

2020 ANNUAL REPORT



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Even during a crisis SARRC ensures that used oil, filters, antifreeze and their plastic containers are properly managed, returned to a useful state, and kept out of landfills and the environment. In 2020, our industry-led stewardship program still facilitated the collection of 15,669,469 litres of used oil, 1,615,120 filters, 272,158 litres of used antifreeze and 419,569 kilograms of plastic containers.

THERE IS
NOTHING MORE
RESILIENT THAN
THE PEOPLE
AND THE
WILDLIFE OF
SASKATCHEWAN

Even one of the toughest animals on the Prairies has had it rough. Shrinking habitats and pressures on its food source have taken its toll. But when Saskatchewan recycles used oil, filters and antifreeze you keep them away from a dump pile and their smörgasbord. We've got one of the best recycling networks in the country, and we've been using it!



There are over 70 identified species of fish that call the waterways, ponds and lakes home here in Saskatchewan. Sport fishermen can verify the toughness of some of the great sport fish we have here. Those big Walleye and the prehistorically huge Pike of the Northern Lakes still remain some of our most resilient species. But even they are susceptible to the pollution of careless dumping of used oil and antifreeze. A shame really, considering we have over 150 easy-to-use collection points across Saskatchewan.







MINISTER AND CHAIR



HON. WARREN KAEDING SASKATCHEWAN MINISTER OF THE ENVIRONMENT

IN A YEAR
THAT TESTED
US ALL
WE MANAGED
TO BECOME
A STRONGER
PROVINCE

On behalf of the Government of Saskatchewan, congratulations to the Saskatchewan Association for Resource Recovery Corp. (SARRC) on its accomplishments in 2020. Thank you for your continued dedication to ensuring the environment is protected and communities are safe.

In 2020, SARRC's 37 EcoCentres and nearly 200 drop-off points across the province recovered 15.7 million litres of used oil, 1.7 million used oil filters, nearly half a million kilograms of plastic containers and 272,000 litres of used antifreeze. Saskatchewan has made great strides in preventing waste from entering landfills through our many extended producer responsibility (EPR) programs. SARRC and its 205 members are a major reason for the success we've enjoyed.

COVID-19 caused disruptions to many programs and businesses, and we are thankful that SARRC was able to continue operating our used oil and antifreeze recycling programs, despite the circumstances brought by the pandemic. Organizational adjustments, necessitated by the pandemic, enabled EcoCentres to continue operations to the best of their abilities in an unprecedented situation. Your ability to continue your work during this time is certainly appreciated by Saskatchewan people.

Used oil is a potentially hazardous material, if not managed properly. Since the release of the province's Solid Waste Management Strategy in January 2020, we have set targets to improve the health of Saskatchewan's people and environment, serving as a roadmap for waste reduction and management into the future. SARRC's EPR program and the services you provide to reduce waste in our province align well with this strategy.

As you report on your 2020 accomplishments, I express my appreciation on behalf of the people of Saskatchewan. SARRC continues to promote its programs effectively throughout the province, even amid the current worldwide pandemic.

Once again, on behalf of government, thank you for the services you provide through your used oil and antifreeze recovery and recycling efforts.





ROD ROSENFELT CHAIRPERSON & DIRECTOR

2020 WAS ONE HECK OF A UNIQUE YEAR, FOR SURE. The year 2020 was certainly unique. SARRC and its 205 industry members were all affected in different ways due to quickly changing market conditions resulting from COVID-19. March and April collections of used oil, oil filters, antifreeze and oil, antifreeze and diesel exhaust fluid (DEF) containers were the lowest on record as collectors adopted new operating procedures, and generators closed their doors. In addition, crude oil prices dropped dramatically, which in turn impacted the economics of used oil collection.

Despite these changes and volatility within the markets, recycling continued. Overall sales and collections were down compared to 2019, as will be discussed later in this report, however, the impact was much less than feared back in March. Agriculture, mining and heavy industry generate approximately two-thirds of the materials collected by SARRC, and were less impacted in 2020 than the personal automotive market.

Although I am happy to put the year 2020 behind us, I am proud of the adaptability and resilience of our Members, of SARRC staff and of the people of Saskatchewan.

It is an honor to represent SARRC's Members on its Board of Directors and to manage our recycling program to deliver results for our Members and the environment by providing proper end-of-life management for our Members' products.

Thank you for your support and for your participation in recycling in Saskatchewan.







■ EXECUTIVE DIRECTOR'S REPORT



ETHAN RICHARDSON EXECUTIVE DIRECTOR

WE DIDN'T
GIVE UP
ON OUR
GOALS
BECAUSE
IT GOT A
LITTLE
TOUGHER

OIL SALES IN 2020 WERE 36,173,949 LITRES The year 2020 was certainly unusual thanks to CoVID-19. Rapid social and economic changes created abnormal business conditions for many parts of our program and caused disruption of field operations. Despite these disruptions, many parts of Saskatchewan's economy continued. Although personal automotive use declined, the agricultural, mining and transportation sectors continued more or less unaffected, and these activities continued to generate used oil, used oil filters, used antifreeze, and plastic oil, antifreeze and diesel exhaust fluid (DEF) containers that needed to be recycled.

Not surprisingly, SARRC's operations looked a bit different in 2020 compared to previous years. Field inspections, trade show participation and attendance of community events were largely cancelled. In person interactions with generators, collectors, processors, the Ministry of Environment, our Members and colleagues within the product stewardship world were replaced by video conference. SARRC staff became much more familiar with our laptops and home offices. Despite these disruptions, helped by SARRC's strong extended producer responsibility foundation and free-market approach, SARRC continued to meet the expectations of the Product Stewardship Plan to ensure your compliance with the Used Petroleum and Antifreeze Product Stewardship Regulations.

