%
Expected quantities	122,123 t	98,136 t	499,423 t	523,579 t
Variation	-13.0%	-19.6%	-0.6%	+4.8%
Average rate	\$335/t	\$463/t	\$278/t	\$311/t
Variation	+43.2%	+38.1%	+17.3%	+11.7%

Flat Fees

For the 2020 Schedule of Contributions, ÉEQ had set up a working group whose purpose was to study the specific issues regarding low-volume producers in order to respond, among other things, to companies whose quantities or revenues slightly exceed the fixed price thresholds and whose contribution is significantly higher than the lump sums. The group had submitted recommendations to the Board of ÉEQ, who accepted to review the lump sum calculation method using an allocation method of over a period of two years.

The catch-up measure for flat fees is therefore completed this year, placing the rate of flat fees in the upper band of the average rate of materials for their estimated quantities.

Flat Fees	2020 Schedule amount	Amount 2021 Schedule	Increase
> 1 MT and < 2.5 MT	640	830	29.7%
> 2.5 MT and < 5 MT	1,310	1,660	26.7%
> 5 MT and < 10 MT	2,610	3,320	27.2%
> 10 MT and < 15 MT	4,170	4,985	19.5%
> \$1 M and < \$2 M	4,170	4,985	19.5%

It should be noted that the approximately 1,200 low-volume producers contribute nearly 1% of the contributions (\$2.9 million out of \$208 million).

2021 contribution table:

Draft contribution table draft for the 2021 Schedule

Material	2021 Schedule \$/t	Variation %
Printed matter	463.02	38.1
Newsprint inserts and circulars	398.60	36.4
Printed matter	591.54	38.9
Containers and packaging	310.83	11.7
Paperboard	270.29	12.9
Corrugated carton and Kraft paper	245.61	12.6
Boxboard and other paper packaging	269.89	13.0
Gable-top containers	254.48	12.8
Aseptic containers	315.47	13.2
Laminated paper	387.08	13.4
Plastics	458.99	12.3
PET bottles and containers	341.13	13.6
HDPE bottles and containers <5l.	186.10	14.4
Plastic film, bags and plastic laminates	619.30	14.0
PVC, PLA and polystyrenes	988.89	4.8
Other plastics	405.77	13.0
Aluminium	222.20	8.3
Steel	194.87	10.7
Glass	235.53	12.8
Clear (flint) glass	234.78	12.8
Coloured glass	236.10	12.8
Average rate	334.85	15.7

Limiting the rate increase

Since the 2015 Schedule of Contributions, the board of directors has introduced a guiding principle to the effect that no material should have an increase of more than 50% unless it is for overall reasons of net cost increase. In that case, the rate is capped, and the difference is allocated across all materials in the class.

That measure was not necessary for the 2021 Schedule.

Explaining rate variations

For the 2020 Schedule, rates vary from 4.8% to 38.9%.

Average rate variation	Number of materials
< 15.7%	24
> 15.7%	6

There are three main causes that explain the rate increase:

1. Increase in municipal net costs.
 - Indeed, it should be noted that ÉEQ's 10.8% share of net costs affects all materials equally, whereas the variation in quantities of estimated materials specifically affects the material and, indirectly, other materials in its class.
2. The delayed effect of the rate increase, in connection with the overall injection of funds up to \$12.3 million to mitigate the rate increase during the 2020 Schedule, including \$4.5 million allocated to the 30 materials and \$7.8 million to containers and packaging.
3. Signification drop in quantity of printed items put on the market.

