

2022-2023 ANNUAL REPORT

RECYC-QUÉBEC



“RECYC-QUÉBEC is constantly adapting its scope of action to changes as they arise.”



MESSAGE FROM THE VICE-CHAIR OF THE BOARD OF DIRECTORS

As the position of Chair of the Board of Directors is vacant, I have the honour and the pleasure as Board Vice-Chair of signing the annual report for 2022–2023, which features the highlights and significant achievements of the past 12 months.

Firstly, I want to welcome Emmanuelle Géhin as President and CEO of RECYC-QUÉBEC on behalf of the Board members. Her extensive knowledge of the field and organization combined with her leadership are key assets for the Corporation and make her the right person to face the strategic and operational challenges that await us in the months and years to come.

By the same token, I want to offer a warm thank you to Karine Joizil and Sonia Gagné, who did a tremendous job in their respective position as Chair of the Board and President and CEO of the Corporation. You have deftly guided this organization to its current position as standard-bearer.

RECYC-QUÉBEC's mission proves to be ever more relevant in today's world, while its scope of action is naturally expanding to adapt to challenges as they arise.

Its ability to act swiftly and effectively attests to the extensive expertise of RECYC-QUÉBEC's employees and leadership. Our team's skills and motivation are our driving force.

This energy is bolstered by the commitment of my fellow Board members, the Corporation's many allies as well as each stakeholder in the sound residual material management ecosystem who, together, share this same drive to preserve our resources and the environment.

Thank you to everyone who contributed directly and indirectly to the achievements described in this report. Enjoy reading the report!

A handwritten signature in black ink that reads "Michel Giroux".

Michel Giroux
Vice-Chair of the Board of Directors

“Innovation will drive much consideration and potential solutions.”



MESSAGE FROM THE PRESIDENT AND CEO

When I took the helm at RECYC-QUÉBEC in April 2023, I was extremely proud of the immense work accomplished in the past year. All of the efforts combined allowed the Corporation to continue its progress and to consolidate its position as an active, innovative organization.

Most of these initiatives fall under RECYC-QUÉBEC's 2022–2025 Strategic Plan, which is nearing the end of its first year of implementation. Several measures have been implemented and others are in the process of being rolled out. You will find a performance monitoring section in this report.

I am determined to stay the course in pursuit of the objectives that we have set for ourselves, namely to better reduce, recover and recycle. I want to continue to progress toward our goal, while ensuring stability, particularly in the transition to modernized deposit-refund and curbside collection systems.

We still have a lot of work to do in important areas related to the markets that concern us. I expect to work in collaboration with all players to successfully complete all our projects, while considering the realities on the ground. Innovation will drive much consideration and potential solutions.

All of this will be possible only with the contribution of the passionate, experienced team that makes up RECYC-QUÉBEC, along with the invaluable support of each of our partners. I want to take this opportunity to thank everyone involved in our accomplishments and progress: employees, managers, board of directors, partners and clients. Your actions and determination to be better and do better, together, make a real difference.

In closing, I would like to join Michel Giroux in underscoring the significant contribution of Karine Joizil and Sonia Gagné in recent years. It's a privilege to take up the torch of such a fine organization.

A handwritten signature in black ink, appearing to read 'E. Géhin', with a horizontal line underneath.

Emmanuelle Géhin
President and CEO

RECYC-QUÉBEC AT A GLANCE



Find out more:
recyc-quebec.gouv.qc.ca

Follow us:



Mission

Lead Quebec to reduce, reuse, recycle and recover residual materials to promote a circular economy and fight against climate change. Its vision is to pave the way to a waste-free Quebec.

→ **84** 
employees and managers in
its Montréal and Québec
City offices.



63% male
37% female



Support the residual material management value chain

At RECYC-QUÉBEC, four departments manage a range of programs and activities for preventing and responsibly managing residual materials.

- 1** Curbside collection; construction, renovation and demolition (CRD) debris; municipal support and organic materials
- 2** Public deposit-refund system and scrap tire management program
- 3** Financial assistance, extended producer responsibility (EPR) and support for the industrial, commercial and institutional (ICI) sector
- 4** Reduction at the source, circular economy, sustainable development and other strategic files



Mobilizing stakeholders

→ **900** partners in the recovery, sorting, recycling and reclamation sectors

Equip citizens, municipalities and businesses



We put significant effort into equipping our various clients. Whether to help our clients respond to the various issues they may encounter, guide them in their efforts, facilitate residual material management or provide them with interesting and relevant information, our team strives to produce a variety of documents, all of which aim to convey extensive, practical and useful information for their everyday life. Some examples of material available to our target audiences on topics of concern to them: studies, guides, tools, records, reports, templates, presentations, webinars.

Inform, raise awareness and educate the general public and organizations



4 multiplatform advertising campaigns
679 social media posts
96 newsletter mailings
21 press releases
72 partnerships, sponsorships and presentations at public events

Modernization of the deposit-refund and curbside collection systems



Work on the major project of modernizing the deposit-refund and curbside collection systems has been ongoing in recent months. Meanwhile, a major step was taken to make this transition official: naming two management bodies (DMBs) in October 2022.

RECYC-QUÉBEC appointed the Association québécoise de récupération des contenants de boissons (AQRCB) to be responsible for the deposit-refund system as well as Éco Entreprises Québec (ÉEQ), which will be responsible for curbside collection. Both organizations are appointed for a five-year term.

RECYC-QUÉBEC will continue to support all the players in the residual material value chain in Quebec in addition to continuing to provide support to facilitate the transition to these modernized systems until they come into effect.

A modernized deposit-refund system and curbside collection system using an extended producer responsibility (EPR) approach, as announced in early 2020, is intended to better collect and recycle packaging, printed matter or newspapers and empty containers. These will be directed toward effective recovery and reclamation channels in order to protect the environment and cut greenhouse gas (GHG) emissions. This reform will also improve Quebec's environmental performance and develop the circular economy.

More information on system modernization is available at [Modernisation des systèmes québécois de consigne et de collecte sélective](#) (in French only).

RESULTS

Summary of 2022–2023 results related to the 2022–2025 Strategic Plan commitments

ISSUE 1: More responsible production and consumption modes

ORIENTATION 1: Conserve resources and reduce waste

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|---|---|------------------|------------------|------|
| 1.1 Prioritize actions that result in reduction at the source | 1. Percentage of citizens that favour the purchase of bulk or low-packaging products as often as possible | N/A | | 10 |
| 1.2 Increase the circularity of the Quebec economy | 2. The Quebec economy circularity index | N/A | | 11 |
| 1.3 Stimulate innovation in the residual material value chain | 3. Number of new innovative projects supported | 35 | 67 | 12 |

ISSUE 2: The reduction of disposal

ORIENTATION 2: Monitor the performance of collection and recycling systems

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|--|---|--------------------|------------------|------|
| 2.1 Ensure the compliance of extended producer responsibility (ERP) programs | 4. Rate of compliance of ERP collective and individual programs | 90% (Year 2022) | 82% | 14 |

ORIENTATION 3: Ensure the implementation of government orientations aimed at diverting organic materials from disposal

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|--|--|------------------|------------------|------|
| 3.1 Help enhance the service offering for citizens' organic materials | 5. Percentage of municipal organizations that implemented an organic material collection program or another method of management at the source | 80% | 67% | 15 |
| 3.2 Recognize the best practices of construction, renovation and demolition debris sorting centres | 6. Number of CRD debris sorting centres recognized by the RECYC-QUÉBEC program | 12 | 14 | 16 |

RESULTS

ORIENTATION 4: Improve Quebec's residual material management performance

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|---|---|------------------|------------------|------|
| 4.1 Propose new measures to contribute to a reduction in disposal | 7. Rate of adoption and implementation of proposed measures | 30% | 2% | 17 |

ISSUE 3: Consolidated role and expertise

ORIENTATION 5: Enhance support and the services offered

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|---|---|------------------|------------------|------|
| 5.1 Offer services tailored to municipalities' needs | 8. Percentage of municipalities with access to our services that feel their needs are being met | 90%+ | 92% | 18 |
| 5.2 Offer services tailored to companies' needs | 9. Percentage of businesses with access to our services that feel their needs are being met | 90%+ | 83% | 19 |
| 5.3 Implement streamlined services | 10. Rate of user satisfaction with the new streamlined services | 70% | 80% | 20 |
| 5.4 Play an advisory role with the Government of Quebec | 11. Number of new collaborative agreements reached with one or more ministries or organizations | 1 | 1 | 21 |

ISSUE 4: An agile and effective Crown corporation

ORIENTATION 6: Strive for the best organizational practices

| Objective | Indicator | 2022–2023 Target | 2022–2023 Result | Page |
|--|--|------------------|------------------|------|
| 6.1 Be a top employer | 12. Percentage of employees who feel that their current work allows them to reach their full potential | N/A | | 22 |
| 6.2 Improve management of data concerning residual material management | 13. Number of new improvement projects completed | 1 | 5 | 23 |

2022–2023 DETAILED RESULTS

OF THE 2022–2025 STRATEGIC PLAN COMMITMENTS

For the period from April 1, 2022 to March 31, 2023

ISSUE 1: MORE RESPONSIBLE PRODUCTION AND CONSUMPTION MODES

ORIENTATION 1

Conserve resources and reduce waste

→ OBJECTIVE 1.1

Prioritize actions that result in reduction at the source

CONTEXT OF THE OBJECTIVE

RECYC-QUÉBEC maintains its commitment to invest in reduction at the source, with the goal of implementing effective measures combined with financial support making it possible to complete projects aimed at residual material prevention and reduction at the source. The priority sectors for intervention include the fight against food waste; construction, renovation and demolition site ecomanagement practices in the building sector; the reuse and extension of product lifespan – whether tires, reusable containers, household appliances, etc. – as well as sustainable solutions to single-use products in fast food and at events. RECYC-QUÉBEC supports citizens and companies in the desired behaviour changes.

INDICATOR 1

Percentage of citizens that favour the purchase of bulk or low-packaging products as often as possible

STARTING POINT

Reference: 19% in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|---------|-----------|-----------|-----------|
| TARGET | N/A | N/A | 30% |
| RESULTS | | | |

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

EXPLANATION OF THE 2022–2023 RESULTS

Although no target was set for 2022–2023, various initiatives were nonetheless launched to set the stage and approach the target set for 2024–2025.

These initiatives include:

- Launching a responsible consumption awareness campaign in spring 2023, a second phase of which is planned for fall 2023.
- Participating in the Quebec component of Équiterre’s national study on access to repair.
- Developing a partnership with OneEarth Living, a nonprofit “think and do tank” advancing sustainable everyday living around the world, to conduct a study on the Quebec public’s motivations for reducing their consumption and living more sustainably.
- Taking various measures to reduce food waste, including the publication in June 2022 of the first Quantification Study of Food Loss and Waste in Quebec, renewing the agreement with Ricardo Média as well as launching a new toolkit for municipalities as part of the Love Food Hate Waste Campaign.

→ OBJECTIVE 1.2

Increase the circularity of the Quebec economy

CONTEXT OF THE OBJECTIVE

The circularity index of the Quebec economy, which was established at 3.5% in 2018 shows that the majority of resources that our economy uses to meet its needs and wants are not used in a loop. By adopting new behaviours, stimulating local economies, reducing our dependence on outside economies and prioritizing actions in certain key sectors, increasing the circularity of the Quebec economy, as well as its performance, while respecting the environment, is completely conceivable. According to the Circularity Gap Report distributed in May 2021 by RECYC-QUÉBEC in partnership with Circle Economy, Quebec could almost triple its circularity index and bring it to 9.8% by advancing six scenarios along with 37 strategies. This would also make it possible to cut the amount of resources consumed by almost half. This transition to a circular economy is well underway in Quebec and its rollout must be accelerated in the coming years.

→ INDICATOR 2

The Quebec economy circularity index

STARTING POINT

Reference: 3.5% in 2018

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | N/A | N/A | 5% |
| RESULT | | | |

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

EXPLANATION OF THE 2022–2023 RESULTS

Although the target was set for 2024–2025, RECYC-QUÉBEC developed partnerships and implemented initiatives to accelerate the transition to a circular economy model, particularly by promoting the adoption of new behaviours among its various clients, by stimulating economies locally and prioritizing concrete actions in some key sectors.

The following measures were deployed in view of the circularity index update in 2025:

- Participating in the Canada-wide [Circular Cities and Regions Initiative](#) aimed at establishing a peer network and promoting best practices, while a second cohort of 10 cities (including three in Quebec) joined on in 2022–2023.
- Launching a [toolkit for a regional circular economy roadmap](#) in June 2022 to help and support municipalities and regional leaders in their efforts.
- Publishing the [study on energy transition materials \(French only\)](#) in November 2022 that provides an overview of actual and potential deposits of materials needed for the energy transition.
- Renewing the partnership with [Esplanade Québec](#) as part of the Collision program, which made it possible to launch a new call for projects from Quebec entrepreneurs and project leaders who are developing ambitious circular economy solutions.



OBJECTIVE 1.3

Stimulate innovation in the residual material value chain

CONTEXT OF THE OBJECTIVE

In recent years, three situations have influenced the waste sector: significant restrictions on export markets, increased quantities of disposed residual material and greater use of residual material as alternative cover or another use in landfills. To respond to these issues, RECYC-QUÉBEC launched various targeted initiatives to support the development of Quebec opportunities to reduce dependency on outside markets and fluctuations in the value of materials.

Thus, in three years, the proportion of materials recycled in Quebec rose from 39% (2015) to 55% (2018), and finally to 61% (2021), which does not offer Quebec protection from market fluctuations. This is why investments are required to continue to increase the amounts of materials recovered and recycled in Quebec. To avoid the successive crises of 2008 and 2017–2018 in sorting centres, reforming curbside collection according to the principle of extended producer responsibility is the preferred path. On the other hand, this shift must also be accompanied by ongoing support for the industry so it is ready to process new materials and additional tonnage.

This situation related to curbside collection is a good illustration of RECYC-QUÉBEC's intention: be on the lookout for societal transformations to meet the needs and issues of different stakeholders involved in the residual material value chain, such as companies, municipalities, and citizens, as well as all organizations directly involved in collection, sorting, recycling and reclamation. This involves simultaneously seizing opportunities while targeting areas of improvement for the future.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 3

Number of new innovative projects supported

STARTING POINT

Reference: 29 in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 35 | 40 | 45 |
| RESULT | 67 | | |

EXPLANATION OF 2022–2023 RESULTS

Innovative projects were identified based on the directives provided by the Institut de la statistique du Québec in its survey on research, science, technology and innovation expenses in the Quebec public administration, in which RQ has participated for several years. This survey was not conducted in 2022–2023, but the same parameters were used to count innovative projects.

ISSUE 2: THE REDUCTION OF DISPOSAL

ORIENTATION **2**

Monitor the performance of collection and recycling systems

→ OBJECTIVE **2.1**

Ensure the compliance of extended producer responsibility (ERP) programs

CONTEXT OF THE OBJECTIVE

Through the Quebec Residual Materials Management Policy, the Government of Quebec wishes to make the various actors accountable, particularly companies that bring products to market. The approach of extended producer responsibility has been in use for several years and several products are now taken care of at the end of their useful life. With the adoption of Bill 65 in March 2021, extending the application of this approach to recyclable materials from curbside collection and deposit-refund beverage containers is also planned.

RECYC-QUÉBEC coordinates management and tracking of programs implemented by producers, in conformity with the regulatory framework in place, while recognizing the management organizations.

Annual reports from the various ERP programs, which present the recovery rates for the year concerned, are transmitted directly to RECYC-QUÉBEC, which analyzes them and then submits its opinion to the Minister. RECYC-QUÉBEC therefore validates the compliance of the reports and programs in place, in addition to making recommendations to program managers to try to improve their performance.

The regulatory framework concerning extended producer responsibility must be reviewed, especially to revise the recovery targets and obligations aimed at ecodesign, reuse and recycling. Distribution of certain performance data by collective and individual program managers should also be planned.