Other things did not change at all in 2020. SARRC's commitment to deliver National initiatives to improve service to our Members continued. In 2020, SARRC, along with the other national Used Oil Management Associations, rolled out the Environmental Handling Charge (EHC) One-Window project, enabling Members to submit EHCs to multiple provinces using a single portal. This project not only simplifies administration for you, our Members, it also creates office efficiencies for SARRC, as many accounting functions previously outsourced have been automated or brought in house. We continue to work nationally to improve the functionality of the One-Window project and provide value to you.

It is SARRC's privilege to serve our Members to meet the expectations of the Province of Saskatchewan and the public, to make sure that used oil, filters, antifreeze and their plastic containers are properly managed, returned to a useful state, and kept out of landfills and the environment.

Within the context of how 2020 turned out to be, it is no surprise that results of SARRC's 2020 program are somewhat unusual, especially when examining collection rates. Some generators and do-it-yourself mechanics used 2020 to conduct a thorough cleaning of their shops or Quonsets, recycling stock-piled materials potentially stored for many years. Although personal vehicle use declined in 2020, many drivers used their time to perform their own vehicle maintenance and recycled used oil, oil filters and containers at their local EcoCentre for the first time. These changes in market patterns and behaviours trickle down through the recycling system; some changes are already seen in the 2020 numbers, while others will have a delayed effect and may show up in future numbers.

USED OIL COLLECTION TOTALLED 15,669,469 LITRES.

The proportion of oil sales available for collection was updated in 2020 as part of a national study conducted by Chamard (Chamard Environmental Strategies, March 2020: An Update of the Recoverable Used Oil Rate: Reference Period 2019. Final Report.).



IN 2020, SARRC, ALONG WITH THE OTHER NATIONAL USED OIL MANAGEMENT ASSOCIATIONS, ROLLED OUT THE ENVIRONMENTAL HANDLING CHARGE (EHC) ONE-WINDOW PROJECT, ENABLING MEMBERS TO SUBMIT EHCS TO MULTIPLE PROVINCES USING A SINGLE PORTAL.

Antifreeze collection did not meet our target of 50%. Antifreeze collection continues to be a challenge for SARRC and other UOMAs and is the continued subject of study. Recent consolidation within the used antifreeze recycling industry may help drive future recovery. As well, proper management of antifreeze at the generator level has the potential to greatly increase recovery, as suggested by Chamard (Chamard Environmental Strategies, November 2019: An Update of Antifreeze Recovery Rates: Final Report) who estimated that there is potentially up to 1% antifreeze contained within the collected used oil.

For many of SARRC's materials, there is typically a lag between purchase and recycling, and if these materials are stored by generators, this lag can be significant. In the spring of 2020, many generators used their new found free time to clean out and recycle their stored used filters, and to a lesser extend, plastics. As a result, used filters that were previously kept in inventory were added to those typically collected, and collected mass exceeded sales. As in previous years, the proportion of filter units collected is lower than the proportion of filter mass collected. This indicates that the larger, industrial filters are being collected at a higher rate than smaller, lighter automotive filters.



When you realize that just one litre of irresponsibly tossed used oil can harm a thousand litres of wetland you can understand why Saskatchewan has almost 35 EcoCentres for recycling use auto waste. We're proud to see the flocks of game birds making their annual return to our great province. They rely heavily on our social responsibility to recycle used auto waste and keep their homes clean for the long haul.

Two conflicting trends influenced plastic collection. First, container sales decreased more than oil sales, suggesting that more oil was sold in bulk compared to previous years, which aligns with the trend that agricultural and industrial activity was less affected than personal auto use. This decrease reduces the amount of material available for collection. Secondly, as discussed within the context of filter collections, many generators cleaned out their shops and recycled plastics that may have been held in inventory for many years, thus increasing collections.

The heart of our program is used oil. The value of used oil depends roughly on crude oil prices, with used oil selling at a discount to crude. Oil markets in 2020 were extremely volatile, with crude prices even briefly dipping into negative territory. This of course, had serious effects on used oil markets, creating a situation where demand for used oil was extremely low for a large part of 2020 and, despite the return incentives, collectors limited pick-up once storage capacity was reached. This also created a situation where generators, who may have normally called for collection, added storage or delayed their recycling efforts. In addition, oil sales improved in the latter half of 2020 and these volumes will not be available for collection until 2021.

In 2020, SARRC's Members collected \$5.66 million from environmental handling fees (EHCs) on our designated products to fund our recycling efforts. Of this, \$3.9 million was paid out as collection and processing incentives and \$0.48 million was used to fund and expand the network of 37 free public drop-off EcoCentres. Additional EcoCentre upgrades and installations are planned in 2021.

In 2020, SARRC spent \$419,000 on communications and promotion. Administrative costs are about 10% of the 2020 full year expenses, with \$564,000 spent on wages, office space, governance and other administration. Program administration costs were in line with budget, but represented a larger proportion of expenses than anticipated due to lower than expected return incentive costs.

Public outreach and education were challenging in 2020, considering limitation on in-person engagement. SARRC continued to collaborate with the Saskatchewan Waste Reduction Council, however our Recycling Ambassadors supported our program remotely, contacting our stakeholders by phone instead of in person, and conducting data analysis and calculating greenhouse gas emissions.

SARRC's long-time communications consultant, Bill Watson, officially retired in 2020. Many thanks to Bill for his wisdom, perspective and guidance! Subsequently, Véronique Loewen was engaged to manage our communications program, as summarized later in this report.