Material	Explanation of main variations
Printed matter	+38.1% 19.6% drop in expected quantities
PET bottles	+13.6% Increase of costs to be compensated
HDPE bottles	+ 14.4% Increase of costs to be compensated
Expanded polystyrene - food Expanded polystyrene - protection Non-expanded polystyrene PVC, polylactic acid (PLA) and other degradable plastics	+4.8% Variation due to a greater proportion of non-expanded polystyrene containers, whose performance (material's rate of recovery and net cost) fosters a better rate
Aluminium food and beverage containers Other aluminium containers and packaging	+8.3% Increase of costs to be compensated counterbalanced by an increase in quantity of containers
Steel	+ 10.7% Increase of costs to be compensated

Integrating eco-modulation measures

For several years now, ÉEQ has been assessing the possibility of advancing the fee structure to better support the value chain. The eco-design and circular economy plan (ECEP) and the plastics action plan (PAP), both adopted by the board of directors, are the fruit of those efforts and preparation. Thus, this approach started as a joint reflection along with the Eco-design and circular economy and the Compensation Plan teams, and considered the current context of the compensation plan and the transition to EPR-partnership in order to establish guiding principles:

1. Identify eco-modulation criteria that are within the scope of activities designated by Schedule of Contributions activities.
2. Foster reduction at the source as an approach, reuse and marketing of recyclables thanks through eco-design.
3. Make informed decisions that take into account existing or emerging sorting or recycling technologies.
4. Identify minimum thresholds for recycled content taking into account the accessibility of the recycled material to all.

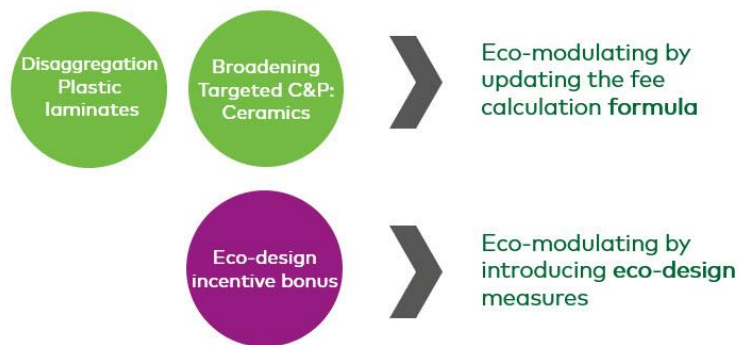
Thus, in order to transition to pricing more in line with the impact of the material across the value chain and in the context of the modernization of curbside recycling, where companies are responsible for the materials they place on the market, from their design to their recycling, eco-modulation measures will be gradually implemented starting in 2021.

They will have to:

- Enable businesses to be guided regarding the choice of materials, components or processes to be used:
 - Consider the possible ill-effects on the environment (recyclability) and on humans (additives)
- Recognize and support packaging eco-design initiatives by companies.
- Take into account the performance and impact of the material on the entire value chain.
 - Discourage the use of disruptors (malus).
- Encourage greater recyclability of materials with a view to the circular economy.

Eco-modulation measures introduced in the 2021 Schedule

For the 2021 Schedule of Contributions, three eco-modulation measures have been identified: two result from a change in the pricing formula and one is linked to eco-design. It should be noted that it is essential to have up-to-date and specific data for a material targeted by a measure in order to be able to obtain the desired signal, either to penalize materials that are more difficult to recycle or to favor materials that are more easily recyclable.



De-amalgamating plastic laminates from HDPE and LDPE bags and film would increase its rate by 2.7% from \$619.30/t to \$635.76/t. Bags and films would thus see their rate drop from \$619.30/t to \$609.02/t. Regarding the expansion of the materials targeted to include ceramic containers and packaging, this material was absent from the 2020 contribution grid and would end up with a 2021 rate of \$386.03/t.

Regarding the eco-design incentive bonus, ÉEQ is aware that a signal must be sent to companies engaged in packaging eco-design initiatives in order to support them and to demonstrate that it is working on this too. Thus, it is with pride that a pilot incentive bonus project, benefiting from a budget envelope of one million dollars, financed from the Permanent Containers and Packaging Fund, was set up and offered to businesses that qualify.

The granted bonus will represent 10% of the contribution for the packaging of the product targeted by the eco-design initiative for companies who meet the eligibility criteria. Moreover, several initiatives will be eligible for a single company, up to an incentive bonus of \$25,000.

The objectives of the bonus are to:

- Recognize a completed eco-designed packaging initiative.
- Identify action levers, document challenges and define solution leads (information collection and experimentation) between eco-design and recyclability.