→ INDICATOR **4**

Rate of compliance of ERP collective and individual programs

STARTING POINT

Reference: 85% for reports concerning 2020

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-------------------------|------------------|------------------|
| TARGET | 90% Year 2022 | 93% Year 2023 | 95% Year 2024 |
| RESULT | 82% | | |

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

EXPLANATION OF 2022–2023 RESULTS

The program compliance rate is measured after analyzing the annual reports transmitted to RECYC-QUÉBEC. In particular, failures to fulfill audit and results reporting obligations were observed in all the reports. To improve program compliance and performance, RECYC-QUÉBEC has increased its efforts to inform and guide program leaders. Furthermore, priority recommendations are issued each year and tightly monitored. Thus, the compliance rate improved over the previous year, rising from 76% to 82%.

ORIENTATION **3**

Ensure the implementation of government orientations aimed at diverting organic materials from disposal

→ OBJECTIVE **3.1**

Help enhance the service offering for citizens' organic materials

CONTEXT OF THE OBJECTIVE

Quebec generates significant amounts of organic waste. It accounts for approximately 60% of the 6.1 million tonnes of residual materials disposed of each year and its contribution to filling landfills is unmatched. It also generates greenhouse gas as it decomposes. According to the Quebec survey of GHG emissions in 2017, the waste sector constitutes the fifth largest man-made emitter in Quebec, responsible for 4.6 megatonnes of CO₂ equivalent emissions (5.8% of the total emitted).

The implementation of the Beneficial Use of Organic Material Strategy (Strategy) would remove these materials from disposal. The Strategy aims to accelerate the implementation of collection services and the development of treatment facilities adapted to the regional context. Furthermore, it aims to maintain and encourage the quality of the organic material to develop markets for it.

The continuous implementation of the brown bin and its use by Quebec households increased the yard and food waste recycling rate of the municipal sector in 2018. This rose sharply over 2015: it almost doubled. It increased from 17% in 2015 to 31% in 2018. These projects implemented by municipal organizations also contributed concretely to reducing the amounts of organic materials disposed of by this sector.

The Strategy is based on shared responsibilities among all the actors in the residual material management value chain. RECYC-QUÉBEC will play the central role of information conveyor and will coordinate the implementation of information, awareness and education actions with clients (citizens, companies, municipalities and municipal organizations).

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 5

Percentage of municipal organizations that implemented an organic material collection program or another method of management at the source

STARTING POINT

Reference: 60% in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 80% | 90% | 100% |
| RESULT | 67% | | |

EXPLANATION OF 2022–2023 RESULTS

The number of municipalities offering organic material management at the source continued to grow over the past year. Currently nearly 750 municipalities have implemented organic material collection or home composting on their territory. However, it is important to underscore that the municipalities offering such services are the largest in terms of population. Thus, 88% of the total Quebec population lives in a municipality that has deployed organic material collection or home composting service.

→ OBJECTIVE 3.2

Recognize the best practices of construction, renovation and demolition debris sorting centres

CONTEXT OF THE OBJECTIVE

Quebec has some sixty facilities sorting residual materials from the construction, renovation and demolition sector. A recognition program, established in 2021, is intended to highlight the facilities that obtain good results in sorting and reclaiming residual materials. It was developed by RECYC-QUÉBEC, in accordance with the objectives on this matter in the Beneficial Use of Organic Material Strategy. This recognition also aims to facilitate decision-making by the various clients in the sector and may, for example, be used as criteria as part of a call for tenders. To allow stakeholders to adapt to market requirements and evolving practices, the program could be enhanced with new requirements over the years.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 6

Number of CRD debris sorting centres recognized by the RECYC-QUÉBEC program

STARTING POINT

Reference: 9 in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 12 | 15 | 20 |
| RESULT | 14 | | |

EXPLANATION OF 2022–2023 RESULTS

After its launch was met with great excitement in 2021, the Construction, renovation and demolition (CRD) debris sorting centre recognition program declined in popularity in 2022–2023, which explains why the number of recognized sorting centres remained 14 and did not increase from 2021–2022.

Nonetheless, several sorting centres still show keen interest in the program, but the difficult context faced by the CRD debris sorting centre industry could represent a barrier to entry for some. However, the program appears to be increasingly popular with clients – municipalities, developers and builders – that include it in their requirements of these sorting centres before sending them their materials to be processed.

ORIENTATION 4

Improve Quebec’s residual material management performance

→ OBJECTIVE 4.1

Propose new measures to contribute to a reduction in disposal

CONTEXT OF THE OBJECTIVE

RECYC-QUÉBEC is responsible for developing action plans and programs related to the Quebec Residual Materials Management Policy. These five-year plans outline the priority orientations and the objectives to achieve. However, the rapid development of some needs, issues or societal transformations, such as the energy shift or COVID-19 pandemic require continuously proposing new measures to help conserve resources and reduce disposal. RECYC-QUÉBEC therefore takes action in this respect by proposing new options to the government every year, alone or in collaboration with other ministries or organizations.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 7

Rate of adoption and implementation of proposed measures

STARTING POINT

Reference: 0 in 2020

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 30% | 40% | 50% |
| RESULT | 2% | | |

EXPLANATION OF 2022–2023 RESULTS

Two measures proposed by RECYC-QUÉBEC were accepted as part of the 2023–2028 implementation plan of Quebec’s 2030 Plan for a Green Economy. These measures will make it possible to contribute to the government project on reducing food waste. Concretely, this will translate into additional financial assistance for this purpose as well as the creation of partnerships with key actors, including the Centre for Intersectoral Studies and Research on the Circular Economy (CERIEC).

ISSUE 3: CONSOLIDATED ROLE AND EXPERTISE

ORIENTATION 5

Enhance support and the services offered

→ OBJECTIVE 5.1

Offer services tailored to municipalities’ needs

CONTEXT OF THE OBJECTIVE

RECYC-QUÉBEC intends to be responsive to the needs of municipalities in order to enhance and develop the services and tools that it makes available to them. As part of the revision of residual material management plans and the implementation of actions resulting from them, RECYC-QUÉBEC has developed new tools to support municipalities in this effort. Financial support is also available, particularly to optimize the Quebec network of ecocentres. To meet the needs of municipal organizations, RECYC-QUÉBEC annually assesses their level of satisfaction, but also analyzes the suggestions and recommendations it receives to enhance and adjust its services. Collaboration with municipalities and the associations representing them is central to RECYC-QUÉBEC’s support approach.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 8

Percentage of municipalities with access to our services that feel their needs are being met

STARTING POINT

Reference: 93% in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 90%+ | 90%+ | 90%+ |
| RESULT | 92% | | |

EXPLANATION OF 2022–2023 RESULTS

In total, 92% of the 240 survey respondents using the services of RECYC-QUÉBEC in 2022–2023 reported that the services received fully (51%) or partially (41%) met their needs. Note that since the 2020–2021 reference year, the methodology was revised to better reflect that the services obtained more adequately met the needs of municipal organizations. As part of the survey assessing the needs of municipalities, numerous suggestions made by respondents will make it possible to properly target improvement solutions and the actions necessary in coming years to continue to provide services that meet the needs of the municipal sector.

→ OBJECTIVE 5.2

Offer services tailored to companies' needs

CONTEXT OF THE OBJECTIVE

RECYC-QUÉBEC intends to be responsive to the needs of companies in order to enhance and develop the services and tools that it makes available to them.

Nearly \$167 million has been apportioned to RECYC-QUÉBEC to implement the Quebec Residual Materials Management Policy 2019–2024 Action Plan. On March 31, 2023, RECYC-QUÉBEC had committed amounts nearing \$80 million in financial assistance to support worthy causes. As part of this plan of action, RECYC-QUÉBEC has received hundreds of projects in sectors as varied as ecocentre and sorting centre optimization, the development of new clean technologies, sound management of organic materials or ecodesign and the reduction of single-use products. Quebec companies care about participating in the creation of a waste-free Quebec and establishing a true circular economy and RECYC-QUÉBEC supports them in this effort.

A survey conducted with the industrial, commercial and institutional sector reveals a high level of satisfaction, particularly regarding the support offered by RECYC-QUÉBEC.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 9

Percentage of businesses with access to our services that feel their needs are being met

STARTING POINT

Reference: 94% in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 90%+ | 90%+ | 90%+ |
| RESULT | 90% | | |

EXPLANATION OF 2022–2023 RESULTS

In total, 83% of survey respondents that used the services of RECYC-QUÉBEC in 2022–2023 reported that the services received fully (38%) or partially (45%) met their needs. Note that the methodology was reviewed compared to the 2020–2021 reference year to even more adequately assess whether companies are receiving services appropriate to their needs.

→ OBJECTIVE 5.3

Implement streamlined services

CONTEXT OF THE OBJECTIVE

In keeping with the *Plan d'action gouvernemental en matière d'allègement réglementaire et administratif 2020-2025* initiative to reduce red tape, filed in December 2020, RECYC-QUÉBEC will implement streamlined services aimed at making the client experience of applicants more satisfactory and efficient. Regarding both partnership or financial assistance applications, the Crown corporation will continue to focus on computer tools and platforms that will make it possible to optimize processes and streamline services. Partnerships reached with organizations such as Fondation and La Ruche in 2021 are examples of this streamlining. RECYC-QUÉBEC is also working on a new financial assistance portal, with the same goal of offering efficient and streamlined service.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 10

Rate of user satisfaction with the new streamlined services

STARTING POINT

Reference: N/A

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 70% | 75% | 80% |
| RESULT | 80% | | |

EXPLANATION OF 2022–2023 RESULTS

This year, the assessment of streamlined services focused on the “ICI on recycle +” recognition program. In total, four out of five organizations reported being fairly satisfied with the changes made to the certification form. Suggestions from respondents will make it possible to better define avenues of improvements and required actions in coming years in order to maintain this level of satisfaction.

→ OBJECTIVE 5.4

Play an advisory role with the Government of Quebec

CONTEXT OF THE OBJECTIVE

As a Crown corporation reporting to the Minister of the Environment, the Fight against Climate Change, Wildlife and Parks, RECYC-QUÉBEC has a key role to play in achieving the government’s mission related to climate action and sustainable development. This role and expertise go well beyond residual material management, as evidenced by the diversity of programs it is conferred as part of its extended mandate. The circular economy, the design and end of life of materials resulting from the energy shift, the fight against food waste and overconsumption, in particular, are part of these related and complementary sectors in which RECYC-QUÉBEC is increasingly sought after for its expertise.

It is therefore to help change behaviours and accelerate the ecological shift that RECYC-QUÉBEC wants to strengthen its advisory role with the Government of Quebec, particularly by entering into new collaborations with ministries and organizations.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 11

Number of new collaborative agreements reached with one or more ministries or organizations

STARTING POINT

Reference: 2 in 2020–2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 1 | 1 | 1 |
| RESULT | 1 | | |

EXPLANATION OF 2022–2023 RESULTS

RECYC-QUÉBEC has entered into a new collaboration with the Ministry of Tourism to carry out a circular economy showcase project in the tourism accommodation sector. In addition to sharing, distributing and showcasing the government's example by promoting the best practices adopted by this tourism sector, this initiative is intended to reach and raise awareness among citizens as well as managers of accommodation establishments about the importance and added value of adopting a circular model.

ISSUE 4: AN AGILE AND EFFECTIVE CROWN CORPORATION

ORIENTATION 6

Strive for the best organizational practices

→ OBJECTIVE 6.1

Be a top employer

CONTEXT OF THE OBJECTIVE

In 2021, RECYC-QUÉBEC surveyed its employees to take a reading of the work climate and measure its development since 2017. The results revealed an organization with a sound work climate, imbued with a very strong team spirit. The quantitative data suggests that employee engagement at RECYC-QUÉBEC is generally very strong.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR 12

Percentage of employees who feel that their current work allows them to reach their full potential

STARTING POINT

Reference: 68.6% in 2021

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | N/A | N/A | 80% |
| RESULT | | | |

EXPLANATION OF 2022–2023 RESULTS

No target was set for 2022–2023. However, RECYC-QUÉBEC maintained its focus on the well-being, motivation and engagement of its staff. Constant attention was paid to every aspect of organizational life to keep all staff members satisfied and maximize their development.

→ OBJECTIVE 6.2

Improve management of data concerning residual material management

CONTEXT OF THE OBJECTIVE

The upheavals of the past, like those caused by the closing of Asian markets to materials exported by Quebec, have laid bare the importance of anticipating trends so as to be able to act more proactively. With this in mind, RECYC-QUÉBEC commissioned a review of its data governance in 2021, with the goal of acquiring information assets in good and due form and an organization data governance structure. This study revealed a small volume of data, collected at low velocity in a low complexity technological environment. Based on this realization and to put this vision into practice, the organization has implemented a business intelligence project for scrap tire management, as well as for its acquisition process.

RECYC-QUÉBEC also believes that a results-driven approach is key to being able to design and orient operational programs, measure their progress and mobilize the players concerned, particularly municipal organizations and ICI actors. For example, the production of reliable data, such as collection statistics, remains essential to prove to the public that its efforts have made a difference.

2022–2023 DETAILED RESULTS

For the period from April 1, 2022 to March 31, 2023

→ INDICATOR **13**

Number of new improvement projects completed

STARTING POINT

Reference: N/A

| | 2022–2023 | 2023–2024 | 2024–2025 |
|--------|-----------|-----------|-----------|
| TARGET | 1 | 1 | 1 |
| RESULT | 5 | | |

EXPLANATION OF 2022–2023 RESULTS

In an effort to improve its data management, RECYC-QUÉBEC developed four dashboards to monitor the change in key indicators central to the organization's operations. The data collected will be used not only to assess the processing of certain residual materials in Quebec, but they also affect the internal management of RECYC-QUÉBEC, particularly through financial or human resource-related indicators.

Furthermore, a data governance tool was created to map the data flow, document and implement quality controls and define the roles and responsibilities related to data updates.

GOVERNANCE

REPORT FROM THE BOARD OF DIRECTORS

Composition

The Board of Directors is comprised of eight members appointed by the Government of Quebec, including the Board Chair and the President and CEO.

Directors are appointed for a term of at least four years and the Chair of the Board for at least five years. Board members perform their duties on a part-time basis and free of charge except the President and CEO who is compensated for her duties.

Members are subject to the RECYC-QUÉBEC Board of Directors Code of Ethics and Code of Conduct, which was last updated in 2022.

RECYC-QUÉBEC works in a field that requires members with relevant and diverse skills. The Corporation provides the government with orientations for appointing new directors in the “Profils de compétence et d’expérience des membres du conseil d’administration de RECYC-QUÉBEC” document. This document is available in French only on the RECYC-QUÉBEC website.

Mandate

The Board administers the Corporation’s affairs in accordance with the *Act respecting the Société québécoise de récupération et de recyclage*, the *Act respecting the governance of state-owned enterprises* and various other applicable acts. The Board supports management in delivering strategic mandates assigned by the Minister or identified as priorities as part of the Corporation’s goals. The Board approves the Corporation’s strategic plan, annual operating budget, financial statements and annual activity report, in addition to appointing its leaders. It also ensures that the rules stated in the Board of Directors Code of Ethics and Professional Conduct are followed. As part of its duties, the Board assigns special mandates to three standing committees that support it, namely the Governance and Ethics Committee, the Audit Committee and the Human Resources Committee as well as the ad hoc committees it creates as needed. Committee chairs report on their activities to the Board after each meeting.

Meetings

Directors agree on a meeting schedule each year. Special meetings may be added as needed during the year. A closed session without the members of management in attendance is systematically stipulated on the agenda of each Board meeting. The Board of Directors held 11 regular meetings in 2022–2023, while the committees held 12 regular meetings. The Board also met in the fall of 2022 to discuss the Corporation’s strategic orientations.

Considering the nature of the mandate, the mission and activities of RECYC-QUÉBEC, meetings of the Board of Directors have been paperless since 2014.

Board of Directors Operating Budget

During annual budget forecasts, a budget is allocated for operating the Board of Directors. Its uses include reimbursing the accommodation and travel expenses of directors, training costs or, where required, allowing the Board or one of its committees to hire external consultants.