GREENHOUSE GASES

SARRC's Greenhouse Gas Monitoring and Measurement Plan estimated net greenhouse gas (GHG) savings for each managed product based on existing data. The report provided data showing that 2.4 kg of CO_2 equivalent GHGs were saved for every litre of oil recycled, 0.3 kg of CO_2 equivalent GHGs were saved for every kilogram of filters collected, 0.15 kg of CO_2 equivalent GHGs were saved for every litre of antifreeze collected (Table 5), and an updated value of 0.97 kg (see the figure Greenhouse Gas Estimates - **Table 5** (page 14)) of CO_2 equivalent GHGs were saved for every kilogram of plastics collected. Using these values and the amount of material collected in 2020, an estimated 38,459 tonnes of CO_2 equivalent were saved by SARRC's operations.

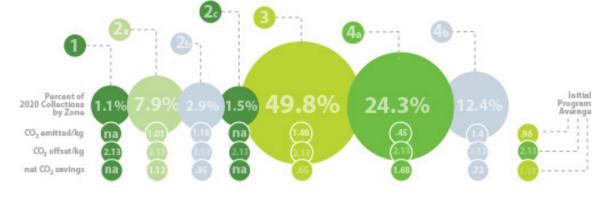
Greenhouse Gas Estimates



IN 2020 SARRC'S PROGRAM SAVED 38,474 TONNES CO₂ EQUIVALENT, THAT'S LIKE TAKING 8,364 CARS OFF THE ROAD.

Based on Natural Resources Canada's average emissions for a Canadian vehicle of 4,300kg of CO2 equivalent/year These program-wide estimates are being re-evaluated based on specific collection data. In 2020, plastic collection data was examined by zone and included selected small and large collectors, and included attribution of GHG emissions to multiple products if they were collected with the same truck. Results from this expanded dataset are summarized in the figure Greenhouse Gas Estimates for Plastic by Zone - **Table 6** (page 14). No data was included in Zones 1 and 3. Note that the estimate of net CO₂ savings for Zone 4a (Saskatoon and region) appear significantly higher than other Zones. This difference could be a combination of factors, including attribution of emissions to other materials as this Zone sees a large proportion of multiple material pick-ups or errors due to small sample size. As these estimates are a work in progress, we will update Zone 4a in the next annual report. With the exception of Zone 4a, net CO₂ savings are lower than initially calculated for plastics. The calculated average weighted by percent of 2020 collections (and assuming a rate of 1.17 kg CO₂/kg for zones 1 and 2c) was 0.97 kg CO₂ saved/kg collected. Further refinements will be possible once all collection data is reported electronically.

Greenhouse Gas Estimates for Plastic by Zone



ZONES

- 1 Northern Sask
- 2a West Central Sask
- 2b East Central Sask
- 2c South West Sask
- 3 Central Sask
- 4a Saskatoon & Area
- **4b** Regina & Area

Table 1. SARRC 2020 Program Results

		Sold	Available for Collection	Amount Available	Collected	Processed	Collection Rate	Target
Oil	L	36,173,949	67.9%	24,562,111	15,669,469		64%	80%
Antifreeze	L	3,223,187	43.3%	1,395,640	272,158		20%	50%
Filters	Units	2,043,743	100%	2,043,743	1,615,120		79%	80%
	kg	849,944	100%	849,944	1,068,468	870,374	102%	80%
Containers	L	20,415,722	100%	20,415,722				
	kg	947,857	100%	947,857	419,569		68%*	75%

^{*}Note: includes 24% reuse rate

Table 2. SARRC 2019 Program Results

		Sold	Available for Collection	Amount Available	Collected	Processed	Collection Rate	Target
Oil	L	37,419,849	64.5%	24,135,803	18,143,855		75%	80%
Antifreeze	L	3,225,418	43.3%	1,396,606	328,852		24%	50%
Filters	Units	2,374,253	100%	2,374,253	1,778,920		75%	80%
	kg	988,263	100%	988,263	1,170,061	947,515	96%	80%
Containers	L	22,011,239	100%	22,011,239				
	kg	1,055,436	100%	1,055,436	462,771		68%*	75%

^{*}Note: includes 24% reuse rate

Table 3. Percent Change in Sales and Collections between 2019 and 2020

		Sales	Collection
Oil	L	-3.3%	-13.6%
Antifreeze	L	-0.1%	-17.2%
Filters	Units	-13.9%	-9.2%
	kg	-14.0%	-8.7%
Containers	L	-7.2%	NA
	kg	-10.2%	-9.3%

Table 5. Greenhouse Gas Estimates

		Units	Kg CO² equiv. Savings/unit	2020 Collections	2020 GHG Savings (tonnes CO ² equiv.)
Oil	L		2.4	15,669,469	37,607
Filters	kg		0.3	1,068,468	321
Antifreeze	L		0.15	272,158	41
Plastic	kg		0.97	1419,569	406
				Total	38,474

Table 4. Volume and Mass of Plastic Containers Sold in 2020 by Type

	Volume (L)	Mass (kg)
Oil	15,035,150	720,298
Antifreeze	3,117,425	156,498
DEF	1,420,770	42,023
Non HDPE	224,372	22,437
TOTAL	20,415,722	947,857

