

## Context

In accordance with section 53.31.14 of the *Environment Quality Act* (EQA), contributions must be established in a Schedule of Contributions that has been the subject of consultations with targeted entities. ÉEQ's certification agreement stipulates that the organization must submit to RECYC-QUÉBEC the contribution table along with a detailed report on the results of the consultation, comments received and the way in which the organization takes such comments into consideration in the Schedule.

As part of its mission, ÉEQ is required to “develop draft Schedules of Contributions and submit them to targeted companies and organizations in the framework of a consultative process. For each Schedule of Contributions, ÉEQ's board of directors adopts a consultation process that is transparent and reaches as many stakeholders as possible in order to provide them with information and receive their input at each step leading to the adoption and coming into force of the Schedule of Contributions in a given year. The current process for the 2019 Schedule of Contributions is the eleventh implemented by ÉEQ.

The 2019 Schedule of Contributions was therefore developed in the context of the recyclable materials resale markets crisis as a result of the Chinese government's ban on fibres and plastics. The crisis impacts the entire curbside recycling system and makes the process to estimate the net costs more complex. The 2019 Schedule of Contributions was therefore set out by closely monitoring the situation considering all the changes to the municipal costs and following the updating of most of the inputs. Indeed, the costs to be compensated, recovery rates, expected quantities and ÉEQ's fees and other provisions were updated, and the various parameters in the contribution table were adjusted to reflect the new figures. The application rules were also updated.

The special consultation involves a series of consultation mechanisms, including meetings with companies and organizations. It covers the application rules for the schedules of contributions and the methodology to develop the contribution table.

## Target audiences

Entities subject to the EQA are companies and organizations that own a brand, name or distinguishing guise and market containers and packaging and printed matter in Québec. When the brand owner does not have an establishment in Québec, the first suppliers of their products in Québec must assume those obligations. As all entities subject to the EQA are concerned by the consultation process, ÉEQ endeavours to include as many companies and organizations as possible.

In the process to develop the Schedule, the communications strategy used to reach targeted entities, raise their awareness, provide information and consult them relies on a range of media and mechanisms.

## Mass communications

### *Electronic newsletter*

- ÉEQ's electronic newsletter is a communications tool used to announce consultation meetings, provide information on consultation mechanisms and invite targeted companies and organizations to participate in the consultation process.
- Considering the formal context of the consultation, the companies that have agreed to receive communications from ÉEQ under Canada's Anti-Spam Law and those that have refused will be provided with information. Those that have refused receive only one communication.

### *Website*

- ÉEQ uses its website [eeq.ca] to provide targeted entities with easy access to information and a means to submit questions and information requests regarding Schedules of Contributions and the consultation process, comment on Schedule application rules and send in replies to consultation questionnaires.
- The new website highlights ÉEQ-related news, including information on the consultation meetings on the Schedule of Contributions.

### *Overview of the steps to develop the Schedule of Contributions*

- In the current fibre and plastics markets crisis, the overview provides targeted companies with information on the steps taken by ÉEQ to monitor the evolution of the municipal net costs.
- Released in the days leading up to the consultation, the summary document details:
  - ✓ the context to support the estimation of net costs
  - ✓ the steps to develop the Schedule of Contributions
  - ✓ the rates for all materials
  - ✓ explanations of rate variations
- The document is sent directly to the companies and organizations registered to take part in the consultation to give them the opportunity to read them and formulate any questions they may have.
- The summary is also made available online, on ÉEQ's website, along with the other consultation documents (PPT presentation, Excel file of the contribution table, questionnaire, etc.).

### *Consultation questionnaire*

- The questionnaire is ÉEQ's main consultation tool. While other means are used to announce upcoming meetings and convey their outcome, the questionnaire gives targeted entities the opportunity to provide their point of view on proposed new directions for the Schedule of Contributions and comment on the application rules and methodology used to develop the contribution tables.
- In order to have a high number of questionnaires returned, the document is distributed to those physically present at meetings and posted online immediately after the first consultation meeting with companies and organizations for a period of approximately three weeks. It is also sent to participants and distributed with the newsletter issued during the same period.

### *Questions and comments*

- Companies and organizations may ask questions and submit comments during consultation meetings or send them by letter if they wish to elaborate on particular issues.