Training taken by Directors in 2022–2023

| Group training, conferences, seminars | |
|--|-----------------------------|
| Americana: Environmental forum and International trade show for environmental technologies | 3 days/March 20 to 22, 2023 |
| Stéphanie Benoit | |
| Bertrand Derome | |
| Michel Delisle | |
| Léo Fradette | ✓ |
| Sonia Gagné | |
| Hélène Gignac | |
| Michel Giroux | |
| Louise Hénault-Éthier | |
| Karine Joizil | |
| Monique Laberge | |
| Valérie Racine | |

REPORTS OF BOARD COMMITTEES

Governance and Ethics Committee

The Governance and Ethics Committee's purpose is to ensure that the Corporation adopts and follows governance and ethics best practices. It ensures that the Corporation's governance rules; codes of conduct applicable to directors, executives and employees; director skills and experience profiles; the assessment criteria applicable to directors and the Board functioning; as well as the onboarding and continuous education program for members of the Board are developed or updated. It assesses the Board and ensures the rules in the Corporation's Board of Directors Code of Ethics and Code of Conduct stemming from the *Regulation respecting the ethics and professional conduct of public office holders* are followed.

The Governance and Ethics Committee met three times over the year. The Chair of the Board, the President and CEO and the Board Secretary attend the meetings of the Governance and Ethics Committee presided by Michel Giroux.

During the year, the Governance and Ethics Committee advised the Board to:

- Update the Directive concerning the management of service, supply and construction contracts of the Société québécoise de récupération et de recyclage as well as update the RECYC-QUÉBEC Rules of governance and internal management.
- Revise the RECYC-QUÉBEC Board of Directors Code of Ethics and Conduct.
- Nominate a candidate to fill a vacant seat on the Board of Directors.

Audit Committee

The Audit Committee's purpose is to ensure that the financial statements accurately reflect the Corporation's financial position and to recommend that the Corporation approve these statements. It ensures that accounting practices are compliant and effective. The Committee oversees the planning of internal audit activities and ensures a control and resources optimization plan is implemented, particularly concerning financing of programs managed by the Corporation, while ensuring that control mechanisms are sufficient.

Michel Delisle chairs the Audit Committee, which met four times in the 2022–2023 fiscal year. The President and CEO; Vice-President, Financial Management; Financial Management and Compliance Director; the internal auditor and the Secretary of the Board attend Audit Committee meetings.

During the year, the Audit Committee conducted the annual review of the Investment Policy, met with the Corporation's external auditor, i.e., the Auditor General of Quebec, for the purposes of planning the annual audit and receiving its results. It also met with the Corporation's internal auditor, studied the risk management process, approved the annual internal audit plan and studied the results of the various internal audits conducted over the year. It also met with the Corporation's portfolio manager three times for a report on its management and to review the portfolio outlook.

It also studied and recommended the adoption of the annual budget for the year as well as the multi-year budget orientations for the period from 2024–2025 to 2027–2028. It approved the RECYC-QUÉBEC Contractual risk management policy and the internal audit charter.

Human Resources Committee

The Human Resources Committee is responsible for policies related to human resources as well as the standards and scales applicable to executives and employees.

Bertrand Derome chairs the Committee, which met four times in its advisory, discussion and recommendation capacity. The Chair of the Board, the President and CEO, the Organizational Development and Human Resources Director and the Board Secretary attend the meetings of the Human Resources Committee.

In 2022–2023, the Committee focused primarily on the general development of human resources. It also acknowledged that a collective agreement was reached between the Corporation and the Syndicat de la fonction publique et parapublique du Québec.

Action Plan and Strategic Plan Ad Hoc Committee

Hélène Gignac chairs the Action Plan and Strategic Plan Ad Hoc Committee, which met once in 2022–2023 in its advisory, discussion and recommendation capacity. The Chair of the Board, the President and CEO, the Vice-President, Operations Performance and the Board Secretary attend meetings of the Action Plan and Strategic Plan Ad Hoc Committee.

In 2022–2023, the Committee focused primarily on tracking the implementation of measures as part of carrying out the Corporation's 2022–2025 Strategic Plan and the 2019–2024 Action Plan of the Quebec Residual Materials Management Policy.

DIRECTORS' ATTENDANCE RECORD

For the period from April 1, 2022 to March 31, 2023

| | Board of Directors | | Board Committees | | | | | | | |
|-------------------------------------|-------------------------|------------|------------------------|------------|---------------------------------|------------|---------------------------|------------|---|------------|
| | | | Audit Committee | | Governance and Ethics Committee | | Human Resources Committee | | Action Plan and Strategic Plan Ad Hoc Committee | |
| | 11 regular (no special) | | 4 regular (no special) | | 3 regular (no special) | | 4 regular (no special) | | 1 regular (no special) | |
| | Number of meetings | Attendance | Number of meetings | Attendance | Number of meetings | Attendance | Number of meetings | Attendance | Number of meetings | Attendance |
| Stéphanie Benoit ¹ | 4 | 1 | – | – | – | – | – | – | – | – |
| Bertrand Derome | 11 | 10 | – | – | 3 | 2 | 4 | 4 | 1 | 1 |
| Michel Delisle | 11 | 11 | 4 | 4 | – | – | – | – | – | – |
| Léo Fradette | 11 | 10 | 4 | 4 | 3 | 2 | – | – | 1 | 1 |
| Sonia Gagné | 11 | 11 | 4 | 4 | 3 | 1 | 4 | 4 | 1 | 1 |
| Hélène Gignac ² | 11 | 11 | – | – | – | – | 3 | 3 | 1 | 1 |
| Michel Giroux | 11 | 10 | – | – | 3 | 3 | – | – | – | – |
| Louise Hénault-Éthier ³ | 10 | 9 | – | – | – | – | – | – | – | – |
| Karine Joizil Chair of the Board | 11 | 8 | 4 | 2 | 3 | 2 | 4 | 2 | – | – |
| Monique Laberge ⁴ | 1 | 1 | – | – | 1 | 1 | 1 | 1 | – | – |
| Valérie Racine ⁴ | 1 | 1 | – | – | – | – | – | – | – | – |

1. Stéphanie Benoit's term began at the May 26 Board meeting and ended at the August 25 Board meeting.
2. Hélène Gignac was appointed to the Human Resources Committee at the June 16 Board meeting.
3. Louise Hénault-Éthier's first Board meeting was May 25.
4. The April 28 Board meeting was the last for Monique Laberge and Valérie Racine.

SUMMARY OF COMPENSATION FOR THE HIGHEST-PAID EXECUTIVES

For the period from April 1, 2022 to March 31, 2023

| | Variable Compensation | | | RECYC-QUÉBEC contribution to pension plan | Other benefits paid or awarded | Overall compensation for the fiscal year |
|--|------------------------|------------------------------|-----------|---|--------------------------------|--|
| | Base compensation paid | Variable annual compensation | LTIP paid | | | |
| Names and positions of the three best-paid executives | A | B | C | D | E | F = (A+B+C+D+E) |
| Sonia Gagné President and CEO | \$190,214 | – | – | \$20,712 | \$18,598 | \$229,524 |
| Sophie Langlois-Blouin Vice-President, Operations Performance | \$159,490 | – | – | \$16,910 | \$1,514 | \$177,914 |
| Stéphane Devernal Vice-President, Financial Management | \$159,490 | – | – | \$16,910 | \$1,208 | \$177,608 |

RÉSUMÉ OF BOARD MEMBERS

KARINE JOIZIL

- Chair of the Board
- Appointment to the Board: April 20, 2016
- Term renewed: April 14, 2021
- Term end: April 18, 2026
- Audit Committee Member
- Status: Independent Director
- Administrative region of place of residence: Lanaudière

Karine Joizil has been a member of the Barreau du Québec since 2001 and has a graduate degree in public administration. Her areas of specialty are public and healthcare law, access to information and personal information protection, corporate and commercial law, intellectual property and class actions. She was a lecturer and instructor at the École du Barreau du Québec several times. After working at major Montréal firms, she joined McCarthy Tétrault. At the same time, she is actively involved in her community. She received the award for politically engaged young leader from the Jeune chambre de commerce haïtienne, was recognized by the Jeune Barreau de Montréal as Lawyer of the Year in Civil and Commercial Litigation and in 2007 was Black History Month Laureate. She also sits on the boards of Fondation Serge Marcil and of Equitas.

SONIA GAGNÉ, ASC

- President and CEO
- Appointment to the Board: March 28, 2018
- Term end: March 17, 2023
- Administrative region of place of residence: Montréal

Sonia Gagné was appointed President and CEO of RECYC-QUÉBEC in January 2018. She previously held the position of Vice-President, Operations Performance since 2016, where she ensured the continuous improvement of operations and customer service while playing a key role in positioning the Corporation as an essential player in residual material management in Quebec. From 2012 to 2015, she took on various mandates for the Crown corporation as senior advisor in organizational development. Before joining RECYC-QUÉBEC, Ms. Gagné accumulated more than 25 years of extensive experience as a consultant in business process optimization, training and facilitation, both in Quebec and abroad, with private and public organizations. She was also a lecturer at École de technologie supérieure (ÉTS) engineering school. Over her career, Ms. Gagné developed superior skills in consulting and mobilizing various actors around shared goals, while favouring an approach that integrates processes and human factors. Ms. Gagné has a bachelor's degree in psychosociology from UQAM. In 2020, she was certified as an administratrice de société certifiée (ASC – the Quebec equivalent of the C.Dir. designation), which is the university certification in corporate governance from the Collège des administrateurs at Université Laval. In addition to her role at the helm of RECYC-QUÉBEC, she is involved as a board member of the Espace de concertation sur les pratiques d'approvisionnement responsable (ECPAR) and the Fonds d'action québécois pour le développement durable (FAQDD). She also sat on the board of the Canadian Association of Tire Recycling Agencies (CATRA) from 2017 to 2019. In November 2022, she won the Réseau des femmes d'affaires du Québec award as an influence leader in the public or parapublic organization category.

MICHEL GIROUX

- Vice-Chair of the Board
- Appointment to the Board: May 29, 2013
- Term renewed: August 21, 2019
- Term end: August 21, 2023
- Chair of the Governance and Ethics Committee
- Member of the ad hoc ministerial liaison committee
- Status: Independent director
- Administrative region of place of residence: Capitale-Nationale

Michel Giroux was a member of the Barreau du Québec from 1972 to 2016 and worked in various private firms before retiring from legal practice on April 1, 2016. He was a civil and commercial mediator and lawyer investigator for workplace harassment complaints. Mr. Giroux was mayor of Lac-Beauport municipality in the Capitale-Nationale region from 1987 to 2009, prefect for the Jacques-Cartier regional county municipality from 1994 to 2009 and member of the executive committee and board of the Quebec Metropolitan Community from 2004 to 2009. During his career, he held various directorships: board member and vice-president of the Fédération québécoise des municipalités, board member and secretary-treasurer of La Mutuelle des municipalités du Québec (2003 to 2009) and board member of the Société de la faune et des parcs du Québec, the Musée national des beaux-arts du Québec, the Orchestre symphonique de Québec and the Caisse Desjardins des Laurentides. He is currently a member of the compensation committee reporting to the board of La Mutuelle des municipalités du Québec. He also works in resort real estate development in the Mauricie region.

GOVERNANCE

Résumé of Board members (cont'd)

STÉPHANIE BENOIT

- Appointment to the Board: May 4, 2022
- Term end: September 2, 2022
- Status: Independent Director
- Administrative region of place of residence: Centre-du-Québec

With a degree in agricultural business management and operations and an agricultural economics degree from Université Laval, Stéphanie Benoit heads two agricultural businesses: dairy and poultry production in Centre-du-Québec. She is also a chartered director and currently serves as Vice-President of Agropur Cooperative. She also sat on the board of SOCODEVI, a Canadian certified carbon neutral international cooperation organization.

MICHEL DELISLE, CPA, MBA

- Appointment to the Board: May 29, 2013
- Term renewed: August 21, 2019
- Term end: August 20, 2023
- Chair of the Audit Committee
- Status: Independent director
- Administrative region of place of residence: Montréal

Michel Delisle is a chartered professional accountant and has a master's degree from the London Business School. He has close to thirty years' experience in corporate financing and integrated risk management. An executive on the management team of a major financial institution in Quebec for 12 years, Mr. Delisle has professional experience encompassing corporate financing, credit and operational risk management, financial disclosure and governance, project management and strategic planning. During nearly four years at Finance Montréal, he worked to develop the financial services sector in Quebec and build relationships with China. He was also Chief Financial Officer at Benisti Group Point Zero and now holds this position at Harmonia World Inc. He also sat on several boards and remains active in this capacity as Chair of Fondation du Collège de Maisonneuve.

BERTRAND DEROME

- Appointment to the Board: August 21, 2019
- Term end: August 20, 2023
- Chair of the Human Resources Committee and the ad hoc ministerial liaison committee
- Member of the Governance and Ethics Committee, the Action Plan and Strategic Plan Ad Hoc Committee and the ad hoc ÉEQ contribution and eco-modulation approach committee
- Status: Independent director
- Administrative region of place of residence: Montréal

Bertrand Derome is a manager and innovation management and sustainable development consultant with a degree from the School of Design at Université de Montréal. Today he is Managing Director at World Design Organization, after having served as Managing Director at the Institute for Product Development for seven years, which he joined in 2006 as Sustainable Design Advisor. Member of the Association des designers industriels du Québec (ADIQ), seasoned lecturer and instructor, Mr. Derome uses his experience and passion in service of the changes necessary to create a more responsible society.

GOVERNANCE

Résumé of Board members (cont'd)

LÉO FRADETTE

- Appointment to the Board: August 21, 2019
- Term end: August 20, 2023
- Chair of the ad hoc ÉEQ contribution and eco-modulation approach committee
- Member of the Audit Committee, the Action Plan and Strategic Plan Ad Hoc Committee and the ad hoc ministerial liaison committee
- Status: Independent director
- Administrative region of place of residence: Montréal

Léo Fradette is a front-line player who has worked for approximately three decades in residual material management and in implementing environmental policies in public and private organizations in Quebec. Mr. Fradette has a master's degree in urban management. He set up round tables with the industry and helped to develop the government's Quebec Residual Materials Management Policy as Vice President, Market and Technologies Development at RECYC-QUÉBEC for around a decade. Today, Mr. Fradette wants to contribute his experience and knowledge to deploying Quebec expertise in residual material management as well as contribute to the emergence of the new behaviours that are increasingly necessary to a contemporary society such as ours.

HÉLÈNE GIGNAC

- Appointment to the Board: August 21, 2019
- Term end: August 20, 2023
- Chair of the Action Plan and Strategic Plan Ad Hoc Committee
- Member of the Human Resources Committee, the ad hoc ministerial liaison committee and the ad hoc ÉEQ contribution and eco-modulation approach committee
- Status: Independent Director
- Administrative region of place of residence: Montréal

Hélène Gignac has a master's degree in political science from Université de Montréal and has worked in the environmental field for nearly 30 years. As an environmental consultant, she pursued the recognition of Lac Saint-Pierre as a UNESCO reserve and the deployment of industrial ecology in Quebec through the Centre de transfert technologique en écologie industrielle (CTTÉI), the college centre affiliated with Cégep de Sorel-Tracy, which she headed for nearly 18 years. She has earned numerous awards for her excellent work. In 2001, she was named advocate of the year at the Gala du mérite économique de Sorel-Tracy for her involvement in the effort to have the Lac Saint-Pierre region recognized as a UNESCO biosphere reserve and in April 2013, as initiator of the new Sorel-Tracy Eco-Industrial Technocity. From 2010 to 2013, she sat on the ministerial committee on the research and innovation strategy and was a member of the residual materials advisory committee for the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks from 2014 to 2016.