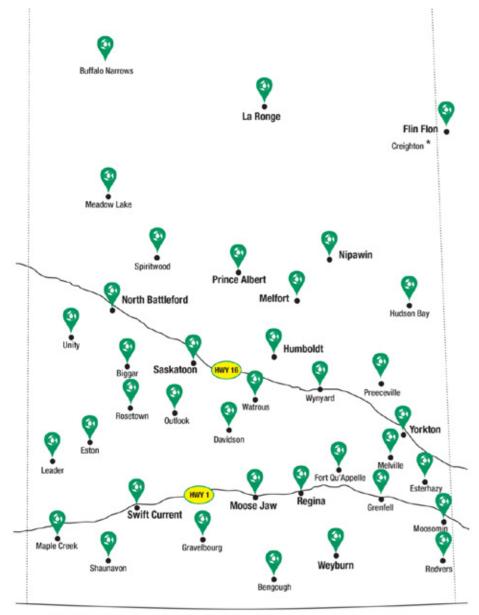
Table 6. Greenhouse Gas Estimates for Plastic by Zone

Zone	kg CO² ernitted/kg	kg CO² offset/kg	Net CO ² savings	% of 2020 Collections
1	NA	2.13	NA	1.1%
2a	1.01	2.13	1.12	7.9%
2b	1.18	2.13	0.95	2.9%
2c	NA	2.13	NA.	1.5%
3	1.48	2.13	0.65	49.8%
4a	0.45	2.13	1.68	24.3%
4b	1.40	2.13	.73	12.4%
Initial Program Average	0.96	2.13	1.17	
Total				100%



DROP-OFF

ECOCENTRES



37 YEAR-ROUND **ECOCENTRES**

*Creighton, SK shares an EcoCentre with Flin Flon, MB

Canada continues to pay more and more attention to the proper end-of-life management of products we use on a daily basis. The Federal government developed a Canada-Wide Strategy for Zero Plastic Waste, and society continues to want to know how, where and when products collected for recycling are remade into useful items as part of the circular economy. The 37 EcoCentres are here to help all of us do our part.



DROP-OFF



*Creighton, SK shares an EcoCentre with Flin Flon, MB

ALMOST 150 YEAR-ROUND COLLECTION POINTS

Protecting and caring for the environment is not a fad. It is what is expected by everyone. SARRC's programs and activities contribute to making this expectation a reality.





COMMUNICATIONS

MESSAGES OF USEFUL AWARENESS

Prairie Perseverance, that's the title of this 2020 Annual Report and it was the theme of this past year's communications plan. It was meant to continue to illustrate SARRC's mandate, demonstrate its programs' value and highlight the province's perseverance in the context of climate change. The main slogan in 2020 was to anchor SARRC's programs turning "used into useful." When the theme was selected by Bill Watson, SARRC's long-time communications consultant now retired, little did he know that the coronavirus pandemic would make Prairie Perseverance an even timelier title for many in the province, including SARRC.



AUDIENCE

In 2020, like in previous years, the entire province of Saskatchewan was SARRC's market. The primary target audience remained men age 25-64, mostly farmers, small business owners/operators, do-it-yourself mechanics, small and large generators of used oil, antifreeze, oil filters, their containers and Diesel Exhaust Fluid (DEF) containers.

MESSAGE

The primary focus of SARRC's communications was to raise awareness of SARRC and its members by explaining the Why — it is important to recycle these products, and the Where — they can be dropped of or with whom pick-ups can be arranged.

THE SARRC ANIMALS

Although, due to the pandemic, in-person events were for the most part cancelled in 2020, which led to the reconfiguration of the SARRC Community Ambassadors' activities in the summer, SARRC's advertising and awareness campaigns continued unaltered. SARRC's six animals [featured throughout this report] once again carried the why and where messages in print, on TV, on the radio and online through Google and YouTube throughout Saskatchewan.



STAY THE COURSE WITH HOW EASY IT IS WITH ALL THE DROP-OFF POINTS.



SARRC's TV and radio commercials are available on SARRC's website.



Fifteen ads published in various publications such as Farming for Tomorrow, the Rural Councillor, the Urban Voice, the Farm Progress Show and Ag in Motion show guides, the State of Agriculture (Saskatoon StarPhoenix/Regina LeaderPost), and Central Saskatchewan Farm Focus. These publications have a total combined circulation of approximately 170,000.

PAID MEDIA

Six animals TV ads rotated on CTV over 8 weeks (April/May) and including Public Service Announcements bonus rotations on Shaw. The same ads ran on Global TV one week on/one week off between December 23, 2019 and June 28, 2020, alternating between Saskatoon and Regina's markets.

Six animals-voices radio ads rotated on stations across the province including 650 CKOM News Talk Saskatoon, 980 CJME Regina, 620 CKRM Regina, CJWW, CJVR-FM and Beach Radio 750 Melfort, Cruz FM, Saskatoon Rock 102, Yorkton GX94 and Fox FM, and the Golden West Radio Network, including CJYM Rosetown, CFYM Kindersley, CHAB Moose Jaw, CKSW Swift Current, CFSL Weyburn, CJSL Estevan, and CHBO Humboldt.





WEBSITE TRAFFIC

SARRC's website visits reached an annual best in 2020, beating its 2017 record by 2% with 25,709 visits and an average of 2,142 per month, including a low of 974 in February and a high of 3,585 in April. The website's most visited pages remain the recycling centres and the collectors. The 2020 digital advertising continued to raise awareness and generate some actions by directing viewers to SARRC's website.

- Google search ads cost per click (action): 21,078 impressions
 3,747 interactions
- Google display ads (awareness): 8,433,075 impressions -2,774 interactions
- Google video campaign (awareness): 626,308 impressions -40,725 engagements/views
- Facebook awareness display ads: 3,868,096 impressions -2,089 link clicks
- Facebook video campaign: 379,593 impressions 231,778 thru-plays
- Facebook Like short-term Campaign: 93,148 impressions (reaching 34,568 individuals) resulted in 362 Page Likes.