- Communicate business initiatives and measure environmental gains (social and economic, if applicable).

To be eligible, companies must meet the criteria below, namely:

- Be a compliant contributing company as per ÉEQ.
- Have completed eco-design process during the fee structure calendar year or the one prior.
- Have submitted the bonus request form in time.
- Collaborate with ÉEQ in order to document the initiative, identify the challenges and issues and give consent for their case to be published.

Eco-modulated Contribution table

Draft contribution table draft for the 2021 Schedule

Material	2021 Schedule \$/t	Variation %
Printed matter	463.02	38.1
Newsprint inserts and circulars Printed matter	398.59 591.53	36.4 38.9
Containers and packaging	310.43	11.5
Paperboard	269.86	12.7
Corrugated carton and Kraft paper	245.26	12.5
Boxboard and other paper packaging	269.45	12.8
Gable-top containers	254.16	12.7
Aseptic containers	314.94	13.0
Laminated paper	386.33	13.2
Plastics	458.19	12.1
PET bottles and containers	340.65	13.4
HDPE bottles	185.79	14.2
Plastic laminates	635.76	17.0
Bags and films	609.02	12.1
PVC, PLA and polystyrenes	987.15	4.6
Other plastics	405.01	12.7
Aluminium	221.64	8.0
Steel	194.51	10.5
Glass and others	235.90	12.9
Clear (flint) glass	234.47	12.6
Coloured glass	235.79	12.6
Ceramics	386.03	
Average rate	334.49	15.5

Application rules

In order to reflect the indicated eco-modulation measures, the application rules of for the 2021 Schedule of Contributions have been modified. All changes have been introduced in the Contribution table in Appendix A:

- Range of designated materials expanded to include ceramic containers
 - "Ceramic" added as a material
- Disaggregation of plastic laminates from HDPE/LDPE plastic film
 - No amendment to rules or to the table
- Eco-design incentive bonus:
 - Added a note presenting the bonus (10%, max \$25,000)
 - Reference to ÉEQ's website for administrative criteria

Appendix I – Rate of recovery and net costs of materials used in the 2021 Schedule of Contributions

The recovery rates are from the 2015-2017 Residential Characterization Study co-financed by ÉEQ and RQ. The material's net cost comes from the update of the activity-based costing (ABC) model per material class for 2018 co-financed by ÉEQ and RECYC-QUÉBEC.

Material	2015-2017 Recovery rate	2018 ABC Net cost
Newsprint inserts and circulars	85.1%	\$143
Catalogues and publications	82.4%	\$145
Magazines	85.6%	\$140
Telephone books	81.6%	\$145
General use paper	56.8%	\$148
Other printed matter	62.4%	\$143
Corrugated cardboard	77.5%	\$192
Kraft paper bags	41.3%	\$192
Kraft paper packaging	23.2%	\$192
Boxboard and other paper packaging	61.9%	\$187
Gable-top containers	77.9%	\$217
Laminated paper	33.4%	\$264
Aseptic containers	54.9%	\$228
PET bottles	68.1%	\$242
HDPE bottles	68.4%	\$80
Plastic laminates	15.1%	\$622
HDPE/LDPE plastic film	34.8%	\$594
HDPE/LDPE film shopping bags	15.8%	\$594
Expanded polystyrene - food	11.5%	\$2,135
Expanded polystyrene - protection	40.9%	\$2,135
Non-expanded polystyrene	24.9%	\$418
PET containers	57.3%	\$370
PVC, polylactic acid (PLA) and other degradable plastics	54.6%	\$279
Other plastics, polymers and polyurethane	44.0%	\$307
Aluminium food and beverage containers	48.2%	(\$133)
Other aluminium containers and packaging	10.0%	\$22
Steel aerosol containers	17.5%	\$27
Other steel containers	64.4%	\$73
Clear (flint) glass	77.5%	\$203
Coloured glass	77.5%	\$205
Ceramic	24.6	\$242.5