LOUISE HÉNAULT-ÉTHIER

- Appointment to the Board: May 4, 2022
- Term end: May 3, 2026
- Status: Director
- Administrative region of place of residence: Capitale-Nationale

An ecologist by training with a PhD in environmental science (2016, UQAM), Louise Hénault-Ethier's research interests centre around the circular economy and solutions inspired by nature. Associate professor at the Institut national de la recherche scientifique, she has also been director of the Eau Terre Environnement Research Centre since 2021. Her postdoctoral research at Université Laval (2016–2021) focused on upcycling agrifood by-products using edible insects (entotechnologies), sources of sustainable protein for human or animal nutrition and manures beneficial to plant and soil health. She co-founded the TriCycle (2019) urban farm and sits on the executive committee of the Quebec edible insect breeding and processing sector table (2020). Lastly, she also led various research projects on organic materials recycling through composting and vermicomposting at Concordia University (2000–2009), documented municipal case studies and ICI sector case studies for RECYC-QUÉBEC (2012–2015), published a technical guide on on-site composting (2011) and modelled organic waste management province-wide (2017). While she was scientific projects manager for the David Suzuki Foundation (2016–2021), she served as co-chair (2018–2019) and then member (2019–2021) of the Committee on the modernization of the waste recovery and recycling industry and filed various briefs related to provincial and municipal issues on reduction at the source, recovery and waste management plans. She is a board member of Société québécoise de phytotechnologies (since 2016) promoting the use of vegetation to solve environmental issues such as soil contamination, stormwater and runoff management, and director (since 2014) and chair (since 2019) of the board of Collège Ahuntsic.

GOVERNANCE

Résumé of Board members (cont'd)

MONIQUE LABERGE

- Appointment to the Board: January 16, 2007
- Term renewal: May 29, 2013
- Term end: May 4, 2022
- Human Resources Committee Chair
- Member of the Governance and Ethics Committee, the Action Plan and Strategic Plan Ad Hoc Committee and the ad hoc ministerial liaison committee
- Status: Director
- Administrative region of place of residence: Saguenay–Lac-Saint-Jean

Monique Laberge is a retired teacher. She began her career in the Cree School Board until 1997, then in the Commission scolaire De La Jonquière until she retired. She is a member of the board of the Conseil régional de l'environnement et du développement durable du Saguenay–Lac-Saint-Jean, the Regroupement national des conseils régionaux de l'environnement du Québec, the Organisme de bassin versant du Saguenay and the Comité de bassin versant du lac Kénogami et des rivières Chicoutimi et aux Sables.

VALÉRIE RACINE, ASC, CRHA, MBA

- Appointment to the Board: May 29, 2013
- Mandate renewed: August 21, 2019
- Term end: May 9, 2022
- Status: Director
- Administrative region of place of residence: Montréal

With a background in human resources, Valérie Racine has worked in organizational strategy for approximately 20 years. She has worked for private, parapublic and community organizations and participated in two humanitarian missions abroad. A strategic advisor in the President's office of a major financial institution, she contributes to its growth by developing positioning, strategies and approaches concerning transformation issues, particularly the development of governance within a cooperative and by creating a customer experience-oriented organizational culture. She was responsible for leader development strategies (corporate managers and directors) promoting new ways of thinking and acting using collective and innovative learning methods. In 2022, she was appointed additional part-time member of the Bureau d'audiences publiques sur l'environnement (BAPE). Ms. Racine has an MBA and is a chartered director.

REPORTING

Access to documents and protection of personal information

The Société québécoise de récupération et de recyclage complies with the *Act respecting Access to documents held by public bodies and the Protection of personal information* (chapter A-2.1) to which it is subject.

In 2022–2023, the Corporation received 23 requests for access to its documents. Of these 23 requests, 15 were handled within the 20-day timeframe stipulated by the Act, seven were processed within 21 to 30 days and one was processed within 31 days and more.

Of these 23 requests:

- 13 were fully accepted.
- One was partially accepted under sections 23, 24, 25 and 49.
- One was partially accepted under sections 23, 24, 25, 47 and 49.
- One was partially accepted under sections 9, 37, 38, 47, 54 and 56.
- One was partially accepted under Section 37.
- One was declined under sections 37 and 39.
- Five were declined, because the requests concerned documents not held by RECYC-QUÉBEC.

Further information:

- One request was subject to an appeal at the Access to Information Commission;
- None of the requests was the subject of reasonable accommodation measures.

Since April 1, 2015, in accordance with the *Regulation respecting the distribution of information and the protection of personal information*, the Corporation makes available on its website the documents provided in response to an access request, accompanied by the anonymized decision of the person responsible for access to documents, aside from exceptions stipulated by the Regulation.

The documents include the organization chart, information related to the leased spaces occupied by RECYC-QUÉBEC, its document classification plan, a description of the services offered including the various programs it administers, as well as the laws, by-laws, codes of conduct (of RECYC-QUÉBEC directors and employees), directives and policies. Several studies and reports produced by RECYC-QUÉBEC or on its behalf and considered in the public interest are also included.

Disclosure of wrongdoing

The National Assembly of Quebec adopted the *Act to facilitate the disclosure of wrongdoings relating to public bodies*, which came into effect on May 1, 2017. In particular, it requires public organizations, including RECYC-QUÉBEC, to establish a confidential process designed to facilitate the disclosure of wrongdoing by employees. Accordingly, the management committee adopted a procedure on August 28, 2017. RECYC-QUÉBEC implemented communication methods so that any employee can confidentially and even anonymously make a disclosure. No disclosure has been received to date.

Use and quality of the French Language in the public administration

RECYC-QUÉBEC adopted a language policy in accordance with the government policy on the use and quality of the French language in the public administration. This policy was updated in 2019 and approved by the Office québécois de la langue française. RECYC-QUÉBEC complies with the requirements of the Charter of the French Language and its language policy, which establishes French as the everyday language of work for all its employees. This policy is available in French on the RECYC-QUÉBEC website. On March 28, 2023, the RECYC-QUÉBEC permanent committee on the language policy held an annual meeting to take stock of the committee's tasks and to begin working on the review of the language policy in accordance with *An Act respecting French, the official and common language of Québec* (SQ 2022, c. 14).

Workforce management and control

RECYC-QUÉBEC reports on hours paid for the period from April 1, 2022 to March 31, 2023, by job category:

| Category | Hours worked | Overtime hours | Total paid hours |
|--|----------------|----------------|------------------|
| Management staff | 22,257 | – | 22,257 |
| Professional staff | 87,948 | 659 | 88,607 |
| Clerical, technical and related staff | 34,657 | 102 | 34,759 |
| Workers, maintenance and service personnel | – | – | – |
| Students and interns | 269 | – | 269 |
| Total hours | 145,131 | 761 | 145,892 |

GOVERNANCE

Reporting (cont'd)

Policy for the funding of public services

The Policy for the funding of public services uses pricing best practices to improve services funding to maintain their quality and to ensure transparency and reporting on the pricing process. This policy applies to all public bodies that offer goods and services to citizens. Ministries and organizations are therefore required to report on their pricing in their annual report.

Only a few prices applicable to the activities and services offered by RECYC-QUÉBEC are regulated, specifically the prices for programs concerning the specific duty on new tires, the compensation plan for municipal curbside collection services, the non-refillable container deposit-refund system, the recovery and reclamation of products by companies, "ICI on recycle +" certifications as well as the Construction, renovation and demolition (CRD) debris sorting centre recognition program.

RECYC-QUEBEC determines its costs based on the total costs of service provision to achieve self-funding. Pricing must also take into account the payment capacity of the industry and prices set by regulation.

Overall financing level for RECYC-QUÉBEC services (in thousands of \$)

| Fee-based programs | 2022–2023 Actual | | Level of funding achieved | Target level of funding |
|---|------------------|-----------------|---------------------------|-------------------------|
| | Revenue | Costs | | |
| Specific duty on new tires | 36,831.5 | 36,831.5 | 100% | 100% |
| Compensation plan for municipal curbside collection services | 2,295.0 | 2,295.0 | 100% | 100% |
| Non-refillable container deposit-refund system ¹ | 3,981.3 | N/A | N/A | N/A |
| Recovery and reclamation of products by enterprises | 22.4 | 154.0 | 15% | 15% |
| "ICI on recycle +" certifications | 56.5 | 771.2 | 7% | 7% |
| Construction, renovation and demolition (CRD) debris sorting centre recognition program | 1.7 | 73.1 | 2% | 2% |
| Fee-based programs total | 43,188.4 | 40,124.8 | N/A | N/A |

1. Under the agreement on refunding, recovery and recycling of non-refillable beer containers, when deposit-refund revenues are greater than the costs of deposit-refund operations, one part of this surplus is paid to the RECYC-QUÉBEC investment fund and the other part is returned to bottlers and brewers. The deposit-refund revenues presented in the table above include the portion of the surplus retained by RECYC-QUÉBEC.

GOVERNANCE

Reporting (cont'd)

Fee indexation method

Fees for regulated programs have been indexed in accordance with the provisions of the *Financial Administration Act* and the *Policy for the funding of public services*.

| Name of program | Regulations and standards | Method of determination |
|---|--|----------------------------|
| Specific duty on new tires | Title IV.5 of the <i>Act respecting the Québec sales tax</i> , Section 541.66 | Administrative decision |
| Compensation plan for municipal curbside collection services | <i>Environment Quality Act</i> (CQLR c. Q-2), sections 53.31(2), 53.31(4), 53.31(12). <i>Regulation Respecting Compensation for Municipal Services Provided to Recover and Reclaim Residual Materials</i> | Market/other jurisdictions |
| Non-refillable container deposit-refund program | <i>Act respecting the sale and distribution of beer and soft drinks in non-returnable containers</i> (CQLR chap. V-5.001). <i>Agreement on the deposit-refund, recovery and recycling of non-refillable containers (NRCs) for beer and soft drinks</i> | Market/other jurisdictions |
| Recovery and reclamation of products by enterprises | <i>Environment Quality Act</i> (par. 7, r. 53.30). Accreditation agreements under the <i>Regulation respecting the recovery and reclamation of used oils and paint</i> and Section 4 of the <i>Regulation respecting the recovery and reclamation of products by enterprises</i> | Based on costs |
| "ICI on recycle +" certifications | Regulatory framework concerning the RECYC-QUÉBEC "ICI on recycle +" recognition program | Based on costs |
| Construction, renovation and demolition (CRD) debris sorting centre recognition program | Serves as regulatory framework and is closely linked to the Beneficial Use of Organic Material Strategy | Based on costs |

Value of service contracts of \$25,000 and more

Service contracts involving an expenditure of \$25,000 and more entered into between April 1, 2022 and March 31, 2023

| Service contract | Number | Value (before taxes) |
|---|-----------|----------------------|
| Service contracts with a legal person | 33 | \$22,957,001 |
| Service contracts with a contractor other than a legal person | 1 | \$30,000 |
| Service contracts total | 34 | \$22,987,001 |

GOVERNANCE

Reporting (cont'd)

Summary of achievements in information resources

In accordance with the 2019–2023 Government Digital Transformation Strategy, which strives to offer services that are intuitive and easy to use to the public, RECYC-QUÉBEC continued in 2022–2023 to work toward the goals of this strategy. A project to develop a financial assistance portal that, in time, will make it possible to simplify the client experience and will make request processing more efficient, achieving the goal of putting citizens first when it comes to developing its services.

With new dashboards providing key information on certain activities, data, which are now more accessible, make it easier to monitor trends in certain key sectors of the Corporation and support better decision-making.

Lastly, work migrating loads to the cloud continues on. All resources will soon be on the Azure platform. At the same time, to keep in line with the government's information security vision, the organization has acquired tools to protect itself in real time against viruses, malware and other security threats. These protections make it possible to both secure our information assets and to ensure our partners' data remains confidential.

In accordance with Section 16.7 of the *Act respecting the governance and management of the information resources of public bodies and government enterprises* (CQLR, chapter G-1.03), the following table shows the amounts spent on information resources.

Investments and real expenditures in information resources in 2022–2023

| Types of activities | Investments (\$000) | Expenditures (\$000) |
|-------------------------|---------------------|----------------------|
| Projects ¹ | 334 | 63 |
| Activities ² | 30 | 1,030 |
| Total | 364 | 1,093 |

1. Information resource activities that constitute information resource projects within the meaning of Section 16.3 of the *Act respecting the governance and management of the information resources of public bodies and government enterprises*.
2. All other information resource activities, both recurring and non-recurring, that do not constitute information resource projects within the meaning of Section 16.3 of the Act.

CODE OF ETHICS AND PROFESSIONAL CONDUCT OF THE DIRECTORS OF THE SOCIÉTÉ QUÉBÉCOISE DE RÉCUPÉRATION ET DE RECYCLAGE

Adopted at the June 16, 2022 Board Meeting

Section I

DEFINITIONS AND GENERAL PROVISIONS

Definitions

1. In this Code, unless otherwise indicated by the context, the following terms or expressions mean:

- a) “Director” refers to a member of the Corporation's Board of Directors, whether or not they hold a full-time position.
- b) “Association” refers to an association or group of people, organizations or companies with a direct or indirect interest in the recovery and recycling sector.
- c) “Conflict of interest” refers to any situation where the personal interest of the director or of their spouse, a member of their family or of a business partner or a corporation or another entity in which they hold a significant number of shares, could enter into real or apparent conflict with the interests of the Société québécoise de récupération et de recyclage. A conflict of interest does not concern solely financial operations or economic advantages. It can also take various forms: influencing a decision or giving preferential treatment to physical or legal persons. It is not necessary for the director to have taken advantage of their position to serve their interests or that they violated the interests of the Société québécoise de récupération et de recyclage. The risk of this happening is sufficient. Any situation likely to jeopardize loyalty, integrity or judgment is also covered by this definition.
- d) “Board” refers to the Corporation's Board of Directors.
- e) “Contract” includes a contract or an agreement reached, in negotiation or proposed.
- f) “Enterprise” refers to any form of economic unit of goods or services production or any other business of a commercial, industrial or financial nature.
- g) “Social media (or networks)” refers to a wide range of Internet and mobile services that allow users to participate in online discussions, distribute content they created themselves and to join electronic communities. Here is a non-exhaustive list of social media:
 - Blogs: online newspapers (WordPress, Tumblr, Blogger, etc.).
 - Wikis: collective websites where all users can participate in creating content (Wikipedia, etc.).
 - Social networking sites: offer users the ability to create a profile and exchange information with other users (Facebook, LinkedIn, Reddit, etc.).
 - Microblogging services: allow users to send short messages and share the messages of others (Twitter, etc.).
 - Media sharing sites: allow users to share media content such as videos or photos (YouTube, Pinterest, Flickr, Instagram, TikTok, Vine, Snapchat, etc.).
- h) “Act” refers to the *Act respecting the Ministère du Conseil exécutif* (CQLR, c. M-30).
- i) “Related person” refers to a person related to the director who can be:
 - either the spouse or the child of the director, the child of the director's spouse or a member of their immediate family;
 - either a legal or other entity:
 - in which the director holds more than 10% of shares,
 - in which a person related to the director holds an interest as described in the first sub-paragraph of this paragraph.
- j) “Regulation” means the *Regulation respecting the ethics and professional conduct of public office holders* (1998) (130 G.O. II, 3474).
- k) “Internal management by-law of the Corporation” refers to the *Règlement de régie interne de la Société québécoise de récupération et de recyclage* (1991) (123 G.O.II, 5595), as amended and modified from time to time.
- l) “Corporation” refers to the Société québécoise de récupération et de recyclage (RECYC-QUÉBEC).

Section II

GOALS, FIELD, SCOPE

2. This Code applies to the directors, including the President and CEO, of the Corporation.
3. The Corporation's mission is to lead Quebec to reduce, reuse, recycle and recover residual materials to promote a circular economy and fight against climate change.
4. The goal of this Code is to establish the ethical principles and rules of conduct that should guide directors to guarantee the achievement of the Corporation's mission following best general management principles while respecting the five guiding values, namely respect, integrity, collaboration, responsibility and fairness.
5. The rules of professional conduct shall pertain to the duties and obligations of directors. The rules shall explain and illustrate those duties and obligations in a concrete manner.
6. In addition to this Code, directors are required, in performing their duties, to adhere to the ethical principles and rules of conduct stipulated in the *Lobbying Transparency and Ethics Act* (CQLR, chapter T-11.011) and the *Regulation respecting the ethics and professional conduct of public office holders* (CQLR, chapter M-30, r. 1). In the event of discrepancy, the strictest principles and rules apply.
7. For the sake of transparency, the decisions of the Board are public unless the latter decides otherwise for serious reasons. However, the deliberations, positions defended by members as well as their votes are confidential. A director's vote may, however, become public when they request that it be expressly stated in the minutes.
8. In this Code, the prohibition on taking an action includes the attempt to take this action or the incentive to do so.