Listen to SARRC's Executive director's interview on CTV News Saskatoon and Regina, On The Air with CJWW, and on CKOM and CJME Talk to on SARRC's website.







EXPERT ADVICE

SARRC's executive director gave interviews in celebration of Earth Day on CTV and Global TV, as part of radio stations programming for Waste Reduction Week, the Farm Progress Show (virtual) through on air shows with CJWW, CJVR FM, Talk to the Expert on 650 CKOM and 980 CJME to name a few.

USE A DIVERSE DIGITAL AD PROGRAM

As in previous years, SARRC provided editorial and production direction for the fall 2020 NUOMAAC national newsletter. Distributed electronically to NUOMAAC members, including SARRC's, the newsletter was delivered successfully to 1,198 individuals and achieved an open rate of 30.1% and 141 total clicks on links contained therein. The average open rate for non-profit organizations is now 19.28%.

Even though SARRC's representatives were not able to tour and attend EcoCentre communities' events, nor set up display booths at conferences in 2020, they maintained contact through telephone [about 175 information request calls] and by attending and sponsoring virtual events. They also maintained their partnerships with organizations of similar focus such as the Saskatchewan Waste Reduction Council, Safe Drinking Water Foundation and others. Overall, despite the pandemic, SARRC was able to fulfill its programs' awareness and communications objectives.





PERSEVERANCE MEMBERS ARE THE DIFFERENCE

MEMBERS / BOARD

OUR RECYCLING PARTNERS HAVEN'T GIVEN UP ON THE PROMISE OF A CLEANER TOMORROW

It's always a smart move to partner up with folks who believe in responsible recycling. It's also a proven fact that when you can engage so many responsible businesses, we can keep our province cleaner for a better tomorrow. Clean air, land and water make us all wiser.



49 North Lubricants Ltd.

A and I Products Canada Inc.

ABB Power Grid Inc. (Binome-Quebec)

Acklands-Grainger Inc.

AFD Petroleum Ltd.

AGCO Corporation

AgraCity Crop and Nutrition Ltd.

AGS Company Automotive Solutions

AMSOIL Inc.

Applied Industrial Technologies LP

Atlas Copco Compressors Canada

Automobile Solutions Americas Inc.

Aviall Canada Ltd.

Baldwin Filters Inc.

Baldwin Filters Inc. (DBA Hastings Filters)

Beck/Arnley Worldparts Inc.

Bestbuy Distributors Ltd.

Blue Streak-Hygrade Motor Products

BMW Canada Inc.

Bombardier Recreational Products Inc. (BRP)

Bosch Rexroth Canada Corp.

BOSS Lubricants

BP Lubricants USA Inc.

Brandt Tractor Ltd.

Brenntag Canada Inc.

Bridgeview Fluid Solutions Inc.

Buhler Versatile Inc.

Burkolly Distributors Ltd.

Cabela's Retail Canada Inc.

Canada West Harvest Centre

Canadian Kawasaki Motors Inc.

Canadian Pacific Railway

Canadian Tire Corporation Limited

Canadian Tire Petroleum

Castrol Industrial North America Inc.

Cervus Equipment Corporation

Champion Laboratories Inc.

Chevron Canada Limited

Chris Page and Associates Ltd.

CLAAS of America Inc.

Cleanair Filter Service

Club Car LLC / Ingersoll Rand Industrial Technologies

CNH Industrial Canada Ltd.

ColdFront Ltd.

Comairco Ltd.

CORE-MARK International Inc.

Costco Wholesale Canada Ltd.

CPT Canada Power Technology Limited

Cummins Western Canada LP

Daimler Trucks Canada Ltd.

DAS Companies Inc.

Davanac Inc.

Doepker Industrial Equipment Service

Echo Power Equipment (Canada)

Elliott Petroleum 2014 Ltd.

Equipment Sales and Service (1968) Limited

Failure Prevention Services

Fastenal Canada I td.

ECA Canada Inc.

Federated Co-operatives Ltd.

Finning International Inc.

First Filter Service Ltd.

Ford Motor Company of Canada Ltd.

Fort Garry Industries Ltd.

FRAM Group (Canada) Inc.

Fuchs Lubricants Canada Ltd.

Fuelex Energy Ltd.

Full-Bore Marketing Ltd.

G.F. Thompson Co. Ltd.

G.K. Industries Ltd.

Gamma Sales Inc.

GEA Farm Technologies Canada Inc.

General Motors of Canada Company

GFL Environmental Inc.

Gregg Distributors Co. Ltd.

Harley-Davidson Canada LP

Henkel Canada Corporation

Hino Motors Canada Ltd.

Home Depot of Canada Inc.

Home Hardware Stores Ltd.

Honda Canada Inc.

Husky Energy Inc.

Husqvarna Canada Corp.

Hyundai Auto Canada Corp.

Imperial Oil Ltd.

Importations Thibault Ltd.

Industrial Truck Service Ltd.

Irving Blending and Packaging

Isuzu Commercial Truck of Canada Inc.

ITW Permatex Canada

Jaguar Land Rover Group Canada Inc.

John Deere Canada ULC

KADEX Aero Supply Ltd.

Kaeser Compressors Canada Inc.

Keystone Automotive Operations of Canada Inc.

Kia Canada Inc.

Kimpex Inc.

King-O-Matic Industries Limited

Kleen-Flo Tumbler Industries Limited

Klondike Lubricants Corporation

KTM Canada Inc. Kubota Canada Ltd.

Larry Penner Enterprises Inc. Larry's Transmissions Ltd.

LCT Lubricants Inc.

