

Towards a fee evolution

October 25, 2018

Materials performance analysis based on the curbside recycling value chain

Why choose this approach?

- Develop the contribution table:
 - » Revise the list of materials with particular attention paid to the other fibres and plastics classes
 - » Revise the aggregated rates considering the end-of-life management of CP&PM* from a fairness perspective and the ecodesign potential
- Identify opportunities to improve CP&PM recovery and recycling





Entreprises Québec 1

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^{*}Containers, packaging and printed matter

Approach to develop the contribution table Reminder: methodology

Three steps to revising the list of designated materials and aggregated rates in the contribution table

Assessment based on performance criteria

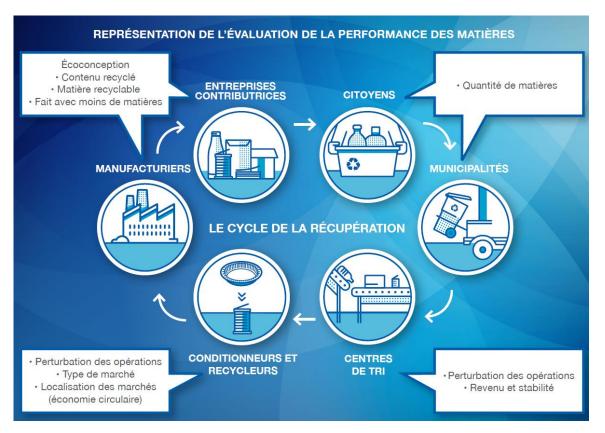
Assessment based on aggregation criteria

Determination of the list of targeted materials and aggregated rates

Eco Entreprises Québec

1. Performance criteria based on value chain flow

Presented in June 2018 - webinar available online





2. Aggregation criteria

3. List of designated materials

An evolution of the contribution grid taking into account fairness, simplicity and consistency with other REP programs

Group level x

Processing in sorting centres

 Grouping materials that end up in the same bales (based on recycler specifications)

Group level x.x.

Analysis of performance in the value chain

 Grouping materials with similar performances (based on performance criteria)

Group level x.x.x.

Costs in the value chain

 Grouping materials whose net costs are similar (based on ABC)



Collect contributions on 100% of the materials generated through e-commerce A major challenge in the current legal context

- Under the compensation plan, only companies with a place of business in Québec are targeted
- Online sales by companies outside Québec are rising steadily.
 According to our estimates, the quantities are between 22k and 30k tonnes (4.5% of reported quantities)
- Changes are required to collect contributions for all the materials generated through e-commerce by companies located outside Québec
- ÉEQ is lobbying the government so that the planned tax measures may also be applied under the compensation plan

B2B Ongoing analysis for eventual broadening

- The compensation plan has compensated the costs of municipal curbside recycling programs since 2002
- Collection services for ICI* has been on the rise for the past five years
- The aim is to guarantee greater fairness between companies and materials by ensuring that the materials already included in the costs are actually reported by the organizations that generate them
 - New companies with business models chiefly based on B2B that do not currently contribute (or contribute very little) under the compensation plan
 - Companies that currently deduct these materials under the SoC



B₂B

Ongoing analysis for eventual broadening Work carried out in 2018

- Determination of the share of establishments that rely on municipal curbside collection services and the materials that are collected based on the companies' main activity sectors and subsectors
- Creation of a working group of representatives from companies in a range of sectors to:
 - help define and clarify reporting, deduction and simplification principles and options
 - assess the impact on the quantities currently reported by companies



B2B

Ongoing analysis for eventual broadening Further work: in tune with companies

Predictability

Plan for reasonable notice before the broadening comes into effect

Simplicity

Clarify and specify certain deduction and exclusion principles

Fairness

Implement an action plan to identify new companies (B2B only) or companies that currently contribute and which are affected by the measure in order to provide information and support





Projects to benefit companies in the local and global contexts

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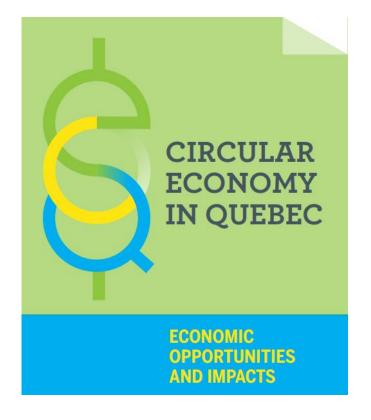
Ecodesign and circular economy

Foster the circular economy to decrease dependency on export and stimulate local applications

Publication of the first study on circular economy in Québec

Launch of the quebeccirculaire.org circular economy portal

Creation of a new department at ÉEQ







A concrete solution for 100% of the glass containers Quebecers place in their recycling bins

\$13 millions invested in:

- 5 experimental pilot projects to provide sorting centres with cutting-edge glass processing equipment
- Measures and projects to develop markets and support the commercialization of ecomaterials
- A cutting-edge glass sorting system for the city of Montréal's new sorting centre

Report and recommendations to the government in fall 2018











Second life for plastic: a global concern

Foster the emergence of new solutions to limit environmental impacts and pursue the development of plastic packaging recycling

- EU Strategy for Plastics in a Circular Economy
- G7 Ocean Plastics Charter

ÉEQ initiatives in 2019
"Plastics solutions: Innovations in recycling on either side of the Atlantic"

Forum Québec-France in partnership with Citeo Paris, Feb. 4-5







Implement best practices in partnership with municipalities

- Presentation of best practices in curbside recycling to elected officials and municipal general managers
- One-on-one meetings and representation of the interests of contributing companies
- Support for 25 municipalities seeking to adopt best practices in the specifications of their calls for bids





Multiplatform awareness campaign

3 400 companies that fund curbside recycling in Québec

Companies and their activity sectors at the core of our campaign