Section III

ETHICAL PRINCIPLES AND RULES OF PROFESSIONAL CONDUCT

Ethical principles

9. Directors are appointed or designated to contribute, as part of their mandate, to achieving the Corporation's mission and to its sound administration. During their entire term, directors must act prudently, diligently, honestly, competently and loyally in the Corporation's interest.

Directors shall perform their mandate with efficiency, diligence and respect for the law.

When performing their duties, directors share the knowledge and skills they have acquired with their colleagues and the Corporation. They shall keep their knowledge up to date in accordance with the Corporation's continuing education policy and exercise independent professional judgment. As ambassadors for the Corporation, they shall also stay informed on the economic, social and political context in which the Corporation carries out its activities.

Directors are required to show discretion regarding what they know in the course of or in connection with the performance of their duties and are required, at all times, to respect the confidential nature of the information so received.

This obligation does not have the effect of preventing a public officer representing or associated with a particular interest group from consulting said group nor from reporting to it, except if this information is confidential under the law or if the Board requires it to remain confidential.

10. Directors cannot perform their duties in their own interest or while seeking to promote that of a third party.
11. Directors make decisions to ensure and maintain the relationship of trust with the Corporation's clients, contractors, partners as well as with the government.

GOVERNANCE

Code of ethics and professional conduct of the Société québécoise de récupération et de recyclage board members (cont'd)

Political neutrality and communications

12. At all times, directors shall refrain from making statements of a nature to discredit or tarnish the image or reputation of the Corporation, regardless of the medium used. Directors shall respect the official positions of the Corporation and redirect all communication requests that they receive from media representatives to the President and CEO.

Directors shall refrain from participating directly or indirectly in activities that damage the interests, the image or reputation of the Corporation.

13. When performing their duties, directors shall make their decisions independently from any partisan political consideration.

Directors shall not, under any circumstances, associate the Corporation, directly or indirectly, with a personal effort affecting political activities or to an effort related to a job that they hold or want to hold.

14. Directors who intend to seek an elected office at the federal, provincial or municipal level shall so inform the Chair of the Board. The Chair of the Board or the President and CEO with such intention shall so inform the Associate Secretary General for Senior Positions of the Ministère du Conseil exécutif.

Information handling

15. Directors shall ensure and preserve the confidentiality of the information they obtain as part of their director duties; they must ensure the destruction of all confidential documents once they are no longer necessary to the performance of their mandate as director.
16. Directors shall not use to their benefit or to the benefit of a third party the information obtained in the course of or in connection with the performance of their duties.

Obligations after leaving office

17. Directors who have left office must behave so as not to benefit from undue advantages from their prior duties at the Corporation.

Directors who have left office shall not disclose confidential information that they obtained nor provide advice to anyone based on information not available to the public concerning the Corporation, another organization or enterprise with which they had significant direct relations.

18. They are forbidden, in the year following the end of their duties, to act in the name of or on behalf of others relative to a procedure, negotiation or another operation to which the Corporation is party and on which they hold information not available to the public.

Directors in office shall not have dealings, in the circumstances described in the previous paragraph, with the directors in question in the year where they left their office.

Conflict of interest

19. Directors shall avoid placing themselves in a conflict of interest between their personal interest or that of a related person and that of the Corporation. They shall avoid placing themselves in situations that could cast reasonable doubt on their ability to perform their duties and to fulfill their duties loyally and impartially.

They shall declare to the Secretary General any direct or indirect interest that they may have in an organization, enterprise, trust or association. They shall also report, as soon as they learn of them, the rights they may invoke against the Company, while indicating, as applicable, their nature and their value.

20. Directors shall avoid finding themselves in a situation in which they or in which a person related to them may benefit from, directly or indirectly, a contract entered into by the Corporation or influencing this director's decision-making power, as applicable, due to the duties they hold in the Corporation.

Directors shall not offer any consulting or other services to the Corporation, whether personally or through a legal or other entity in which they or a person related to them is involved.

Directors with a direct or indirect interest in a project, agreement, contract, business or dispute with the Corporation, or where the organization, association, trust or enterprise that is their employer or where they are party to such an interest, shall so declare to the Secretary General, and, if required, refrain from participating in any deliberation and any decision concerning an issue under debate in which they have such interest. They shall also withdraw from the session for the duration of deliberations and the vote on this issue, as well as refrain from trying to influence the vote of the other directors. As applicable, they shall transmit information on the situation prior to discussions. The declaration of the conflict of interest and the withdrawal from the meeting shall be recorded in the meeting minutes.

GOVERNANCE

Code of ethics and professional conduct of the Société québécoise de récupération et de recyclage board members (cont'd)

When directors declare that they could be perceived to be in a conflict of interest, appropriate measures based on the specific situation are taken, such as:

- Asking them to withdraw from discussions and decision-making
- Imposing limits on their intervention, participation in discussions and decision-making
- Requesting an opinion from the Governance and Ethics Committee
- Deciding that no action is necessary.

The declaration of the potential conflict of interest, the decision rendered regarding it and the justification for the decision shall be recorded in the meeting minutes.

If directors receive an inheritance or donation that places them in a conflict of interest, this situation shall not be considered a breach of the Code, provided that the directors relinquish or dispose of it diligently.

Benefits

21. Directors shall not confuse the property of the Corporation with their own and shall not use it for personal purposes or purposes that are not directly related to their director duties, or for the benefit of third parties.
22. Directors shall not accept nor solicit any gift, hospitality, advantage or benefit from a person or enterprise in a business relationship with the Corporation, or that could potentially so become or a third party acting in the name of or to the benefit of such a person or enterprise other than those of modest use or value.

Any other gift, hospitality or benefit received shall be returned to the donor or remitted to the Corporation.

Internal functioning

23. All directors, other than the President and CEO shall avoid intervening in the regular operations of RECYC-QUÉBEC. Directors shall rather address the Chair of the Board who will ensure the necessary follow-up with the President and CEO.
24. Directors shall not make any commitment to third parties nor give them any warranty regarding the vote that they may be required to take or to any decision whatsoever that the Board may be required to take.

Reporting

25. Directors who know of or suspect the existence of a breach of this Code, including an irregular use or communication of confidential information or an undisclosed conflict of interest, shall report it. This reporting shall be made confidentially by transmitting the following information to the Secretary General:
 - The identity of the author or authors of this breach
 - The description of the breach
 - The date or period when the breach occurred
 - A copy of any document supporting the reporting

Section IV

METHODS OF APPLICATION

Role of the Governance and Ethics Committee

26. The Governance and Ethics Committee oversees the development and application of the Code. It interprets the provisions and ensures that the ethical principles and rules of professional conduct are followed.
27. The Committee may, on the conditions that it sets, dispense a director from one or more provisions of this Code, if it believes that this dispensation does not harm the achievement of the Code's objective.
28. The Committee designates the Secretary General to support it in this function.
29. The Committee shall:
 - revise this Code and submit any amendment to the Board for approval;
 - train and inform directors regarding the content and application methods of this Code;
 - provide its opinion and its support to the Board and to any director facing a problematic situation referred to herein;
 - investigate at its own initiative or upon receipt of a report or allegation or any particular situation likely to constitute a breach of this Code provided that the report concerns the chair or senior management.

GOVERNANCE

Code of ethics and professional conduct of the Société québécoise de récupération et de recyclage board members (cont'd)

When the Committee has reasonable grounds to believe that a director has failed to comply with any of the provisions of this Code, it so informs the Secretary General immediately, which will ensure appropriate follow-up is made to the Associate Secretary General for Senior Positions of the Ministère du Conseil exécutif in accordance with Article 33 of this Code as applicable.

Role of the Secretary General

30. The Secretary General assists the Committee in its work applying this Code. It maintains the archives where it retains the declarations, disclosures and attestations that must be transmitted under this Code as well as the reports, decisions and advisory opinions. The Secretary General handles any request for information regarding this Code.

When the Secretary General notes that a topic on the agenda of a meeting of the Board of Directors or a committee includes the possibility of a conflict of interest, it communicates with the director concerned to discuss the matter and agree on measures to take to preserve the Board's decision-making process and avoid any real conflict of interest. When there is doubt as to the course of action, the Secretary General submits the question to the Committee.

Enrolment

31. This Code is part of the obligations related to the director's responsibilities. They commit to reading and adhering to it, as well as to any particular directive or instruction that could be issued regarding its application. Where there is doubt concerning the scope or application of a provision, directors are responsible for consulting the Secretary General. The matter shall be followed up with the Governance and Ethics Committee.

Declaration of interests

32. Directors shall remit to the Secretary General within thirty (30) days of their appointment and on March 31 of each year that they remain in office, a declaration in the form provided in Schedule 1 and Schedule 2.

Directors shall also submit such a declaration within thirty (30) days of the occurrence of a change to its content. Declarations remitted under this article are handled confidentially by the bodies responsible for this Code.

Failure to comply and sanctions

33. A breach of one or more aspects of the Code results in sanctions that will vary depending on the nature, severity and persistence of the breach. To that end, the Associate Secretary General for Senior Positions of the Ministère du Conseil exécutif is the competent authority to act and the applicable disciplinary action is the one stipulated in the *Regulation respecting the ethics and professional conduct of public office holders*.

Section V

DISPENSATIONS

34. This Code does not apply to:

- a) holding interests through a mutual fund for which the director does not participate directly or indirectly in the management;
- b) holding interests through a trust without right of review for which the beneficiary cannot know the composition;
- c) holding an interest that, by its nature and scope, is common to the population in general or to a particular sector in which the director works;
- d) holding securities issued or guaranteed by a government body or enterprise within the meaning of the *Auditor General Act* (CQLR, c. V-5.01) at conditions identical for all.

Section VI

FINAL PROVISIONS

35. This Code takes effect as of the meeting that follows the one in which it is adopted by the Corporation's Board of Directors.

It has no retroactive effect.

Therefore, it applies only to situations that may arise after this Code is adopted.

FINANCIAL STATEMENTS

For the financial year ending March 31, 2023

REPORT FROM MANAGEMENT

The financial statements of the Société québécoise de récupération et de recyclage, hereinafter referred to as the Corporation, appended hereto, were prepared by management and approved by its Board of Directors. The financial statements were prepared according to the methods and procedures established by management, in accordance with Canadian public sector accounting standards and reflect best judgments and estimates.

As part of its responsibilities, management of the Corporation maintains a system of internal controls designed to provide reasonable assurance that its property is appropriately protected and that its operations are correctly accounted for, that they are duly approved and make it possible to produce reliable and timely financial statements. The Corporation acknowledges that it is responsible for managing its affairs in compliance with laws and by-laws governing it.

The Board of Directors, assisted by its Audit Committee, ensures that management fulfills its responsibilities for financial reporting and control. The Audit Committee meets with management and the Auditor General of Quebec, periodically examines the financial statements and recommends their approval to the Board.

The Auditor General of Quebec performed an audit of the Corporation's financial statements, in accordance with Canadian generally accepted auditing standards and its independent auditor's report explains the nature and scope of this audit and expresses its opinion. The Auditor General may, without restriction, meet with the Audit Committee to discuss anything concerning its audit.



Emmanuelle Géhin
President and CEO



Stéphane Devernal
Vice President, Financial Management

Montréal, September 21, 2023

INDEPENDENT AUDITOR'S REPORT

To the National Assembly



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I conducted an audit of the financial statements of the Société québécoise de récupération et de recyclage (“the Corporation”), which includes the statement of financial position as at March 31, 2023, and the statement of results and the cumulative surplus, the statement of change in net financial assets and the statement of cash flows for the year then ended as well as the notes, including the summary of the significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2023, and its results of operations, revaluation gains and losses, the change in its net financial assets and its cash flow for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in compliance with Canadian generally accepted auditing standards. My responsibilities under these standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of this report. I am independent from the Corporation, in accordance with the rules of professional conduct that are relevant to our audit of the financial statements in Canada and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the evidence that I obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for other information. Other information consists in information contained in the annual report, but does not include the financial statements and my auditor’s report on these statements.

My opinion on the financial statements does not extend to other information and I do not express any form of assurance whatsoever on such information.

Regarding my financial statement audit, my responsibility consists in reading the other information and, in so doing, determining if there is significant inconsistency between it and the financial statements or the knowledge that I acquired in the course of the audit or if other information appears to otherwise contain a material misstatement. I obtained the annual report before the date of this report. If, based on the work I performed, I conclude that there is a material misstatement in the other information, I am required to indicate this fact in this report. I have nothing to indicate in this respect.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation’s ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation’s financial reporting process.

FINANCIAL STATEMENTS

Independent auditor's report (cont'd)

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always find a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

In the course of an audit conducted in accordance with Canadian generally accepted auditing standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not finding a material misstatement resulting from fraud is higher than a misstatement resulting from an error, as fraud may involve collusion, forgery, wilful omissions, false statements or an override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to change my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a matter that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the *Auditor General Act* (CQLR, chapter V-5.01), I declare that in my opinion these standards have been applied on a basis consistent with that of the preceding period.

For the Auditor General of Quebec.



Roch Guérin, CPA Auditor
Senior Audit Manager

Montréal, September 21, 2023

STATEMENT OF RESULTS AND THE CUMULATIVE SURPLUS

For the financial year ending March 31, 2023

| | 2023 Budget | 2023 Actual | 2022 Actual |
|--|----------------|---------------------|----------------|
| REVENUE | | | |
| Transfers from the Government of Quebec | | | |
| Specific duty on new tires | \$36,951,486 | \$36,831,465 | \$32,594,619 |
| Subsidies from the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP) | 41,045,996 | 17,702,318 | 24,107,210 |
| Subsidies from the Electrification and Climate Change Fund (ECCF) | 6,395,174 | 3,533,382 | 3,166,077 |
| Subsidies from the Ministry of Natural Resources and Forests (MRNF) | 63,528 | 29,599 | 17,465 |
| Subsidies from the Société du Plan Nord (SPN) | 1,074,892 | 40,200 | 21,148 |
| Subsidies from the Ministry of Tourism (MTO) | | 31,734 | – |
| Non-refillable container deposit-refund (Note 4) | 8,480,000 | 3,981,260 | 4,783,899 |
| Contributions from partners to the Compensation plan for municipal curbside collection services | 2,194,904 | 2,294,965 | 2,446,294 |
| Contributions from partners for the recovery and reclamation of products by enterprises | 30,000 | 22,409 | 13,164 |
| Investment income (note 5) | 2,500,000 | 4,182,180 | 2,493,123 |
| Other revenue | 41,000 | 61,819 | 70,386 |
| | 98,776,980 | 68,711,331 | 69,713,385 |
| EXPENSES (note 6) | | | |
| Scrap tire program | 36,951,486 | 36,831,465 | 32,594,619 |
| Residual material management (note 7) | 55,183,868 | 27,113,398 | 31,971,720 |
| Container deposit-refund systems | 5,501,010 | 1,189,101 | 793,468 |
| Compensation plan for municipal curbside collection services | 2,194,904 | 2,294,965 | 2,446,294 |
| Recovery and reclamation of products by enterprises | 74,472 | 153,986 | 80,055 |
| Other expenses (note 8) | 2,800,537 | 2,090,676 | 3,418,364 |
| | 102,706,277 | 69,673,591 | 71,304,520 |
| DEFICIT FOR THE YEAR | (3,929,297) | (962,260) | (1,591,135) |
| CUMULATIVE SURPLUS AT THE BEGINNING OF THE YEAR | 58,898,868 | 58,898,868 | 60,490,003 |
| CUMULATIVE SURPLUS AT THE END OF THE YEAR (note 19) | \$54,969,571 | \$57,936,608 | \$58,898,868 |