Leavitt Machinery General Partnership Les Hall Filter Service (2013) Ltd. Les Pieces D Auto Transit Inc.

Loblaw Inc.

Lucas Oil Products (Canada) Company Mack Trucks Canada and Volvo Trucks Canada (Div. of Volvo Gr)

MANN+HUMMEL Filtration Tech US LLC MANN+HUMMEL Purolator Filters LLC Maxim Transportation Services Inc.

Mazda Canada Inc.

Mercedes-Benz Canada Inc.

MFTA Canada Inc.

Mid-Canada Filtration Solutions

Midwest Sales (6195785 Manitoba Ltd.)

Milacron Canada Corp. Miller Supply Ltd.

Mitsubishi Motor Sales of Canada Inc.

Modern Sales Co-op

Mopac Auto Supply (Alberta) Ltd.

Mopac Auto Supply Ltd.

Motion Industries (Canada) Inc. Motor Coach Industries Ltd. Motosel Industrial Group Inc.

Motovan Corp. Motovan Inc.

National Energy Equipment Inc.

Navistar Canada ULC NCH Canada Inc. Nemco Resources Ltd. New Flyer Industries Ltd. Nissan Canada Inc. NORCAN Fluid Power Ltd. Nynas Inc. Oil Mart Ltd.

Orgill Canada Hardlines ULC

Parker Hannifin Canada

Paccar Parts (Div. of Paccar of Canada Ltd.)

Parkland Fuel Corporation Part Source Inc.

Parts Canada Peavey Industries LP Peerless Engineering Sales Ltd. Petro-Canada Lubricants Inc.

Phillips 66 Canada Ltd.

Polaris Industries Ltd. - Canada Porsche Cars Canada I td.

Prestone Canada

Prévost (Div. of Volvo Group Canada Inc.)

Princess Auto Ltd.
Provincial Hydraulics Inc.
PSC-Power Source Canada Ltd.

PTI Transformers Inc Recochem Inc. Redhead Equipment

Revolution ORS LP

Robco Inc.

Robert Bosch Inc.

RONA Inc.

S.W. Industrial Filter Tec Service

Safety-Kleen Canada Inc. SC CLS Holdings ULC Shell Canada Products Ltd. Sherwin-Williams Canada Inc.

SMS Equipment Inc.

Southwestern Petroleum Canada Ltd.

Star West Petroleum Ltd. Startec Refrigeration Services

Stihl Limited Subaru Canada Inc. Suzuki Canada Inc.

TCS Crestwood Engineering Co. Ltd. Texas Refinery Corp. of Canada Ltd.

Textron Off Road

The North West Company Inc.

Toyota Canada Inc. TVH Canada Ltd.

UAP Inc.

Unique Holdings Ltd. o/a Versel United Chemical Services Inc.

United Farmers of Alberta Co-operative Limited

Univar Canada Ltd.

Universe Satellite Sales Ltd.

Vallen Canada Inc.
Valvoline Canada Ltd.
Vermeer Canada Inc.
Viscosity Oil Company
Volkswagen Canada Inc.

Volvo Cars of Canada Corp.

Wainbee Ltd.

Wajax Equipment

Wajax Industrial Components

Wakefield Canada Inc. Wallace and Carey Inc. Wal-Mart Canada Corp.

Westcon Equipment and Rentals Ltd.

Westpower Equipment Ltd. Worldpac Canada Inc.

Yamaha Motor Canada Ltd.

Yetman's Ltd.

Wurth Canada Ltd.

BOARD OF DIRECTORS & STAFF



S. BRIAN AHEARN DIRECTOR CANADIAN FUELS ASSOCIATION



CLAIRE AMUNDSEN ADVISOR SASKATCHEWAN MINISTRY OF ENVIRONMENT UNTIL DEC 2020



KYLA CLINCKE ADVISOR SASKATCHEWAN MINISTRY OF ENVIRONMENT SINCE DEC 2020



JERRY COBEN
DIRECTOR
FEDERATED
CO-OPERATIVES LTD.
(RETIRED)



MEGAN CURRY
DIRECTOR
SPECTRUM BRANDS
CANADA
INC./ENERGIZER
CANADA
UNTIL DEC 2020



RANDY DONAUER DIRECTOR MUNICIPALITIES OF SASKATCHEWAN (FORMERLY SUMA) SINCE DEC 2020



JARET MCMILLAN
DIRECTOR
FEDERATED
CO-OPERATIVES LTD.
SINCE DEC 2020



NORM NORDGULEN DIRECTOR SASKATCHEWAN ASSOC. OF RURAL MUNICIPALITIES



ROD ROSENFELT CHAIR AND DIRECTOR BALDWIN FILTERS (RETIRED)



MIKE STRACHAN
DIRECTOR
MUNICIPALITIES OF
SASKATCHEWAN
(FORMERLY SUMA)
UNTIL DEC 2020



BERT WEICHEL SECRETARY-TREASURER & DIRECTOR JOHNSON AND WEICHEL CONSULTANTS





MERV HEY PROGRAM OPERATIONS MANAGER



JOLENE ISAAC ADMINISTRATIVE SERVICES MANAGER



BRAD KALMAN OPERATIONS COORDINATOR



ETHAN RICHARDSON EXECUTIVE DIRECTOR



MICHELLE SNIDER ADMINISTRATIVE ASSISTANT







■ 2020 FINANCIALS

Financial Statements **December 31, 2020**



Independent auditor's report

To the Members of Saskatchewan Association for Resource Recovery Corp.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Saskatchewan Association for Resource Recovery Corp. (the Association) as at December 31, 2020 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Association's financial statements comprise:

- the statement of financial position as at December 31, 2020;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 accounting standards for not-for-profit organizations, and for such internal

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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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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 detect 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting
 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
 involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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 manner that achieves fair presentation.