### *Information relays*

- In order to reach as many companies as possible, ÉEQ also calls on its vast network of association contacts to relay information.

## Communications with targeted companies and organizations

During the development of the Schedule of Contributions, and especially considering the current market situations, ÉEQ uses several communications methods to inform targeted entities and their association representatives.

### *Personalized one-on-one meetings*

- Personalized approaches for the respondents and strategic contacts of the contributing companies that are most affected by the changes will be set out.
- Personalized approaches for major contributors will also be set out to directly inform executives and discuss ÉEQ's future directions.
- These approaches stem from a predictability perspective to enable companies to anticipate upcoming changes and advise ÉEQ of the impacts these changes will have on their operations and help ÉEQ support them in adjusting their in-house processes.
- The communications approach is all the more justified since ÉEQ has noted some confusion regarding the deadlines for the introduction of rate changes, specifically with the broadening of the materials classes to include short-life containers and packaging sold as products and printed matter sold as products in the 2018 Schedule of Contributions.

### *B2B working group*

- In July, at the request of ÉEQ's board of directors, the organization assembled a B2B working group to consider the broadening of the materials classes to materials generated by B2B. Given the nature of the project, ÉEQ chose to create a group made up of representatives from the contributing companies that would be most affected by the broadening so as to fully grasp the impacts of applying this type of measure. The aim was to put forward and validate different scenarios and assess their potential impacts. The discussions focused on the broadening of the materials classes and not the development of the contribution table.
- In light of the working group's discussions, ÉEQ made its recommendations to the board, in keeping with the strategic directions for predictability and stability identified by members and the principle of fairness between materials and contributing companies in the development of the Schedule of Contributions.
- Following the decision by the board, ÉEQ will pursue its plan of action to rigorously assess the impacts of the broadening and better quantify the number of newly targeted companies and the related additional contributions. Simplified reporting tools will be developed, and discussions to identify targeted communications approaches will be initiated.

*Consultation meetings with representatives from targeted companies and organizations*

- Meetings with targeted companies constitute an important and strategic step in the company consultation process. Two meetings are open to all representatives from targeted companies and organizations once ÉEQ’s board of directors adopts the draft 2019 Schedule of Contributions.
- The purpose of the meetings is to:
  - ✓ inform companies of the situation and development of curbside recycling in Québec
  - ✓ submit a draft Schedule of Contributions including material rates and application rules for consultation
  - ✓ explain the steps leading to the development of the contribution table to company and organization representatives in plain language to maximize understanding
- The application rules for the 2019 Schedule of Contributions will be published on the Web site of ÉEQ in both official languages one week prior to the start of the meetings so that participants may read them before attending.
- Finally, the contribution tables development files will be published in French and English following the consultation meetings.

Two consultation meetings on the 2019 Schedule of Contributions will be held:

Montréal - Holiday Inn	Toronto - The Westin Harbour Castle
Tuesday, October 23, 2018 10:30 a.m. to 12:30 p.m. In French (simultaneous webcast) Participation on site or via webinar	Thursday, October 25, 2018 10:30 a.m. to 12:30 p.m. In English (simultaneous webcast) Participation on site or via webinar

## Directions of future Schedules of Contributions

In keeping with the recommendations of ÉEQ’s board of directors and with a view to stabilize and ensure the predictability of the rates, ÉEQ continues to study the inclusion of the materials designated under the *Regulation respecting compensation* but excluded in the rules of ÉEQ’s Schedule of Contributions. The consideration of the materials generated by business-to-business is therefore still underway.

The analysis of the materials’ impacts on the curbside recycling value chain will continue to include the review of the materials included in the contribution table, the amalgam material rates and, ultimately, the identification of problematic and disruptive materials. This approach is in line with international talks on ecomodulation to make companies responsible for the materials they place on the market.

The reflection on the consideration of new environmental criteria will also continue in this regard to develop an incentive program to encourage companies to adopt environment criteria when designing their containers, packaging and printed matter.

## Mass communications on future directions

The consultation process will extend over nearly a one-year period and rely on the same tools and approaches used for the 2019 Schedule of Contributions:

- Electronic newsletter
- Website
- Consultation questionnaire (throughout the process so as to take an incremental approach)
- Questions and comments
- Information relays