The notes are integral to the financial statements

STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

| | 2023 | 2022 |
|--|---------------------|--------------|
| FINANCIAL ASSETS | | |
| Cash and cash equivalents (note 9) | \$47,252,385 | \$41,850,116 |
| Investments (note 10) | 174,194,131 | 157,346,777 |
| Receivables (note 11) | 7,831,979 | 10,165,676 |
| Transfers receivable from the Government of Quebec (note 12) | 4,241,775 | 3,951,543 |
| | 233,520,270 | 213,314,112 |
| LIABILITIES | | |
| Accrued liabilities and expenses (note 13) | 15,134,658 | 9,178,120 |
| Amounts repayable under agreements on container deposit-refund (note 14) | 7,397,464 | 11,454,548 |
| Deferred income (note 15) | 133,488,376 | 111,158,869 |
| Provision for amounts to provide for container deposit-refund (note 16) | 20,559,638 | 23,494,075 |
| | 176,580,136 | 155,285,612 |
| NET FINANCIAL ASSETS | 56,940,134 | 58,028,500 |
| Tangible capital assets (note 17) | 793,112 | 710,863 |
| Prepaid expenses | 203,362 | 159,505 |
| | 996,474 | 870,368 |
| CUMULATIVE SURPLUS (note 19) | \$57,936,608 | \$58,898,868 |

CONTRACTUAL OBLIGATIONS AND CONTRACTUAL RIGHTS (note 22)

CONTINGENCIES (note 23)

The notes are integral to the financial statements


Michel Giroux
Vice-Chair of the Board of Directors



Michel Delisle, CPA, MBA
Director

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the financial year ending March 31, 2023

| | 2023 Budget | 2023 Actual | 2022 Actual |
|---|----------------|---------------------|----------------|
| DEFICIT FOR THE YEAR | \$(3,929,297) | \$(962,260) | \$(1,591,135) |
| Tangible capital assets acquisition | (1,390,000) | (364,344) | (415,201) |
| Tangible capital assets amortization | 350,000 | 282,095 | 264,150 |
| Loss on disposal of tangible capital assets | | - | 11 |
| | (1,040,000) | (82,249) | (151,040) |
| Acquisition of prepaid expenses | | (203,362) | (159,505) |
| Use of prepaid expenses | | 159,505 | 183,305 |
| | | (43,857) | 23,800 |
| REDUCTION IN NET FINANCIAL ASSETS | (4,969,297) | (1,088,366) | (1,718,375) |
| NET FINANCIAL ASSETS AT THE BEGINNING OF THE YEAR | 58,028,500 | 58,028,500 | 59,746,875 |
| NET FINANCIAL ASSETS AT THE END OF THE YEAR | \$53,059,203 | \$56,940,134 | \$58,028,500 |

The notes are integral to the financial statements

STATEMENT OF CASH FLOWS

For the financial year ending March 31, 2023

| | 2023 Actual | 2022 Actual |
|---|---------------------|----------------|
| OPERATING ACTIVITIES | | |
| Deficit for the year | \$(962,260) | \$(1,591,135) |
| Items with no effect on cash: | | |
| Gain on disposal of investments | (244,855) | (12,546) |
| Loss on disposal of tangible capital assets | - | 11 |
| Tangible capital assets amortization | 282,095 | 264,150 |
| Deferred revenue | (60,558,637) | (62,352,813) |
| Adjustment of investments to the effective interest rate | 482,640 | 764,028 |
| | (61,001,017) | (62,928,305) |
| Net change in operations-related assets and liabilities (note 20) | 83,723,385 | 77,605,714 |
| Operations-related cash flow | 22,722,368 | 14,677,409 |
| CAPITAL INVESTMENT ACTIVITIES | | |
| Tangible capital assets acquisition | (234,960) | (415,201) |
| Capital investments-related cash flow | (234,960) | (415,201) |
| INVESTMENT ACTIVITIES | | |
| Investment acquisition | (99,451,201) | (78,826,720) |
| Disposal of investments | 82,366,062 | 57,306,684 |
| Investment activities-related cash flow | (17,085,139) | (21,520,036) |
| INCREASE (DECREASE) IN CASH FLOW AND CASH FLOW EQUIVALENTS | 5,402,269 | (7,257,828) |
| CASH FLOW AND CASH FLOW EQUIVALENTS AT THE BEGINNING OF THE YEAR | 41,850,116 | 49,107,944 |
| CASH FLOW AND CASH FLOW EQUIVALENTS AT THE END OF THE YEAR (NOTE 9) | \$47,252,385 | \$41,850,116 |

Interest received during the year totalled \$5,593,411 (2022: \$3,883,710).

The notes are integral to the financial statements

NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2023

1

Constitution and mandate

The Société québécoise de récupération et de recyclage, hereinafter the Corporation, is a legal entity within the meaning of the Civil Code, established by the *Act respecting the Société québécoise de récupération et de recyclage* (CQLR, chapter S-22.01). The Corporation's mandate is to promote, develop and foster the reduction, reuse, recovery and recycling of containers, packaging, materials or products and their reclamation with the goal of preserving resources.

Under Section 3 of its constituent act, the Corporation is an agent of the State; it is therefore not subject to income taxes.

MODERNIZING THE DEPOSIT-REFUND SYSTEM

The *Act to amend mainly the Environment Quality Act with respect to deposits and selective collection* came into force on March 11, 2021. Order in Council 1364-2023 dated August 23, 2023 specifies certain terms and conditions specific to modernizing the deposit-refund system. As of November 1, 2023, the *Act respecting the sale and distribution of beer and soft drinks in non-returnable containers* (Chapter V-5.001) will be repealed and current agreements, namely the *agreement on refunding, recovery and recycling of non-refillable soft-drink containers* (the "soft drink agreement") and the agreement on refunding, recovery and recycling of non-refillable beer containers ("beer agreement"), will end. The new deposit-refund system will be implemented under the responsibility of the Association québécoise de récupération des contenants de boissons ("AQRCB"), which is the new management body designated in October 2022 under the *Regulation respecting the development, implementation and financial support of a deposit-refund system for certain containers* (chapter Q-2, r.16.1).

TRUSTEE

The *Environment Quality Act* (CQLR, chapter Q-2) provides for a trustee role for the Corporation. The Corporation receives amounts to distribute to municipal organizations as part of the *Regulation Respecting Compensation for Municipal Services Provided to Recover and Reclaim Residual Materials* (CQLR, chapter Q-2, r. 10).

Amounts allocated for this trustee role that are not included in the Corporation's statement of financial position are presented in the following table:

| | 2023 | 2022 |
|--|------------------|----------|
| FINANCIAL ASSETS | | |
| Cash | \$160,726 | \$88,872 |
| LIABILITIES | | |
| Amounts due to municipal organizations | \$160,726 | \$88,872 |

2**Significant accounting policies****ACCOUNTING REFERENCE**

For the purposes of preparing its financial statements, the Corporation prioritizes the use of the *CPA Canada Public Sector Accounting Handbook*. The use of any other source of generally recognized accounting principles is consistent with this reference.

USE OF ESTIMATES

Preparation of the Corporation's financial statements by management, in accordance with Canadian public sector accounting standards, requires that it uses estimates and assumptions. They have an impact on accounting assets and liabilities, presenting contingent assets and liabilities on the date of the financial statements as well as accounting the amounts of revenues and expenses during the period covered by the financial statements. Significant areas of management estimate include the determination of useful lives of tangible capital assets, the valuation of specific duty on new tires and the valuation of the contribution from partners to the Compensation plan for municipal curbside collection services. Actual results could differ from these estimates.

ALLOCATION OF EXPENSES BETWEEN THE VARIOUS PROGRAMS AND FUNCTIONS

The Corporation administers various programs and functions. Programs are governed by laws or government decrees while functions include activities under agreements with partners or initiated by the Corporation in line with its mission.

Expenses are presented by program and function. Expenses are allocated to the various programs and functions by allocating their direct expenses to each one and breaking down indirect expenses according to allocation keys.

STATEMENT OF REVALUATION GAINS AND LOSSES

The statement of revaluation gains and losses is not presented because neither financial assets nor liabilities are assessed at the real value or denominated in currency.

REVENUE**Transfers from the Government of Quebec**

Transfers from the Government of Quebec are noted when they are authorized and the Corporation fulfills all the eligibility criteria, as applicable, and when it is possible to make a reasonable estimate of the amounts in question.

Transfers from the Government of Quebec are deferred when stipulations in the agreement create an obligation that meets the definition of a liability. Deferred revenues are transferred to income provided that the conditions related to liabilities are met.

Non-refillable container deposit-refund

Revenues from non-refillable container deposit-refund resulting from deposit-refund agreements are recorded in the fiscal year in which they are measurable.

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributions from partners to the Compensation plan for municipal curbside collection services

Contributions from partners to the Compensation plan for municipal curbside collection services are recorded in the fiscal year in which they are measurable.

Deferred revenue related to contributions from partners to the Compensation plan for municipal curbside collection services represents externally restricted inflows. They are presented as deferred revenue until the resources are used for the prescribed purposes.

Contributions from partners for the recovery and reclamation of products by enterprises and other revenue

Revenue from the regulation respecting the recovery and reclamation of products by enterprises and other revenue is recorded based on the fiscal year accounting when the following conditions are met:

- There is sufficient evidence that an agreement exists;
- The services have been provided;
- The price is or can be determined;
- Recovery is reasonably assured.

Investment income

Investment income is recorded based on the number of days the investment is held during the fiscal year based on the effective interest rate method. Gains and losses on disposal of investments are established based on the average cost method.

Investment income related to Government of Quebec transfers from the MELCCFP and the ECCF deposited on the date of the end of the fiscal year and included in deferred revenue represent externally restricted inflows. They are also presented as deferred revenue until the resources are used for the prescribed purposes.

EXPENSES

Financial assistance

Financial assistance related to the scrap tire program, the residual material management policy and the Compensation plan for municipal curbside collection services is recognized as an expense in the fiscal year where the transfer is authorized and where the beneficiary fulfills all the eligibility criteria.

FINANCIAL INSTRUMENTS

Cash and cash equivalents, investments, receivables (except for consumption taxes receivable) and transfers receivable from the Government of Quebec are filed in the category of financial assets measured at cost or amortized cost according to the effective interest rate method.

Accrued liabilities and expenses (except for deposits on contracts and source deductions payable), amounts repayable under agreements on the deposit-refund of containers and provisions for the amounts to collect for container deposit-refund are filed in the category of financial liabilities assessed at cost.

FINANCIAL ASSETS

Cash and cash equivalents

The Corporation's policy consists in presenting in cash and cash equivalents the bank account balances and investments easily converted in the short term into a known cash amount, the value of which is not likely to change significantly.

Investments

Discounts and premiums on securities are amortized based on the effective interest rate method on the remaining term of each security. Adjustments related to discounts and premiums are accounted in investment income. Any permanent decline in value is decreased by the carrying value of investments and is recognized as an expense in results for the year.

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LIABILITIES

Amounts repayable under agreements on container deposit-refund

Amounts repayable under the beer container agreement

Amounts repayable is the surplus results from the deposit-refund system calculated under the beer agreement, which the Corporation pays to members every year.

The beer agreement ends on the date the *Act respecting the sale and distribution of beer and soft drinks in non-returnable containers* (chapter V-5.001) is repealed, namely October 31, 2023. The Corporation will pay to members all amounts repayable due.

Amounts repayable under the soft-drink container agreement

Amounts repayable is the operational surpluses from the deposit-refund system paid to the Corporation by the Société par Boissons Gazeuses Environnement (BGE) under the soft-drink agreement. The cumulative operational surpluses of this system, less the amounts to be remitted annually to the Corporation and to BGE, are retained by the Corporation to cover the potential future deficits of this system for the duration of the soft-drink agreement.

The soft-drink agreement stipulates that on the date the *Act respecting the sale and distribution of beer and soft drinks in non-returnable containers* (Chapter V-5.001) is repealed and following the publication of the audited financial statements of BGE for the last year of operations of the current soft-drink deposit-refund system, the Corporation will remit to BGE 67% of the amounts held in the account for amounts repayable under the container deposit-refund agreements of the soft-drink agreement. The balance will be retained by the Corporation to achieve its objectives.

Provision for amounts to provide for container deposit-refund

A provision is established to provide the amounts necessary to refund deposits for containers sold before the end of the fiscal year and that will be recovered after the end of the fiscal year or after the agreements expire. This provision is established based on an estimated number of days from the deposit-refund time and on the daily average of deposits refunded (5¢, 10¢, 20¢) annually, including the 2¢ incentive.

The Corporation must pay to the designated management body under the *Regulation respecting certain transitional measures needed for the application of the Act to amend mainly the Environment Quality Act with respect to deposits and selective collection* and the soft-drink agreement an amount equivalent to that of the provision calculated on March 31, 2023. From that amount, the Corporation advanced three million dollars to the AQRCB in May 2023, in order to fund AQRCB startup activities. The amount recorded in the Corporation's provision for amounts to provide for container deposit-refund in the soft-drink agreement account on March 31, 2023 was therefore reduced in advance by three million dollars and is found in the "accrued liabilities and expenses" line.

Retirement plans

The accounting of defined contribution plans is applied to interemployer government defined benefit plans given that the Corporation does not have sufficient information to apply the accounting of defined benefit plans.

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

NON-FINANCIAL ASSETS

By their nature, non-financial assets are used to provide future services.

Tangible capital assets

Tangible capital assets are accounted at cost and are amortized on a straight-line basis over their estimated useful lives, namely:

| | |
|-------------------------|------------|
| Furniture and equipment | 7 years |
| Computer hardware | 5 years |
| Leasehold improvements | Lease term |
| Software | 3 years |
| IT development | 5 years |

IT projects in development are amortized when their development is completed and the projects are commissioned.

Depreciation of tangible capital assets

When circumstances indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or that the value of future economic advantages related to the tangible capital asset are less than the value of its net carrying value, the cost of the tangible capital asset is reduced to reflect its decline in value. Losses on tangible capital assets are recorded as expenses in the statement of results. No reversal of impairment loss is recorded.

INTER-ENTITY TRANSACTIONS

Inter-entity transactions are transactions carried out between entities controlled by the Government of Quebec or subject to its joint control. Inter-entity transactions were carried out at the exchange amount, namely at the amount agreed upon for the consideration given in exchange for the item transferred or the service provided.

3

Accounting change

ADOPTION OF A NEW ACCOUNTING STANDARD

PS 3280, Asset retirement obligations

On April 1, 2022, the Corporation adopted Section PS 3280, *Asset retirement obligations*, which concerns the accounting, assessment and presentation of the legal obligations related to retiring tangible capital assets, whether or not they remain in productive use, as well as the information to provide about them.

The main aspects of this section are the following:

- A liability as an asset retirement obligation (ARO) may result either from the acquisition, construction, development or enhancement of a tangible asset, or from the subsequent use of a tangible asset;
- The retirement cost of a tangible asset controlled by the Corporation is added to the carrying value of the tangible asset (or of the component) at hand and is recorded as an expense in a logical and systematic manner;
- The cost of retiring an asset that no longer remains in productive use is recorded as an expense;
- Subsequent assessments of the liability as an ARO may result in either a change in the carrying value of the tangible asset (or of the component) at hand, or an expense, depending on the nature of the reassessment and whether or not the asset remains in productive use;
- The assessment of a liability as an ARO shall lead to the best estimate of the amount required to retire the tangible asset (or the component) in question on the closing date.

The adoption of this standard has had no effect on either the results or on the Corporation's financial position.