We 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 we identify during our audit.

/s/ "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Saskatoon, Saskatchewan March 31, 2021

Statement of Financial Position

As at December 31, 2020

	2020 \$	2019 \$
Assets		
Current assets Cash and cash equivalents Accounts receivable Prepaid expenses	1,572,093 1,409,450 6,000	1,540,772 1,433,118 3,347
	2,987,543	2,977,237
Investments (note 3)	6,780,903	6,607,414
Capital assets (note 4)	99,094	88,989
	9,867,540	9,673,640
Liabilities		
Current liabilities Accounts payable and accrued liabilities	658,097	776,543
Net Assets Invested in capital assets Internally restricted – contingency reserve Unrestricted	99,094 6,150,054 2,960,295 9,209,443 9,867,540	88,989 6,150,054 2,658,054 8,897,097 9,673,640

Commitments (notes 5 and 6)

Approved	l by the l	Board of	Directors
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Director Lettwickel Director

The accompanying notes are an integral part of these financial statements.

Statement of Operations

For the year ended December 31, 2020

	2020 \$	2019 \$
Revenue Environmental handling charges Investment income (note 3) Membership fees Other income	5,666,179 177,325 1,400 80	6,087,680 199,167 1,200 182
	5,844,984	6,288,229
Expenses		
Return incentives (note 5) EcoCentre support costs (note 5) Wages and benefits Public relations and promotions Professional fees Office and administration Rent (note 6) Amortization Insurance Utilities	3,894,199 478,645 413,763 356,601 108,959 92,907 92,421 31,727 27,202 18,080	4,433,081 597,907 391,669 400,436 133,242 73,061 92,421 10,192 26,848 18,159
Director fees and costs Travel and meals Bank charges	8,630 6,904 2,600	13,751 18,875 2,534
-	5,532,638	6,212,176
Excess of revenue over expenses for the year	312,346	76,053

Statement of Changes in Net Assets

For the year ended December 31, 2020

				2020	2019
	Invested in capital assets \$	Internally restricted – contingency reserve \$	Unrestricted \$	Total \$	Total \$
Balance – Beginning of year	88,989	6,150,054	2,658,054	8,897,097	8,821,044
Excess (deficiency) of revenue over expenses for the					
year	(31,727)	-	344,073	312,346	76,053
Purchase of capital assets	41,832	-	(41,832)	-	<u>-</u>
Balance – End of year	99,094	6,150,054	2,960,295	9,209,443	8,897,097

Statement of Cash Flows

For the year ended December 31, 2020

	2020 \$	2019 \$
Cash and cash equivalents provided by (used in)		
Operating activities Excess of revenue over expenses for the year Items not affecting cash	312,346	76,053
Change in fair value of investments Amortization	9,021 31,727	4,608 10,192
Change in non-cash working capital items (note 7)	353,094 (97,431)	90,853 (25,388)
	255,663	65,465
Investing activities Purchase of capital assets Purchases of investments – net	(41,832) (182,510) (224,342)	(54,453) (167,491) (221,944)
Change in cash and cash equivalents during the year	31,321	(156,479)
Cash and cash equivalents – Beginning of year	1,540,772	1,697,251
Cash and cash equivalents – End of year	1,572,093	1,540,772

Notes to Financial Statements

December 31, 2020

1 Nature of operations

The Saskatchewan Association for Resource Recovery Corp. (SARRC or the Association) was incorporated under the Non-profit Corporations Act of Saskatchewan. It was formed by oil and oil filters first sellers in Saskatchewan in 1996 to develop, implement and maintain a used oil, filter and container product management program in the province. In January 1997, SARRC received the required approval to operate a product management program from Saskatchewan Environment, issued pursuant to The Used Oil Collection Regulations. In September 2013 the Saskatchewan government replaced these regulations with The Used Petroleum and Antifreeze Products Collection Regulations. SARRC then submitted an amended plan to expand the product management program to include antifreeze and antifreeze/diesel exhaust fluid (DEF) containers, which was subsequently approved by Saskatchewan Environment in December 2013. As a non-profit organization, no provision for corporate income taxes has been made in these financial statements, pursuant to Paragraph 149(1)(1) of the Income Tax Act (Canada).

2 Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Cash and cash equivalents

Cash and cash equivalents consist of cash balances with banks and term deposits that mature within three months of the date of acquisition, which are held for the purpose of meeting short-term cash commitments.

Classification of financial instruments

The Association classifies its financial instruments as follows:

- cash and cash equivalents are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method;
- accounts receivable are classified as loans and receivables, are initially recorded at fair value, subsequently
 measured at amortized cost using the effective interest rate method and adjusted for any allowance for
 doubtful accounts, with realized gains and losses reported in income;
- term deposits and guaranteed investment certificates are initially recorded at fair value and subsequently measured at amortized cost using the effective interest method. Interest income is recorded in investment income in the statement of operations;
- debt and equity securities that are quoted in an active market are initially recorded and subsequently
 measured at fair value with realized and unrealized gains and losses recorded in investment income in the
 statement of operations; and

Notes to Financial Statements

December 31, 2020

accounts payable and accrued liabilities are classified as other financial liabilities, are initially recorded at
fair value and subsequently recorded at amortized cost using the effective interest method, with realized
gains and losses reported in income.

Transaction costs

The Association recognizes all transaction costs related to financial assets and liabilities as a reduction to net earnings in the period in which the costs are incurred.