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

4**Non-refillable container deposit-refund program**

| | 2023 | 2022 |
|---|--------------------|-------------|
| Share of surpluses under the soft-drink agreement | \$2,100,201 | \$1,806,956 |
| Share of surpluses under the beer agreement | 567,128 | 1,901,725 |
| Management fees recovery | 693,986 | 561,875 |
| Other deposit-refund revenue | 619,945 | 513,343 |
| | \$3,981,260 | \$4,783,899 |

5**Investment income**

| | 2023 | 2022 |
|---------------------------------|--------------------|-------------|
| Investment interest | \$2,072,340 | \$1,500,142 |
| Interest on bank deposits | 1,864,985 | 980,435 |
| Gain on disposal of investments | 244,855 | 12,546 |
| | \$4,182,180 | \$2,493,123 |

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

6**Expenses**

The nature of the Corporation's expenses is as follows:

| | 2023 | 2022 |
|--|---------------------|--------------|
| Salaries and benefits | \$8,980,266 | \$7,894,447 |
| Specific program and function expenses | | |
| Scrap tire transportation costs | 20,881,876 | 17,643,954 |
| Financial assistance for transforming scrap tires | 11,144,674 | 10,812,595 |
| Financial assistance as part of the Quebec Residual Materials Management Policy | 17,508,519 | 24,589,648 |
| Financial assistance as part of the Compensation plan for municipal curbside collection services | 675,000 | 650,000 |
| Financial assistance as part of the Scrap tire program | 266,664 | 270,529 |
| Financial contributions | 256,500 | 5,000 |
| Scrap tires storage costs | 73,350 | 24,450 |
| Collection costs for the specific duty for new tires | 131,027 | 120,920 |
| Repayment of the deposit-refund collected by SAQ and BGE ¹ | 265,763 | 9,077 |
| Other operating expenses | | |
| Professional fees | 3,429,915 | 3,646,507 |
| Communication costs | 3,476,557 | 3,498,855 |
| Rent and premises maintenance | 711,684 | 701,890 |
| Office costs and IT-related expenses | 660,817 | 503,116 |
| Sponsorships | 441,760 | 291,560 |
| Training, conferences and congresses | 110,205 | 86,790 |
| Travel, representation and meeting costs | 152,986 | 65,870 |
| Amortization | 282,095 | 264,150 |
| Loss on disposal of tangible capital assets | – | 11 |
| Financial costs and investment management | 223,933 | 225,151 |
| | \$69,673,591 | \$71,304,520 |

1. SAQ (Société des alcools du Québec) and BGE (Boissons Gazeuses Environnement)

7

Residual material management

| | 2023 | 2022 |
|---|---------------------|--------------|
| Funded by the MELCCFP | | |
| 2019–2024 Action Plan measures of the Quebec Residual Materials Management Policy | \$17,353,138 | \$23,841,126 |
| Reduced use and rejection of single-use plastic | 349,180 | 266,084 |
| Funded by the ECCF | | |
| Organic materials | 2,715,283 | 2,831,877 |
| Support for curbside collection sorting centres | 376,138 | 167,463 |
| Municipal planning and performance | 1,001,460 | 165,304 |
| Recovery and reclamation of household refrigerators and freezers | 139,372 | 1,433 |
| Funded by the MRNF | | |
| Residual materials | 29,599 | 17,465 |
| Funded by the SPN | | |
| Residual materials | 40,200 | 21,148 |
| Funded by the MTO | | |
| Reduction at the source | 31,734 | – |
| Self-funded | | |
| Beverage containers | 3,559,214 | 2,502,687 |
| Support for curbside collection sorting centres | 15,016 | 1,057,568 |
| Organic materials | 313,024 | 465,048 |
| Residual materials | 90,974 | 388,551 |
| Municipal planning and performance | 328,220 | 139,423 |
| External committees | 73,134 | 50,848 |
| Reduction at the source | 681,937 | 40,450 |
| Reduced use and rejection of single-use plastic | 15,775 | 15,245 |
| | \$27,113,398 | \$31,971,720 |

8

Other expenses

| | 2023 | 2022 |
|--|--------------------|-------------|
| Strategic development and planning | \$798,142 | \$1,192,919 |
| ICI sector and "ICI on recycle +" programs | 771,168 | 489,610 |
| Scrap bike tire program | 244,557 | 242,073 |
| Other | 213,231 | 214,798 |
| Data management | 63,578 | – |
| Integrated residual material management advertising campaign | – | 1,278,964 |
| | \$2,090,676 | \$3,418,364 |

9

Cash and cash equivalents

| | 2023 | 2022 |
|------------------|---------------------|--------------|
| Cash | \$37,466,791 | \$32,907,545 |
| Cash equivalents | 9,785,594 | 8,942,571 |
| | \$47,252,385 | \$41,850,116 |

Cash equivalents represent treasury bills with a 4.13% rate of return on March 31, 2023 (2022: 0.63%).

10

Investments

| | 2023 | 2022 |
|--|----------------------|---------------|
| Municipal, provincial, federal and corporate bonds bearing interest at rates between 0.25% and 5.30% (2022: 0.25% and 4.25%) and maturing on various dates until February 2028 | \$139,194,131 | \$137,346,777 |
| Guaranteed investment certificates bearing interest at the rates of 5.12% and 5.17% (2022: 1.05%) and maturing in June and December 2023 | 35,000,000 | 20,000,000 |
| | \$174,194,131 | \$157,346,777 |

On March 31, 2023, the fair value of investments was \$171,284,259 (2022: \$155,416,868).

11

Receivables

| | 2023 | 2022 |
|--|--------------------|--------------|
| Container deposits and recovery incentives | \$4,667,580 | \$8,150,692 |
| Accrued interest | 2,047,197 | 762,883 |
| Consumption taxes receivable | 1,110,519 | 1,214,921 |
| Other debtors | 6,683 | 37,180 |
| | \$7,831,979 | \$10,165,676 |

12

Transfers receivable from the Government of Quebec

| | 2023 | 2022 |
|--|--------------------|-------------|
| Specific duty on new tires | \$4,090,927 | \$3,930,395 |
| Subsidies from the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP) | 78,570 | – |
| Subsidies from the Société du Plan Nord (SPN) | 72,278 | 21,148 |
| | \$4,241,775 | \$3,951,543 |

13

Accrued liabilities and expenses

| | 2023 | 2022 |
|--|---------------------|-------------|
| Suppliers and accrued expenses | \$6,804,270 | \$4,772,839 |
| Scrap tire program | 1,997,922 | 2,201,237 |
| Advance to the AQRCB | 3,000,000 | – |
| Processing | 2,013,770 | 1,455,913 |
| Source deductions payable | 684,220 | 456,483 |
| Contract deposits | 378,776 | 202,776 |
| Compensation plan for municipal curbside collection services | 160,726 | 88,872 |
| Overpayment to remit to MELCCFP | 94,974 | – |
| | \$15,134,658 | \$9,178,120 |

14

Amounts repayable under agreements on container deposit-refund

| | 2023 | 2022 |
|--|--------------------|--------------|
| Amounts repayable under the beer agreement | \$2,397,464 | \$4,454,548 |
| Amounts repayable under the soft-drink agreement | 5,000,000 | 7,000,000 |
| | \$7,397,464 | \$11,454,548 |

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

15
Deferred revenue

| | | | | 2023 |
|---|----------------------|---------------------------------|-----------------------------|----------------------|
| | Opening balance | Amounts granted during the year | Amounts recorded as revenue | Closing balance |
| Specific duty on new tires | \$14,234,909 | \$24,605,249 | \$(36,831,465) | \$2,008,693 |
| Contributions from partners to the Compensation plan for municipal curbside collection services | 4,155,156 | 3,000,000 | (2,294,965) | 4,860,191 |
| Subsidies from the Electrification and Climate Change Fund (ECCF) ¹ | 13,705,556 | (182,405) | (3,533,382) | 9,989,769 |
| Subsidies from the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP) ² | 79,030,713 | 53,817,122 | (17,702,318) | 115,145,517 |
| Subsidies from the Ministry of Natural Resources and Forests (MRNF) | 32,535 | 30,926 | (29,599) | 33,862 |
| Subsidies from the Société du Plan Nord (SPN) | – | 1,072,278 | (40,200) | 1,032,078 |
| Subsidies from the Ministry of Tourism (MTO) | – | 450,000 | (31,734) | 418,266 |
| | \$111,158,869 | \$82,793,170 | \$(60,463,663) | \$133,488,376 |

1. Includes an amount of \$448,842 in the amounts granted during the year transferred from the ECCF to the MELCCFP

2. Includes an overpayment of \$94,974 in the amounts granted during the year from MELCCFP

| | | | | 2022 |
|--|---------------------|---------------------------------|-----------------------------|----------------------|
| | Opening balance | Amounts granted during the year | Amounts recorded as revenue | Closing balance |
| Specific duty on new tires | \$20,629,118 | \$26,200,410 | \$(32,594,619) | \$14,234,909 |
| Contributions from partners to the Compensation plan for municipal curbside collection services | 3,601,450 | 3,000,000 | (2,446,294) | 4,155,156 |
| Subsidies from the Electrification and Climate Change Fund (ECCF) | 12,562,266 | 4,309,367 | (3,166,077) | 13,705,556 |
| Subsidies from the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP) | 48,954,240 | 54,183,683 | (24,107,210) | 79,030,713 |
| Subsidies from the Ministry of Natural Resources and Forests (MRNF) | – | 50,000 | (17,465) | 32,535 |
| Subsidies from the Société du Plan Nord (SPN) | – | 21,148 | (21,148) | – |
| | \$85,747,074 | \$87,764,608 | \$(62,352,813) | \$111,158,869 |

16

Provision for amounts to provide for container deposit-refund

| | 2023 | 2022 |
|-------------------------------|---------------------|--------------|
| Beer agreement | | |
| Deposit refunds | \$12,527,792 | \$12,761,508 |
| Payment of recovery incentive | 3,272,051 | 3,184,767 |
| Soft-drink agreement | | |
| Deposit refunds | 3,399,854 | 5,391,286 |
| Payment of recovery incentive | 1,359,941 | 2,156,514 |
| | \$20,559,638 | \$23,494,075 |

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

17
Tangible capital assets

| | | | | | | 2023 | 2022 |
|-----------------------------|-------------------------|-------------------|------------------------|------------------|--------------------|--------------------|--------------------|
| | Furniture and equipment | Computer hardware | Leasehold improvements | Software | IT development | Total | Total |
| Cost | | | | | | | |
| Opening balance | \$491,811 | \$930,786 | \$639,767 | \$493,066 | \$1,891,756 | \$4,447,186 | \$4,223,083 |
| Acquisitions | – | 29,490 | – | – | 334,854 | 364,344 | 415,201 |
| Writeoffs | – | – | – | – | – | – | (189,978) |
| Disposals | – | (13,316) | – | – | – | (13,316) | (1,120) |
| Closing balance | 491,811 | 946,960 | 639,767 | 493,066 | 2,226,610 | 4,798,214 | 4,447,186 |
| Accrued amortization | | | | | | | |
| Opening balance | (457,559) | (780,737) | (627,775) | (489,320) | (1,380,932) | (3,736,323) | (3,663,260) |
| Amortization for the year | (11,610) | (45,554) | (11,992) | (2,750) | (210,189) | (282,095) | (264,150) |
| Writeoffs | – | – | – | – | – | – | 189,978 |
| Disposals | – | 13,316 | – | – | – | 13,316 | 1,109 |
| Closing balance | (469,169) | (812,975) | (639,767) | (492,070) | (1,591,121) | (4,005,102) | (3,736,323) |
| Net book value 2023 | 22,642 | 133,985 | – | 996 | 635,489 | 793,112 | – |
| Net book value 2022 | \$34,252 | \$150,049 | \$11,992 | \$3,746 | \$510,824 | \$– | \$710,863 |

The amount of \$365,484 (2022: \$227,495) is included in the "IT development" category and is not subject to amortization because it represents ongoing IT projects.

As of March 31, 2023, the "Suppliers and accrued expenses" payable line includes the amount of \$129,384 related to the acquisition of tangible capital assets (2022: \$0).

18**Future benefits****RETIREMENT PLANS**

Corporation employees participate in the Government and Public Employees Retirement Plan (RREGOP), the Pension Plan of Management Personnel (PPMP) and the Retirement Plan for Senior Officials (RPSO). These interemployer plans are defined contribution and include guarantees upon retirement and death.

On January 1, 2023, the contribution rate for the RREGOP fell from 10.04% to 9.69% of the eligible payroll and the rate for the PPMP and the RPSO, which is part of the PPMP, rose from 12.29% to 12.67% of the eligible payroll.

Contributions paid by the employer are equal to employee contributions, except for a compensation amount stipulated in the PPMP, which must be paid by the employer for the 2022 calendar year. Thus, the Corporation estimated a compensation amount of 6.00% of the eligible payroll for the 2022 calendar year. Payment of this compensation ended December 31, 2022.

Corporation contributions, including the compensation amount to pay to the PPMP and the RPSO until December 31, 2022, are recognized as an expense for the year in the amount of \$640,561 (2022: \$598,077). The Corporation's obligations to these government plans are limited to its employer contributions.

19

Accrued surplus

In previous years, the Board had reserved \$56,756,946 for major issues in its strategic planning or programs under its watch. This year, an additional \$10,000,000 of the accrued surplus was reserved after the Board adopted a resolution for the Construction, Renovation and Demolition (CRD) program and for Visibility and setting the standard. On March 31, 2023, \$44,767,334 (2022: \$40,567,984) remained unused. During the year, \$5,800,650 (2022: \$5,059,908) was used.

| | | | | | 2023 | 2022 |
|--|----------------------------|--------------------------------------|--------------------------------|--------------------------------------|-------------------------------|----------------------------|
| | Opening accrued surplus | Allocation to reserved surplus | Use of surplus (expense) | Surplus (deficit) for the year | Closing accrued surplus | Closing accrued surplus |
| Organic materials | \$3,574,123 | \$- | \$(968,606) | \$- | \$2,605,517 | \$3,574,123 |
| Beverage containers | 6,554,802 | - | (3,559,214) | - | 2,995,588 | 6,554,802 |
| Industrial, commercial and institutional sector | 4,127,512 | - | (714,695) | - | 3,412,817 | 4,127,512 |
| Visibility and setting the standard | 811,238 | 2,000,000 | (63,578) | - | 2,747,660 | 811,238 |
| Reduction at the source and circular economy | 4,238,118 | - | (250,000) | - | 3,988,118 | 4,238,118 |
| Construction Renovation Demolition (CRD) | - | 8,000,000 | - | - | 8,000,000 | - |
| Scrap tires | 21,262,191 | - | (244,557) | - | 21,017,634 | 21,262,191 |
| Total reserved | 40,567,984 | 10,000,000 | (5,800,650) | - | 44,767,334 | 40,567,984 |
| Not reserved | 18,330,884 | (10,000,000) | 5,800,650 | (962,260) | 13,169,274 | 18,330,884 |
| Total | \$58,898,868 | \$- | \$- | \$(962,260) | \$57,936,608 | \$58,898,868 |

20

Net change in operations-related assets and liabilities

| | 2023 | 2022 |
|--|---------------------|---------------|
| Receivables | \$2,333,697 | \$(3,195,387) |
| Transfers receivable from the Government of Quebec | (290,232) | 1,204,390 |
| Accrued liabilities and expenses | 5,827,154 | (4,250,221) |
| Amounts repayable under agreements on container deposit-refund | (4,057,084) | (6,333,372) |
| Provision for amounts to provide for container deposit-refund | (2,934,437) | 2,391,896 |
| Deferred revenue | 82,888,144 | 87,764,608 |
| Prepaid expenses | (43,857) | 23,800 |
| | \$83,723,385 | \$77,605,714 |

21

Transactions between affiliates

The Corporation is affiliated with all entities controlled by the Government of Quebec or subject to its joint control. It is also affiliated with its top executives, their close relatives, as well as with the entities for which one or more of these people have the power to direct financial and administrative decisions of those entities. Top executives include members of the Board of Directors and the Management Committee as well as the President and CEO of the Corporation.

The Corporation did not carry out any major transaction with affiliates in an amount different than what would have been established if the parties were not affiliated.

22

Contractual obligations and contractual rights

CONTRACTUAL OBLIGATIONS

The Corporation is committed by long-term contractual agreements and by leases for its administrative premises and a commercial warehouse.

The current agreement for the Montréal premises ends October 31, 2025. On October 27, 2022, the Corporation signed a new lease for the premises in Québec City, beginning May 1, 2023 and including three months at no charge. The agreement ends July 31, 2029 with an option to renew at the Corporation's discretion for an additional four-year term.