Capital assets

Capital assets are carried at acquisition cost less accumulated amortization. Amortization is calculated on a declining balance basis at the following annual rates:

Furniture, fixtures and equipment	20%
Computer hardware	30%
Software	55%

One-half the above annual rates are charged in the year in which the asset is ready for use by the Association.

Revenue recognition

The Association follows the deferral method of accounting for revenue.

Environmental handling charge (EHC) revenue is recognized in the period in which the charge is assessed by first seller members on qualifying lubricants, oils, filters, antifreeze and oil/antifreeze/DEF containers in accordance with the membership agreements with the Association.

EHC revenue is only recognized if it has been claimed by the registrant and there is reasonable assurance of collection.

Return incentives

Return incentive expenditures (RI) are recognized in the year when the lubricating oil, filter, antifreeze and oil/antifreeze/DEF containers materials are collected by a registered collector. Completed claim forms are subject to review and approval by the Association.

Internal restrictions – contingency reserve

In 2016, the Board of Directors adopted a resolution to establish an internally restricted contingency reserve, the balance of which is to be used to fund any future operating deficits or EcoCentre support costs.

Notes to Financial Statements

December 31, 2020

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods.

Accounts significantly impacted by estimates in these financial statements are EHC accruals and revenue where the fees paid by customers in the current year may not be submitted by a registrant until a future year.

3 Investments

	2020 \$	2019 \$
Guaranteed investment certificates (GICs) – at amortized cost	6,200,000	6,292,000
Accrued interest receivable on GICs	35,090	38,401
Debt and equity securities – at fair value	545,813	277,013
	6,780,903	6,607,414

Investment income consists of interest income of \$174,410 (2019 - \$195,808), decreases in the fair value of investments of \$9,021 (2019 - \$4,608) and dividend income of \$17,261 (2019 - \$12,697), net of fees of \$5,325 (2019 - \$4,730).

4 Capital assets

			2020	2019
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture, fixtures and				
equipment	108,877	86,475	22,402	27,342
Software	75,967	20,891	55,076	53,177
Computer hardware	84,787	63,171	21,616	8,470
	269,631	170,537	99,094	88,989

Notes to Financial Statements

December 31, 2020

5 Return incentive and EcoCentre support cost commitments

SARRC is obligated to utilize its net assets, in future years, to fund return incentives and for the establishment of EcoCentres for the used oil, filter, antifreeze and oil/antifreeze/DEF container management program.

The Association entered into five-year agreements, expiring January 1, 2022, with operators of EcoCentres that were established to provide no-cost, drop-off centres for used oil and antifreeze materials. These agreements require the Association to pay a tiered minimum, specified in each individual agreement, per year to each of the EcoCentre operators and provide for additional payments should used oil and antifreeze material collection volumes exceed certain base levels.

The minimum annual operating fee commitment to the 36 EcoCentre operators over the remaining period of the agreements is estimated to be \$350,700 in the next year.

6 Other commitments

The Association entered into a six-year property lease agreement, expiring February 28, 2022, that requires monthly payments of \$6,578 for a total of \$78,936 per annum. The operating lease also requires monthly payments of occupancy costs, which are estimated to be \$13,485 per annum.

The Association has entered into other agreements related to software maintenance, support and consulting.

The aggregate minimum annual commitments under these agreements are as follows:

	Ψ
2021 2022	116,790 31,400
ZUZZ	31,400

7 Net change in non-cash working capital items

	2020 \$	2019 \$
Accounts receivable Prepaid expenses Accounts payable and accrued liabilities	23,668 (2,653) (118,446)	2,284 (3,347) (24,325)
	(97,431)	(25,388)

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Notes to Financial Statements

December 31, 2020

8 Financial risk management

Credit risk

The Association, in the normal course of business, is exposed to credit risk through its cash and cash equivalents and accounts receivable. The Association's cash and cash equivalents are maintained at major financial institutions; therefore, the Association considers the risk of non-performance of these instruments to be remote. There is no significant concentration risk on accounts receivable due to the large registrant base. Management monitors these accounts regularly and does not believe that the Association is exposed to significant credit risk at the statement of financial position date.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Fixed interest instruments subject the Association to fair value risk, while floating rate instruments subject it to cash flow risk. The Association's exposure to interest rate risk pertains to cash and cash equivalents and guaranteed investment certificates.

Market risk

The Association has exposure to credit risk, price risk, currency risk and interest rate risk on its investments in debt and equity securities, since the fair value of future cash flows may fluctuate because of changes in market price, currency exchange rates, and interest rates whether these changes are caused by factors specific to the investments or factors affecting all similar financial instruments traded in the market.

Liquidity risk

Liquidity risk is the risk the Association cannot meet its financial obligations associated with financial liabilities in full. The Association has addressed this risk by maintaining a sufficient working capital position that can be used to settle accounts payable and accrued liabilities and future commitments. The Association expects to be able to meet its financial obligations for the foreseeable future.

9 COVID-19 pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a global pandemic, resulting in significant public health measures and restrictions being put in place. Restrictions such as travel bans, closure of non-essential businesses and physical distancing have caused disruption to businesses and a significant decline in global capital markets resulting in an economic slowdown.

Management has assessed the financial impact of COVID-19 as at December 31, 2020, including the collectibility of receivables, valuation of investments, assessment of provisions and contingent liabilities, and timing of revenue recognition. Management did not identify any impact to its financial statements as at December 31, 2020.

Notes to Financial Statements

December 31, 2020

The long-term impact of the pandemic on the Association and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may have a financial effect on the Association's future revenue and operating results. It is not possible to estimate any results of future financial impacts of COVID-19 on the Association subsequent to December 31, 2020

10 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.



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