The Corporation is also committed to goods and services suppliers as part of its operations. Furthermore, it is committed to financial assistance as part of agreements with the MELCCFP and ECCF for residual material management as well as to financial assistance as part of the Compensation plan for municipal curbside collection services and the Scrap tire program.

Total commitments on March 31, 2023 for subsequent years is \$46,695,192, namely \$1,639,588 for leases, \$8,576,974 for goods and services provision obligations and \$36,478,630 for financial assistance (2022: \$531,972 for leases, \$7,905,508 for goods and services provision obligations and \$37,104,394 for financial assistance).

Future minimum payments for these commitments are the following:

| | Leases | Goods and services provision | Financial assistance |
|-------------|--------------------|------------------------------|----------------------|
| 2024 | \$452,490 | \$7,870,656 | \$27,705,517 |
| 2025 | 488,153 | 478,997 | 8,208,180 |
| 2026 | 329,509 | 175,911 | 564,933 |
| 2027 | 108,958 | 43,160 | – |
| 2028 | 180,118 | 8,250 | – |
| 2029 onward | 80,360 | – | – |
| | \$1,639,588 | \$8,576,974 | \$36,478,630 |

The Corporation entered into various contracts with tire transporters and recyclers providing for maximum total payments of \$144,075,450 (2022: \$122,675,450) to pay until December 2026. These payments were established based on the services rendered upon presentation of supporting documentation for the transportation and handling of scrap tires. No minimum amount is chargeable. On March 31, 2023, the amount of \$31,505,032 (2022: \$28,456,549) was recorded in the financial statements related to these contracts.

The Corporation also entered into a collaboration agreement with an external partner as part of a funding initiative for SMEs active in the circular economy sector in Quebec providing for maximum total payments of \$3,000,000 to pay until February 2026. No minimum amount is chargeable. On March 31, 2023, no amount was recorded in the financial statements related to this agreement (2022: \$200,000).

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

22. CONTRACTUAL OBLIGATIONS AND CONTRACTUAL RIGHTS (cont'd)

CONTRACTUAL RIGHTS

The Corporation's contractual rights result from contractual agreements with the MELCCFP and the MTO for financial assistance in residual material management. They total \$32,037,014 (2022: \$63,297,778).

| | MELCCFP subsidies | MTO subsidies |
|------|----------------------|------------------|
| 2024 | \$31,547,842 | \$450,000 |
| 2025 | 39,172 | – |
| | \$31,587,014 | \$450,000 |

23

Contingencies

LAWSUITS AND DISPUTES

The Corporation is currently involved in various civil litigation proceedings concerning its activities. On the date that these financial statements were prepared, management believed that their results would not have any unfavourable effect on the Corporation's financial position or on its operating results. Consequently, no provision was added to the financial statements.

24

Risk management related to financial instruments

The Corporation is exposed to various financial risks resulting from its operation, namely, credit risk, market risk and liquidity risk. Management is responsible for setting acceptable levels of exposure to these risks and for studying their respective effects on the Corporation's operations so as to minimize their potential impacts.

CREDIT RISK

Credit risk is the risk that a party to a financial instrument may default on one of its obligations and thereby cause another party to suffer a financial loss.

The carrying value of financial assets represents the Corporation's maximum exposure to credit risk.

The credit risk associated with cash is essentially reduced to a minimum by ensuring that it is invested in reputable financial institutions.

FINANCIAL STATEMENTS

Notes to the financial statements (cont'd)

24. RISK MANAGEMENT RELATED TO FINANCIAL INSTRUMENTS (cont'd)

The credit risk associated with cash equivalents and investments is also essentially reduced to a minimum with the application of the Corporation's investment policy, which defines the authorized investments, the category, type of eligible securities, the minimum rating, the maximum maturity of securities, the length of investment and the weighting of amounts to invest. More specifically, the minimum rating for market securities must be category "A" at all times, according to the Dominion Bond Rating Service (DBRS), Moody's and Standard & Poor's (S&P), except for securities from Quebec municipal organizations for which this minimum rating is not required. Furthermore, all securities issued or guaranteed by a single municipal issuer or by a banking institution cannot represent more than 15% of the portfolio value.

The credit risk associated with receivables (except for consumption taxes receivable) and with transfers receivable from the Government of Quebec is reduced because many clients are government or municipal bodies or financing organizations. Furthermore, the Corporation performs periodic assessments of these assets and accounts for a provision for loss at the time when accounts are deemed unrecoverable. No provision was made for the current or previous year. The maturities for receivables (except for consumption taxes receivable) and transfers receivable from the Government of Quebec are all less than one year.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will be unable to meet its cash needs or to fund its obligations related to its financial liabilities when they mature. Liquidity risk also includes the risk that the Corporation is unable to liquidate its financial assets on a timely basis at a reasonable cost.

The Corporation believes that it holds enough investments easily convertible to cash to ensure that it has the funds necessary to meet its current and long-term financial needs.

Accrued liabilities and expenses (except for contract deposits and source deductions payable) and the repayable amounts under the beer agreement are payable within the nine months following the end of the fiscal year. Amounts repayable under the soft-drink agreement are payable in accordance with the agreement's terms and conditions. The provision for amounts to be provided for the container deposit-refund system is payable at the end of the deposit-refund system. Contractual undiscounted cash flows for these financial liabilities is equal to their carrying value.

MARKET RISK

Market risk is the risk that the future market value or cash flow of a financial instrument fluctuates due to changes in market price. Market risk includes three types of risk: currency risk, interest rate risk and the other price risk. The Corporation is exposed only to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The interest rate exposure of the Corporation arises from its interest-bearing financial assets, namely cash equivalents and investments. The Corporation's objective is to manage its exposure to the interest rate risk of its cash equivalents and its investments by maximizing interest income earned on excess funds, while maintaining the minimal liquidity necessary to meet its financial needs. Fluctuations in market interest rate could have an effect on the Corporation's interest income derived from cash equivalents and investments. If interest rates for the year ended March 31, 2023 had been 50 basis points lower or higher, with all other variables held constant, interest income for the same period would have been higher or lower than \$690,742 (2022: \$680,686), respectively.

SUSTAINABLE DEVELOPMENT

Summary of results from the sustainable development action plan (SDAP) for 2022–2023

GOVERNMENT ORIENTATION 1

Strengthen sustainable development governance in the public administration

ACTION 1

Strengthen eco-friendly management practices at RECYC-QUÉBEC

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|---|--|--|
| 1.1 Strengthen eco-friendly management practices in the public administration | Eco-friendly management plan progress report | 100% of the actions in the Eco-friendly management plan implemented at the end of the SDAP | 100% of the actions in the Eco-friendly management plan were implemented at the end of the SDAP TARGET ACHIEVED |
| Area of intervention | Indicator | 2022–2023 Target | 2022–2023 Result |
| 1. Routine administrative management activities | Improvement of recovery rates achieved in the RECYC-QUÉBEC offices | 3% increase in the recovery rate in each of the offices compared to the most recent characterization study | 12.5% increase in the recovery rate TARGET ACHIEVED |
| 2. Employee transportation and travel | Number of information, awareness-raising and education measures completed | Two measures in 2022–2023 | Five measures in 2022–2023 TARGET ACHIEVED |

ACHIEVEMENTS

- Conducted an information survey on employee mobility
- Drafted the sustainable mobility plan
- Participated in Bike Month
- Held a workshop on bike maintenance and repair in addition to various actions leading to obtaining silver Vélosympathique certification showing our collective efforts
- Implemented the return guaranteed by cab pilot project

| Area of intervention | Indicator | 2022–2023 Target | 2022–2023 Result |
|---|--|---------------------------|---|
| 3. Buildings and infrastructure | Rate of development projects integrating eco-friendly materials and contract provisions promoting site ecomanagement | 100% | No development project was undertaken in 2022–2023 TARGET NOT APPLICABLE |
| 4. Information and communications technologies | Number of measures promoting digital sobriety | Two measures in 2022–2023 | Two measures in 2022–2023 TARGET ACHIEVED |

ACHIEVEMENTS

- Several employees participated in the work of the innovation laboratory on digital responsibility to develop a roadmap for digital responsibility by the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP)
- Finalized the migration to a cloud computing environment

SUSTAINABLE DEVELOPMENT

| Area of intervention | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|--|---|---|
| 5. Government communications and event planning | Rate of events that meet the criteria of the Policy on eco-friendly events | 100% of events fulfilling the criteria of the Policy on eco-friendly events | 100% of sponsored events fulfilled these criteria TARGET ACHIEVED |
| 6. Public markets | Proportion of purchasing volume fulfilling responsible procurement criteria | 30% of purchasing volume fulfills responsible procurement criteria | 65.23% of purchasing volume fulfills responsible procurement criteria TARGET ACHIEVED |
| | Implementing a process that makes it possible to monitor responsible procurement in calls for tender | Process for monitoring calls for tender in place on March 31, 2023 | |

ACTION 2

Strengthen consideration of sustainable development principles at RECYC-QUÉBEC

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|---|--|-------------------|---|
| 1.2 Strengthen the consideration of sustainable development principles by ministries and public bodies | Percentage of decisions respecting appropriate procedures for considering sustainable development principles | 100% of decisions | 100% of decisions TARGET ACHIEVED |

ACTION 3

Implement activities to help achieve the objectives of Agenda 21 for culture

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|--|---|--|
| 1.5 Strengthen access to and participation in cultural life as driver of social, economic and territorial development | Number of activities that help achieve the objectives of Agenda 21 for culture | At least one cultural activity in 2022–2023 | 14 cultural activities adhering to the Policy on eco-friendly events TARGET ACHIEVED |

ACHIEVEMENT

- Provided support by sponsoring 14 cultural activities that adhere to the Policy on eco-friendly events

GOVERNMENT ORIENTATION 2

Develop a prosperous economy in a sustainable, green and responsible manner

ACTION 4

Support the development of green, responsible practices and business models among our partners, clientele and suppliers

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|---|--|---|
| 2.1 Support the development of green, responsible practices and business models | Number of new initiatives to support our partners and clients | 12 new initiatives aimed at supporting our partners and clients in 2022–2023 | 42 new initiatives aimed at supporting our partners and clients in 2022–2023 TARGET ACHIEVED |

ACHIEVEMENTS

Financial assistance

- Funded projects as part of the financial assistance program to optimize the Quebec ecocentre network
- Funded projects as part of the program to support research and development of products resulting from the reuse and recycling of scrap tires
- Funded projects as part of the program to support the modernization and development of sorting centres
- Funded projects as part of the program to support and develop end-uses and technical innovations for residual material treatment in Quebec
- Funded projects as part of the call for proposals concerning the fight against food waste
- Funded projects as part of the call for proposals for the development of opportunities for targeted materials
- Funded projects as part of the call for proposals to reduce the use of single-use products
- Funded projects as part of the organic material management support program for the industrial, commercial and institutional (ICI) sector
- Funded projects as part of the “Fonds Moins c’est +” in partnership with La Ruche to drive projects for reduction at the source, reuse and adoption of eco-friendly practices with less impact on the environment
- Financial support granted to the Chair of Leadership in Education in Primary Production and Processing of Edible Insects at Université Laval
- Financial support for the Circular Economy Fund with Fondation and the City of Montréal

Circular economy

- Partnership with Esplanade for circular economy cohorts of entrepreneurs
- Supported the circular economy showcase development project in the network of hotel establishments in collaboration with the Ministry of Tourism
- Participated in the Circular Cities and Regions Initiative
- Distributed a toolkit for a regional circular economy roadmap
- Published a study on energy transition materials
- Primary partner of the circular Quebec site managed by the Centre for Intersectoral Studies and Research on the Circular Economy (CERIEC)
- Partnership with ADEME, France’s ecological transition agency, to discuss various topics
- Participated in the CERIEC construction lab to find circular economy solutions to sector challenges

SUSTAINABLE DEVELOPMENT

ACHIEVEMENTS

Reduction at source and reuse

- Partnership with Télé-Québec as part of the *Moi j'mange* show presenting tips for reducing food waste
- Published a quantification study on food loss and waste in Quebec
- Participated in the week of action against food waste (March 6 to 12, 2023) on the theme "Moins jeter, c'est gagnant"
- Partnership with Protégez-Vous on extending the lifespan of products
- Partnership with Équiterre to obtain data specific to Quebec on the barriers to and drivers of appliance and electronic device repair
- Published a citizen's advice to reduce waste production in Quebec in partnership with Institut du Nouveau Monde (INM)
- Participated in the food waste government project with the Ministry of the Environment, the Fight against Climate Change, Wildlife and Parks (MELCCFP) and the Ministry of Agriculture, Fisheries and Food (MAPAQ)
- Partnership with the Quebec waste reduction week

"ICI on recycle +" and support for the industrial, commercial and institutional (ICI) sector

- Measured the percentage of ICI facilities with access to our services that feel their needs are being met
- Published version 2.0 of the *Guide Déchet zéro au boulot* (zero waste at work guide) to implement a residual material management plan in the ICI sector
- Conducted a behavioural study on residual material management habits in the ICI sector
- Attained phase 2 support for dental clinics as part of the Association des chirurgiens dentistes du Québec (ACDQ) green program accompanied by two pilot projects
- Produced a video tutorial to make "ICI on recycle +" program applicants more independent
- Distributed a monthly newsletter to the ICI sector
- Implemented two projects on food waste in healthcare facilities

Supporting the industry

- Held the 3rd scrap tire industry gathering
- Conducted a general public survey on remoulded tires and the main obstacles to purchasing them

Other partnerships and achievements

- Partnership with the Musée de la civilisation for the Oh Shit! Exhibition aimed at demonstrating the benefits of returning municipal biosolids to the land
- Contributed to the work of the new BNQ standard on responsible event management
- Published the final results of two analyses on the protective mask lifecycle (best end-of-life scenario for single-use masks and reusable masks)
- Gave several thematic conferences to clients and partners

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|--|--|--|
| 2.1 Support the development of green, responsible practices and business models | Number of new initiatives to support our suppliers | One new initiative to support our suppliers in 2022–2023 | One new initiative to support our suppliers in 2022–2023 TARGET ACHIEVED |

ACHIEVEMENT

Transportation electrification

- Launched a second contract for collecting scrap bike tires using EVs

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|--|--|---|---|
| 2.1 Support the development of green, responsible practices and business models | Number of new certifications awarded by the "ICI on recycle +" program | 100 new certifications awarded by the "ICI on recycle +" program in 2022–2023 | 111 new certifications awarded by the "ICI on recycle +" program in 2022–2023 TARGET ACHIEVED |

GOVERNMENT ORIENTATION 6

Ensure the sustainable development of the territory and support dynamic communities

ACTION 5

Support municipal organizations in improving their residual material management performance

| Government objective | Indicator | 2022–2023 Target | 2022–2023 Result |
|---|---|---|--|
| 6.2 Strengthen communities' capacities to support the economic and social vibrancy of territories | Number of new initiatives to support municipal organizations | Three new initiatives to support municipal organizations in 2022–2023 | Six new initiatives to support municipal organizations in 2022–2023 TARGET ACHIEVED |
| 6.2 Strengthen communities' capacities to support the economic and social vibrancy of territories | Number of new municipal organizations certified by the "ICI on recycle +" program or having obtained recognition in the GMR Pro program | 15 new municipal organizations certified by the "ICI on recycle +" program or having obtained recognition in the GMR Pro program in 2022–2023 | 30 new municipal organizations certified by the "ICI on recycle +" program and two new municipal organizations obtained recognition in the GMR Pro program in 2022–2023 TARGET ACHIEVED |

ACHIEVEMENTS

Financial assistance

- Funded 19 projects in the municipal sector as part of the residential and community composting program
- Funded projects as part of the support program for remote communities

Support for municipal organizations

- Gave several thematic conferences to municipal organizations
- Measured the percentage of municipalities with access to our services that feel their needs are being met
- Supported 10 cities and regions as part of the Canadian Circular Cities and Regions Initiative in collaboration with the National Zero Waste Council (NZWC), the Federation of Canadian Municipalities (FCM) and the Recycling Council of Alberta (RCA)

Information and awareness

- Various publications to raise awareness of the objectives of the Beneficial Use of Organic Material Strategy



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